

# UNLISTED USE DETERMINATION FOR CARVANA AS 'VENDING MACHINE FULFILLMENT CENTER'

#### UNLISTED USE DETERMINATION FOR CARVANA AS 'VENDING MACHINE FULFILLMENT CENTER'

Consideration of the request of Carvana for an Unlisted Use Determination under Section 4.87 of the Zoning Ordinance. The applicant is requesting a determination on the appropriateness of a Vending Machine Fulfillment Center as a Special Land Use in the TC, Town Center District.

#### Required Action

Planning Commission's recommendation to approve, deny or postpone the request for unlisted use determination of Carvana, a Vending Machine Fulfillment Center as a Special Land Uses in the TC (Town Center District).

#### MOTION SHEET

#### Approval

In the matter of Unlisted Use Determination, motion to <u>recommend approval</u> to City Council to allow Carvana, 'Vending Machine Fulfillment Center' as the described unlisted use, as an appropriate use subject to Special Land Use Conditions in Town Center District based on the following motion:

- a. Carvana is not expressly authorized or contemplated in City of Novi Zoning Ordinance as a as a principal permitted use or a principal permitted use subject to special conditions;
- b. The proposed use is an appropriate use for the requested location at 43700 Expo Center Drive;
- c. A trip generation report or any additional information as required by our City Traffic Consultant, will be submitted at the time of Special Land Use Consideration;
- d. (additional conditions here if any)

(This motion is made because the plan is otherwise in compliance with Article 4, Section 4.87 the Zoning Ordinance and all other applicable provisions of the Ordinance.)

#### – OR –

#### <u>Denial</u>

In the matter of Unlisted Use Determination, motion to <u>recommend denial</u> to City Council to allow Carvana, 'Vending Machine Fulfillment Center' as the described unlisted use, as an appropriate use subject to Special Land Use Conditions in Town Center District based on the following motion:

- a. Carvana fits the definition of a 'used car salesroom, showroom, or office' which are only permitted in B-3, General Business district in our Zoning Ordinance;
- b. (additional conditions here if any)

(This motion is made because the plan is not otherwise in compliance with Article 4, Section 4.87 the Zoning Ordinance and all other applicable provisions of the Ordinance.)

#### – OR –

#### Postpone

In the matter of Unlisted Use Determination, **postpone** the recommendation to City Council to allow Carvana, 'Vending Machine Fulfillment Center' as the described unlisted use, as an appropriate use subject to Special Land Use Conditions in Town Center District based on the following motion:

- a. To allow continued discussion of this item at the same time as action on the proposed Adell Center PRO;
- b. To allow for staff to consider the appropriateness of the proposed use all locations within Town Center District;
- c. To allow for applicant to provide alternate plans to repurpose the building for other uses if the use of 'Vending Machine Fulfillment Center' eventually becomes outdated;
- d. (additional conditions here if any)

PLANNING MEMO

UNLISTED USE DETERMINATION FOR CARVANA August 15, 2018

CITY OF		MEMORANDUM
INI	TO:	PLANNING COMMISSION
	FROM:	SRI RAVALI KOMARAGIRI, PLANNER
	THRU:	BARBARA MCBETH, AICP, CITY PLANNER
NOVI	SUBJECT:	UNLISTED USE DETERMINATION FOR CARVANA AS 'VENDING MACHINE FULFILLMENT CENTER'
cityofnovi.org	DATE:	AUGUST 15, 2018

Planning Commission held a public hearing on July 11, 2018 and postponed their recommendation to Council based on the following motion: <u>Staff Comments based on the current submittal are provided in **bold**.</u>

In the matter of Unlisted Use Determination, postpone the recommendation to City Council to allow Carvana, 'Vending Machine Fulfillment Center' as the described unlisted use, as an appropriate use subject to Special Land Use Conditions in Town Center District based on the following motion:

- a. To allow continued discussion of this item at the same time as action on the proposed Adell Center PRO;
- **b.** To allow for staff to consider the appropriateness of the proposed use all locations within Town Center District;
- **c.** To allow for applicant to provide alternate plans to repurpose the building for other uses if the use of 'Vending Machine Fulfillment Center' eventually becomes outdated.

Applicant has provided a revised narrative dated July 20, 2018 which is attached to the memo. Staff's comments are updated throughout the memo.

Section 4.87 of the City of Novi Zoning Ordinance contains provisions for an Unlisted Use Determination, which allows the City Council, after review and recommendation by the Planning Commission, to determine the appropriate zoning district for a specific use that may not be listed in the Zoning Ordinance. A copy of the Unlisted Use ordinance language (Section 4.87) is attached to this memo.



This ordinance allows for a decision to be made on a specific use request by a specific applicant. It does not formally amend the ordinance to permit this use in the future in the district requested, although the Planning Commission and City Council may wish to pursue a Zoning Ordinance text amendment as well, after the determination is made. As relates to this particular proposed use, once the appropriate zoning district is identified, the actual location of the proposed use will be reviewed at the time of Planned Rezoning Overlay concept plan and site plan review in conjunction with a Special Land Use request. At this point, the Planning Commission and City Council are asked to make a determination whether or not the use is appropriate for the district in which the applicant has requested it (the TC District).

The request under consideration concerns whether to allow 'Vending Machine Fulfillment Center' as a Special Land Use within the City of Novi. Planning Staff has determined that the Zoning Ordinance does not provide for the use as it has been described. Therefore, the City Planner has forwarded the request for a decision under the Unlisted Use section of the ordinance. Staff notes are provided in **bold** throughout the memo.

The applicant has requested to allow the proposed unlisted use at the former Expo property located south of I-96 ramp and west of Expo Center Drive near Novi Road. The use would be part of a larger proposed development currently being proposed by the owner of the former Expo property as a Planned Rezoning Overlay (PRO) from the EXPO District to the TC District. It will be located in the area indicated in green in the image above for freeway visibility. The PRO development that includes other uses such as indoor recreational facilities, hotels and possibly restaurants.

#### **USE SUMMARY**

The applicant has provided a 'Project Development Narrative' explaining how Carvana works. Here is the summary of the narrative that pertains to the use and operational style of Carvana.

- 1. Carvana facilitates the sale of used car vehicles online; the sold cars are delivered to Carvana fulfillment center for customer pick up. In some events, customer advocates may deliver each car to the buyer's home on request.
- 2. Store hours are from 7 am to 9 pm. The customer visits the store by appointment, finishes the final paperwork to get a token. The buyer than use the token to get the car out of the 'vending machine'.
- 3. Carvana stores cars vertically in a 7 story tower as opposed to traditional dealership's off-street horizontal parking lots. The office building attached to the tower is only single story. Vehicles are visible through windows on all floors from all sides.
- 4. The tower is not occupied and is simply used as storage for pre-sold vehicles to be picked up.
- 5. The applicant has indicated that approximately 35-45 parking spaces are required for this use. Further clarification is required whether the surface parking vehicles.

Revised narrative indicates 6-15 customers visit the site as an average daily basis. More comments are provided later in the memo.

- 6. Carvana proposes to employ 10 -12 customer advocates and at least one manager at Novi location.
- 7. There is no servicing of vehicles or auto repair being conducted at the 'Vending Machine Fulfillment Center'. There is a designated area for a light rinse before the vehicles are loaded into the Vending machine. Service and repair is offered through third party vendor off-site.
- 8. A nine-car delivery truck will visit the site twice daily on an average. The trucks will not be parked on site. The cars will be placed in the parking spaces and the customer advocates will drive them into the tower. The applicant is asked to dedicate nine parking spaces for temporary storage of delivered vehicles on site so that it would not conflict with required surface parking for employees and customers. The applicant indicates that it will be parked between I-96 frontage and building. A deviation is not requested for its location. More comments are provided later in the memo.
- 9. All construction will be completed in one phase.
- 10. According to a traffic report conducted by KLOA, Inc in 2017, the trips generated in and out of the site include those of the employers, customers who visit the site by appointment and the delivery trucks. It would not include customers shopping for new vehicles similar to how a traditional car dealership operates. The applicant is asked to provide a copy of the Traffic report for further information about trip generation during peak hours and also to determine the minimum parking requirements.

#### ARCHITECTURE

The tower is made of steel and glass construction. The applicant has provided building elevations under a separate application which is under review for rezoning overlay. Here is an excerpt from the review provided by our Façade consultant.

'The Façade Ordinance defines Display Glass as areas of vision glass that are intended through exposure to thoroughfares and pedestrian ways and lighting methods to strongly emphasize the items displayed within the building. Based on this definition the Caravan



tower would be considered Display Glass. Similar to the Town Center bell tower, we believe that the Carvana tower will represent an iconic element within this project and the Novi shopping district at large. We believe this justifies a deviation from strict interpretation of the Facade Ordinance with respect to Display Glass.'

