

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, SEPTEMBER 28, 2026, AT 7:00 P.M.**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Fischer, Mayor Pro Tem Casey, Council Members Gurumurthy, Heintz, Martinez, Smith, Staudt

ALSO PRESENT: Victor Cardenas, City Manager
Danielle Mahoney, Assistant City Manager
Tom Schultz, City Attorney

APPROVAL OF AGENDA:

CM 26-09-115 Moved by Casey, seconded by Smith; MOTION CARRIED: 7-0

To approve the agenda as presented.

**Roll call vote on CM 26-09-115 Yeas: Casey, Gurumurthy, Heintz, Martinez,
Smith, Staudt, Fischer
Nays: None**

PUBLIC HEARINGS: None

PRESENTATIONS:

Council Goals Update - Danielle Mahoney, Assistant City Manager

Assistant City Manager greeted Council and said there hadn't been a ton of changes since their previous goals update. There were a few things she wanted to highlight. She said the Bi-annual Citizens Survey is currently out in households. They expect to get them back and have results in mid- to late November. There is also a website where residents can go and contribute if they aren't one of the randomly selected households. They have been publicizing that, and they are looking forward to getting those results. They have had a bit of starts and stops on the Public Art & Placemaking Strategy goal. At a previous meeting, Council appointed some additional members, and they updated Council rules to reflect that. That's been some great progress. She said they are happy to report that a strategy is in development. She said she has seen a very rough first draft of that that the committee is working on with Tracie Ringle, the Deputy Parks Director and staff liaison. They want to get some more feedback from the committee. They had to cancel their last meeting due to a lack of quorum, but hopefully, they'll get back on track this next month and they can get a draft before Council for feedback. She said she didn't want to commit to a timeline just yet, but, hopefully, by the end of the year. While this is on track, there are still some lingering questions that the committee and Council need to think through. They've talked about identifying funding sources and they'd like to keep that conversation fluid. They would also like to talk about what the long-term intent and direction of the committee is. She said this could be a little bit broader, thinking for their additional ad hoc committees. When she gets to the end and talks about additional

Council talk points, there is a tie-in to 2050 that weaves through a lot of these committees and future decision-making points from Council.

She said there has been a lot of great progress on the City-School Collaboration. Since they were last in front of Council, they have had a public hearing to amend the City's master plan that occurred at Planning Commission. In September, Council saw the agreement facilitating the transfer back in June. City Manager Cardenas and staff continue to have productive conversations with the schools. They are currently talking about the layout of the high school, the Civic Center and the library campus with the upcoming construction. There has been some talk about potential sharing of a position. They are down a Comms Director, so they've been talking about what that may look like to share resources and collaborate from that lens. There has been some discussion about the recycling center being closed due to the construction on Lee BeGole. They have talked to the schools about relocating that and maybe having that serve as a space. City Manager Cadenas said that summarizes all the developments currently. They have monthly conversations with Mr. Mainka and they are looking forward to the one coming up next week.

She said they have made a lot of great progress on the Economic Development Strategy Reset goal. She called out their Economic Development Manager, Regina Swick. She has put a lot of effort into this along with some other staff. The draft strategy is nearly complete. That is something they want to get in front of the EDC for review and feedback. They have a meeting scheduled for later in October. That will be ready to come to Council for their review and feedback. They will get that shared with Council. Another cool angle they have been looking at is along with economic development. They talked a lot about placemaking and public art and how those kinds of tie in together. Staff have been having conversations on how to connect art and placemaking with the economic development strategy and really kind of weave that thread throughout both of those efforts, so they are reflected in each. Just this week, staff has met Parks staff, Economic Development staff and Planning staff to talk through what ideas there might be to put some more structure in place to really highlight both of these strategies together and then what that could look like in the community. They're meeting with the EDC at the end of October and after they get that feedback from them, they should be ready to present the feedback to Council very soon thereafter.

She said the CIP Millage Renewal is in on-going educational mode right now with the public. Council just saw a memo in their admin packet last week summarizing current efforts. There was an open house this past week. There was low turnout, but they've been hitting a lot of the HOA meetings. There is another one Wednesday where they'll be talking about the CIP millage renewal and other things. They'll continue to keep Council updated on their outreach efforts. Following the election, they'll reconvene to talk through what that looks like.

She said the Property Development & Planning goal hinges on the CIP so they'll have some more conversations and get some more direction from Council following that.

She said the Five-Year Compensation & Benefits Cost Strategy goal essentially can be marked as complete, but it's ongoing as they're constantly looking at their costs and compensation and benefit strategy year to year as they work on the budget. Budget season is upon them once again. They still have some labor negotiations going on right now, what's going on with command and they're preparing for the next one for full-time fire. All of that coincides with next year's budget prep. They'll keep Council updated as each of those efforts move along.

Other than that, community survey results are due later this fall. They'll have an Economic Development Strategy draft to give to Council. Hopefully, they'll also have the Public Art Strategy draft. Then, she wanted to put out a little teaser about the 2050 tie-ins. As they near the end of the year, and as the 2050 Plan continues to take shape and get adopted by Council toward the end of the year, what do these goal updates look like? What do your goal sessions look like moving forward? How would you like to see that plan tied in to processes here at the Council dais and then throughout the City? Something to keep in mind. She wanted to get that out there. An update on labor negotiations, property guidance following the CIP, and depending on how things shake out, they'll be back either late December or early January for their next update.

Mayor Fischer said he didn't want to tie them down to exact timing but asked if she could state which quarter Council might see a draft. Assistant City Manager Mahoney said she could anticipate by the end of this calendar year for the Economic Development Strategy draft is pretty much ready to go. They'd just like to get it in front of the EDC for their feedback. Public Arts, again, there is a very rough draft that has been put together. Staff wanted the Cultural Arts Committee to weigh in a little bit more. That could probably be to Council by the end of the year, if not, by the first quarter of 2027. She said it just depends on how rough a draft they'd like to see. Mayor Fischer said he liked the consistency of the last meeting of each quarter because what happens if they say early January, we'll slip to February and then March. He said they should plan on the last meeting in December for an update.

Member Gurumurthy thanked Assistant City Manager Mahoney for all their efforts. She said she had a question about the community survey. She said it's been about a month since they sent them out. She asked how they were doing with their responses. City Manager Cardenas said they don't have any kind of preliminary information in terms of responses yet. Ms. Walsh-Malloy had an update call with them today that said things are looking good, and they believe they can have results quickly. The survey closes this week and then they'll start gathering the responses. He believes they'll have some feedback in the next couple of weeks as a preliminary review. He said they seem optimistic about it. He doesn't have exact numbers yet, but they seem happy with what they've got so far. Member Gurumurthy said she wanted to make sure at least 50% or 10% responded. She was just curious. Assistant City Manager Mahoney said they could check again this week to see if they've got any preliminary numbers.

