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CITY of NOVI CITY COUNCIL

Agenda Item 2 September 24, 2018

SUBJECT: 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.

SUBMITTING DEPARTMENT: Community Development Department - Planning

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

One of the proposed uses at the Adell Center development is a company called Carvana. Carvana facilitates the sale of used car vehicles online. Cars that are sold online are delivered to the Carvana fulfillment center for customer pickup, or may be delivered to the purchaser. The proposed building will store cars within a 7 story tower. Vehicles will be visible through windows on all floors, and from all sides of the building. The associated office is one story. Store hours are proposed to be from 7 a.m. to 9 p.m., and customers will visit the building by appointment. Once in the building, the customer finishes the paperwork on the car sales and gets a token, which is used to get the purchased vehicle out of the "vending machine" tower.

After discussions with the applicant, staff recommended that the applicant consider seeking approval as an Unlisted Use, as Carvana is not expressly authorized or contemplated in the City of Novi Ordinance as a principal permitted use or a special land use in any zoning district. The proposed use does not have the traditional style of larger horizontal parking lots for display of vehicles for sale. It does not offer direct sales from the site, but relies on an on-line purchase, and it does not service the vehicles that are sold. 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.

The applicant has provided a narrative, building elevations, signage and floor plans, for the proposed Carvana use, which are attached, along with staff's memo and recommendation for the use indicating it would be the most appropriate Zoning District for the Town Center District, in the current proposed location at the Adell Center. 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.

Planning Commission Recommendation:

The Planning Commission held a public hearing on July 11, 2018 and postponed their recommendation to Council based on the following motion:

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 in 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.

The applicant provided a <u>revised narrative and additional information</u> to address some of the concerns at the July Planning Commission meeting which is included in the packet.

At their August 22, 2018 meeting, the Planning Commission has <u>recommended approval</u> to <u>City Council</u> for the proposed unlisted use at the proposed location in the TC, Town Center District.

It is staff's opinion that, if the City Council approves the request Carvana to be considered as a Special Land Use within TC, Town Center District, at the Adell Center as proposed, the following conditions would apply:

- 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.

City Council Action

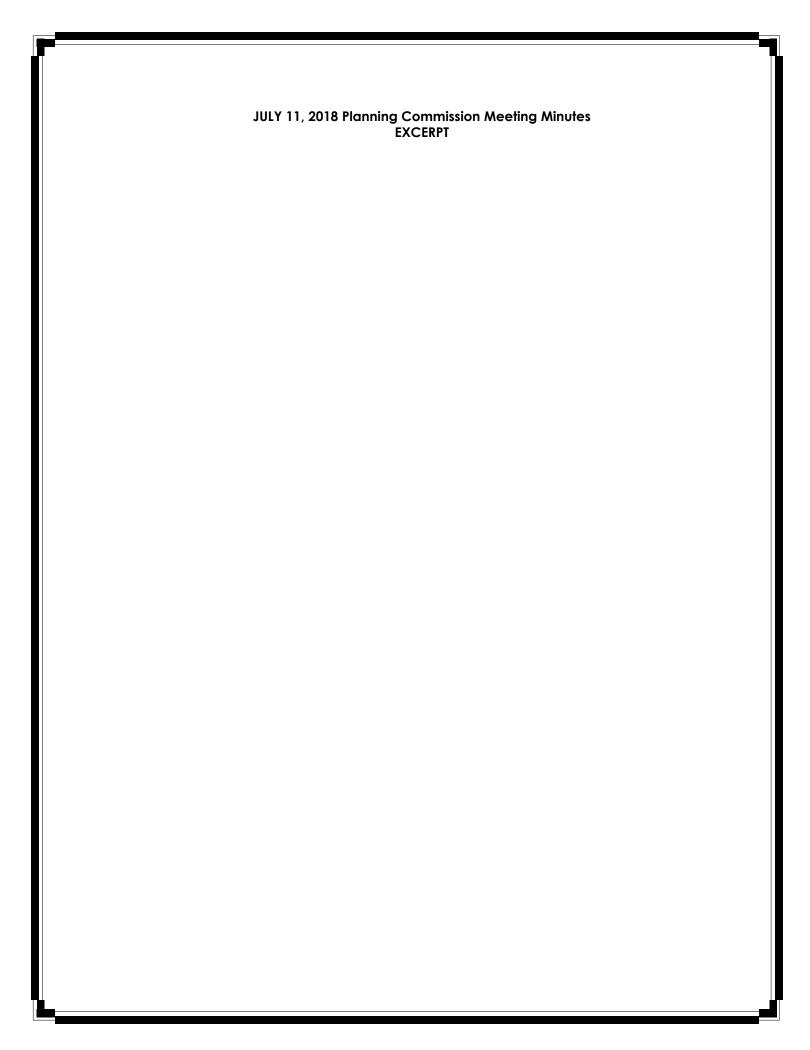
If the City Council is inclined to approve the unlisted use determination at this time, the City Council's motion would be to indicate its *tentative* approval and direct the staff to bring back the request before the City Council for final approval as part of the PRO approval process for the TC rezoning of the subject property.

RECOMMENDED ACTION:

Tentative approval of the request of Carvana for an Unlisted Use Determination under

Section 4.87 of the Zoning Ordinance, for the use of a Vending Machine Fulfillment Center as a Special Land Use in the TC, Town Center District, subject to final approval of the Planned Rezoning Overlay (PRO) rezoning of the property on which the development is to be located, and subject to the recommended conditions as noted in staff's memo. This motion is made for the following reasons:

- a. Carvana is not expressly authorized or contemplated in the City of Novi Zoning Ordinance as a principal permitted use or a principal permitted use subject to special conditions;
- b. The proposed use is an appropriate use in the TC District but only in the location and as part of the development proposed at 43700 Expo Center Drive, and not in other locations in the TC District, and therefore this determination is subject to and contingent upon the City Council's final approval of the proposed PRO rezoning for the property as a whole;
- c. A trip generation report or any additional information as required by the City's Traffic Consultant, will be submitted at the time of Special Land Use Consideration.





PLANNING COMMISSION MINUTES

CITY OF NOVI Regular Meeting July 11, 2018 7:00 PM

Council Chambers | Novi Civic Center 45175 W. Ten Mile (248) 347-0475

CALL TO ORDER

The meeting was called to order at 7:00 PM.

ROLL CALL

Present: Member Anthony, Member Avdoulos, Member Greco, Member Lynch,

Member Maday, Chair Pehrson

Absent: Member Howard (excused)

Also Present: Barbara McBeth, City Planner; Sri Komaragiri, Planner; Lindsay Bell,

Planner; Darcy Rechtien, Staff Engineer; Thomas Schultz, City Attorney;

Beth Saarela, City Attorney; Peter Hill, Environmental Consultant; Maureen Peters, Traffic Consultant; Doug Necci, Façade Consultant

PLEDGE OF ALLEGIANCE

Member Lynch led the meeting attendees in the recitation of the Pledge of Allegiance.

APPROVAL OF AGENDA

Moved by Member Lynch and seconded by Member Avdoulos.

VOICE VOTE TO APPROVE THE JULY 11, 2018 AGENDA MOTION MADE BY MEMBER LYNCH AND SECONDED BY MEMBER AVDOULOS.

Motion to approve the July 11, 2018 Planning Commission Agenda. *Motion carried* 6-0.

AUDIENCE PARTICIPATION

Eleanor Thompson said I've lived in Willowbrook Sub 3 for 47 years. I've seen a lot of changes. I have two quick things. One is that we want the bus system here in Novi, the transit system. We don't need it. I don't want to pay for it. I pay for a zoo I no longer use, I'm 73. I pay for the art building that I don't need. And I did see an article in the Free Press not too long ago, they interviewed some young people having to come out here for jobs. Years ago when the A&P and Farmer Jack were here, I didn't have a car. I was a housewife, I didn't work. So I put my daughter in the stroller and we went up to the grocery store. We walked in the dirt, we walked in the gravel, and it didn't hurt us. I do not want to pay for any bus system out here. And this Adell Center – let's get some of the other stuff that's open, empty for a long time, filled up. Let's let that go back to grass like it used to be in the olden days. Novi Road is busy now, can you imagine what Novi Road is going to be like that again? That's my opinion. Thank you very much.

CORRESPONDENCE

There was no correspondence.

COMMITTEE REPORTS

There were no Committee Reports.

CITY PLANNER REPORT

There was no City Planner Report.

CONSENT AGENDA

There were no items on the consent agenda.

PUBLIC HEARINGS

1. NOVI TECH CENTER 6 & 7 JSP 17-86

Public hearing at the request of Hillside Investments for Special Land Use, Preliminary Site Plan, Woodland Permit, and Stormwater Management Plan approval. The subject parcel is located in Section 24 east of Seeley Road and north of Grand River Avenue. It is approximately 8 acres and zoned I-1 (Light Industrial). The applicant is proposing to build two 24,861 square foot office/warehouse buildings for a total of 49,722 square feet with associated site improvements.

Planner Bell said the applicant is proposing to construct two 24,861 square foot office/warehouse buildings along with associated site improvements. The site is estimated to be 8 acres and located in Section 24, east of Seeley Road and north of Grand River Avenue.

The subject property is currently zoned I-1, Light Industrial. The properties to the east, west, and south are also zoned I-1, Light Industrial. The property to the north is zoned MH, Mobile Home District and is the location of the Highland Hills Estates community. The Future Land Use Map indicates Industrial, Research, Development, and Technology for the subject property and for the properties to the east, west, and south. The properties to the north are planned for Manufactured Home Residential.

The western half of the site contains City regulated woodlands. Of a total 326 trees surveyed on site, 198 were determined to be regulated. The proposed site plan indicates 150 regulated trees to be removed or about 75%. These would require a total of 292 replacement credits. The applicant is currently proposing to plant approximately 150 of them on site and to pay into City tree fund for the remaining. The applicant has indicated they are willing to protect the 48 preserved trees and replacement woodland trees in a conservation easement.