Carvana was founded in 2012 as an online automobile retailer. It is currently operating in 9 cities in United States in Texas, Florida, Tennessee and North Carolina. If the unlisted use, site plan and special land use are approved in Novi, it will be the first store in Michigan. It is an experimental concept, which the applicant indicates is becoming popular. However there is no guarantee for the long-term viability of the use. Staff is concerned as to what alternate user for the building might be found if the proposed use of 'Vending Machine Fulfillment Center' eventually becomes outdated. The glass tower is built to store vehicles and not for human occupancy. The options to repurpose the building for another use seem limited, and the location prominent. In response to this, the applicant has provided some additional information and map data to support the growth patterns of their business within United States. It appears that the chances for repurposing the building are limited or not available. A redevelopment of the entire site is more likely to happen if Carvana is decommissioned at this location.

#### **ORDINANCE REQUIREMENTS**

- 1. **Height:** The proposed zoning category only allows for a maximum of 5 stories or 65 feet building. The applicant is requesting a deviation for 7 stories and 75 feet height.
- 2. **Signage:** The applicant is also requesting multiple deviations from our sign Ordinance, which are yet to be reviewed by staff. Sign review notes that the sizes of the signs appear to be approvable based on the anticipated setback of the building from the nearest street centerline but the setback distance was not provided. Provide a plan with the setback distance from the nearest thoroughfare centerline. Refer to Sign review comments for more details.
- 3. Parking: The current Zoning Ordinance does not provide guidance to determine required parking for such a use. The narrative states that on an average 35-45 spaces are required on an average for a Carvana facility. The current plan only proposes 30 spaces. Supporting data is not provided for either required or proposed. It appears that there will be 10-12 employees on site, 6-15 customers daily and 9 parking spaces are required to temporarily park delivered vehicles. Please clarify how many customers visit the site on an average daily basis. The applicant is asked to provide a copy of the Traffic report or tip generation study performed at a similar size location for further information about trip generation during peak hours and also to determine the minimum parking requirements.
- 4. Lighting: The tower appears to be lit 24 hours a day. The applicant is asked to provide additional information about lighting and its impact on the surroundings.
- 5. Loading: The applicant is currently requesting a deviation from location and size requirements. It appears that a loading area is proposed in the exterior side yard, but a request for deviation was not made. Based on the narrative, it is staff's opinion that there will be a need for loading space for the nine-car fleet vehicle that visits the site.

There appears to be parking required for single car haulers, which are used by the employees to deliver cars to customers. Staff requests the applicant indicate the number of single car haulers that will be located on the site, size and location of parking, if these vehicles are being proposed. Staff recommends providing wheel paths for both delivery truck and single car haulers to review site maneuverability from point of entry to point of exit.

6. **Façade Materials**: Carvana is requesting a deviation for underage of brick, underage of combined brick and stone and overage of display glass which are supported by staff.

#### **IDENTIFIED USE AT OTHER COMMUNITIES**

At the time of Pre-application meeting, staff requested the applicant to include information about their existing locations and how other local governments defined their use. A list of existing locations is included, but the approved use categories are not listed. **The applicant is asked to provide the missing information in the table below so that that staff can make a recommendation for an appropriate zoning district**.

Existing Operating Location	Use Type	Zoning District
Nashville, TN		
Dallas, TX		
Austin, TX		
Houston, TX		
San Antonio, TX		
Jacksonville, FL		
Tampa, FL		
Charlotte, NC		
Raleigh, NC		

The applicant in the Planned Rezoning Overlay narrative, which is under review currently as a separate application, has stated that the use would fall under the phrases "retail uses" and "including but not limited to...". This appears not to be applicable, as all sales happen online and only delivery happens on site. There are no walk-ins allowed for customers looking to buy a car. There are no vehicles on display for sale.

The intent of Town Center Ordinance states that uses which have as their principal function of used motor vehicle sales would have a disruptive effect on the intended pedestrian orientation of the districts. The applicant states that all sales are facilitated online and this is not defined by traditional used car sales vehicle facility. As discussed above, the proposed use appears to have some of the similar characteristics such as retail allowed in TC, B districts etc. or car sales allowed in B-3 district, warehousing facilities allowed in I-1, OST districts or Vehicular parking districts such as P-1 district. However, it does not entirely meet the intent of any of those districts. The applicant has indicated that Carvana facilities are always typically located with freeway frontage. Section 3.1.25, which lists the permitted uses, is attached to this memo.

#### USED CAR DEALERSHIP: STATE OF MICHIGAN

License for used car dealer is classified as 'Class B' License under State of Michigan licensing regulations. Per the Original Vehicle Dealer License Application Instruction Booklet, 'used or second hand vehicle dealer allows dealer to buy and sell used vehicles to and from the general public and other licensed vehicle dealers'.

Per the booklet, 'new and used vehicle dealers are required to provide proper servicing facilities. The servicing facility must be located within 10 miles of the dealership's established place of business'. The applicant indicated that there is no servicing provided on site, but information about its off-site service facility, if any, is not indicated.

Additional requirements about what an established plan of business must include are listed in the excerpts of the booklet attached.

The applicant has provided the following clarifications with the revised narrative

- 1. A Michigan dealership license is required to establish the Carvana facility.
- 2. A dealership license is required.
- 3. No onsite service or repair will occur at this location. Carvana's vehicles are serviced and repaired at centralized facilities throughout the country.
- 4. In order to comply with Michigan's regulatory requirements, Carvana can enter into an as-needed contract with a third party service and repair facility located offsite.

#### TOWN CENTER DISTRICT

Since the last Planning Commission meeting, staff also performed a preliminary review of other possible locations within Town Center district. A zoning map is attached that indicates the extent of existing Town Center district and the surrounding areas. As is evident, a majority of the Town Center district is developed as Novi Town Center. It is staff's opinion that redevelopment possibility for the established retail development appears to be unlikely. There are a couple of vacant lots east of Novi Town Center which may have the potential to be rezoned to Town Center based on recommendation from Town Center area study and future land use designation of TC Gateway (a future land use map is also included).

It is staff's opinion that Carvana would be a better fit within the I-1, Light Industrial and/or OST, Planned Office Service Technology districts with a freeway frontage. Based on staff's review, the following suggestions are offered to be considered to be provided if the use is allowed within TC, Town Center District as a Special Land Use.

- 1. The use should be limited to properties with freeway frontage only.
- 2. A trip generation study is required to establish the minimum parking requirement

- 3. Outside storage or storage sheds on site should not be allowed with this use, as they not meet the design intent of Town Center district.
- 4. A limit should be set for number of single car haulers, parked within the site. Staff recommends that they are placed such that they are not visible from Adell Drive or from along the freeway frontage.
- 5. All loading areas should be screened with landscaping with 100% opacity in Summer, 80% in Winter, or other opaque screening.
- 6. A layout plan should be provided indicating the location of the dumpster enclosure, loading area for the delivery truck(s), parking spaces for employees and customers, and any single car hauler parking on site so that staff can review the viability of circulation proposed.
- 7. A circulation plan showing wheel paths for both delivery truck and single car haulers to review site maneuverability from point of entry to point of exit.

#### UNLISTED USE DETERMINATION

The Planning Commission is asked to review the applicant's narrative, elevations, signage and floor plans, which are attached, along with staffs comments and determine whether or not the use would be appropriate as a Special Land Use in all determination on the use and if it would be most appropriate for the current proposed zoning category of Town Center in the current proposed location.

Note: If ultimately approved by the City Council as a use authorized in the TC District, the applicant would still need to obtain Special Land Use approval through the Planning Commission during Preliminary Site Plan review.