CITY MANAGER REPORT:

City Manager Cardenas said this week is Food Waste Prevention week. He said there is a website out there that talks about it. It is blocked by the City's server, but if people are at home and want to check that out, they can at foodwastepreventionweek.com. In that same vein, they received a grant for just over \$8,000 from NextCycle to support their composting program. That will go into effect with the work plan for calendar year 2027. This all goes in to support the two drop-off locations, one at Power Park and one at MSU Tollgate Farms.

ATTORNEY REPORT: None

AUDIENCE COMMENTS:

Alexandra Morford, 503 W Sunnybrook Dr, Royal Oak, MI, said she is a volunteer and a resident of Royal Oak. The Michigan State Housing Development Authority (MSHDA) reports there is a shortage of approximately 100,000 homes in Michigan. This shortage most significantly impacts families that earn less than the area median income. Families that would live in the homes that are being proposed at 45500 Grand River Avenue. These proposed affordable homes would benefit all Novi families. They would provide convenient homes for families that work at Henry Ford Providence Hospital, Novi Community Schools, and other employment centers that Novi families visit and depend upon daily. Furthermore, these homes provide an affordable housing option so folks who have lived in Novi for their whole lives can continue to live in Novi into retirement, after college or after other life changes. She said so many of their neighbors are struggling with high rents. There is not enough federal, state, and county money to meet the need for affordable homes. She said she believes they should support the opportunities they do have to meet as much of the need as possible. An opportunity to help over 250 families does not come before a city like Novi very often. These homes would make a huge impact on the 250 families who are not before Council today because they are working, helping their kids with homework, unable to fill their gas tank until their next Social Security check arrives, or many other reasons. She cautioned that if you show through your actions in this meeting that Novi isn't willing to meet affordable home developers part way, she doesn't think there are going to be more opportunities for Novi to add affordable homes. There is significant effort and risk for a developer to get a proposal ready to show Council. Future developers will be hesitant to take the risk and put in the effort if they don't think they'll receive support from this council. The economics of building new apartments in this area, even market rate, are getting difficult. There are not other developers who would be able to build affordable homes without a tax agreement similar to the one before Council today. Other cities like Royal Oak have been approving PILOT and TIF proposals to make affordable homes economically viable. Novi would not be an outlier in moving forward with these proposals. Novi would be an outlier if there was not support to move forward. In summary, she encouraged everyone to support a payment in lieu of taxes (PILOT) and a municipal services agreement for the Lincoln Avenue community's affordable housing development at 45500 Grand River Avenue. She said this will benefit all Novi families. She said she hopes Council does not pass up this opportunity.

Kityana Alexander, 684 Calvert, Detroit, MI 48202, said she was there on behalf of Abundant Housing Michigan and they were there to support the proposal that Lincoln Avenue Communities has to add new affordable homes in Novi. Novi, like so many other communities across the state, does not have enough housing options that are affordable for local workers. A shortage of housing is sparking competition and driving up prices. As Novi's 2025 Master Plan update indicates 40% of renters in the City are cost-burdened. Her organization works to reform housing policy to allow more homes of all shapes and sizes in their state. They are fighting to make change for the long term and change the housing market across Michigan. However, at the same time, they know that low- and middle-income Michiganders urgently need attainable homes now. As a housing organizer, she hears from people who are worried about making rent or who feel like home ownership is increasingly out of reach. She advocates for these Michiganders at the Capitol, but these people can't afford to wait for the legislature to take action. She said they need local leaders to step up. Novi has an opportunity to take the lead on housing affordability. Too many cities and towns in Michigan refuse to welcome new neighbors, especially low- and middle-income folks. This kind of exclusionary approach is holding Michigan back. Creating real, affordable homes for working people is essential to sustaining Michigan's economy and living up to Michigan's values. She thanked Council for their time.

Patricia Shaw, 26065 Whipple, Novi, said she has lived in the Novi/Farmington area for a little over 40 years. She said she was there to voice her strong opposition to the expansion of high-density, commercial and re-zoning in Novi, specifically the City West District Master Plan. While the initial Novi City West development aims to transform 55 acres into a 225 convention hotel, retail and dining and nearly 750 residential units, townhouses, and condominiums, this project is directly linked to a much larger vision for the surrounding area. She said she must ask how the remaining 200 acres in this master plan district will be developed. The City wants to turn those remaining 200 acres into a high-density mini city. It would be like wrapping our town into their already existing town. She strongly opposes this development. Clearing this land permanently destroys critical local wildlife habitats and mature ecosystems and they cannot be replaced. There is no turning back. Preserving this natural space is vital for their community's well-being and environmental health. Furthermore, this project will place a massive, long-term strain on Novi's public infrastructure, resulting in more congestion on Novi, Taft, Beck and Grand River roads. This will require costly road expansion and over-extend Novi's emergency services. She asked this Council, "Will Novi taxpayers be left footing the bill for road expansions and utility upgrades?" She chose to live in Novi because it offered a beautiful balance of convenience and natural beauty. Novi is quickly losing that balance to overdevelopment. Novi does not need another generic shopping and high-density complex at the expense of their environmental and quality of life. Instead of destroying an irreplaceable, natural asset, she asked Council to please protect the Novi taxpayers, the infrastructure and the quality of life that the residents have here living in the Novi community for future generations. She also said, "Please remember, your decisions will shape Novi long after your terms expire. So, ask yourself this question: what will that mean when these decisions go down the road for you and your families?" She said this is question that has to be addressed.

Michelle Duprey said the e-bike and e-scooter proliferation continues with abandon or care, they whiz by her. She feels unprotected and vulnerable. Last August, she was in touch with a lieutenant from Novi's Public Safety regarding the safety of pedestrians on the ITC trail and on Novi sidewalks. In an email, the lieutenant wrote that the City has been receiving numerous complaints regarding e-bikes and e-motorcycles throughout the City. She said it is rampant. She said she understands that the City Council is aware and has been working on a local ordinance to address this problem. She asked, "What progress has the City made on this ordinance?" She said most of them were familiar with the local accident involving two 13-year-olds who were critically injured on September 7, 2026. Immediately thereafter, Bloomfield Township issued a 6-month moratorium prohibiting the use of e-bikes and e-scooters for those 16 and under. She said a rise in injuries and deaths, particularly among the young people across the nation has expedited the Michigan legislature to introduce new bills to address the safety and restrictions necessary for safe e-bike transportation. These bills are not expected to be introduced for voting until after January 1, 2027. She asked, "Where does the City stand on creating a sound ordinance which protects the vulnerable pedestrians, the riders themselves and the cars that sometimes share the roads with e-bike vehicles?" She suggested they pass an ordinance specifying safeguards to protect and educate the Novi community sooner rather than later before something tragic happens in Novi. She thanked Council for their consideration.