Planner Bell said the proposed project would connect to the existing Novi Tech Center off of Grand River to the east through an access drive. Another driveway would be located off of Seeley Road to the west. The site plan shows a total 49,722 square feet of office/warehouse buildings, 184 parking spaces, 9 bicycle parking spaces, loading/unloading docks, stormwater management pond and dumpster. The loading/unloading docks are located on the south side of the buildings to limit truck traffic on the north side of the building; moving the activity away from the residential area.

In the matter of Fox Run CCC, JSP18-19, motion to recommend approval to the City Council of the Revised Phasing Plan based on and subject to the findings of compliance with Ordinance standards in the staff and consultant review letters, and the conditions and items listed in those letters being addressed on the Final Site Plan. This motion is made because the plan is otherwise in compliance with Article 3, Article 4, Article 5, and Article 6 of the Zoning Ordinance and all other applicable provisions of the Ordinance. *Motion carried 6-0.*

ROLL CALL VOTE TO RECOMMEND APPROVAL OF REVISED WETLAND PERMIT MADE BY MEMBER AVDOULOS AND SECONDED BY MEMBER GRECO.

In the matter of Fox Run CCC, JSP18-19, motion to recommend approval to the City Council of the Revised Wetland Permit based on and subject to the findings of compliance with Ordinance standards in the staff and consultant review letters, and the conditions and items listed in those letters being addressed on the Final Site Plan. This motion is made because the plan is otherwise in compliance with Chapter 37 of the Code of Ordinances and all other applicable provisions of the Ordinance. *Motion carried 6-0.*

ROLL CALL VOTE TO RECOMMEND APPROVAL OF REVISED WOODLAND PERMIT MADE BY MEMBER AVDOULOS AND SECONDED BY MEMBER GRECO.

In the matter of Fox Run CCC, JSP18-19, motion to recommend approval to the City Council of the Revised Woodland Permit based on and subject to the findings of compliance with Ordinance standards in the staff and consultant review letters, and the conditions and items listed in those letters being addressed on the Final Site Plan. This motion is made because the plan is otherwise in compliance with Chapter 37 of the Code of Ordinances and all other applicable provisions of the Ordinance. *Motion carried 6-0*.

ROLL CALL VOTE TO RECOMMEND APPROVAL OF STORMWATER MANAGEMENT PLAN MADE BY MEMBER AVDOULOS AND SECONDED BY MEMBER GRECO.

In the matter of Fox Run CCC, JSP18-19, motion to recommend approval to the City Council of the Stormwater Management Plan, subject to the findings of compliance with Ordinance standards in the staff and consultant review letters and the conditions and the items listed in those letters being addressed on the Final Site Plan. This motion is made because the plan is otherwise in compliance with Chapter 11 of the Code of Ordinances and all other applicable provisions of the Ordinance. *Motion carried 6-0.*

3. ADELL CENTER PRO JZ 18-24 AND ZONING MAP AMENDMENT 18.724

Public hearing at the request of Orville Properties, LLC for a Zoning Map Amendment 18.724 for Planning Commission's recommendation to City Council for a Planned Rezoning Overlay Concept Plan (PRO) associated with a zoning map amendment, to rezone from Expo (EXPO) to TC (Town Center). The subject property is approximately 23-acres and is located at 43700 Expo Center Drive, north of Grand River Avenue and south of I-96 in Section 15. The applicant is proposing to develop the property as a multi-unit commercial development consisting of nine units accessed by a proposed private drive. The current PRO Concept plan includes a request for an Unlisted Use Determination under Section 4.87 of the Zoning Ordinance.

Planner Komaragiri said as you may have noticed, the screens in front of you are not

applicant, Kevin Adell, and his engineer, Dan LeClair, along with their team and representatives of some of the individual users. The applicant would like to give you a 3-D tour of the proposed development after my presentation.

Planner Komaragiri said as a separate matter, but related to the rezoning plan, the Planning Commission is asked tonight to make a recommendation to City Council whether to allow or not allow Carvana, 'Vending Machine Fulfillment Center,' as the described unlisted use, as an appropriate use subject to Special Land Use Conditions in the Town Center District. The applicant is proposing a use which is in essence a used car dealership, but do not function or appear like a used car dealership.

Carvana was founded in 2012 as an online automobile retailer. It is currently operating in nine cities in the United States. 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' 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 seems limited, and the location prominent.

At this time, staff has reviewed the appropriateness of the use as part of Adell Center specific to the subject property. Staff has not reviewed for its suitability for all of the Town Center District. We have Arwa Lulu and Garret Jonilonis from Carvana who are here to give you a brief presentation about how Carvana works following Adell Center's presentation.

Thank you very much for your time and patience.

Dan LeClair from GreenTech Engineering said thank you for the opportunity to present to you tonight. We have our whole team here tonight, Kevin Adell and Ralph Lamenti from Orville Properties. Kevin's family is the original owner of the property from way back in the 1950's from when this property became a manufacturing facility. Later on, it became a facility for refining or I believe it was Mohawk that was there, and then of course we all know about the Novi Expo Center was formerly there.

We started working on this property about four to five months ago, Mr. Adell contacted us and explained to us that he and his family have been working on this property for several years, since the Novi Expo Center was no longer in use and the building was turned over. And he has been looking for several years to find the right opportunity and the right use for this property, and he's had several different uses come in, several different people have come in that he explained didn't make it very far – some a little farther – so there have been a lot of different options looked at for this property.

He came to us from the standpoint that he marketed this property to retail, entertainment, and knowing what's going on in America with our society and going to the internet age, he's asked us to look at different types of uses and what is out there that is different – national companies that are setting their footprint across America. And also knowing that we have a lot of entertainment with the current Suburban Showplace, we've got soccer facilities, a lot of family entertainment in the area.

So he kind of put together a site plan to cater to those types of uses - we don't see any

And then the taller buildings, the Drury, kind of farther back away from the freeway but people can still see it. Because this site does have a little bit of a challenge – it doesn't have a frontage on Novi Road – so we've got to get users into this facility or this location by what's out on the freeway. And we can get a little bit of a better look at the Drury – kudos to the people that put this together, it's very neat imagery.

Here's a better look at some imagery of iFly's facility and we'll move on to Carvana. I'll let Arwa explain this a little bit better but essentially it's what we would call typically a vending machine. Arwa will explain it more, but's a really neat concept, mostly internet-based. It's basically a delivery location, where you can purchase a vehicle online and close the purchase and come to this facility and pick it up. And so the vehicles are stored here for the pick-up and the delivery.

Mr. LeClair said a couple other things that I wanted to describe or explain – this project, right now the site plan that you see throughout our drawings, the Carvana layout that you have here is a conceptual layout that we put together while we were still working with them. The building will most likely be very similar to this, but we may twist it around a little bit to meet the site plan requirements. Drury, they've got a layout that they've presented to us, so we're using most of their information. The Planet Fitness site is a conceptual layout that we had done, as well as the two restaurant sites.

So those specific users haven't tied down the exact location of their building on their sites, or their parking and driveway geometrics. So we put a site in for them just so you can grasp and get the idea. But I'd like to explain this as being very similar to an industrial park, where we are proposing to develop the roads and bring in the utilities and create the lots. And then each individual site user, or purchaser, will come in with a site plan. So we're kind of setting up the zoning framework and the overall framework and then they will come in individually with a site plan. And of course, we'll have the road and utilities brought in as part of the overall development in creating the overall condominium.

Timing – this project is going extremely fast. We've been working with Sri, she's been very patient with us and responding very quickly so thank you to Sri, and Barb – they've been very graceful in meeting with us. Mr. Adell brought in the users for the properties, and then we're coordinating the overall site to line up with the users. He's got people coming to purchase these properties and commit themselves to developing on these properties. They're very excited about it, they're spending a lot of money because this is probably the most sought after real estate in Oakland County and maybe southeast Michigan, right at this intersection. So we're taking all of their information that they use, not only in Michigan but nationally, and incorporate it into these sites.

So the site layouts that you see and some of the deviations that Sri has talked about, we've kind of taken the information that we've gotten from our users and we're asking for those deviations now in anticipation of when those users come in. So we've taken their information and tried to get it in ahead of time so you folks can see. So some of you may look at these deviations and say 'well why are they asking for this,' but there's a reason because the site plans are coming. We are currently working on the preliminary and final site plan construction plans for this development right now. They're probably going to be submitted next week, even before this project, if it moves forward, gets to City Council. We're on that tight of a timeline. Mr. Adell is committed to get this project moving and moving very quickly. Once we get to a certain point, we're going to submit for demolition

- get the site cleaned up, get the concrete floor and the parking lots removed, and get it ready so that these users can come in later on this year. So the timeline is extremely quick.

Mr. LeClair said we've asked for several deviations and if you have questions, we can have each of the individual users answer any questions that you may have. Before I ask Arwa to stand up and talk a little bit about their operations, if I may approach the Planning Commission with some letters that we've received.

Chair Pehrson said are they not in the packet?

Mr. LeClair said they are not.

Chair Pehrson said give them to Sri, please.

Mr. LeClair said Mr. Adell has been very, very active with this project. He really wants to garner interest and support from everybody that he can. At this point, through his discussions with L. Brooks Patterson, Andy Meisner, Sheriff Bouchard – all are in favor of this project and very excited about it, as well as Joe Hurshe from Providence Park. So we've got a lot of our neighboring community, he's actually setting up a get-together with the neighbors in the community through the business associations to introduce this project and that will also be coming also very shortly. With that, I'm going to turn it over to Arwa so she can explain a little bit about the Carvana operations.

Arwa Lulu from Carvana said I wanted to share a little bit about Carvana because it is a concept that people have not heard a lot about. So I would like to share this short video, just 30 seconds.

So like the video said, we are the new way to buy a car. The company itself was founded in 2012. We have been operating car vending machines since 2013, and we're hoping to propose a similar concept to Novi, Michigan. Similar to what the video presents, we offer simple one-stop shopping online, which is completely different from a traditional car dealership. Customers don't ever have to leave the comfort of their own home, they can browse vehicles on their computers, their cell phones, maybe on a break at work, maybe you have a busy schedule. You really don't have to go anywhere, the only way you can purchase our vehicles is online.