#### Attachments:

- 1. Zoning Map
- 2. Future Land Use Map
- 3. Carvana: Project Development Narrative (July 20, 2018)
- 4. Carvana: Building Elevations
- 5. Carvana: Floor Plan
- 6. Carvana: Signage Plans
- 7. Section 3.1.25: Town Center Permitted Uses
- 8. Unlisted Use Determinations
- 9. Excerpt from Original Vehicle Dealer License Application Instruction Booklet for Class B License

# CARVANA: Unlisted Use Determination for Town Center District(TC)

Zoning





City of Novi Dept. of Community Development

City Hall / Civic Center 45175 W Ten Mile Rd Novi, MI 48375 cityofnovi.org

#### MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



# CARVANA: Unlisted Use Determination for Town Center District(TC)

**Future Land Use** 



**Dept. of Community Development** City Hall / Civic Center 45175 W Ten Mile Rd Novi, MI 48375 cityofnovi.org

#### MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to mee hal Map Accuracy Standards and use the most rec e sources available to the people of the City of Novi of he construed as survey measureme icensed Michigan Surveyor as defined in Michigan Public Act 1 of 1970 as amended. Please contact the City GIS Manager to source and accuracy information related to this map



Carvana: Project Development Narrative



# **Proposed Development Project Narrative**

Submitted by: Arwa Lulu Carvana, LLC 1930 W. Rio Salado Pkwy Tempe, AZ 85271

Submitted to: The City of Novi, Detroit 45175 Ten Mile Road Novi, Michigan 48375

June 5, 2018 Revised on July 19, 2018



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## **Development Team**

Applicant:	Carvana, LLC. Arwa Lulu, Entitlements Associate 1930 West Rio Salado Parkway Tempe, AZ 85281 480-244-3900
Architect:	WHN+ Architects Jim Hodges 330 West 10 <sup>th</sup> Street Charlotte, NC 28202 703-333-9952
Engineer:	GreenTech Engineering, INC. Daniel LeClair, PE, PS 51147 W. Pontiac Trail Wixom, Michigan 48393 248-668-0700
Attorney:	Clark Hill, PLC Stephon B. Bagne, Esq. 151 S. Old Woodward Ave Suite 200 Birmingham, MI 48009 248-854-7837



#### **Section 1. Introduction**

#### Introduction

Carvana, LLC is pleased to submit this updated project narrative to the City of Novi in support of the overall Planned Rezone Overlay ("PRO") plans. This narrative has been updated to address questions and concerns contained in the June 28, 2018 Memorandum to the Planning Commission prepared by Planner Sri Ravali Komaragiri (the "Memorandum"). This request will allow for the development of a Carvana Vending Machine Fulfillment Center at 43700 Expo Center Drive as part of the overall Adell Center Multi-Use Development proposed in Novi, Michigan.

Carvana's proposed use differs significantly from a traditional automobile sales facility. Rather than utilizing large surface parking areas to store and display vehicle inventory onsite, Carvana facilitates the sale of used vehicles online at Carvana.com. The cars are then transported to the Carvana Fulfillment Center nearest the customer and are then made available for customer pickup via a state of the art Vending Machine structure. Through the use of the Vending Machine Fulfillment Center, Carvana has transformed the stressfilled car buying experience into a user-friendly and exciting customer experience. For that reason, Carvana's proposed use is an Unlisted Use pursuant to Section 4.87 of the City's Zoning Ordinance. As such, the City must determine the district in which the proposed use is appropriate as a special land use.

Carvana's use is appropriate in the "Town Center" or "TC" district proposed by Adell through the City's Planned Rezoning Overlay. Carvana's Vending Machine Fulfillment Center is a new, exciting use that should be located in a flagship location within the community. Further, Carvana's use involves less traffic impact than uses typically found in either the existing "EXPO" or the proposed "TC" district in terms of both overall traffic volume and peak time travel.



#### About Carvana

Carvana is an online automotive retailer that is disrupting the used car industry. Through a robust, user-friendly website, Carvana offers over 7,500 pre-owned vehicles for sale and provides buyers the opportunity for a 360° view of the interior and exterior of the vehicle prior to purchase. Customers are given a 7-day test drive and delivery of the vehicle can be made in as little as 24 hours.

- Carvana was founded in 2012 as an online automotive retailer. Carvana has been described as an "Amazon for cars" and provides the ability for customers to buy a car in as less than 10 minutes.
- In 2018 Carvana made the Inc. 5000 list as one of the fastest growing companies in the nation coming in at #34.
- Carvana is a publicly-traded company and has current revenues in excess of \$350,000,000 per year.
- Carvana is now the 2<sup>nd</sup> largest pre-owned automotive retailer in the state of Georgia.
- Through the use of a coin-operated Vending Machine Carvana delivers cars to buyers in an entertaining and memorable way.
- Carvana currently has Vending Machine stores operating in:

Nashville, TN	Tampa, FL		
Dallas, TX	Orlando, FL		
Austin, TX	Charlotte, NC		
San Antonio, TX	Raleigh, NC		
Houston, TX	Tempe, AZ		
Jacksonville, FL	Gaithersburg, MD		
Cleveland, OH			

With the development of its Vending Machine properties, Carvana provides a nontraditional bricks-and-mortar identity for those consumers who want to establish an in person relationship with their car retailer. Visitors to the Vending Machine are welcomed by appointment-only and standard hours of operation are daily from 7am to 9pm.

#### **The Carvana Difference**

The Carvana Difference					
Traditional Automobile Dealers	Carvana				
10 to 20 acres	1 to 3 acres				
30,000+ building square footage	5,700+/- building square footage				
Over 650 parking spaces	Approx. 35-45 parking spaces				
Vehicles are displayed for sale	Vehicles are pre-sold, awaiting customer pickup				
Walk-ins are welcome and encouraged	Store visit by appointment-only				
Large areas of impervious surfaces	Small areas of impervious surfaces				
Fuel pumps	No fuel pumps				
Balloons, loud signs, marketing gimmicks	No marketing gimmicks, loud music or large banners leading to site				

#### Site size

Carvana packs a lot of excitement into a small site. While most traditional car dealers require 10 to 20 acres to house their showrooms and inventory, Carvana requires on average only 1 to 3 acres for their Vending Machine store locations and only 1.3 acres specifically for Novi, MI. Carvana is able to comfortably place the tower, welcome center, customer parking, landscaping and storm water retention on the site. This is in large part because there are no vehicles on display for direct sale, all sales occur online. Carvana does not need to display vehicles for direct sale because its website includes state of the art, highly interactive 360 degree views of all vehicles with detailed information about the condition and history.

#### **Architecture and Engineering**



Carvana fulfillment The center features an awardwinning, contemporary, single-story building connected to a 75-foot glass and steel octagonal tower (pictured left). The building center includes: The Customer Center, employee office space and the Vending Machine Car Tower, which is attached to the building. Inside the

tower are pre-purchased vehicles awaiting customer pick-up. It is important to note that the tower is not occupied and acts simply as temporary storage of vehicles.



After completing the final sales paperwork in the Carvana Customer Center (pictured left), customers place their token in the coin machine and that is what initiates the car to vend from the The tower. customer's car is brought down from the tower via a proprietary automated delivery system, and brought out to the

customer through two glass doors and into a drive aisle closest to the Customer Center entrance.

#### **Project Location**

Carvana is under contract to purchase the approximately 1.3-acre parcel with direct visibility off from I-96. The location is shown in the aerial on the next page, and is also known as parcel ID 22-15-476-045.



#### Plan of Operation

Outlined below is Carvana's operational detail, which includes a thorough understanding of the unique nature of the typical operations.

Workforce: Carvana projects to employ 10-12 Customer Advocates and at least one Manager at this location. These employees will work in shifts. Their activities include:

- Setting appointments with customers for pick-up of purchased vehicle
- Welcoming customers to facility
- Finalizing purchase paperwork, obtaining final signatures
- Assist in off-loading of vehicles from Carvana haulers/delivery trucks
  Loading of vehicles into Vending Machine

Clients and Customers: Before a customer completes their online vehicle purchase, they are prompted to schedule their pickup time before arriving to the Carvana Vending Machine. Customer visits to the site are by appointment only.

Processes Conducted on the Site: As previously mentioned, activities on the site include setting up appointments with customers to schedule pick-up of their cars; off-loading of vehicles from the delivery trucks; loading of vehicles into the Vending Machine; finalization of purchase paperwork and presentation of cars to their owners. Standard hours of operation are from 7:00 a.m. to 9:00 p.m. There will be no servicing of vehicles or auto repair being conducted at the Vending Machine facility, although there is a designated area in the building where the vehicle is placed for a light rinse before being loaded into the Vending Machine for customer pick-up. Additionally, there are no outdoor speakers or any promotional signs.

Materials Used: There are no hazardous materials used at the Carvana Vending Machine Fulfillment Center.

Receiving and Deliveries: There are deliveries of cars to the site via a nine-car delivery truck. Carvana owns and operates their own fleet of delivery vehicles and the drivers are Carvana employees. Accordingly, Carvana controls the days and times of deliveries to the site. It is anticipated that there will be on average two deliveries of vehicles to the site per day. Additionally, for those customers who choose the at-home delivery option, single car haulers are available on site and Customer Advocates will deliver the vehicle to the customer's home.

Waste: The waste produced at a Carvana Vending Machine site is the same as an office building, largely dry paper and cardboard. The site will have an enclosed trash receptacle.

#### Phasing

All of the construction and development proposed in this application will be undertaken in a single phase.

#### Circulation

General customer and employee parking is provided on site. Drivers operating the nine car haulers will be instructed to access the site into the loading/unloading area and vehicles will be off-loaded into the empty parking spaces temporarily.