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 26-09-116 Moved by Casey, seconded by Martinez; MOTION CARRIED: 7-0

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 September 14, 2026 - Regular Meeting
- B. Approval of request by E & M, Inc. (Society Hill) for one-year extension, to October 9, 2027, of site plan approval for a 312-unit apartment project developed as a PD-1 Option in a multi-family (RM-1) district, located at the southwest corner of Novi Road and 12 ½ Mile Road, previously extended under a consent judgment and subject to annual extension reviews.
- C. Approval of claims and warrants – Warrant 1210

Roll call vote on CM 26-09-116

**Yeas: Gulumurthy, Heintz, Martinez, Smith,
 Staudt, Fischer, Casey
Nays: None**

MATTERS FOR COUNCIL ACTION:

- 1. Consideration of a potential Payment in Lieu of Taxes (PILOT) and Municipal Services Agreement for the Lincoln Avenue Community affordable housing development at 45500 Grand River Avenue.**

City Manager Cardenas said as they had already learned, this is a 267-unit mixed income multi-family development at the current DiMaria site on the northwest corner of Taft and Grand River Avenue with all the units' income restricted to households earning no more than 80% of the area median income, better known as AMI and weighted average not to exceed 60% AMI. Lincoln Avenue Community presented the project before City Council on August 10, 2026. Following Council feedback, the developer revised its request, reducing the term of proposed taxes from 40 years to 30 years and restructuring the proposed PILOT payment rates. The developer is requesting conditional approval of the payment in lieu of taxes and municipal service agreement or an alternate MSHDA housing tax increment financing. The City has only reviewed preliminary discussions/reviews of the land use plans for this development, so any action by City Council can only amount to a tentative or conditional indication that if the developer were approved by the City, a PILOT MSA along the lines indicated by the application would be only granted. There are two points that he wanted to articulate prior to the applicant presenting to Council. First, he said they received confirmation from the Michigan Department of Treasury that corridor improvement authorities may not capture MSHDA PILOTs. Any tax increment revenue associated with those properties is lost to the CIA. Secondly, Novi's city attorney's office, as it pertains to the percentage of what the school receives in a municipal service agreement, that is completely up to City Council, but they do not see the authority for a municipality to redirect revenue under the separate municipal services agreement to a school district. He said the developer was there to present to City Council.

Erica Meisner greeted Council and thanked them for having her back. She is the Director of Development with Lincoln Avenue Communities. She said she didn't want to reiterate what Victor shared, so she skipped through the first slide. She said she wanted to address a question that might exist which is why there were there now which is early in the development process. She said as the City manager stated, they have only been through the pre-application for their site plan approval with City Planning staff. There were three because they were seeking financing through MSHDA. They were seeking their tax-exempt bonds and their low-income housing tax credits. They have been in touch with MSHDA now since March and they're very close to their underwriting at this point. They fully understand that the project feasibility depends on receipt of a PILOT, and MSA, or something akin to that which is not unusual. Essentially, all new construction affordable housing in the state of Michigan requires alternative tax treatment in order to be feasible. For that reason, MSHDA requires that applicants seeking its funding provide sufficient evidence that the municipality supports a PILOT or the MSA or TIFF or whatever it may be in order to support project feasibility. She said this conditional approval is really to satisfy MSHDA's requirement. It doesn't constitute or assume that they would get site plan approval ultimately. What they are proposing is, and to have the key business terms up there, they're proposing a PILOT and municipal services agreement (MSA). Key business terms are that it's 30 years and that the total payment would be calculated as a percentage of shelter rents which is the rents that are collected less the utilities that are borne by the project or by the project owner themselves. Its house utilities and then the utilities that they're covering for their residences which would be, in this case, water/sewer. They're proposing that the total payment of those shelter rents not exceed 3% for the first 15 years and 10% for the second 15 years. She said that differed from what

they presented in August. The reason this differs is that they went back to MSHDA. They heard Council's comments and feedback on what they had proposed originally. They went to MSHDA and said and asked if they would consider accepting a PILOT that is 30 years and escalates over time to sort of meet you guys in the middle. They took that request to loan committee and ultimately approved that request.

Ms. Meisner said she wanted to speak to the MSA a little bit. She asked City Manager Cardenas to repeat the last part of what he said about the MSA and the schools. City Manager Cardenas said what they'd heard back from the Mission Department of Treasury is that they cannot allocate or have any kind of PILOT captured for CIAs, so that would just be lost on the CIA and they would not capture anything. With respect to the MSAs, Novi's city attorney says that there is no real authority for an MSA to retract revenue under a separate agreement to a school district. Ms. Meisner said that differs from what she has seen in other municipalities. Learning this, her example might not totally align with what he was saying, but for that reason, the purpose of proposing the MSA is that it grants the City a lot more discretion in where it's directing the payments. In the example that she presented in the agenda packet, she was showing a scenario where one-third of the total payment would be paid through a standard PILOT and that PILOT would be distributed on a pro rata basis to the existing taxing entities. The remaining two-thirds of that payment would then be directed under an MSA payment and the City has the discretion to allocate that as they see fit. She said what she has seen happen in other municipalities is there will be some intergovernmental agreement where the City collects the MSA payment and then through a different agreement, will then distribute to a school district or any other entity that it chooses. She said they would need to confirm all of that based off of what City Manager Cardenas shared.

Ms. Meisner said the purpose of showing this example in the agenda packet is that with your structuring an MSA, you can get closer in total payments to the City or whoever it is choosing to allocate payments to. You could get close to what you otherwise might get under an ad valorem scenario. She said she'd put ad valorem in quotations here because it's really not a case that exists. This is really for representative purposes only. The project they are proposing, a 267-unit affordable community, can't support ad valorem taxes. This is not feasible, but she put it in there for representative purposes only. She pointed out that the total payment in that second bar (on the graph) beyond just to the City and the schools is around \$12.7 million. Relative to what the property currently collects under its existing use, that is substantially higher. She said they would project over 30 years, if the property maintains its current use, it would collect around \$2 million or \$2.2 million. It would be a net add to the City, regardless of how you look at it.

She reiterated the community benefits because it's the community benefits that the PILOT and MSA are really supporting. She said there are three. First, the remediation redevelopment of a nearly 11-acre brownfield in the City West district. This currently functions as commercial and open-air storage and the storage is for heavier industrial uses. They have done a Phase 1 ESA. They will be doing a Phase 2 ESA because there are numerous recognized environmental conditions on the site. As part of the redevelopment, they would remediate all those environmental conditions, make sure it's safe for their residents and activate this corner in a way that it's not currently activated.