So think of it as an Amazon for cars – you log onto our website, say you're looking for a Honda Accord maybe year 2016, start filtering those options and those specs, you can really play with it a little bit. It'll show you the vehicles in your area that are available. The next step is to figure out, ok I want this car, now how do I get it? Do I want to purchase it outright or do I want to finance? There's a financing widget right on our website, meaning there's a fixed price. There's no negotiating, there's no haggling, there's no going back and forth with a salesperson. You know the price right off the bat, you know what your financing terms are because you can play with the widget and figure out what your budget is on a monthly basis, and you can go from there.

Now you've decided what car you want, how much you want to pay for it, what your monthly bill for it will be. You go to the next step, which is finalizing the transaction, which again you don't have to leave your home to do so – you can just do it from the comfort of your own home, all the paperwork is on the website.

At the last step of the process, you get to choose how you want to receive the car because you're not actually at a car facility or a traditional dealership. You get to choose whether you want the car to be delivered to you or if you want to pick it up. So that takes me to the fulfillment options that we have.

Ms. Lulu said so Carvana delivery – we can deliver cars for free up to 100 miles of your location. And then the other option that we're proposing to Novi, Michigan is the vending machine fulfillment center. That's the option that we really want customers to get excited about. We now have twelve of these vending machine fulfillment centers in six different states, so we really want to create that car buying experience that is completely different than what you see at a traditional car dealership. You don't have to spend four hours on a Saturday wasting your time looking for a car; you can see all the specs because we have a 360 view of the vehicle. All of our photo booths are equipped to take pictures internally and externally of the vehicle.

Once you purchase that car, it gets delivered. If you want to pick it up at a car vending machine, and like Dan said, it's a vending machine – you get a coin, you put the coin in the coin machine, and the car is vended out to you through our automated system. I want to talk briefly about the Carvana difference because to Sri's point, we are not a traditional car dealership. Vehicles are purchased online and then delivered to the fulfillment center for customer pick-up, which is different than a traditional car dealership because the cars are stored on the parking lot for customers to come and browse and shop and figure out if they're going to buy a car that day or not. The difference with the Carvana fulfillment center is that a customer has secured their purchase, and they're just coming to pick up their car.

We, on average, need a site of one to two acres. In our other markets, we needed 35 to 40 parking spaces to fulfill our operational needs. You won't see auto servicing, gas pumps, fuel stations at a vending machine fulfillment center and that goes to create that customer experience – they don't have to worry about any of that, they're just coming to pick up their car and be on their way.

And then another huge part is that there are no sales promotions, no gimmicks, no balloons that you would typically see on a weekend or a Sunday when you're just driving around town; none of that would occur at a Carvana vending machine fulfillment center.

So plan of operation. At a typical vending machine fulfillment center, you'll see at least five to six employees throughout the fulfillment center. One of them could be a manager, the rest would be our field advocates. And they are working with customers, greeting them, unloading cars from the tower, loading them into the tower and just really helping customers walk through that final transactional paperwork, giving them their token, and then sending them on their way when that car comes out of the vending machine. And then customer visits, because we're not a traditional dealership, visits to the fulfillment center are by appointment only and daily this can range anywhere from six to fifteen.

Ms. Lulu said so this is our conceptual design, this is a rendering that we revised – so we went to the pre-application meeting on May 14, 2018 and the building was not received well by the façade group and so we took those comments and we took the façade ordinance requirements and added a lot of brick to our building. The glass tower portion

will remain glass and steel because we want to be able to display the cars and get customers excited about the cars they're coming to pick up that they've already prepurchased.

So I know that the comments in the staff report alluded to Carvana being an experimental concept, like I mentioned earlier Carvana was founded in 2012, operating their vending machine fulfillment centers since 2013. So I want to show you a map; January 2017 we were only in 25 markets – those markets include inspection reconditioning centers, vending machine fulfillment centers, and then our headquarters in Tempe, Arizona and various hub locations where we actually deliver those cars to customers. Fast forward to June 2018, we are now in 65 markets and growing. So now we offer twelve vending machine fulfillment centers in six different states, we are growing at a really fast pace and will continue to be delivering vending machine fulfillment centers. We have inspection centers throughout the nation that house our cars, they inspect them and perfect them before they send them out to the final destination which is the customer. So I wanted to touch a little bit on that and hopefully that answers some of the questions about Carvana and what we do. Thank you for your consideration.

Mr. LeClair said thanks Arwa. Again, part of the reason why we wanted to have Arwa explain that is because this is a use that none of us ever had known about. They're not a typical car dealership, and because this use is not listed as an allowable use, it comes as a Special Land Use. So we wanted to make sure that you folks had an understanding of what they were looking for. At this point, we're happy to answer any questions. I think Mr. Adell would probably like to introduce himself so he can just come up and say hi, and then we will be happy to answer any questions from you folks.

Kevin Adell good evening, I am the owner of the property on the corner of Novi Road and I-96. There's my name, Adell. And I wanted to thank you for taking time for reviewing this application. My dad bought the property in 1965 for \$150,000 before this building was here, before City Hall, before everyone was here. And so we love Novi, we appreciate the City and its public safety. So this is a great opportunity for Novi, these are companies that are investing. I drove around today before I got here and I looked at Twelve Oaks, and I see JC Penney and Sears and Toys R Us and those are just leases – these are people that are coming in and investing, they're paying a million dollars per acre. So they're not going to be leaving, it's different when they're a lease at Twelve Oaks and they can just leave.

I am in business, I own the Word Network, the largest African American religious network in the world. I own WADL TV station, and I own 910 AM Superstation. So I am in business, there are no guarantees in business. And so Carvana is experimental, so is Amazon, so is Uber, Lyft. I'd rather take an experimental business than a business like Sears or Denny's – we just passed, Denny's is going out of business. Novi is a great town, they're not going to be leaving. I did a different concept than what's normal. I'm not a developer, I don't go from city to city, I'm in media.

But I do appreciate Novi, this is a once in a lifetime opportunity. If it doesn't get developed now, there's no one in my family that is going to develop it. My daughter is twelve, she's not going to develop it and my wife is not going to develop it, she was just here. So, I'm it. And so I think we put a good plan together. If there's any questions, I'm happy to answer them.

But for years, I looked at many business opportunities. Beaumont approached me, you saw in Crains where Beaumont approached and wanted to pay 25 million dollars. The problem was I would have had to get a Certificate of Need – so if you want to put any type of equipment in, you would have to get a Certificate of Need. And Providence couldn't expand because they were laying off, so medical is laying off. I looked at many opportunities; I looked at a water park, I didn't want to be responsible since I have a daughter and I know that you guys have children. I didn't want to be responsible for two or three deaths per year.

We worked with Blair, Blair went down the street with Suburban Showplace. It's a beautiful facility, we're not competing with Blair. It'll complement Blair, with all the hockey tournaments, soccer tournaments, football tournaments around here. I'd put two hotels that are priced reasonably. I talked to Mark Wahlberg, since I am in the media, about putting Wahlburgers there, so I'm holding one lot. It's online proof; it's not something with brick and mortar where we're going to competing with stores.

Mr. Adell said since I am in business, I've been successful, and I know that this will be a successful project. I'm passionate about it. The reason why I want to do it is it's full circle. My dad bought the property in '65, and it completes me. I want to put something there for them to be proud of as citizens.

It's going to generate three million dollars in tax revenue, I calculated 3.4 in property values. Right now, the City of Novi receives zero tax revenue from that property. This would be a 3.4 million plus. I did a community ascertainment with the Fire Marshal, they need a new fire truck that goes eight stories high. They're buying a new fire truck that only goes six – what do you tell the people at Drury on the seventh floor? So, it's up to the City to do the right thing. I would bring you 3.4 million dollars in tax revenue and I hope you'll do the right thing. It's a benefit, it's a plus, and it's a lot better than what's there right now.

And so I kindly, humbly ask you to approve this project. Don't delay it. If you need to put any conditions in, I'll meet with staff and do whatever it takes. I appreciate Barb McBeth and Tom Schultz and Sri, I've been working with them for a year. And so I've stopped what I've been doing for the radio and TV to do this. And so I have put a lot of time and passion, so I hope you'll consider that. I won't take up any more time. If there's any questions or if the audience has any questions, I'm happy to answer them.

Chair Pehrson asked if there was anyone in the audience that wished to address the Planning Commission regarding this project.

Brian Jones, 119 Charlotte, said everything you heard, to me, is bull. There is a letter that was given to City Council – you guys should have it for the record. If you don't have it, you can get this one, I brought ten here. Kevin Adell has a way of promising and then deception. My music empire was destroyed based off of Kevin Adell's radio advertisement. You guys all know who Herbert Strather is. So when you mix with the devil, you deal with the devil, you get it.

Another thing about this letter, I've been in Novi and built a half a million dollar house here in 2005. I've been out here. It's disgusting to know or hear, where I used to be a part of

910, as I thought, my label and everything. But here, my empire was destroyed because of false advertisement on 910 AM. You guys recently heard the bashing from Steve Neavling, who was terminated from Kevin Adell's station, and he bashed you guys from saying that you guys were taking a kickback. Now, how would you let a guy come out here and develop that just bashed you on the station that, he claims eight or nine million but I think it's two or three – fifty thousand, it's probably thirty thousand watchers.

City Attorney Schultz said we need the comment to be about the land use development.

Mr. Jones said it's about the land. You guys are not going to be deceived and we can go into no further comments because you got bashed, you got accused of taking money and bribes, and then you're going to authorize this guy and he just got done accusing you. That's dealing with the devil. If you guys sign off on that, we'll be at the City Council. Once again, my music empire was destroyed because of this man's antics and he allowed it. He never addressed it, and didn't even address his manager which is African American when he showed up here. That's a shame. And they all know who I am. I'll fight for my city.

Connie Varana, 40535 Village Wood Drive, said I've lived there for over twenty years. The two striking problems I see is the traffic. The traffic exiting off of the expressway, 96, is always backed up whenever it is peak season, shopping season, event season. And also, Novi Road itself can't handle all of the traffic that currently is going on in just an ordinary day. And then you're going to add construction vehicles that are going to be going into this single-entry road for what period of time – until all of those buildings are constructed? And there is supposedly going to be a private road. I'm not quite certain where is that private road exiting, ingressing, egressing? That hasn't really been explained fully, has it? That's all of my comments.