Carvana's site is designed to allow Carvana's multi-car haulers to loop through the site. Trucks will enter from the cul-de-sac, pause at a dedicated unloading zone between the building and freeway, and exit through Carvana's second ingress and egress point. Because deliveries to Carvana's site are made by Carvana's own multi-car haulers, delivery timing is controlled by Carvana. Deliveries are timed to prevent two multi-car haulers from being present simultaneously. Since the delivery trucks are based at other locations, Carvana is naturally desirous of unloading those haulers promptly so that they can return to their base locations. Once the delivery is complete, the hauler will be directed to exit the site since these multi car haulers are not placed on site Customer Advocates will then immediately load the vehicles into the tower.

#### **Traffic**

Carvana has conducted a traffic evaluation for a different Vending Machine site with the same use proposed in Novi, MI. The traffic report was conducted by Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA, Inc.) in 2017. Carvana's Vending Machine facility is limited to customer pick-ups of their already purchased vehicles. Because customer pick-ups are made by appointment only, customers will naturally self-regulate their impact on peak hour traffic flows. It is expected that customers who are travelling to the area will avoid peak hour appointments. Alternatively, customers who are already travelling through the area will use a stop at Carvana as an excuse to complete their commute during those peak hours. No vehicle repair, customization, auto-body services or auto parts sales will be available at the proposed center. As such, the vehicle trips accessing Carvana during peak hours may be further reduced from what is estimated to be generated.

The Vending Machine facility does not house "for sale" vehicles in the tower or in the available parking spaces, therefore Carvana would not generate traffic for customers shopping for a new vehicle similar to how a traditional car dealership operates.

#### Impact of Proposed Development and Requested Deviations

The innovative site plan and unique nature of this land use allow for what many could consider a vacant, remnant parcel, to instead be redeveloped into a vibrant use and strong contributor to economic development in the City of Novi. The proposed Carvana use represents an improvement over the existing site uses and conditions. The proposed development uses a smaller footprint than a traditional car dealership, and by reducing the amount of parking on the site, more green area is provided. Additionally, the overall traffic impact to the site will be reduced.

The proposed development will also have a positive aesthetic impact on the surrounding area. The new Carvana tower will complement the Multi-Use Development and will

become a destination location for consumers in the City of Novi and the larger Detroit metropolitan area. The Carvana facility will join the existing development and inject some well-needed vitality to the area. The operational impact on the surrounding area will be minimal.



#### Section 2. Deviation Requests

#### **Deviation Requests**

Carvana's site specific deviations include requests for: a 75-foot glass tower; a total of eight signs on the tower and one on the building; a combination of spandrel glass, brick, ACM panels and clear glass for building materials; and approximately 35 parking spaces to accommodate for business needs.

#### Height

The proposed Carvana Vending Machine Fulfillment Center will feature a contemporary, single-story building connected to an 8-tier/75-foot clear glass and steel tower. As shown on the Site Plan, **Exhibit A** of this narrative, the building is placed on the site parallel to Interstate 96. The Vending Machine tower component will be visible from the interstate. Zoning District "TC" allows for 5 stories or 65 feet as the maximum building height and Carvana requests a deviation to allow for an additional 10 feet. The 10 foot deviation is not out of place in this area given the existence of the significantly taller Adell Water Tower and other proposed users such as IFly and the Drury Inn, which also propose tall uses.

It is important to emphasize that Carvana's tower will not be occupied. Therefore, for fire rescue purposes, the requested deviation will not endanger the public.

## Signage



Signage is used as proper way finding and an essential component of any businesses' overall marketing strategy, and that is no different for Carvana. The Vending Machine tower is where most of the signage is (pictured left). placed Since Carvana's tower will be visible from Interstate 96, signage is placed at the top of the tower to make our building noticeable for customers. This type of signage not

only provides wayfinding to the Carvana facility, but also provides emphasis to the buildings architecture.

Carvana is requesting a variance from Chapter 28: Signs Sec. 28-5. from the City of Novi Zoning Ordinance. The Town Center District ("TC") allows wall signage for a maximum of 250 square feet or a canopy sign up to 24 square feet.

District	Wall Sign (per tenant, multiple)	Wall Sign (single tenant)		Canopy Sign
Business (B1-3, FS, RC, NCC, C, TC, EXPO)	30-65 square foot maximum based on frontage, (1) sign per business, footnote (7)	Permitted nonresidential only 250 square foot maximum, (1) sign footnote (7)	or	(1) sign of 24 square foot maximum

#### **Permanent Signs Permitted According to District:**

ltem	Description	Qty	Sign Area
A1	Wa <b>ll</b> Sign Logo	1	23.77
A2	Wall Sign Letters	1	55.00
A1	Wall Sign Logo	1	23.77
A2	Wall Sign Letters	1	55.00
A1	Wall Sign Logo	1	23.77
A2	Wall Sign Letters	1	55.00
A1	Wa <b>ll</b> Sign Logo	1	23.77
A2	Wall Sign Letters	1	55.00
В	Blade Sign	1	9.00
	Aggregate Tota		324.08

summarizes the total square footage utilized.

Carvana requires a total of nine signs for the development: four letter signs and four logo signs on the tower and one canopy sign at the front entrance. The total sign area is 324.09 square feet: 315.08 sq. ft. for the wall signs and 9 sq. ft. for the canopy sign. Carvana is requesting an additional 65.08 square feet of sign area for the wall signs as well as a canopy sign for the front entrance leading customers into the Customer Center area. The chart pictured left

#### **Building Material**



Carvana proposes the store concept as pictured left in the artist's rendering. The occupied building structure material is comprised of brick, ACM panels and clear glass. The material proposed for the occupied building space is listed below:

CARVANA	FRONT
Brick	30%
Clear Glass	53%
Spandrel Glass	0%
ACM Panels	17%
HM Doors	0%

OCCUPIED SPACES

Carvana is requesting a variance from the façade requirements as listed below. Carvana requests to have the occupied building portion made primarily of clear glass, brick and ACM Panels. The tower attached to the building will include glass and steel.

Carvana	Front	Right	Left	Rear	Ordinance Maximum (Minimum)
Brick	0%		50 50		100% (30% Min.)
Brick and Stone Combined	0%				50% Min (TC Ord.)
Spanderal Glass	20%				50%
LED Accent Light Band (2 rows)	N.P.				0%
EIFS	80%				25%

#### Parking

Carvana originally proposed up to 40 parking spaces for the site to accommodate for the parking needs of employees, visitors picking up their newly purchased vehicle, and cars which have been delivered to the site but have not yet been loaded into the Vending Machine. Carvana haulers will enter the site and unload into the empty parking spaces. Once vehicles are unloaded and the hauler has left the site, the pre-purchased vehicles will be loaded into the tower. On average, our Vending Machine facilities have anywhere from 35-45 surface parking spaces, which is significantly less than a traditional car dealership that may house over 600 parking spaces.

In order to reduce the number of deviations requested pursuant to the request of the Planning Commission at the July 11, 2018 meeting, Carvana has reduced its request for parking to the 30 spaces allowed by the "TC" district. By doing so, Carvana will be able to better meet the Planning Commission's desire for more open space and a more walkable overall development.



#### Section 3. Placement in "Town Center" District

Carvana's proposed use is appropriate for the proposed Planned Rezoning Overlay that seeks to convert the zoning of the larger, development parcel from "EXPO" to "Town Center" or "TC."

Carvana's Vending Machine Fulfillment Center is a unique, cool, and modern use that includes a tower that is a piece of working modern art, a display of ever-changing vehicles. It is a feature that will be a showcase for the City and a point of interest for both vehicular traffic travelling the freeway and pedestrians walking through the larger center. The Vending Machine Fulfillment Center promises to be Novi's flagship symbol of the modern economy tied directly to the region's historic relationship to the automobile industry.

The Fulfillment Center will accomplish this simultaneously with reducing the traffic impact of the new development on the area because it does not require significant employees on site at a given time, draws fewer customers than other uses typically found in either the "EXPO" or "TC" zonings, and because customer visits are on an appointment basis they will naturally self-regulate themselves to avoid traveling during peak times. The Fulfillment Center is a destination location for a limited number of daily customers who may view their unique Carvana experience as part of an outing that may include enjoying other users in the development or businesses in the area. The Fulfillment Center's experience 6-15 customer visits daily based on market and metro size.



#### Section 4. Additional Issues Raised in Memorandum

Carvana desires to respond to several inquiries contained in the Memorandum.