The second community benefit is the public park they are proposing. They listened to Council's feedback from the last meeting. They went back and tried to refine their park concept in advance of this meeting, and these are just some of the initial concepts that are coming through. Any public park they would provide would include a playground. It would include a green space. It would include interconnected walking trails that weave throughout the site and ideally, to adjacent sites. They would look forward to refining this further with the input of staff and Council and the Planning Commission. The last benefit is the addition of high-quality affordable housing that fills a need in Novi's housing stock. They are looking at serving families that are earning an average of 60% of the area median income. These families look like people that are working at the mall or other retail shopping centers in Novi. They look like people working at Henry Ford Health, Scout Motors, and Learning Care. It looks like people that are working for the City itself including first responders, police officers, entry-level police officers, firefighters, dispatchers, other first responders and their admin staff. Even teachers. Some of the entry-level teachers would qualify for this housing as well. These are people that already contribute to the community and would benefit from living in a place like this. For that reason, they're asking for Novi's conditional approval of this PILOT and MSA that they can present to MSHDA.

Member Martinez thanked Ms. Meisner for coming back and for making some adjustments to this proposal which, to him, shows that Lincoln is being serious about wanting to be here in Novi. He said he's buying everything that she's selling when it comes to talking about affordable housing in Novi. He said when they study this issue time and time again, this is something that continues to come up. People want to get started, people want a place where they can go after retirement. For him, the issue comes down to timing. He said knowing this council and knowing how the City operates, they like to really, really study and understand these things. They want to make sure they're making good long-term decisions for the City. When he looks at the proposal, it all looks fantastic, but the one thing that's sort of "chicken and the egg," "cart before the horse" is we don't yet have a PILOT ordinance. He knows it's not technically required, but at this stage, he doesn't know that he's comfortable enough giving them a green light or even a yellow light to proceed if they don't yet have a plan and a process in place or metrics and standards that they can go off of in order to determine whether or not this is fitting within what they want for the City. He said if there were a way for this, given their time restraints in other aspects of this project, what he would say in a perfect world, is that a conversation about this project could continue where the City's Ordinance Review Committee could have an opportunity to look at this, see the ordinances that cities like Royal Oak have implemented because it's just something they don't have on the books yet. Every city tends to do these a little bit differently. Some have general ordinances that cover all PILOTs. Some have ordinances for specific projects. He thinks this is a conversation worth having within their Council, so they know how to deal with these projects moving forward. He's very, very sympathetic to the concern. He's sympathetic to the need. He's appreciative of the fact that this is scaled down a little bit from 40 years to 30 years. That, for him, was a big step in the right direction. He's not comfortable giving the conditional approval they're looking for because he thinks there are too many unknown variables that, as a city, it would serve them well to get answers to. He said he

hopes they can see this group back at some point in the future. He hopes they can continue this conversation. That was his position for that night.

Member Smith thanked her for coming and said he agrees with Member Martinez. He fully supports the idea. His big concern is how the MSA works. It seems like there are a lot of questions, a lot of different ways that cities handle it, so he thinks they need to do some more review on that before they go ahead with this. He said his really big wish is that this were a for-sale situation instead of a rent, but they'll leave that to their housing advocates out there. He said he'd love to have affordable housing that's building people's equity. Like Member Martinez said, he hopes they'll see them again with some more solid answers.

Member Staudt said his biggest issue with this is the fact that they don't really have any plans. They have some conceptual photos. He feels like they're putting the cart before the horse and maybe that's just the way, the nature of this kind of proposal, but looking at the proposed development, meaning the buildings, there are many things that he's had serious issues with. He has a long history here of supporting underground parking or garage parking. This is all open parking and garage parking is extraordinarily expensive. He's assuming that when they start cutting back on issues like that, he has a really tough time supporting that. He said his biggest issues at this point come down to Council really doesn't know what they're proposing. To ask a city council to conceptually or temporarily approve something that they don't really see is really difficult. He said Ms. Meisner mentioned in the proposal that years 1-15 are 3%, years 16-30 are 10%--not to exceed a total of 13%. Ms. Meisner said the 13% number is in the proposal? Member Staudt said no, the proposal says the split between 3% and 10% is negotiable, so they could do 5% and 8%, he's assuming. As long as they don't add up to something that exceeds 13%. Ms. Meisner said to clarify, it would be a fixed rate of 3% for the first 15 years and a fixed rate of 10% of shelter rates for the second...Member Staudt said he understood that. Ms. Meisner continued by saying within that 3%, there is discretion as to how you allocate that, whether it be through a PILOT or an MSA. Member Staudt asked, "What about us not liking the 3% or the 10%? That's not negotiable?" Ms. Meisner said for their project feasibility, that's what they are requesting at this time. Member Staudt said that is not what he asked. He asked, "Is it not negotiable at all? Because if it isn't, we're done. As far as I'm concerned, even talking about it, it's kind of 'Here's what we're offering. Take it or leave it.' And I'm on the leave it side if you have no negotiation ability." Ms. Meisner said this question comes at a really interesting time. She said she would say two or three weeks ago, they did not have the ability to flex on those terms. MSHDA has recently come out with new guidance on its state housing tax credit program which has changed the financing landscape in the State of Michigan for affordable housing and it could leave some flexibility in how they're structuring this and the rates that they're structuring. She said they don't know yet. The rules around the program have not yet been established. They'll come out in the next 60-90 days, but after that, they'll be able to re-look at the numbers and re-evaluate the PILOT. Member Staudt said that was fair enough. His suggestion to her was, at that point where they have a clear understanding, meet with the Novi staff and discuss some opportunities because when he has a...he said he was going to use her as a developer. He said when a developer comes to him and tells him their terms are this or nothing, his answer is usually nothing. He said with this, it appears to

be some discussion. The other thing is it gives you some time to think about two large buildings that have, it appears, all indoor hallways and everything is not what he considers "Novi friendly" and he has been here for 19 years and seen hundreds of developments. He thinks there is something they really need to go back and make a clear presentation to Council. He said they should consider them—not just what's best for them, but consider what is best for their city. If you look at the type of buildings in Novi, there's nothing currently exactly like what they have. It's two big buildings. If they came back with those two, he'd likely be a no on that part of it, notwithstanding anything to do with the finances. He said he appreciates that it's super hard to come up with something that is both affordable and affordable to build. He works in the construction trade, so he totally understands the cost of construction, but, he said, you also have to look at what they're looking at in terms of the...He said she should go back and look at the last seven or eight developments that they have approved. They're not traditional big box buildings and he thinks that's something they'd have to consider to come back, at least to get his approval.