Stanley Neal said I live in Novi and I support the plan for the fact that it brings more revenues to the City, where we could use that money to get street lights and things in our neighborhood. At 5:30 in the morning, especially in the winter time, and kids are walking the street, there's no street lights so that money could be used for that. So I'm for this project, I just wanted to let you know.

Connie Varana said so again, the two hotels that are proposed, I'm wondering what the existing hotels that we have in Novi – how does the capacity or occupancy warrant two additional hotels. I think at one time, the hotel on Novi and Twelve Mile, the Baronette. I mean, wasn't there a problem with not enough occupancy. It was kind of questionable how well it was thriving, so there are my additional comments.

Rosslin Fujisaka with DEAF Media, said I think this is an excellent project for the City of Novi. I think you guys should reconsider this kind of project because this is nothing but good. It would be good for the City.

Chair Pehrson asked if there was anyone else that wished to address the Planning Commission at this time. When no one else responded, he said I think we have some correspondence.

Member Lynch said yes, we do. The first one is in support from Norayr Shirvanian, 43485 Crescent Boulevard, in support and says as it stands it is an eye sore, the project looks

beautiful. The next is in support from Nevart Torian, 39456 Squire Road, saying I saw a postcard of the proposed project, it looks beautiful – please help it go through. The next is in support, Hasmig Shirvanian, 264 Winslow Circle in Commerce Township, says I love the proposed idea, the project looks and sounds beautiful; it will beautify the area and will bring in more business to Novi, the current site is very ugly. The next is in support, Aeraj Shah, 21883 Dunnabeck Court, saying I support the project that is coming in, make it happen. The next one is support from Erica German Valencia, 24444 Brompton Way in South Lyon, saying I think it will bring more business to Novi and the area, let them build please. And the final one is from Julia Rogers, 24085 Elizabeth Lane, saying the name Adell with its historic connection is good; the design of the project could use adjustments, there is historic nod on Novi Road and this should continue in the area as opposed to more of a Main Street look. There is one from Richard and Suzanne Lorence, 25436 Birchwoods Drive, that says please vote no to Adell proposal. There is no explanation.

City Attorney Schultz said you should probably recognize the letters that were handed out here.

Member Lynch said yes. In support, L. Brooks Patterson – he wants to know when the skydiving simulator is up and running. Andy Meisner, in support. Michael Bouchard, in support. And Joseph Hurshe, in support – he is the one from Ascension Providence Park.

Chair Pehrson closed the public hearing and turned it over to Planning Commission for consideration.

Member Anthony said I guess first, I'd like to start and thank Mr. Adell for being a member of our community for as long as he has. I think what we're looking at is heading in the right direction, it seems logical with what we're doing in that area. There are a lot of pieces that are moving with Novi.

Not related to this project but just to correct one of the public comments, the Baronette is doing well. It's operated by Concord Properties, the largest hotel owner in North America and it's one of their top five performing hotels. And that's here, in Novi.

Now back on this area, when we start to really peel back and look at the details and see if we're ready to move on to the next step, I'm going to start with some questions to our staff. So, in initially going through the drawings, I believe that we were looking initially at a 28-foot wide road and we requested 36 feet. We can see the cooperation of moving to a 36-foot wide road, which I appreciate. The thing that happens with these kinds of tight roads or tight sites that I'm worried about is when we do that, are we still at the same 22 deviations, or do we end up changing that so that we now have some unknowns that are unknown?

Planner Komaragiri said because they widened the road, they eliminated a couple of deviations. One, they asked for a deviation to allow 28-feet wide road which they eliminated. And they were asking for a 50-foot access easement before, which would require a deviation which is now eliminated because they are providing 70 feet in the access easement. And there were a couple of other deviations with regards to the distance of the sidewalk in relation to the curb – that was eliminated.

So like you mentioned, we appreciate that, but at the same time, that addresses some of

the concerns the Engineering staff had, but then it doesn't address the concerns that Planning had with regards to how are the setbacks measured, what are the deviations for setbacks, which are happening internally in the site. Those deviations still remain. The change that is being made to the road did not address the concerns we had for the internal of the site. And then two, they revised the plan but we also are trying to figure out how it affects the rest of the reviews, especially Traffic and Fire, because we need to make sure that some of the shared drives have been eliminated in the revised Concept Plan. We need to make sure that the fire truck can come in and go out of the site easily.

Member Anthony said I'm glad you said that because it leads right into my next questions, which are Traffic and Fire. So really when we look at that last question, what happens is now we end up with sort of a domino effect, where we clean up some areas but we end up with more that we still need to work through or new ones that we need to work through.

Planner Komaragiri said there are questions that we don't have answers to yet.

Member Anthony said yes. So when we look at Traffic, tell me about the traffic study process that will occur for this property.

Planner Komaragiri said I can give you a brief introduction, but I would like Maureen to come and expand on it a little bit if it's ok with you. So the City is undertaking a comprehensive traffic study along Novi Road from Ten Mile to a little bit over Grand River, north of Grand River up to Twelve Mile. So with that in mind, we have taken some potential sites that could be developed with the worst case scenario and taking those trip generation figures to identify mitigation measures that may be required. The current property is one of them, so we requested some trip generation figures from them so that they don't have to do a study, so that we can take those and input them in our study and then come up with recommendations. Maureen may expand on the structure.

Member Anthony said and Maureen, just an example within the City – when Comic-Con is here. Great event, hotels will fill up for that. But you can't even get through an exit, whether it's Beck Road, whether it's Novi Road. Only the locals know the back roads of how to move around the City during that. So tell me what our traffic study will look like.

Traffic Consultant Peters said as Sri alluded to, we've looked at this general area and we know there's potential for several developments to come in within a couple years of each other. So rather than looking at them in silos and saying 'you warrant your own study,' let's look at them collectively and see what the overall impact is planned to be. And then once we get those put into our models, we can see what the impacts are and work with county for the signalized intersections along the corridors to see if there's technology upgrades we can make, if there's timing adjustments, things like that. Or if there are other mitigation options that need to come into play – there's not a whole lot of Right-of-Way to expand roads, but how can we do this to make things better.

So we're in the process of plugging all those numbers in right now. And for this particular site we did a preliminary look at the Crescent and Novi Road intersection and because that eastbound approach to Novi Road is not utilized a ton at this point in time, it should be able to handle what Mr. Adell is proposing for this development.

Member Anthony said so if I hear you correctly, what you're saying is that to look at the traffic study, you need to look at the development in its entirety as an aggregate to see its impact on the traffic and then based on that analysis, that will then help the City prepare for what we have to do for infrastructure modifications, what we can do in infrastructure modification for that.

Traffic Consultant Peters said exactly. We will work in accord with Oakland County who operates the traffic signals.

Member Anthony said well we got a letter from Brooks so maybe he can help. So really, we don't know what kind of investment yet as a City in infrastructure we're going to need to do, just on the traffic side.

Traffic Consultant Peters said right, and that's why we put in here that the applicant should have the understanding that they may be required to – we haven't worked out the logistics of this yet – but they might be accountable for some off-site or on-site mitigation measures as a result of this comprehensive study. And what we'll do is we're taking the multiple developments that feed into the study and we'll determine which trips were generated by which developments and then potentially partition out how they can contribute to that mitigation or something along those lines.

Member Anthony said for instance, roads we may need to build, what we may need to do. So a lot of that is a lot of capital that may come from us.

Traffic Consultant Peters said potentially.

Member Anthony said now leading to that is my next question in that we talked about traffic, we talked about fire and fire trucks being able to maneuver around. So with these buildings, do we have the City services already in place that are able to handle fire for these types of buildings or heights of buildings as the variances ask for?

Planner Komaragiri said Fire mentioned that any building that's higher than five stories should meet the high-rise building standards, so that is a building code requirement that the applicant would have to comply to at the time of building permit review.

Member Anthony said and so that is when City Ordinance just automatically kicks in.

Planner Komaragiri said yes.

Member Anthony said ok. And this relates with traffic too – what I was trying to find in the packet, and I think it probably isn't set yet, but do we know the room counts that are proposed so that we have an idea of the amount of traffic that is potential for the development? For instance, so that we know we have right inputs for your traffic models.

Planner Komaragiri said typically, the room count is provided when they are calculating the parking requirements because the parking is one space per each room and then one for each employee. That's what staff was asking in our report, the parking calculations were eliminated so we weren't able to identify how much parking each unit needs and whether it's provided within the lot line or shared over the sites. We were not able to make that determination.

Traffic Consultant Peters said with the trip generation information that was provided, they did provide estimates for room counts. I don't know if those have changed since this was provided in early May or not, but we did have preliminary numbers to work with and base our assumptions on.

Member Anthony said on some of our infrastructure, usually when I see developments they have a second exit egress. What about this development? I see one road, even though it has a section that is a boulevard, that goes in and does an S-curve for the buildings to all have access but I don't see anything additional.

Planner Komaragiri said at the time of pre-application, this topic came up for discussion and then the applicant indicated that they would probably provide a secondary access a little bit west of the water tower to the adjacent property. But that was just based on my recollection of discussion from the pre-application, it wasn't indicated in the current PRO Concept Plan.

Member Anthony said is that water tower active? Is it public or private?

Planner Komaragiri said it is private, it is owned by the applicant. And as far as we are aware, it is not active and there are no indications in the plan about its future potential use, whether it is going to be used for irrigation or anything. It's not active in the sense that the water is not being used for any other purpose.

Member Anthony said ok, I'll wrap up. My view here is that this is exciting; I like what we're beginning to see. It looks like it's in the direction that we want to go. We run a fiscally conservative City, and we balance our budget right along the way that we go. And we went through some hard times – and the young lady with the new car dealership, welcome to Detroit, you haven't hit a recession yet. And I want to make sure that when we look at what our infrastructure is going to be, and what those costs are of that infrastructure, that we're prepared to do it with the timing that we can do it with the budget. And we're almost there, but I just don't feel that we have all of the information yet in order for us to go forward. We're getting there, it looks nice. I'll turn it over to my other Commissioners.