The Memorandum expresses concern that Carvana's use is an experimental concept involving a building that could eventually become outdated. The Appendix to this Project Narrative includes slides shown to the Planning Commission at the July 11, 2018 meeting demonstrating the rapid growth of Carvana's brand both in terms of total vehicle sales and in its geographic footprint. While Carvana is a disrupter of the retail automobile resale market, its concept is being proven daily. Further, the entire real estate industry is reacting to the disruptions that have been occurring in retail sales generally. The demand for former big box retail facilities is slowing while the supply is increasing as historic giants in the retail market like Toys R Us and Sears are being forced either to scale back their operations or close completely. Novi has been known for many years as a prime destination for retail. Carvana's proposed use is an opportunity for Novi to demonstrate that it is on the forefront of the new economy.

The Memorandum also inquires whether a Michigan dealership license is required to establish the Carvana facility. A dealership license is required. Carvana will comply with all State regulatory requirements. Carvana reiterates that no onsite service or repair will occur at this location. Carvana's vehicles are serviced and repaired at centralized facilities throughout the country. The Vending Machine Fulfillment Center is a limited-scope facility, designed to facilitate customer pick-up of vehicles because any other tasks are undertaken at the centralized facilities, prior to distribution by Carvana's self-owned car haulers. In order to comply with Michigan's regulatory requirements, Carvana can enter into an as-needed contract with a third party service and repair facility located offsite.



### Section 5. Conclusion

This proposed development will bring a new and exciting company, whose values, mission and goals align closely with the goals espoused in the City of Novi's Master Plan for Land Use Review, most recently updated in 2016.

Some of these shared visions are:

- Embracing new development of land that is of high quality design and materials
- Promoting environmental stewardship through the preservation of open space and utilization of low-impact development techniques
- Placing a high value on economic development through maintaining the balance between the economy, environment and community to create sustainable developments that meets the needs of the community today and in the future

Carvana looks forward to working with City of Novi to develop a Carvana Vending Machine Facility, which will provide residents of Novi, and entire Detroit metropolitan area, with a new retail car buying experience. The development team looks forward to working with the City of Novi to make the vision for this parcel a reality and respectfully request support of this development.

In order to move forward with this Project, Carvana asks that the Planning Commission confirm that its facility is an Unlisted Use pursuant to Section 4.87 of the Ordinance, recommend that the City Council identify the proposed "TC" district as an appropriate location for this Unlisted Use, and include the deviations identified in this Narrative as approved within the ultimate Planned Rezoning Overlay Agreement to be entered into with Adell.



#### Exhibit A

#### **Overall P.R.O. Plan**



#### **Exhibit B**

#### Carvana's Expansion at an Increasing Pace





**Carvana: Building Elevations** 





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5
Carvana: Floor Plan





ABCD	
Purchase	Annual Rent,
Access Rating	Parking Cour
Height by Right	Height Desire
Zoning / Use	Variance Ne
Launch Pr	rojection Q/Y

Date Issued: MAY 30, 2018

43700 EXPO CENTER DRIVE

SD-1 DETROIT, MI (NOVI) Carvana: Signage Plans



# 43700 EXPO CENTER DRIVE NOVI, MI 43375

drawing no. 026869

REVISIONS

DATE: REVISION # & DESCRIPTION

DESIGNER







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### NOT TO SCALE





### FIELD SURVEY REQUIRED

• = wiring location

 each raceway has wiring setup to exit the left "C" end, puck logo signs have wiring exiting along the top left support tube, the under canopy sign has wiring exiting out of the vertical support tube/mounting plate
 LED border tubing wiring locations to be determined in the field.

FRONT ELEVATION

SCALE: 1/16" = 1'-0"









### FIELD SURVEY REQUIRED



 = wiring location

 each raceway has wiring setup to exit the left "C" end, puck logo signs have wiring exiting along the top left support tube, the under canopy sign has wiring exiting out of the vertical support tube/mounting plate LED border tubing wiring locations to be determined in the field.

LEFT ELEVATION

SCALE: 1/16" = 1'-0"



CONSULTANT: AW PROJECT MANAGER: A. SCHEIBER DESIGNER: THW FILE LOC: NOVI, MI \026869









### FIELD SURVEY REQUIRED

 = wiring location

 each raceway has wiring setup to exit the left "C" end, puck logo signs have wiring exiting along the top left support tube, the under canopy sign has wiring exiting out of the vertical support tube/mounting plate LED border tubing wiring locations to be determined in the field.

**REAR ELEVATION** 

SCALE: 1/16" = 1'-0"



CONSULTANT: AW PROJECT MANAGER: A. SCHEIBER DESIGNER: THW FILE LOC: NOVI, MI \026869











• = wiring location out of the vertical support tube/mounting plate

CARVANA	drawing no.	DATE OF LAST CHANGE: 6/19/18	THIS DRAWING SUPERCEDES ALL OTHER DOCUMENTS PROVIDED CONCERNING THE FABRICATION AND INSTALLATION OF THIS DESIGN. A SIGNATURE ANYWHERE ON THE DRAWING WILL BE TAKEN AS APPROVAL OF THE DESIGN AND SPECIFICATIONS AS NOTED.	CONSU AW PROJE A. S DESIG
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ILLUMINATED SIGN CABINET WITH ALUMINUM SQUARE TUBE FRAME.	SCALE: 3/4" = 1'-0"
	24.17 SQ. FT
SIGN DETAILS	
1 FACES TO BE ROUTED .090" ALUMINUM PAINTED TO MATCH PMS 638 C WITH 1" PUSH-THRU CLEAR ACR	YLIC (1" W/.75" EXPOSED) GRAPHICS
2 3635-70 DIFFUSER ON SECOND SURFACE FOR WHITE RING & CAR GRAPHICS. "HALO" GRAPHIC TO HAVE	SECOND SURFACE 3M 3630-075 MARIGO
3 .090 ALUMINUM BACKS PAINTED TO MATCH PMS COOL GRAY 9 /INSIDE WHITE	
4 .090" ALUMINUM SIGN CABINET WITH 1 1/4" RETAINER PAINTED TO MATCH PMS 638 C . 1/8" ALUMINUM	/I MATCHPLATES
5 WHITE LEDS	
6 2" x 2" ALUMINUM TUBE MOUNTING FRAME PAINT OUTSIDE TO MATCH COOL GRAY 9	
7 REMOTE 120V POWER SUPPLIES MOUNTED INSIDE UL LISTED/RECOGNIZED BOXES	
8 UL LISTED/RECOGNIZED 18 AWG/2PLTC WIRING AND FIXTURES GOING TO POWER SUPPLIES	
9 SIGN TO HAVE AN 20'-0" WHIP	
10 MOUNTING HARDWARE TO BE 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT FR. 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT SIGN TO ALUMINUM FRAME	AME TO ALUMINUM CURTAINWALL FRAM

### 11 WALL CONSTRUCTION IS TO CURTAINWALL FRAMING

	drawing no.		THIS DRAWING SUPERCEDES ALL OTHER DOCUMENTS PROVIDED CONCERNING THE FABRICATION AND INSTALLATION OF THIS DESIGN. A SIGNATURE ANYWHERE ON THE DRAWING WILL BE TAKEN AS APPROVAL OF THE DESIGN AND SPECIFICATIONS AS NOTED.	CONSU AW PROJEC A. SC
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**ADVANCE SIGN GROUP** 





NOVI, MI \026869

**ADVANCE SIGN GROUP** 



- LED-ILLUMINATED ARCHITECTURAL TUBING
- SPECIFIC BRAND TO BE DETERMINED

	drawing no.	DATE OF LAST CHANGE: 6/19/18	THIS DRAWING SUPERCEDES ALL OTHER DOCUMENTS PROVIDED CONCERNING THE FABRICATION AND INSTALLATION OF THIS DESIGN. A SIGNATURE ANYWHERE ON THE DRAWING WILL BE TAKEN AS APPROVAL OF THE DESIGN AND SPECIFICATIONS AS NOTED.	AW PROJEC A. SC DESIGN	
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### **BUILDING OUTLINE**



- LED-ILLUMINATED ARCHITECTURAL TUBING

- SPECIFIC BRAND TO BE DETERMINED

	drawing no.	DATE OF LAST CHANGE: 6/19/18	THIS DRAWING SUPERCEDES ALL OTHER DOCUMENTS PROVIDED CONCERNING THE FABRICATION AND INSTALLATION OF THIS DESIGN. A SIGNATURE ANYWHERE ON THE DRAWING WILL BE TAKEN AS APPROVAL OF THE DESIGN AND SPECIFICATIONS AS NOTED.	CONSU AW PROJEC A. SC DESIGN
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NOVI, MI 43375	4.0	-	DRAWINGS NOR THE DESIGN MAY BE USED OR DISTRIBUTED WITHOUT APPROVAL OF ADVANCE SIGN GROUP.	N \C

### FIELD SURVEY REQUIRED







### **BUILDING OUTLINE**

- LED-ILLUMINATED ARCHITECTURAL TUBING





**REAR ELEVATION** 



Section 3.1.25: Town Center Permitted Uses

Purpose and Introduction

**Z** Definitions

Zoning Districts

 $\mathbf{n}$ 

# TC Town Center District

### A. INTENT

The TC, Town Center district is designed and intended to promote the development of a pedestrian accessible, commercial service district in which a variety of retail, commercial, office, civic and residential uses are permitted. Each use shall be complementary to the stated function and purpose of the district and shall not have adverse impact upon adjacent street capacity and safety, utilities, and other City services.