Ms. Meisner said she had a question about the site plan approval process. She said this is an issue she raised with staff in recent weeks. As she mentioned, they have been through pre-app with the City planning staff. To get to a pre-application for a project of this scale and this impact was, for them, a cost of about \$100,000-\$120,000 in design expenses. The next step would then be to go into preliminary application and that would be an additional, they're looking at in design and due diligence, an additional \$150,000. It's only at that point under the current process that they could potentially get Council's feedback and that's just given that they don't yet have certainty around a PILOT. It's a tough call for them to make. The request is getting Council's feedback earlier with these more conceptual plans before they take this through design development. Member Staudt said he'd suggest they do that when they have greater certainty on their ability to negotiate rates. 60, 90, 120 days. He said he's been around a long time and back in the old days, City Council wouldn't see anything until the end. It put developers in a very difficult position because they did spend a lot of money to get to where Council would say, "No, we don't like it." So, they instituted these preliminary meetings which he thinks is a fair process for the developers. He said they respect that it's especially expensive to do the design work. He doesn't know that they have totally weighed in as a council to them on the design issues. He said he tried a little bit at the meeting. He's one voice amongst seven, but he said the developers have to figure out a way to get a least four of them to agree that what they're proposing is acceptable to Council. She said that was fair. He said over the years, they've developed a set of standards that they're expecting to be kept up. Unfortunately, whether it's affordable housing or whether it's high-end rentals or condos or townhouses, they like to have consistency among those. That's really all he wanted to say. He appreciated them coming to present to Council. She said for the benefit of the group and the audience, they really value that subjective feedback early because right now, the project is technically in compliance with the zoning ordinance for the City West district. She said this additional layer that Council was providing, and the context and the background was super helpful as they refine the plans further. She said she is looking forward to further feedback and dialogue.

Member Heintz said he is in strong support of a lot of what had been said already. He said, of course, he is a huge supporter of affordable housing. He said the tricky thing here is trying to make sure that it's going to be affordable for any potential future residents and the right fit for Novi. He said he had been pondering since their initial presentation to Council about (he was trying to remember how she had described it) a lot of amenities or a lot of features in the apartments to make it look really nice and be high quality. He said regarding the balance of trying to make the numbers work for all of them, were there other iterations or different levels they had tried in the past where they could scale back a little bit in an effort to make it a little more cost-effective. He asked if that is something they had done in other locations. Ms. Meisner said it is something they have done, but not typically in markets like Novi. For a market like Novi with Novi's existing housing stock with the competing newer properties, they're trying to match or at least somewhat get in close range of the level of quality and living experience that they're looking for. She said certainly, in other situations, they have scaled back. Instead of doing granite, they'll do a laminate countertop. Instead of doing a double-height community room, they'll do a single-floor community room. There are certainly different levers they can pull in order to manage cost. Member Heintz asked in doing something like that, would that have a substantial impact then about the tax? Would it be the years or the percentages or would it just be not very noticeable? Ms. Meisner said it could potentially. They would need to pull a lot of those levers for it to have a measurable impact, but it's certainly something that they're willing to explore if the City is open to those through the design and site planning process. If they're open to those concessions on design and amenities. She said they are open to those conversations. Member Heintz said like Member Staudt had said, he is just one of seven members of Council. If he were to suggest anything for future presentations, he'd be interested in seeing an Option A, Option B or something in between and the impact that would have on the City and the redirection of potential taxes. He thinks that could be a nice benefit to both the potential development and the City of Novi as well.

Member Gurumurthy thanked Ms. Meisner for taking Council's previous comments. She said affordable housing is, of course, one of the most important topics. They've heard about it enough from the community, so she is glad they were having this discussion. She asked Ms. Meisner about reducing the term to 30 years. She asked if the 30-year term is more for this payment, but they're still doing the 40-year amortization, so at least the affordability goes through the 40 years? Ms. Meisner said right now, the affordability period is governed by something else. It's governed by MSHDA rules, regulations, independent of the loan terms. Okay, so right now, she said she apologized for not knowing this the last time, but the strictest affordability period of the sources that they're pursuing is for MSHDA's gap funding and that affordability period is for 50 years. Now, with the new state housing tax credit, it remains to be seen if MSHDA directs them towards that gap funding or if they direct them towards the state housing tax credits. The state housing tax credits, she doesn't know where that affordability period lies right now. She thinks that's to be determined, but she suspects it will be in alignment with the minimum affordability period for the federal LIHTC which is 30 years. They are very open to discussion around affordability period. If there's a preference of the City with a PILOT or MSA or whatever it might be for a specific affordability period, they'd love to have that conversation. It's something they can work with. Member Gurumurthy said it's good to

know that it is a flexible, prone to discussion point, irrespective of the payment 30 years. Ms. Meisner said that is correct. And the PILOT will come with its own, assuming if they were to pursue that, it would have its own affordability covenants in it that they would be required to, and they could be set by Council. Member Gurumurthy said if they were to do a 50-year term, the payment would be for 30 years, so the rest of the 20 years, it's just normal. There would be no cut in the payment, but the City would get the usual taxes or whatever the amount is for the remaining 20 years, but the affordability is maintained? Ms. Meisner said she couldn't promise that her predecessors wouldn't come back and say, "Hey, we are refinancing the property and we are investing in all these improvements and we need another PILOT." She said given the way the numbers are penciling right now, she believes that the property can support ad valorem taxes after Year 30.

Member Gurumurthy said one of the things that she noticed on the previous slide, was a concern or something she'd like to see more...she heard in the slide that there were things to go to the CIA and then there is school is 75% and 25, but then she heard that nope, CIA. There is a little bit of a missing thing here. She said she would like to see, because before they do anything here, she thinks there should be more clarity and alignment. She said she'd like to request that. She said she has seen that PILOT is one of the ways that communities promote affordable housing. There is nothing wrong with that part, but it's the data that is presented, it's not always clear. It's either a mismatch or, and because they want it based on clarity, they also want to ask about the schools. What about no CSO? She said hopefully, they continue the discussion, that's where she is as well. There is a point of discussion Ms. Meisner said in terms of the term versus the affordability. That's something she would like her to discuss with the City and then come back with more clarity in terms of what exactly the MSA versus the PILOT and how it's seen. She also had concerns about the imbalance of 3% and the 10% because there should be some flexibility there. Member Gurumurthy asked the whole MSA itself, she knows they came up with this number, but do they have to do some study or something because that's actual services? She said she doesn't know what was done to come up with that number. That number must also be validated. Member Gurumurthy said that's where she is with this whole thing. She has more questions than answers.

Ms. Meisner said, in response to Member Gurumurthy's comment about the 3%, the first 15 years is the most important number that they're keyed into. They have to set that rate at a rate that will allow them to pay back their deferred developer fee which is the money that they're investing into the project as a debt source. She said that is something their lenders and equity investors are looking for. They have to pay that back within 15 years. The 3% is really based off their ability to pay back that fee. As the numbers shift, as they're getting new information from MSHDA, as they're refining the building, the construction costs are changing, that may change. Member Gurumurthy said it would be good to see that as well. She said she is hoping that they continue these discussions because this is something Novi needs. She'd just like more clarity. Ms. Meisner asked if Council does working sessions. Member Gurumurthy clarified what Ms. Meisner meant when she said "working sessions." Did she mean discussing this whole idea and Ms. Meisner said yes, like a roundtable, open the spreadsheet and she can walk them through everything. They could have a lawyer there. They could have consultants there.