Member Greco said first of all, thank you to Member Anthony for addressing a lot of problems, as usual, that we all have on our mind. Looking at this project, not only does it fit within what is appropriate for there but I do think, in looking at and feeling the enthusiasm from Mr. Adell and his team, there's some really exciting things here. I appreciate Carvana as a new concept, something strange – I think everyone was smiling a little bit looking at the video. Kind of cool, a vending machine. It seems futuristic to me, seems like a cool thing as you're driving on the highway to go by, it's something that might stand out.

Whether or not it survives or not, who knows. It looks like they're expanding. Again, Mr. Adell commented that there are no guarantees in business and sometimes you take some chances, and this one looks like an interesting one for me. The iFly indoor skydiving is another cool thing. And I was going to comment with Dan, I do like the positioning of the buildings and the way they're set up not only for the ingress coming from Novi Road, but also the visual from the highway. And the mix of offerings that are there.

But a couple of things that I noticed from the presentation, the materials provided by the applicant, and of course our staff review – a couple of comments that I have. Number one, the number of deviations and the lack of information that the staff indicates that it needs. One thing that I think is positive from the presentation from the applicant and also from our staff is that it appears that we are talking and trying to resolve these things. I understand that applicant wants to move forward with this project, it's been sitting there for a long time. I understand that, but this seems like information that we would want to have.

Member Greco said and I do have one question of something to our counsel; with respect to the comment that these units or parcels are going to be sold to these individuals – I think it was a good word from Mr. Adell's investment from these individuals, I like that – but there was a comment regarding the individual property owners then are responsible for amending the PRO Agreement on a going forward basis. Is that something that is possible, or is it really the applicant that enters into the agreement with the City – how do the new purchasers become parties to that agreement?

City Attorney Schultz said that's a good question. The agreement, once it's entered in to, is recorded against the property, successor owners, if there's an actual sale of the property and they become investors. We have amended PRO agreements, previous PUD agreements – don't have a PUD anymore, but it happens and it can be done. It's not preferable, as amending the PRO agreement means going all the way back to the beginning of the process starting with public hearings and everything. So I do think the applicant is hoping that the PRO Agreement that is entered into allows future deviations without coming back through the process but those are things that will be need to be worked out when the agreement is entered into, if it is and if Council approves.

Member Greco said and I understand from Mr. LeClair's comments that the applicant is rightfully trying to work in the deviations and give some room, so that these businesses have some room to work with the City to come in.

One of the other things that I thought was interesting from the reviews and comments was the way the layout and the setup is, and again I think it is set up nicely the way the buildings are positioned. But the issue of being more pedestrian-friendly was something that stuck out to me. Because we've got this site that is going to be slightly isolated with one road going in, but the way I pictured it – especially with the mix of uses that are there, whether it's the restaurants, the hotels, and the skydiving. I envision going in there and hanging out for a little bit. If I'm staying at the hotel, I want to be able to walk to the restaurants, walk to the sky dive. Or if I want to go to the sky dive, I don't know if it's appropriate to eat before you go skydiving but maybe after, you go have a couple beers, but being able to park at the skydive, park in one place and feeling comfortable about walking around to the different things that are there.

And I think the location of the Planet Fitness, as I was first thinking about it I was thinking that it is a crowded area – with people working out in a private club, do they want to go up to that area? But people work out not necessarily during peak times and it's probably a good stop on the way or coming home from work to work out. So I thought that was kind of cool, as well.

Member Greco said so generally speaking, I like the concept, I think it's very exciting, I'm in favor of the kind of unique things that are there with the iFly and the Carvana and the location and using the space. I would like to see the applicant and staff come more together, get more information to the staff, because that's my bigger concern is the issues regarding questions and information. Once we have that, then we can sit down and say ok look these are the deviations that can't be dealt with, these are the deviations that can't be resolved, and then we have a decision to make. It seems to me right now that we don't, although I appreciate that we want to move along with this, I think we all do because it's been sitting there for quite a while. Thank you.

Member Avdoulos said I appreciate the comments from Commissioner Anthony and Commissioner Greco, I think they dove into some details. I want to pull out a little bit; we have a site that's zoned EXPO and it's being proposed to be rezoned TC. And along with that, the layout of the site is being proposed as a site condominium development. And I don't know, in the other TC site areas that we have, how is that layout typically set up? Is it a developer having the large piece of property and developing the pieces or have site developments come in like this where they're site condos?

Planner Komaragiri said I think this is unique. We typically see site condos associated with I-1 districts or residential districts, but for site condo in TC as far as my experience goes, this is a first time. Most of the developments within TC are individual sites being developed by the owner or a developer.

Member Anthony said so a question to the owner, are the users of this site guaranteed?

Mr. Adell said I have purchase agreements with all of these sites, so they're actually PA's. They're investing, they're buying, they're here tonight and all flew from all parts of the country to invest in Novi. They're not leases, they're not walking away; they've got real skin in the game in business. So we're going to make it work, they're all national companies. I took an hour to drive around today, and I see a lot of local companies. These are national footprints. Like Carvana, I must see their ads all the time, I'm in the media. And their ads are on all the time, they're going to make it, I'll tell you. Same thing with iFly.

Member Avdoulos said and then what do you think the timing of construction is? Would one start, or would it be multiple going on at the same time?

Mr. Adell said they've all told me today, as soon as I go for approval, I'm going to go for a permit to remove the cement from the existing 300,000 square foot building, put the road in, and I suspect some of them will start right away before winter. Everyone wants to get this site developed, it's been sitting there since 2005 and it's a trainwreck, it's an eyesore, it's not my fault. Here I have a great opportunity, I'm successful in business, I'm going to make sure it's successful. My name's on the water tower, I'm not going to let this fail. And so every person here that you see on this screen is here, from iFly to Carvana to Marriot to Drury. They all flew in on their planes, they're all here.

Member Avdoulos said the reason that I ask is I think we're going back to what Commissioner Greco said and I think what Commissioner Anthony alluded to is we have a site, we have site condos, we have a building on the site, we're getting all of these deviations because of the configuration and size of the building. And then we're being

asked to make a recommendation to approve with all of these deviations. And then when each user comes in as an applicant for their own site plan approval process, so they're going to have to go through preliminary site plan approval, through final site plan approval, and that's where the issue comes. If there's deviations based on final design, we're right now looking at a concept and then we have to go back and look at another variance and another this and another that, which I absolutely hate doing. I like to work within the boundaries of the Zoning Ordinance and then if there are adjustments to be made, then we typically can do that. I just wanted to understand that because those are some of the questions that I think staff had.

The other one is that I do echo that if we're looking at wanting to have this rezoned to TC, Town Center, and I'd like to see this development have the spirit of Town Center, where we're looking to achieve some of the elements of it, where it is more pedestrian-oriented, there is more shared parking. I don't know if a different orientation could be made where you could get the elements closer or adjust some of the parking to allow for pedestrian access to these places. But again, I think you alluded to it where it's TC, but we're using an industrial park layout. So it's not working in that manner.

The Carvana – I have seen this in Dallas. I have one question for the young lady if you would. In other municipalities that this building has come forward, how has that been seen or what kind of use have they applied it to? And it's all over the United States, so I'm sure it's different but what do you see as the most average type of use that's been used?

Ms. Lulu said Sri and I had this conversation briefly. In other jurisdictions, because they operate a little bit differently, we've either been permitted by right or rezoned into that property. We are typically seen as an auto sales facility, so we conduct businesses on auto sales property. So when we're going into a jurisdiction and having our preapplication meetings, telling them what Carvana does – because we do sell cars online and we're selling cars to customers – they do classify us as car sales. So that is what we have seen in a lot of the jurisdictions. And all jurisdictions have worked with us to figure out what our path forward to development would be.

Member Avdoulos said so car sales? Are they used cars?

Ms. Lulu said they're all used cars, I should have said that earlier.

Member Avdoulos said I think it was indicated in the write-up. Alright, that answers my question there. I think, as we all have seen, the questions and concerns from staff are quite many. We've got a lot from engineering. The question I had related to Fire, they indicated they needed more information, but I guess the other question is the exiting and the other one is the cul-de-sac turnaround. I'm assuming that would be able to handle the largest truck going in and make the turn. And I don't know if that's been shown and if the Fire Department has looked at that.

Planner Komaragiri said the applicant did provide a circulation plan that shows the turnaround patterns for the fire truck, but Traffic has asked for additional information as to what would be the largest truck accessing the site. The one that we are aware of is Carvana, as they indicated in their narrative, will have a truck that trailers nine cars to their property. We don't know how big that truck is, whether it would be able to maneuver properly within the site. And we know that the hotels may have some loading deliveries

that happen, we don't know how big those trucks are, whether they are smaller than a fire truck or bigger than a fire truck. So, in summary, we've looked at whether a fire truck could access the site, but not any other potential loading trucks.

Member Anthony said and the issue with the traffic concerns – that was a big question for me not as much on the site itself, but as to what the City had to deal with. The updates to some of the deviations – I think it's great that the applicant is working with the City on that, but as the Planning Commission haven't had an update to look at what that is or what it means yet, so that's a big concern. The other concern I had is with Unit 4 acting as the open space and it has parking and a gazebo but it's also set up as a site condominium lot, so in the future it could be used as an out lot and be developed, and what happens to our fifteen percent open space within the TC Ordinance?

Planner Komaragiri said I would like to clarify one thing. They were using the area south of the red line – the exhibit to the bottom right – they are using that area which is shaded in gray. That counted towards the open space calculation.

Member Avdoulos said what is it?

Planner Komaragiri said it's regulated woodlands and wetlands. And they provided a pedestrian connection from Unit 4 into that, so that was one of staff's comments that it doesn't meet the intent of usable open space. They are providing a trail, but we don't know what the limits of access are.

Member Avdoulos said you can't really enjoy a wetland unless you have waders and like muck. So that again, within the spirit of the TC Ordinance, that piece was missing. Like it's been indicated, I think this is going in the right direction. There's many concerns on making sure that staff is comfortable with what they're looking at and what they're recommending to us so that we can recommend approval.