The TC Town Center district is further designed and intended to discourage the development of separate offstreet parking facilities for each individual use, and to encourage the development of off-street parking facilities designed to accommodate the needs of several individual uses. Furthermore, it is recognized that uses which have as their principal function the sale or servicing of motor vehicles, such as automobile service establishments, car washes, or new and used motor vehicle sales or service establishments, and drive-in restaurants and restaurants with drive-through facilities, have a disruptive effect on the intended pedestrian orientation of the districts

# User Note: For uses listed in **bold blue**, refer to Article 4, or click on use, for use-specific standards

- B. PRINCIPAL PERMITTED USES
- i. Retail businesses use 📖 §4.78.3
- ii. Retail business service uses  $\square$
- Dry cleaning establishments, or pick-up stations, dealing directly with the consumer §4.24
- iv. Business establishments which perform services on the premises
- v. Professional services
- vi. Post office and similar governmental office buildings, serving persons living in the adjacent residential area
- vii. Off-street parking lots
- viii. Private clubs , fraternal organizations and lodge halls
- ix. Places of worship §4.10
- x. Retail business A §4.27
- xi. Service establishments of and office showroom or workshop nature §4.27
- xii. Restaurants (sit-down), banquet facilities or other places serving food or beverage §4.27
- xiii. Theaters, assembly halls, concert halls, museums or similar places of assembly §4.27
- xiv. Business schools and colleges or private schools operated for profit §4.27
- xv. Offices and office buildings
- xvi. Municipal uses
- xvii. Indoor commercial recreation facilities
- xviii.Outdoor theaters, plazas, parks, public gathering places, including those along a river walk, and like public facilities

### B. PRINCIPAL PERMITTED USES (continued)

- xix.Hotels🕮
- xx. Financial institutions §4.81
- xxi. Residential dwellings §4.82
- xxii. Day care centers and adult cay care centers §4.12.2

### xxiii.Instructional centers

- xxiv.Other uses similar to the above uses subject to conditions noted
- xxv. Accessory structures and uses structures and uses structures and uses structures and uses

### C. SPECIAL LAND USES

The following uses shall be permitted by the City Council, following review and recommendation of the Planning Commission.

- i. Open air business uses §4.80.1
- ii. Sale of produce and seasonal plant materials outdoors §4.30
- iii. Veterinary hospitals ar clinics state §4.31
- iv. Microbreweries 💷 §4.35
- v. Brewpubs 💷 §4.35





**5** Site Standards



Admin and Enforcement

3 - 56

Purpose and Introduction

 $\mathbf{Z}$  Definitions

Zoning Districts

3

Use Standards

4

### 4.74 PARKING FOR SALE OF NEW, UNLICENSED MOTOR VEHICLES AND PARKING OF LICENSED RENTAL AND LOANER MOTOR VEHICLES

In the P-1 district, parking for sale of new, unlicensed motor vehicles and parking of licensed rental and loaner motor vehicles, but not including junk or inoperable motor vehicles, partially dismantled or damaged motor vehicles, are permitted as a special land use without time limitation subject to the following conditions:

- Motor vehicles parked pursuant to this section shall be limited to passenger vehicles (cars, vans, pick-up trucks and sports utility vehicles), and shall not include semi-trucks or trailers, step-vans or other commercial vehicles.
- 2. No car hauler delivery operations shall be allowed.
- 3. A landscaped berm shall be provided around all sides of a P-1 zoned site abutting a residential zoned district which shall comply with standards at Section 3.14.5.E.
- 4. No dumpster or trash storage facility shall be permitted.
- 5. Night lighting shall be shielded from all adjacent residential zoned districts.
- 6. A noise impact statement is required subject to the standards of **Section 5.14.10.B**.

### 4.75 CONFERENCE CENTERS

In the C district, conference centers, including meeting rooms and halls, conference rooms, banquet rooms, pre-function space, and catering uses comprising contiguous space are permitted as a special land use.

### 4.76 RETAIL SALE OF PRODUCTS OR SERVICES OCCURRING AS PART OF A SCHEDULED EXPOSITION FUNCTION

- 1. In the EXPO district, retail sale of products or services occurring as part of a scheduled exposition function are a permitted use, provided, a scheduled exposition function that involves the sale of products shall not be repeated more often than six (6) times within a calendar year.
- 2. In the EXO district, retail sale of products or services are permitted as a special land use when occurring as part of a scheduled exposition function occurring in an exposition facility.

### 4.77 I-1 USES IN THE EXPO DISTRICT

The listed uses in Section 3.1.14.B.xvi through xxvii are permitted uses in the EXPO district subject to the following:

- 1. All usage as an exposition facility ceases in the district;
- 2. Subject to the conditions required in Section 3.14.1 through Section 3.14.5.

### 4.78 RETAIL USES, SERVICE USES AND RESTAURANT USES

- 1. In order to provide a limited amount of retail and personal service establishments to serve the employees of and visitors to the nearby office use areas, the following additional uses shall be permitted by the Planning Commission on a limited number of properties located in the OST district and EXO Overlay district as a Retail Service Overlay.
  - A. Retail uses, service uses and restaurant uses are permitted as a special land use subject to the following:
    - Generally recognized retail businesses and personal service establishments, as permitted in the B-1 district, Section 3.1.10.B.i and 3.1.10.B.ii, and other uses similar to the identified uses, subject to the limitations of Section 3.19.5 and 3.19.7.
    - ii. Restaurants, including sit down, banquet facilities or other places serving food or beverage, except those having the character of a drive-in or having a drive-through window, subject to the limitations of Section 3.19.7.
    - iii. Fast food drive-through restaurants shall be permitted only on properties meeting the requirements of subsection B, below subject to the limitations of subsection B.ii.d and Section 3.19.7.
  - B. These above uses shall only be permitted on properties:
    - i. Located within the areas designated "Office, Research, Development & Technology with Retail Service Overlay" on the Future Land Use Map in the City of Novi's Master Plan for Land Use; or





**7** Admin and Enforcement



4.87 Unlisted Use Determinations



**3** Zoning Districts



6 Development Procedures

**7** Admin and Enforcement

- Documented compliance with e. applicable local, state and national regulations including, but not limited to, all applicable safety, construction, environmental, electrical and communications. The MWET shall comply with Federal Aviation Administration (FAA) requirements, Michigan Airport Zoning Act, Michigan Tall Structures Act and any applicable airport overlay zone regulations.
- f. Proof of applicant's liability insurance.
- g. Evidence that the utility company has been informed of the customer's intent to install an interconnected, customer-owned generator and that such connection has been approved. Off-grid systems shall be exempt from this requirement.
- h. A written description of the anticipated life of each MWET; the e s t i m a t e d c o s t o f decommissioning; the method of ensuring that funds will be available for decommissioning and site restoration; and removal and restoration procedures and schedules that will be employed if the MWET(s) become inoperative or non-functional.
- i. The applicant shall submit a decommissioning plan that will be carried out at the end of the MWET's useful life, and shall describe any agreement with the landowner(s) regarding equipment removal upon termination of the lease.
- j. The proposed plan shall conform to the requirements of **Section 6.1** of the Zoning Ordinance: Site Plan Review (All Districts).
- vi. Certification and Compliance. The City must be notified of a change in ownership of a MWET or a change in ownership of the property on which the MWET is located.
- E. Temporary Uses Related to Wind Energy Turbines. The following is permitted in all zoning districts as a temporary use, in compliance with the provisions contained herein, and the applicable WET regulations.

- i. Anemometers
  - a. The construction, installation or modification of an anemometer tower shall require a building permit and shall conform to all applicable local, state and federal s a f e ty, construction, environmental, electrical, communications and FAA requirements.
  - b. An anemometer shall be subject to the minimum requirements for height, setback, separation, location, safety requirements and decommissioning that correspond to the size of the WET that is proposed to be constructed on the site.
  - c. An anemometer shall be permitted for no more than thirteen (13) months for a SSMWET, STMWET or MWET.