Everybody can be answering questions in real time. Member Gurumurthy said her thought would be for the developer to spend time with the City team and then there is some open discussion point about the affordability term versus the 30 years. That would be another open. Then she also heard there is an opportunity between the 3% and the 10% flexibility. There are all these points they could first discuss with city staff and then it could be presented in a document for Council to digest. Then, they can talk about the next step if they still don't understand. She asked the mayor and the City attorney if there are other ways to do this.

City Attorney Schultz said the reference was to some councils who hold study sessions and more work sessions with the developer. That has not been Novi's council's practice. He said they typically work through city administration and then come back here. Ms. Meisner said they'll do that.

Mayor Pro Tem Casey said they had put Ms. Meisner through her paces at the meeting. She thanked Ms. Meisner for coming. She asked if Ms. Meisner would talk to them again about where the other funding sources are coming in. She said she didn't want to misquote numbers, but she had \$8 million in her head and \$2 million in her head from the county. She asked Ms. Meisner to refresh their understanding of that. Ms. Meisner said she didn't have a sources and uses slide in the slide deck, but right now, what they were currently looking at, the capital stack will include equity which is coming through...She apologized if she was explaining something they already knew, but they'll have debt and they'll have equity. The equity is through the syndication of low-income housing tax credits and potentially state low-income housing tax credits. That is based off the total construction cost or eligible basis of the project. That will flux as the project program and the construction costs change. She said the permanent debt they're currently looking at would also come through MSHDA currently through their direct lending program. That is based off the project's NOI or net operating income, that's what it's sized off of. That's really what they're honed in on with the PILOT in particular because that's changing their NOI and their debt sizing. Ms. Meisner said the next piece is a flat \$8 million from MSHDA through their direct lending program. That is a competitive program that they run. Right now, they run applications annually. For whatever reason, they are deviating from their historical schedule and they're going to be running another round this coming December. Their application technically goes in in a couple of weeks for this direct lending program. If, for whatever reason, they do not submit, which they won't do without the PILOT, they could potentially submit in December to that program. That's a flat \$8 million. They feel very confident they would get that, even though it's a competitive program because it's based off efficient use of resources. She said because the project is pretty large, the \$8 million, when broken down on a per unit basis, is relatively low compared to some of the other projects they're competing against. Oakland County, Kyle Hines, the director of their housing trust fund program, wasn't able to make it to the meeting, but currently, the number that they were looking at with them is around \$3 million. It started at \$2 million and that was based off feedback from Kyle about their funding availability and their ability to use tax revenue where, at the time, they were not able to. She said it sounds as though that door has since been opened, which would allow them to access more funds, which is why that number has increased. Those are the core components of the capital stack right now.

Mayor Pro Tem Casey said if Ms. Meisner went to her presentation and found that slide that shows the graph that says, "Potential Payments to Tax Entities over 30 Years." That's that big chart. When she looks at these numbers, she said she knows the ad valorem is an example. She said if she looks at that and she looks for the City, she sees \$3.5 million. She asked if that is over the course of 30 years in the ad valorem instance. Ms. Meisner said that is correct. Mayor Pro Tem Casey said the PILOT and the MSA, the City's at \$2.5 million over the course of the 30 years. Novi's contribution is about \$1 million because that's the gap between what they could potentially get for tax revenue in that space versus what the developer is suggesting they'll wind up getting over the 30 years. Ms. Meisner says it depends on the split and how Novi chooses to allocate the MSA. She said she didn't want to affirm because she would need to run the numbers to actually say where this would pan out, but she sized the actual contribution. Without the PILOT and MSA as proposed, they're looking at a gap of \$5 million with the current program and the current capital stack. So, you're feeling that as a \$1 million change over 30 years, but for them, it's a \$5 million gap. Mayor Pro Tem Casey said some of the concerns that she relayed last time, she's trying to make sure she understands because Ms. Meisner was giving them a different look at the numbers. She said what Ms. Meisner was probably picking up from Council is this was new to all of them. She said they were trying to get their understanding of how a program like this works. She said the more information Ms. Meisner could provide them would be helpful in continuing to educate them about the whole process.

Mayor Pro Tem Casey asked when you build a development like this in the community, do you have a sense what percent of the residents who move in come from that community because they were current residents of that community or are they residents who come from outside that community and move in? Ms. Meisner said it depends. There's theoretical, what their market analyst is projecting versus what's actually happening in practice. To see what's actually happening in practice in their communities, she would need to go back and talk to their property managers, their asset management teams to see what that looks like. For what they're projecting for this project, "they" being their market analyst who they've engaged, they are projecting that the capture rate for the project would be relatively low. In order to fill the project, they would need to capture just 1-2% of eligible residents who live within the primary market area. The primary market area for this project is smaller than any other primary market area she has seen. She said she'd guess within a 5- to 10-mile radius of the project. That's what they're capturing for their residents. She said whether they live in Novi or north or some of the adjacent towns, she didn't know. And she didn't think their market analyst could really project that. Generally, yes, they're living close and many of them likely work in Novi already.

Mayor Pro Tem Casey said it was great information that Ms. Meisner gave them about salary ranges for some of the positions for people who work in the community. It would also be interesting because she heard one of her colleagues mention it as part of their comments to understand the projected age ranges, too. She knows there is some sensitivity in real estate for what you can and can't share with that, but she heard the reference to seniors. She thinks it would be interesting for them to understand how their

market analyst may forecast what percent would be seniors and what percent would be families with young kids, especially as they talk about potential impacts to the school. Mayor Pro Tem Casey said she'd like Ms. Meisner to put that down in her notes.

Mayor Pro Tem Casey asked the City Attorney about one of the comments that one of her colleagues brought up has to do with the idea of creating an ordinance. She asked what a realistic timeline would be to research, study, analyze, go through their ordinance review, and then come in front of Council with an ordinance if they think that's something that is going to be required. City Attorney Schultz said he'd call that a few months. Mayor Pro Tem Casey said she thought that's what he'd say, but she thought she'd ask anyway. She said she thinks that matters in terms of all of the conversation they're having. That's another piece to build into the timeline to understand when they might expect to see the developer back. Also, she asked the City attorney, she wasn't sure what it would look like, but she thinks it sounds like there is some openness to looking at the plans earlier in the process. She said she thinks Ms. Meisner got some great feedback from one of her colleagues in terms of building design as an example, not even just the plan itself. She said she's not sure how they do that similar to how they do PROs, where they get an early look at it before the developer goes too far down a path. She doesn't know how that would work, but she was signaling that she thinks it'd be something for them to investigate. City Attorney Schultz said they should talk about that before they get too far down the road. He said there is no process built into the ordinance now. It's a little different from the re-zoning which is kind of a legislative action by the council. He said they could talk about it, but it's not there now. He said to be clear, one of the issues with the early look is the developer tends to want to rely on that and then assume that that approval's coming. He said they, as Council, need to know what that means before they decide to do it and they'll talk about it. Mayor Pro Tem Casey said because they don't do study sessions in the way that some other councils do, she's looking for that blend. She is looking for that opportunity because she doesn't believe any of them want to send the developer on a path where they're spending \$300,000 without having any kind of input from them. This is unique to Council. This is the first kind of conversation they've had on any project that looks like this. She said she is a little more open to opportunities to try something different as they go. She said obviously, she believes the developer will be coming back in front of them. She said she is not sure where their process went awry this time, but they got materials from the developer the day of the meeting at about 12:00 p.m. or 1:00 p.m. She said that makes it really hard for the six of her colleagues who work full-time to have a chance to make sure they can read it in time because they're working during their day. They want to make sure they have time to read it, time to digest it and time to ask thoughtful questions if there are some that need to go through the City manager. She said she was requesting that getting the materials to them earlier is better. She said in her mind, if there is information that they think Council should have in advance of them coming back in front of them, please give it to the City manager. He can put it in an off-week packet for them and make sure they are fully understanding the situation that's in front of them. Regarding the park, Mayor Pro Tem Casey asked if the expectation is that that park becomes a city park or is that something that the complex itself will continue to manage and maintain. Ms. Meisner said right now, they're proposing the park for a couple of reasons. One, commercial they don't see as viable right now in this location at this time. They're also not commercial developers, so it would require a joint