And every time I think of TC, the Town Center, I think we've got a good start to something here in Novi. The best example I've seen of a Town Center is in Easton, Ohio so by Columbus, Ohio where they've really incorporated a pedestrian type of development and all of the parking is around the periphery, everything is internal. So I think the applicant may look to work with the staff to see how we can better align with what the TC Ordinance requires. Those are my comments.

Member Maday said first of all, I just want to say I love the idea; I love the cutting edge thinking that's going on. I think it will be a great addition to Novi when the details are worked out, but I think there are a lot of details that need to be worked out. Obviously I agree with pretty much everything that was brought up tonight in that I have the same types of concerns – the traffic, the infrastructure. You hear that from Novi residents, we're always concerned about that and from a fiscally conservative government we want to make sure we're on top of that. I do think I would love to see a little bit more of that Town Center feel; in Novi, that would be a great addition. I'm excited to see where this heads.

Member Lynch said I'm not going to repeat everything, but one thing I did want to bring up is it's beautiful, the concept is just an opportunity to be iconic. I hope we leave the Adell water tower in there, it's something that everyone knows where it's at and that doesn't bother me. I do like the idea of the hotels; the only thing that I didn't clarify was –

and I don't have a problem with Carvana being seven stories because nobody would be up there anyway – but the Drury I think is 85 feet and it's my understanding that we can go 55 feet, but then there is some international standard, something in here that says if they put the sprinkler systems in – can you explain exactly what that means?

City Planner McBeth said I believe it's covered in the Fire Marshal's memo, there are certain building code standards that would need to be met. That wouldn't typically be something that the Planning Commission or City Council would grant a deviation from.

Member Lynch said ok, so the more stringent building code means the City wouldn't have to kick in a million bucks or so to buy another fire truck is what you're saying.

Chair Pehrson said we're already buying the fire truck.

Member Lynch said ok, other than that I do like this plan. I think you guys did a lot of work and there seems to be a little bit of uncertainty – I'm looking at these deviations and it seems like there's a million of them, but they're not insurmountable. My opinion is that these are not insurmountable. I think the flow of information has happened so fast and furiously that right now we don't have enough information to make an informed decision and I'd like to give them a little bit of time.

I personally think that we're close. But I do like it, I think you did a great job. I think that it is an opportunity to be iconic; I can't think of any other way to describe it. As far as the Carvana thing goes, I have no issue with it. Thank you for working with staff, and I know that you're drinking through a fire hose right now with all of the changes that are coming from here, but I really don't think that we're that far away.

Chair Pehrson said Maureen, so you were speaking about the traffic study – from a timing standpoint, when do you anticipate that traffic study to be complete?

Traffic Consultant Peters said so we are putting all of the information together and we will meet with the City and the County, and then probably work with the legal department within the City to determine how those stipulations can be placed on the applicants to kick in funds or however that is going to be handled for the mitigation. In terms of a timeline, we are probably a couple weeks out from being able to have that conversation with the preliminary results and then we can start to fine tune from there based on what the County and City's feedback is. I would say within the next month or two we would have direction from that.

Chair Pehrson said so my comments echo what I've heard from other Planning Commission members. This is a great site; this is the jewel, if you will, of Novi that everyone sees and to have it now finally bear some fruit and make it look like it's going to be the jewel that it should be for Novi, I think you've done an exceptional job laying out the site and putting things together. I've been to a Carvana facility, I haven't been able to put a coin into it to get my car yet, but I have no problem with that. No one would have thought that the internet would actually take off.

My only concern is, and I think you've heard it several times over and I hope we can address the issues relative to deviations that you're trying to look for and to give a little bit of positive feedback to those that are here from the Drury and Marriott and Carvana. I

don't think you're looking at a panel that is objecting to anything that is being proposed at this point in time. I think what we're having issues with right now is just since May, since this became available to the Planning Department, to now July which is the first time it has come before this Commission, we don't have enough requisite information to make the decisions that I know you want us to make and I think we are all looking very positively toward making those decisions.

But I think we still have to go back to not the drawing board itself, but I think we have to go back and look at those deviations, work with the individual owners of the facilities to put more definition to the deviations. We're used to dealing with deviations, typically we don't like a bunch of deviations but given that this is a unique set of circumstances and that it's going to be a Northern Equities kind of site condominium thing, where now with this we're probably further ahead in the game than we've ever been with Northern Equities – not bashing them, but we actually have renderings, we know where things are going to go, we have a preliminary site plan to look at things. That's wonderful, you've done a wonderful job at arming us with some information; we're asking for more information so that we can go forward and move this along. Those are my comments. Does anyone else have comments to share?

Member Greco said I'd like to make a motion. I've carefully read what's in the motion sheet and I incorporate into my motion items 1 through 11.

Motion made by Member Greco and seconded by Member Avdoulos.

Member Avdoulos said I have a question to Sri and Barb. We had made some comments related to the project following the elements of the TC Ordinance related to pedestrian and shared parking, is that included in this language?

Planner Komaragiri said parking was definitely.

Chair Pehrson said so if we might add that as a friendly amendment for pedestrian and shared parking.

Member Greco said I will accept the friendly amendment.

Chair Pehrson said that will be added to the motion.

ROLL CALL VOTE TO POSTPONE MAKING A RECOMMENDATION OF THE PROPOSED PRO AND CONCEPT PLAN MADE BY MEMBER GRECO AND SECONDED BY MEMBER AVDOULOS.

In the matter request of Orville Properties, L.L.C. for the Adell Center, JZ18-24 with Zoning Map Amendment 18.724, a motion to postpone making a recommendation on the proposed PRO and Concept Plan to allow the applicant time to provide additional information and to allow the City staff and consultants, and the Planning Commission, to evaluate all aspects of the Concept Plan as proposed. This recommendation is made for the following reasons:

 Additional information is required regarding parking. The applicant's materials refer to a shared parking study, but no such study has been provided for review by the staff and consultants or the Planning Commission. In addition, at this time, the materials provided by the applicant do not include information regarding the minimum number of spaces that are required by ordinance to be provided, and the number provided per each proposed use or site, so that the City staff and consultants and Planning Commission can determine the nature and extent of the variance or deviation requested as part of the PRO. Information that the City normally would have includes things such as parking counts per use or site based, for example, on the number of hotel rooms and amount of banquet space (for the hotel uses) and/or the number of seats or employees for the restaurants proposed. The materials and documentation provided so far is insufficient for the review required.

- 2. The staff and the Planning Commission require more information regarding the effect of widening the pavement for the roadway, as recently proposed by the applicant (such as a revised concept plan with updated lot lines, setbacks, greenbelt, conceptual parking lot layout, etc.), from 30 feet to 36 feet, which may result in different/additional variances or deviations as described in the planning staff's memo.
- 3. If the road is not widened from 30 feet to 36 feet, the City staff and consultants have asked for additional information as described in the planning staff's memo.
- 4. Information regarding the use of the water tower, if any, as part of the development has not been provided.
- Additional information is required with regard to the proposed uses for Unit 4; more specifically, if the uses are more intense than simply parking they may require additional improvements (e.g., a turn lane), and additional trip generation information may be required.
- 6. The City's facade consultant has requested additional information regarding certain of the uses as described in the façade review letter.
- Additional information is required regarding sign packages for certain of the uses, in particular Carvana and I Fly, which have not been completed and submitted in the required format with all required information.
- 8. The City's traffic consultant and City Engineer have not resolved the speed limit on the roadway, which may affect the driveway spacing between Units 3 and 4, and between Units 2 and 3.
- 9. The location and exact description of the 15% open space needs to be clarified; the trails referred to need to be shown, and the effects on woodlands as described in the woodland consultant's letter must also be clarified.
- 10. The applicant is encouraged to address and/or reduce the number of deviations required and provide information showing how each Zoning Ordinance provision sought to be deviated would, if the deviation were not granted, prohibit an enhancement of the development that would be in the public interest, and would be consistent with the Master Plan and the surrounding area.
- 11. The applicant should have the opportunity to clarify if any PRO conditions are being offered under the PRO provisions of the Zoning Ordinance.
- 12. The applicant should incorporate more elements of the Town Center (TC) District relative to pedestrian walkability and shared parking in order to comply more with the TC District requirements and guidelines.

Motion carried 6-0.

4. <u>UNLISTED USE DETERMINATION FOR CARVANA AS 'VENDING MACHINE FULFILLMENT</u> 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.

Motion made by Member Greco and seconded by Member Avdoulos.

ROLL CALL VOTE TO POSTPONE MAKING A RECOMMENDATION OF THE UNLISETD USE MADE BY MEMBER GRECO AND SECONDED BY MEMBER AVDOULOS.

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.

Motion carried 6-0.

MATTERS FOR CONSIDERATION

There were no matters for consideration.

SUPPLEMENTAL ISSUES

There were no supplemental issues.

AUDIENCE PARTICIPATION

Dorothy Duchesneau, 125 Henning, said I'm just going to address and elephant in the room, at least as far as I'm concerned. You've got Novi Road, you've got Crescent Road, and it seems like you've got the road that dead ends and doesn't go anywhere. With the Town Center proposal for this, will Crescent Boulevard ever make it down to Grand River? And when it does, will it meet up with Flint Street on the south that is being worked on now, so that we finally do get our ring road? And trust me, I've tried to find on the City website where there is an answer to that. And your search engine sucks.