### 4.87 UNLISTED USE DETERMINATIONS

Where a proposed use of land or use of a building is not contemplated or specified by this Ordinance, or where the Planning Division has a question as to the appropriateness of a use that involves other features that were not contemplated or specified by this Ordinance, the Planning Division shall request a determination from the City Council, after review and recommendation from the Planning Commission, as to what district or districts, if any, in which the proposed use may be appropriate as a special land use.

In acting upon the request, the City Council shall take into consideration the spirit, purpose and intent of the Ordinance and the Master Plan for Land Use. If the City Council determines that:

- 1. Such use does not appear to be expressly authorized in the zoning ordinance as a principal permitted use or a principal use permitted subject to special conditions,
- Such use does not appear to have been contemplated by this Ordinance as a principal permitted use or a principal permitted use subject to special conditions, or





**3** Zoning Districts



6 Development Procedures

**7** Admin and Enforcement

- Documented compliance with e. applicable local, state and national regulations including, but not limited to, all applicable safety, construction, environmental, electrical and communications. The MWET shall comply with Federal Aviation Administration (FAA) requirements, Michigan Airport Zoning Act, Michigan Tall Structures Act and any applicable airport overlay zone regulations.
- f. Proof of applicant's liability insurance.
- g. Evidence that the utility company has been informed of the customer's intent to install an interconnected, customer-owned generator and that such connection has been approved. Off-grid systems shall be exempt from this requirement.
- h. A written description of the anticipated life of each MWET; the e s t i m a t e d c o s t o f decommissioning; the method of ensuring that funds will be available for decommissioning and site restoration; and removal and restoration procedures and schedules that will be employed if the MWET(s) become inoperative or non-functional.
- i. The applicant shall submit a decommissioning plan that will be carried out at the end of the MWET's useful life, and shall describe any agreement with the landowner(s) regarding equipment removal upon termination of the lease.
- j. The proposed plan shall conform to the requirements of **Section 6.1** of the Zoning Ordinance: Site Plan Review (All Districts).
- vi. Certification and Compliance. The City must be notified of a change in ownership of a MWET or a change in ownership of the property on which the MWET is located.
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- i. Anemometers
  - a. The construction, installation or modification of an anemometer tower shall require a building permit and shall conform to all applicable local, state and federal s a f e ty, construction, environmental, electrical, communications and FAA requirements.
  - b. An anemometer shall be subject to the minimum requirements for height, setback, separation, location, safety requirements and decommissioning that correspond to the size of the WET that is proposed to be constructed on the site.
  - c. An anemometer shall be permitted for no more than thirteen (13) months for a SSMWET, STMWET or MWET.

### 4.87 UNLISTED USE DETERMINATIONS

Where a proposed use of land or use of a building is not contemplated or specified by this Ordinance, or where the Planning Division has a question as to the appropriateness of a use that involves other features that were not contemplated or specified by this Ordinance, the Planning Division shall request a determination from the City Council, after review and recommendation from the Planning Commission, as to what district or districts, if any, in which the proposed use may be appropriate as a special land use.

In acting upon the request, the City Council shall take into consideration the spirit, purpose and intent of the Ordinance and the Master Plan for Land Use. If the City Council determines that:

- 1. Such use does not appear to be expressly authorized in the zoning ordinance as a principal permitted use or a principal use permitted subject to special conditions,
- Such use does not appear to have been contemplated by this Ordinance as a principal permitted use or a principal permitted use subject to special conditions, or



Excerpt from Original Vehicle Dealer License Application Instruction Booklet for Class B License

# **READ THIS FIRST!**

# ORIGINAL VEHICLE DEALER LICENSE APPLICATION

# **INSTRUCTION BOOKLET**

# **CONTACT US:**

Michigan Department of State Traffic Safety Programs Division Business Licensing Section Lansing, MI 48918

Telephone: (888) SOS – MICH (888) 767 – 6424 Fax: (517) 335 – 2810 E-Mail: <u>licensing@michigan.gov</u>

# 5. LICENSE CLASSIFICATIONS

Indicate the license classification(s) for which you are applying.

A dealer license may be issued in one or more classifications (classes), depending on the business activity performed.

The Michigan Vehicle Code has different requirements for each class of dealer. The following descriptions explain what each class of dealer is permitted to do, and which classes are compatible.

## Class A (New Vehicle Dealer)

Allows dealer to buy and sell new vehicles under a franchise agreement or bonafide contract with a new vehicle manufacturer.

Class A is compatible with B, C or R, and E classes.

## Class B (Used or Secondhand Vehicle Dealer)

Allows dealer to buy and sell used vehicles to and from the general public and other licensed vehicle dealers.

Class B is compatible with A, C or R, and E.

## Class C (Used Vehicle Parts Dealer) and Class R (Automotive Recycler)

Allows dealer to buy or otherwise acquire late model major component parts for resale, either at wholesale or at retail, and/or acquire vehicles to dismantle for the resale of their parts, selling the remains as scrap. These are the only classes which can legally buy late model distressed vehicles (salvage or scrap vehicles), or late model major component parts from insurance companies, or through auctions, brokers, or salvage pools in Michigan.

Note: A Class C or Class R dealer may only be represented at an auction, broker, or salvage pool by its own **Licensed Salvage Vehicle Agent**. Contact the Business Licensing Section to obtain a Salvage Vehicle Agent application.

Class C and Class R are compatible with A, B, and E; or E and F.

Class C and Class R are NOT COMPATIBLE with one another, or with Class D or Class G.

# 7. BUSINESS DAYS AND HOURS

List the specific days and hours the business will be open. Class A and Class B dealers are required to maintain a minimum of 30 business hours per week.

All other classifications of dealers must maintain a minimum of 4 consecutive business hours per week.

If you change your business hours, you must notify the Business Licensing Section in writing, by fax at (517) 335-2810, or by e-mail at <u>licensing@michigan.gov</u>.

## 8. OWNERS, PARTNERS, CORPORATE OFFICERS, DIRECTORS

List the full name, home address, social security number and birthdate for all owners, partners, corporate officers, members and directors.

For corporations, "owners" also includes any stockholder holding 25% or more of the stock issued.

Limited Liability Companies must include information for all managers.

If the owner, partner or manager listed on the application form is itself a corporation, partnership or limited liability company, the individuals who are the owners, partners, corporate officers, directors, managers, or stockholders or members holding 25% or more of the stock issued for the company listed in Item 8 must be disclosed. Use a separate sheet to provide the full name, home address, home telephone and birthdate for each individual.

Each individual listed in Item 8 must have fingerprints on file with this department. Individuals disclosed under a corporation, partnership or limited liability company listed as a licensee who will have direct impact on the operation of the business must also have fingerprints on file. Please refer to the instructions for completing fingerprint cards for more details.

## 9. SERVICING FACILITY REQUIREMENT (Classes A and B only)

New and used vehicle dealers are required to provide proper servicing facilities. The servicing facility must be located within 10 miles of the dealership's established place of business. This requirement applies even if vehicles are sold "AS IS" or wholesale.

This requirement may be met in one of two ways:

- 1. Register as a motor vehicle repair facility. A Motor Vehicle Repair Facility Registration Application is enclosed. It is not necessary to register again if the business is currently registered and the ownership has not changed.
- 2. Enter into an agreement with a currently registered motor vehicle repair facility.

An agreement form is enclosed. Make sure the agreement shows the repair facility registration number and the repair facility **owner's** signature.

# **10. BUSINESS LOCATION DESCRIPTION**

Check the appropriate boxes.

A dealer's established place of business must meet all applicable zoning and municipal requirements.

For a Class A and Class B dealer, an established place of business must include the following:

- The premises must contain a permanently enclosed building or structure either owned, leased, or rented by a dealer, which is not a residence, tent, temporary stand, or any temporary quarters;
- The building or structure is required to be continuously occupied in good faith for the purpose of selling, buying, trading, leasing, or otherwise dealing in motor vehicles;
- All books, records, and files necessary to conduct the business of a Class A or class B dealer must be maintained in the building or structure;
- A building or structure housing an office of at least 150 square feet in size, equipped with standard office furniture, working utilities, a working restroom, and a working telephone listed in the name of the business on the dealer's license;
- Land space of no less than 1,300 square feet to accommodate the display of a minimum of 10 vehicles of the kind and type that the dealer is licensed to sell and an additional 650 square feet for customer parking. The display and customer parking areas must be adequately surfaced and well lit during business hours;

- An exterior sign displaying the name of the dealership that is permanently affixed to the building or land with letters clearly visible from a highway identifies the premises;
- Conspicuous posting of the dealer's regular hours of operation. The posted hours must be not less than 30 hours per week;
- The premises must contain a registered repair facility on site for the repair and servicing of motor vehicles of a type sold at the established place of business, unless the dealer has entered into a written servicing agreement with a registered repair facility at a location not to exceed 10 miles' distance from the established place of business. If repairs are conducted pursuant to a servicing agreement, the servicing agreement must be conspicuously posted in the office;

A dealer may not combine space and resources with another dealer to meet the minimum established place of business requirements for a new or used vehicle dealer. Each licensed new or used dealer must meet the established place of business requirements <u>separately</u>.