venture which is not something they're opposed to, but there needs to be a credible demand for the commercial. Secondly, the park allows them to, because it is considered a mixed use, well, when paired with multi-family, it's a mixed use that would allow them to pursue the MDO, get the increased density. They're using that as a tool to get a higher density on the site. Ms. Meisner said under the current ordinance, as she understands it, it has to be a public park and committed to the City or dedicated to the City in order for it to comply with that mixed-use designation. The intent would be to dedicate it to the City after they build it. They can talk about an upfront contribution in order to fund a reserve for maintenance. That is something they have done in some other cases. She has talked to some other folks about why the City would want to take on this park. She thinks it would be a cool value add to the Grand River corridor. Also, it would be the City's park and they could ultimately redevelop it in whatever way they see fit at a later date. That is a potential benefit that a lot of communities will see in a dedication.

Ms. Meisner said in terms of delivery of materials, they submitted the initial presentation and the request back at the end of August with all of their supporting documentation. The accompanying slides, which reiterate the information, came through last night. She said they would work with staff about making sure they submit their information in order to give Council sufficient time. If they need more than four weeks, the developer is happy to work around that.

Mayor Fischer said he is still confused as to what is allowed and what is not. He asked if she could walk him through Slide 4 again. She said based on her understanding and her conversations with other communities, what they've enacted in other communities in Michigan and what they're hearing from their attorneys, recognizing that it may conflict with what the City is hearing. Mayor Fischer stopped her and asked why they would not get this aligned before they came back to Council. Ms. Meisner said she didn't know the information Mr. Cardenas was going to share until he said it at the meeting. To clarify, Mayor Fischer said she was showing a slide that shows certain things that the developer's attorneys say is how the contract could be constructed, but City staff and Novi's City attorney didn't align with the developer on that before they decided to come before Council at the meeting. Ms. Meisner said the information on Slide 4 was presented in the memo they shared at the end of August. She said she couldn't speak for staff, but there are a lot of moving pieces, there are a lot of open questions, and they've been having real dialogue. Mayor Fischer told her to walk them through her understanding, which contradicts their staff's understanding of these pieces. Ms. Meisner said they will make a payment. What they're proposing here is a percentage of shelter rents that escalates. Under this proposal, there is a scenario where they could structure this all as a PILOT. Where 100% of their contribution is a PILOT payment, her understanding is that that would be allocated on a pro rata basis as taxes are currently allocated. The CIA would take 50% and then the balance would be allocated on a pro rata basis. Mayor Fischer asked what does that 3% correlate to what they would get ad valorem in year one. He asked the City, as a fiduciary, would raise how much total across all tax jurisdictions? What would the 3% yield? Ms. Meisner said she had it on her computer and she could tell them the specifics, but it's going to be roughly four...it would be around 10-15,000 under that upper right-hand corner. But then with the MSA program payment, it would be measurably higher. So you'd be getting around the 75,000 or higher. Mayor Fischer said

on the total left side, the total payment of 3% in year one would be X dollars. He asked how many. Ms. Meisner said the 3% payment would be just over 100. It'd be between \$100,000 and \$150,000 based off this graph. Mayor Fischer said versus the ad valorem in year one. Ms. Meisner said the ad valorem is a hypothetical. It doesn't exist. Mayor Fischer said he understood that it is hypothetical. Ms. Meisner said current taxes right now are \$54,000 on the site. Mayor Fischer said that is not what he was asking. He said her hypothetical ad valorem, which she actually had calculated, she had to have a year one in that. He asked what is the year one under the ad valorem. She said she could not speak to that without pulling out her computer.

Mayor Fischer said he thought part of his frustration goes to the workshop discussion or when they get materials, is that the developer's job is to align with staff and get a lot of these figured out before they come to Council. He said he didn't even know what he was looking at, what he was voting on, what they were talking about and then to have the developer ask Council to tentatively commit to a 30-year large financial commitment for the City of Novi with incomplete, pretty much unreadable information being presented to them. He said that is really frustrating from their perspective, because to that point, they had a job as staff to get them the information so they could digest it and they do. He said they see plenty of developments and they're able to digest and make decisions. He said he was not sure what he was looking at from this presentation that was provided very late on.

Mayor Fischer said he had some questions about the \$8 million, \$3 million. He said if he divides that by the 267 units, she was telling him that the state and county alone right there are contributing about \$42,000 per unit. He asked her if that was correct. Ms. Meisner said she would trust his math on that and say yes. Mayor Fischer then asked if she were able to take into account the City's contribution, what would that equate to per unit? She said the net benefit to the project would be \$5 million, \$5 million dollars divided by 267 units. He asked her how she got \$5 million. She said the PILOT allows them to increase their debt capacity. The PILOT, as proposed with their current underwriting, allows them to increase their debt capacity by \$5 million. Depending on how the actual payment is split and decided on at a later date, to the Mayor Pro Tem's point, they're looking at a difference of about \$1 million over the 30 years that the City would realize or that the City would be not receiving under the ad valorem scenario. Mayor Fischer asked about the CIA. He said that is a City jurisdiction. He said he saw \$18 million there. He asked how she was computing that into the \$5 million and the \$1 million. She said that reduction is part of the \$5 million. She said she was not clear on his question. Mayor Fischer asked how she was talking about \$1 million contribution from the City when the CIA is showing a \$16 million reduction and the CIA is fully run and under the jurisdiction of the City. She said she was referring specifically to the City line item right there on the chart. Mayor Fischer said in their last meeting, there were a lot of talks and there continues to be through this packet about the impact to the CIA. He said to not understand that the City and the CIA are one and the same and they're trying to protect both of those to ensure that they're all contributing fair shares to this, how is that not clear on this? He asked how it is confusing. Ms. Meisner said the number is right there. She didn't think it was confusing. Mayor Fischer asked her where she got the \$1 million and why she wasn't including the

CIA. She said she understood his point now and moving forward, they will display that information as the CIA being a part of the City.