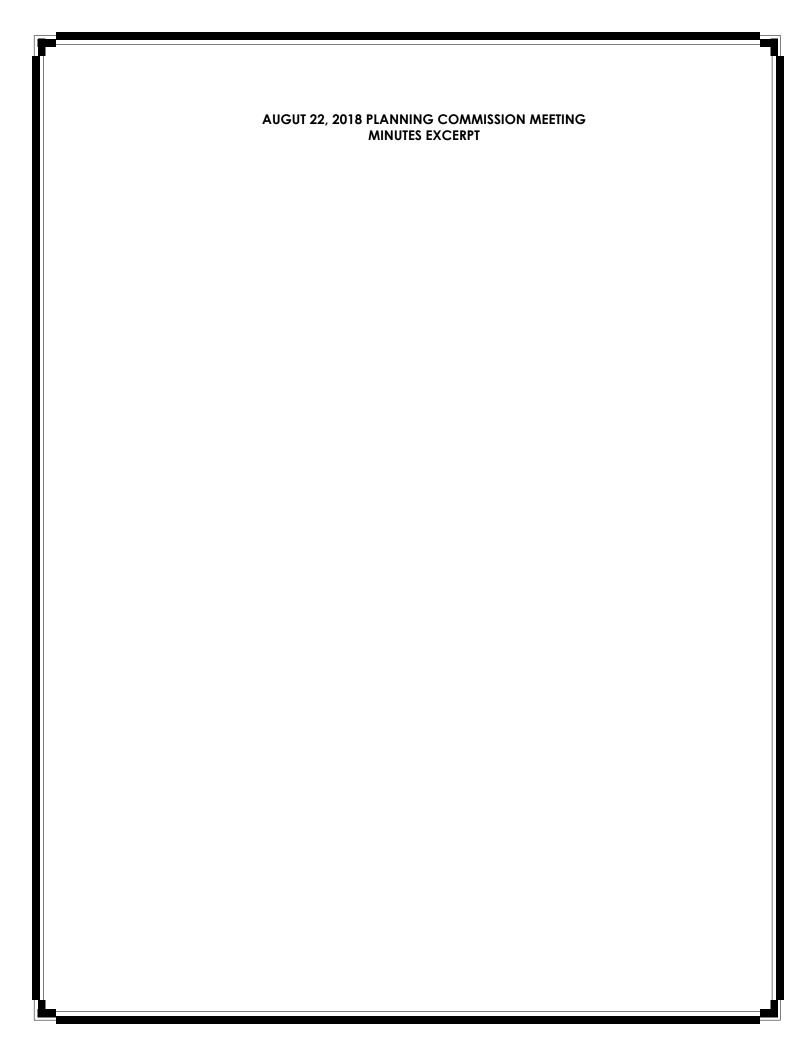
ADJOURNMENT

Moved by Member Lynch and seconded by Member Avdoulos.

VOICE VOTE ON THE MOTION TO ADJOURN MADE BY MEMBER LYNCH AND SECONDED BY MEMBER AVDOULOS.

Motion to adjourn the July 11, 2018 Planning Commission meeting. *Motion carried 6-0.*

The meeting was adjourned at 9:45 PM.





PLANNING COMMISSION MINUTES

CITY OF NOVI Regular Meeting

August 22, 2018 7:00 PM

Council Chambers | Novi Civic Center 45175 W. Ten Mile (248) 347-0475

CALL TO ORDER

The meeting was called to order at 7:00 PM.

ROLL CALL

Present: Member Anthony, Member Avdoulos, Member Greco, Member Lynch,

Member Maday, Chair Pehrson

Absent: None

Also Present: Barbara McBeth, City Planner; Sri Komaragiri, Planner; Darcy Rechtien,

Staff Engineer; Rick Meader, Landscape Architect; Thomas Schultz, City

Attorney; Beth Saarela, City Attorney; Peter Hill, Environmental

Consultant; Maureen Peters, Traffic Consultant; Doug Necci, Façade

Consultant

PLEDGE OF ALLEGIANCE

Member Anthony led the meeting attendees in the recitation of the Pledge of Allegiance.

APPROVAL OF AGENDA

Moved by Member Lynch and seconded by Member Avdoulos.

VOICE VOTE TO APPROVE THE AUGUST 22, 2018 AGENDA MOTION MADE BY MEMBER LYNCH AND SECONDED BY MEMBER AVDOULOS.

Motion to approve the August 22, 2018 Planning Commission Agenda. *Motion carried 6-0.*

AUDIENCE PARTICIPATION

Pamela Gerald, P.O. Box 155 Southfield MI 48037-0155, said I usually give my telephone number – it's 248-346-0439. I just wanted to say that I am in support of the Adell Center project, which is number two on your agenda for the rezoning. And the reason why I am in support of it is that I think that the development is basically what I am going to call a visionary development. It appears as if Mr. Adell or Orville Properties have obviously come out, canvased the area, thought about the growth and all of the new development that is happening in the City of Novi. I think it's going to be unique for those people that are so high tech that they would purchase a car with a coin, stick the coin in the machine and the car comes down. I don't know if I would do that, but for those people that are adventurous like that, that would be something nice.

I only have two concerns, and not really bad concerns. I just want to know what the restaurants would be like and if we could give a suggestion; back in the day, we had

- 12. Unit 4 remains green space and park area with the applicant to work with staff on the design.
- 13. The applicant should incorporate enhanced pedestrian flow and shared parking elements for Units 6 & 7 with pedestrian crossings.

This motion is made because the proposed Town Center zoning district is a reasonable alternative to the Master Plan for Land Use, because the development will improve a property that is blighted, and because the likelihood of alternative development is unknown and the potential for less favorable development exists. *Motion carried 6-0*.

Chair Pehrson said Mr. Schultz, is it on the record that we also had talked about Member Avdoulos' concern about enhanced pedestrian flow and Member Maday's shared parking element. Should we include that as part of the investigation for the applicant to work with staff as a friendly amendment?

Member Greco and Member Lynch agreed to the friendly amendment.

City Attorney Schultz said so in the last section that Member Greco read from with the following conditions to be included, Member Greco added number 13, so that makes number 3 of the prepared motion which talks about future uses of Unit 4 able to be struck. And there are, just for clarification purposes, just a couple of other references that you wouldn't have picked up to Unit 4, which would be superseded by your number 13.

Chair Pehrson said the motion will carry with that.

3. <u>UNLISTED USE DETERMINATION FOR CARVANA AS 'VENDING MACHINE FULFILLMENT</u> 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.

Paul Magy from the law firm of Clark Hill said I have the privilege of representing Carvana. We think this is a very exciting development, we're really delighted to see how the Planning Commission approved this change in zoning from EXPO to Town Center. We also are here because we believe that Carvana would be an outstanding use and would fit well within this concept that's been proposed with the Town Center. It seems to be an issue as retail has evolved over the years and as there are new concepts in retail, a question actually arose as to whether or not, or how, a concept like Carvana really fit within retail. And indeed, if you look within the Town Center permitted uses for retail, there are a number of concepts that this could fit in, whether as the general sale of merchandise – however, that's defined. But also, in the B-section as a showroom.

We have this merged concept where people have this new environment of retail are able to do their shopping online and either arrange for delivery at their home or arrange for delivery on site. But it's an exciting use, and it's also a much less intense use than one might ordinarily think of as it relates to acquisition of previously owned vehicles. It's a real nice opportunity for the City of Novi, and it's an opportunity for Carvana to make its entrance into the Michigan

market where we believe it will be very successful and it has been successful in other markets.

We have here this evening Arwa Lulu, who is the project manager who flew in. We're grateful for the time that Sri has spent working with Carvana to be able to obtain additional information, have questions answered. Carvana is very excited about being a part of this concept and would really like to move forward if it can, and indeed Arwa flew in in order to be available to you and answer whatever questions that you may have. We believe it fits well within. I'm not actually clear that this use is what you would consider to be an unlisted use, I think it could fit well within. But if you think it needs to be fit in somehow, we're here to answer the questions that will allow you to feel comfortable with that decision that will allow Carvana to be a very production and meaningful part of the Novi community.

Arwa Lulu from Carvana said as Paul summarized, we are really excited to be here and an emphasis and thank you to staff for working really closely with us. Since we are being determined as an unlisted use, Carvana had some extra work to do with the City and we're more than happy to share that information about Carvana. We're very excited about the way that we're disrupting the car industry. We're not your traditional car dealer, but at the end of the day we're providing the car to customers in just a more innovative approach. As Paul mentioned, as retail emerges and changes, we have to keep up with those times but also make sure we can still deliver the same kind of merchandise that consumers look for on a daily basis.

So I just want to thank you again for making time for us, as you remember we were here last month. So we're excited to understand what our next step here in Michigan will be; we are certainly excited if we can be a part of the City of Novi development. We don't typically go with the multi-use developments, but because Carvana is trying to build up their community it is a sense of community when you purchase a car with Carvana. You become a part of that community. It an entertainment experience, the family comes together and joins in on the process to watch the car being unloaded. We make it a virtual experience for everybody. So it would fit in with that Town Center community vibe that the City of Novi is after. Thank you.

Member Lynch said I tried to figure out when the Ordinance was written about the used cars, and it was written several years ago. And I think at the time, they were thinking of these big used car parks on the side of the road, and that's my impression of when that Ordinance was written. I have no issue with the special use, I think it fits in well to the Town Center district. I think it meets the intent – the intent of the Ordinance when it was written was to stop these big giant lots full of used beat up cars. I don't believe that Carvana does that, so I guess I am in total support of the extended use. With that, I'd like to make a motion.

Motion made by Member Lynch and seconded by Member Avdoulos.

ROLL CALL VOTE TO RECOMMEND APPROVAL OF UNLISTED USE MADE BY MEMBER LYNCH AND SECONDED BY MEMBER AVDOULOS.

In the matter of Unlisted Use Determination, motion to recommend approval 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:

- 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 in the TC District but only in the location and as part of the development proposed at 43700 Expo Center Drive, and not in other locations in the TC District, and therefore this determination is subject to and contingent upon the City Council's final approval of the proposed PRO rezoning for the property as a whole;
- 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.

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. *Motion carried 6-0.*

City Attorney Schultz said I just wanted to confirm that Member Lynch was reading from the slightly revised version that was at your table. The revised item B, with the additional specification that the use is appropriate on this particular site.

Member Avdoulos said I, too, think it's an appropriate use for the site. I think what was interesting and I appreciate you being here last time and showing us the video and walking us through it, but I guess one of the questions from the Planning staff was taking a look at the building itself and what it looks like, the structure of the building. And god forbid in 50 years, there's a use change, and can that building be repurposed into something. And as I was thinking about it for the last couple days, I think it can. There's enough people out there that could come up with some really good ideas to repurpose buildings. Our office is in an old Ford valve plant that went silent in the late 70's, and now it's repurposed into an office building with 40-foot tall ceilings.