For a Class W dealer, an established place of business must include the following:

- The premises shall contain a permanently enclosed building or structure that is either owned, leased, or rented by a wholesaler, which is not a commercial mailbox, tent, temporary stand, or other temporary quarters.
- All books, records, and files necessary to conduct the business of the wholesaler shall be maintained in the building or structure described in the above paragraph.
- The premises shall not be used for the display of vehicles. However, the premises may be used for the storage of vehicles purchased by the wholesaler prior to sale to a licensed vehicle dealer.
- The premises shall be identified by an exterior sign displaying the name of the wholesaler that is permanently affixed to the building or land with letters clearly visible from the roadway.

**For other dealer classes** an established place of business means the place actually occupied either continuously or at regular periods where books and records are kept and a large share of business is transacted.

Estimate the greatest number of vehicles you will have in inventory at one time.

### APPLICANT RESPONSE LETTER (UNLISTED USE DETERMINATION)



August 17, 2018

Planning Commission City of Novi, Planning Department 45175 Ten Mile Road Novi, MI 48375

Carvana is proud to announce their entry into the Detroit market. The company has received national recognition for developing an innovative, exciting and easier way to purchase a car online. Carvana was ranked 34 on Inc 5000's fastest growing companies in America in late 2017. Carvana is an online car company that sells cars online and provides customers with two fulfillment options: delivery or pick-up. The pick-up option is what Carvana proposes in Novi, MI as the Carvana Vending Machine Fulfillment Center. This iconic building attached to a Vending Machine tower dispenses vehicles through the use of an automated system and coin machine. Customers arrive at the Fulfillment Center to finalize transaction paperwork and watch their vehicle make its way down from the tower and into their possession. Carvana is easily categorized as the Amazon of cars by giving customers convenient options for how they receive their newly purchased vehicle.

Carvana is excited to be working with the City of Novi in Michigan and is pleased to return to the City of Novi Planning Commission Meeting on August 22, 2018. This letter is to provide the Planning Commission with supplemental information as requested in the various memoranda provided by the City on August 15, 2018. Page numbers refer to the August 13, 2018 Planning Review Center Report.

Additionally, Carvana would like it to be noted that we were not provided with the latest version of the Unlisted Use Determination Memo until August 16, 2018. Thus, we have prepared the following response to comments in as much detail as was allowed in the extremely condensed timeframe we were given. Carvana has been extremely willing to provide staff with additional material as needed and always in a timely manner.

### <u>Signage</u>

On page 4 of the Planning Review Center Report and page 4 of the Unlisted Use Memo, staff is requesting additional information regarding Carvana's sign requirements. We would be happy to supply any information requested, but is unclear what additional information is actually being requested. Carvana's signage is an integral component of our architecture and building brand. Additionally, Carvana spoke with city staff on August 16, 2018 and concluded that staff found Carvana' s signage acceptable.



### **Parking**

There are a number of references to whether Carvana meets the City's parking requirements and whether 30 spaces are sufficient for Carvana's use. Carvana has withdrawn its earlier deviation request seeking additional parking and is confident that having 30 parking spaces on site is sufficient for the proposed use, 6 of which will be for our employees. The 30 parking spaces that will be allocated during

the site plan review process are sufficient to accommodate the parking needs of our employees, visitors, and cars that have been delivered to the site but have not yet been loaded into the vending machine. General parking will be provided west and north west of the building. Unfortunately, at this time Carvana cannot provide a full traffic report as this type of document can take a couple weeks to prepare and we were only given notification of this request 2 days ago. We will submit a traffic report during site plan review.

Carvana expects approximately 12 employees comprised of Customer Advocates and a Team Lead at this location. Our Advocates coordinate customer pick-ups, manage hauler deliveries to the site and assist all customers and visitors that visit our site. Appointments are generally spaced 30 to 60 minutes apart. Based upon our experience at our 13 other Carvana Vending Machine Fulfillment Centers, they experience between 6 and 15 customer pick-ups per day. Based on this information, even if Carvana had a full staff of 6 employees, 2 customers per hour, 9 cars placed temporarily in available parking spaces (which will be loaded into the tower immediately) and at least 2 single car haulers parked in the allocated parking spaces that would still only amount to a total of 19 spaces being utilized, leaving us with 11 available parking spaces. Those extra parking spaces could be used for customers who arrive early or any returned vehicles awaiting pick-up for relocation. Carvana is not a traditional car dealership, therefore the need for excess parking should not be required.

### **Lighting**

Page 4 of the Unlisted Use Memo requests additional information about lighting and its impact on the surroundings. Carvana's building lighting is designed to have limited impact on the surrounding areas and uses very low foot candles. The building and parking lighting provide adequate safety after hours and any lighting in the tower is pointed inwards, which eliminates light pollution outside of the Vending Machine building. A photometric plan is typically provided during site plan review, as such, Carvana is more than happy to work with staff during that time.

### **Loading**

Page 4 of the Unlisted Use Memo indicates that a deviation would be required for Carvana's loading and unloading area; however, Carvana is proposing to unload in the rear of our



building. We spoke to city staff on August 16, 2018 and concluded that staff was supportive of Carvana loading/unloading in that area without any issues.

Delivery of the pre-purchased vehicles to the site will be via a Carvana-owned multi-car hauler. These haulers have capacity for up to 9 vehicles. Those 9 vehicles will be placed in available parking spaces temporarily until they are loaded into the tower. The tower, which can store up to 28 vehicles, will store the pre-purchased vehicles that are awaiting pickup, therefore freeing up those previously used 9 parking spaces.

Multi-car hauler drivers will be instructed to access the site directly from the cul-de-sac on Adell Center Drive and unload vehicles in the rear of the building alongside I-96. Once the delivery is complete, the hauler will be directed to exit the site through the rear of Units 6 and 7, exiting back out onto Adell

Center Drive. The length of the multi-car hauler is approximately 75'. Carvana can provide more detailed exhibits and calculations during the site plan review.

Employees working on site will have access to our single-car haulers that will be used to deliver pre-purchased vehicles to customers in the area. Those haulers are approximately 22' long (about the same length as a full sized pick-truck) and will typically be parked on the south east portion of the site. We can provide more detailed parking exhibits and calculations during the site plan review.

### Façade Materials

Carvana has provided an updated building design and elevation sheets. The Façade Ordinance Review included in staff's review dated August 14, 2018 summarizes that the Section 9 Waiver would be granted for Carvana: "It is our recommendation that the design is consistent with the intent and purpose of the Façade and TC ordinances, and that a section 9 Waiver be granted..."

### Established Use

On page 7 on the Planning Review Center Report and page 5 of the Unlisted Use Memo there is a comment relating to pedestrian accessibility as part of a commercial service district and an indication that the uses other than Carvana align with the intent of the TC district. Carvana believes that the DRN & Associations Façade Ordinance Review letter included as part of the packet demonstrates why Carvana aligns with the intent of the TC district. As noted by DRN, "the Carvana tower will represent an iconic element within this project and the Novi shopping district at large." Carvana believes that an iconic use complements and is aligned with the purpose of the TC district.

We believe that concern over repurposing the building in case the fulfillment center becomes "outdated" is unfounded. Due to the current development of 13 Vending Machine Fulfillment



Centers across the nation, and many more in various stages of the development process, Carvana believes that it has established proof of concept and that its use is beyond being an experimental concept. Carvana has no plans to vacate this building once we open for business and anticipate being a participating stakeholder to Novi.

As to use classifications in other communities, because of the unique aspect of the fulfillment center that is part of an online car sales business (without being a traditional car dealership), other communities have taken a flexible approach and allowed it in a variety of commercial zones. Carvana looks forward to working with the staff of Novi to ensure our development is as successful as it's been in other markets.

### Used Car Dealership

Carvana does not provide on-site servicing to cars, but will work with the State of Michigan's regulatory requirements and enter into an as-needed contract with a third party service and repair facility located off-site.

Please let me know if you require additional information regarding any issues.

Thank you for your time and consideration regarding Carvana's Project in the City of Novi, Michigan.

Thank You, Arwa Lulu, Project Manager Carvana, LLC <u>Arwa.Lulu@carvana.com</u> 480-244-3900

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