Mayor Fischer said there is a very large contribution from all the taxing jurisdictions, plus the \$11 million from the state and county. He said they had questions about that last time and once again, from a preparedness perspective, she didn't come with the sources and uses to walk them through any of it. He asked if that was correct. He said it wasn't included in the packet. He didn't miss it. Ms. Meisner said it was not in the packet. He said the Council is made up of very data-driven people. To understand the developer's funding mechanisms in totality so they can understand the impact to the City and their contribution is a fair request. He said he thinks it was a request that, quite frankly, was made last time, so to come back without that information is rather insulting, to be quite honest. Mayor Fischer asked her if they have a property in Ypsilanti. She said yes. He asked her if it is open. She said yes. He asked her if it is at full capacity. She said yes. He asked her how many workers from the area, from the local Ypsilanti Public Safety and teachers live there currently out of the 300+ units. Ms. Meisner said she would need to talk to their property managers and get that information from them. He said he was surprised. He said she showed them four or five slides talking about salaries of people in Novi. He said she was making a point that everyone is going to move there. He said he'd think that would be a data point she would have liked to have shared with them at the meeting. He said there have got to be some other communities about which she could give them that information. He asked her if she knew. Ms. Meisner said that a lot of that information is confidential because it's residents' information, so she would need to pull that specifically. She said she'd be happy to do that and work with their property managers. Mayor Fischer said it's confidential to share a ratio of local public and safety...Ms. Meisner said it's not information she could readily access. He said if there were going to be five slides on a certain point, he would like to see more data on their success in that fashion. He said between the lack of information at the meeting, he certainly couldn't support any motion as is provided here because, again, he thinks there are way too many moving parts. He said he thought them coming before Council was very preliminary. He said there are no Ts crossed and no Is dotted. He said as far as even going into a site plan, all those things, it's very ambiguous. He said, again, the contribution they're looking for, a financial contribution from the City of Novi residents, is quite serious and he's just not sure that the seriousness is being taken by their company. He asked what kind of margin her company makes on a project like this. Ms. Meisner said in this scenario, with their current underwriting, she could speak to their paid developer fee. She said they were looking at around \$1.5 million. Mayor Fischer asked her what percentage margin it would be for them. Ms. Meisner said she knows how to use that term in other contexts, but it's not a term that they use. She asked what he specifically meant by that. Mayor Fischer said on a total project investment of \$100 million, what percentage did she think they were going to make on this or whatever their dollar amount of investment is. She said 2%.

Mayor Fischer said he thought it was pretty clear he is not in support of moving forward with any sort of tentative indication, but they did have a motion potential for their packet. He said he'd turn it over to City Council to see if anyone was willing to go ahead with that. City Attorney Schultz clarified by saying that if they weren't ready to make any motion of tentative approval, they didn't need to take any action.

Member Staudt said he had a couple of questions. Going back to the buildings themselves, he said the developer talks a lot about seniors. He asked what the ADA situation is with these buildings. He asked if they are single floor and fully ADA compliant on the floor levels. Ms. Meisner said yes, they'll be fully ADA compliant. They'll meet all ADA requirements. She said they are elevator service buildings, so all of the units will be ADA compliant. Member Staudt asked if all these units will be single floor. She said that is correct. He said they are not multi-floor and she said yes.

2. Receive an update on the requested progress with the Novi Ice Arena

City Manager Cardenas said there are three items that Council is looking for: the user agreements, sponsor opportunities and branding efforts. One thing the council was very explicit about was immediate formalization of those agreements. Unfortunately, he didn't think they were meeting the expectation of "immediate" since they were planning to do it in October. He said the agreements had been drafted. They'll make sure that those meetings happen pretty quickly with the user groups and that they bring it back to their entities for review. Hopefully, they can have that back by the second week of October or, more likely, the beginning of November. Regarding the sponsorship opportunities, they were waiting back for that study that Suburban Ice is currently conducting. He thinks there are some efforts they can do on their side to review other opportunities that are other examples that are out there throughout the country, to bring back to Council for consideration because he thinks there are lost opportunities that they're missing out on. He said the branding efforts are in full swing. He said they may have seen it already on the Ice Arena's website that they are prominently displaying that it is a city-owned facility and they're going to be unveiling a new logo that's going to be very explicit that this is a City facility that has the Ice Arena operations conjunctive to that.

Mayor Pro Tem Casey commended the City Manager and the administration for coming back to Council with this kind of update after hearing Council's feedback from just a couple of weeks ago. She thanked him for coming back with this kind of update and she looks forward to hopefully other instances in the future where they get this kind of immediate response back.

Mayor Fischer said he agreed. It is very timely. They seem to be moving along swiftly, especially on the items that they have called out, like contracts. He said it would be nice to see the draft contracts in their admin pack before they start those engagements with those user groups. He said he'd also impress upon them that it's very important that they move expeditiously with these, that they've been at a lapse for quite a long time. He said a little bit more medium term on the sponsorship opportunities. He said he thinks some sort of information in their admin packet about how they're starting to envision the structure. He asked City Manager Cardenas if this is something that Suburban will manage. If they're managing it, what are they taking? Is it going to be done by staff and somehow put into the Ice Arena fund? He asked if they were envisioning that the Parks Foundation be involved? He said he is interested to see their thinking and brainstorming. He said it's great that they realize that there is a missed opportunity, but the next step is how they will transact that. He said he looks forward to seeing the branding move along.

He thinks one piece that might be missing, though, is a little bit of a longer-term strategy. He said they talked about potential future uses of the facility where they could see, if they had capital dollars, what would they do to expand it or change it or renovate it that would be most impactful, and value added to the project. He said there was nothing he was expecting right now, but he wanted that included in future memos just to keep it on the radar that over the next 6-12 months, that's something he expects them to come back with.

3. Consideration of awarding a contract to G2 Consulting Group for material testing services in the amount of \$301,272 for the Public Safety Facilities projects, subject to final form and approval by the City Manager's and City Attorney's offices.

CM 26-09-117 Moved by Staudt, seconded by Casey: MOTION CARRIED 7-0

Approval to award a contract to G2 Consulting Group for material testing services in the amount of \$301,272 for the Public Safety Facilities projects, subject to final form and approval by the City Manager's and City Attorney's offices.

Roll call vote on CM 26-09-117

**Yeas: Heintz, Martinez, Smith, Staudt, Fischer,
Casey, Gurumurthy**

Nays: None

CONSENT AGENDA REMOVALS: None

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

MAYOR AND COUNCIL ISSUES: None

COMMUNICATIONS: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:30 P.M.

Cortney Hanson, City Clerk

Justin Fischer, Mayor

Transcribed by Diana Charles
Customer Service Representative

Date approved: October 12, 2026