On this same property, we have this big giant building that's going to come in that people are going to skydive in, and so that's a big hollow building. And if that ever gets repurposed, I'm sure someone will find something to use that building for. So I became a little more comfortable with the concept of the building so I think, with that and it's not a big giant car lot – it's actually sustainable in the way that it's vertical rather than spread out. It's unique. So I think it has a lot of attributes as to what Mr. Adell is looking to bring to the site and it actually adds to it. So I'm in favor and I think it's a good use.

Member Maday said I just want to say I was worried about the reuse of the building, but given how amazing to me this concept is and how innovative it is, to me it's worth the potential risk of having trouble filling it. To me, it's worth it and I'm excited.

4. ELECTION OF OFFICRES AND APPOINTMENTS TO COMMITTEES

City Planner McBeth said as you know, each July the Planning Commission typically elects its officers – that's the Chairperson, the Vice Chairperson, and the Secretary. And also the Planning Commission makes assignments for the various Planning Commission committees. We mailed the selection form out and we got a little bit of feedback from one of the members. So it has been updated with what we have so far.

Member Anthony said I'd like to make a motion for our current Chairman if he is willing to

PLANNING MEMO UNLISTED USE DETERMINATION FOR CARVANA August 15, 2018	
UNLISTED USE DETERMINATION FOR CARVANA August 15, 2018	PLANNING MEMO
	UNLISTED USE DETERMINATION FOR CARVANA August 15, 2018

MEMORANDUM



TO: PLANNING COMMISSION

FROM: SRI RAVALI KOMARAGIRI, PLANNER

THRU: BARBARA MCBETH, AICP, CITY PLANNER

SUBJECT: UNLISTED USE DETERMINATION FOR CARVANA AS 'VENDING

MACHINE FULFILLMENT CENTER'

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.

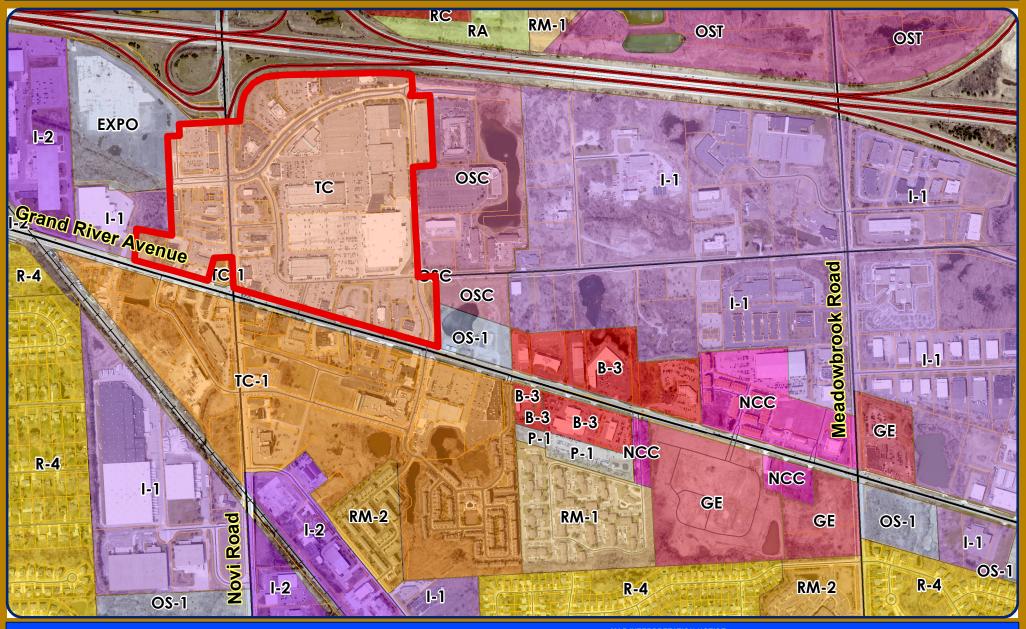
Note: If ultimately approved by the City Council as a use authorized in the TC District, the applicant would still need to obtain Special Land Use approval through the Planning Commission during Preliminary Site Plan review.

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 fo 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 13 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

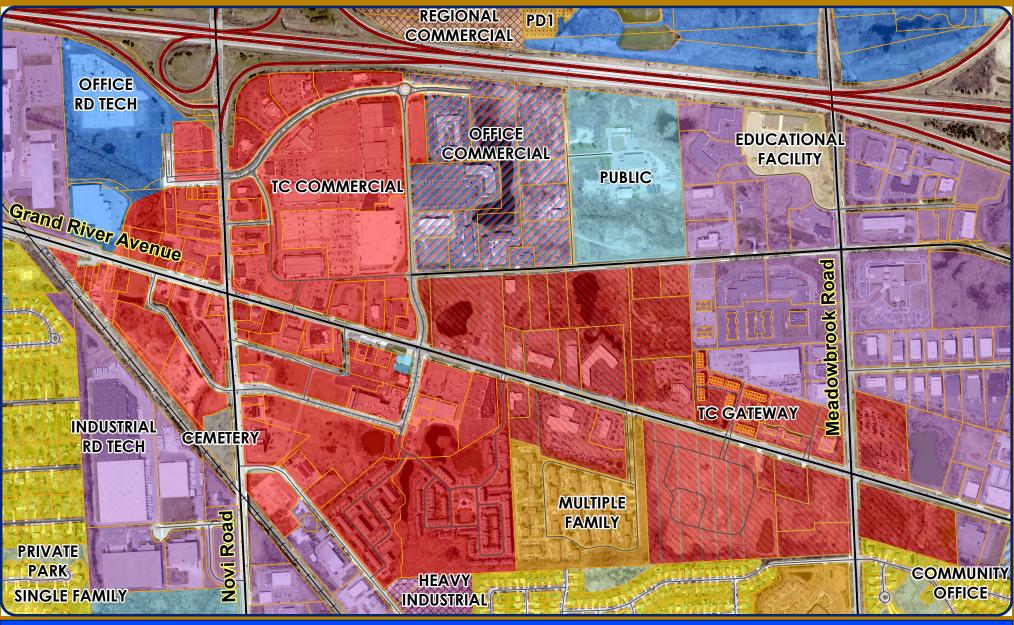
Map Author: Sri Komaragiri
Date: 08/14/18
Project:CARVANA: Unlisted Use Determination
Version #: 1 Feet





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

Future Land Use





City of Novi

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

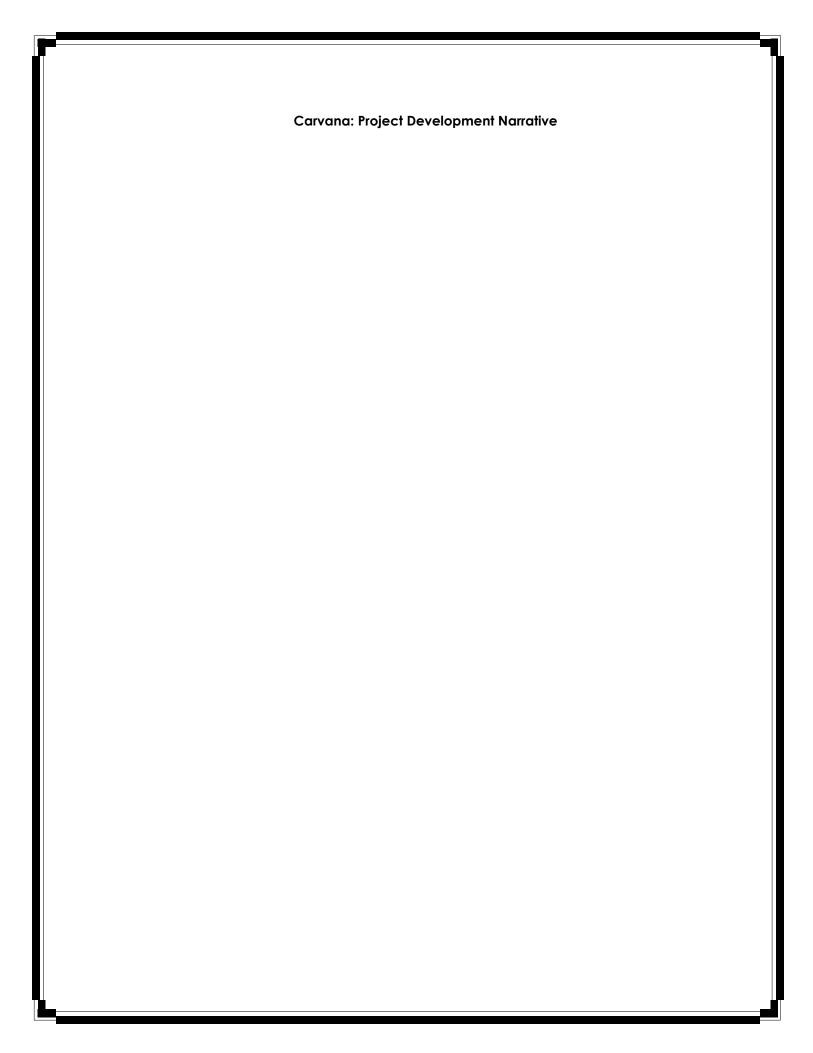
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Map Author: Sri Komaragiri
Date: 08/14/18
Project:CARVANA: Unlisted Use Determination
Version #: 1

0 180 360 720 1,080







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 10th 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 stress-filled 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 2nd 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 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 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.

Permanent Signs Permitted According to District:

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

Item	Description	Qty	Sign Area
A1	Wa ll Sign Logo	1	23.77
A2	Wall Sign Letters	1	55.00
A1	Wa ll Sign Logo	1	23.77
A2	Wall Sign Letters	1	55.00
A1	Wa ll Sign Logo	1	23.77
A2	Wa ll Sign Letters	1	55.00
A1	Wa ll Sign Logo	1	23.77
A2	Wa ll Sign Letters	1	55.00
В	Blade Sign	1	9.00
	Aggregate Total		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:

OCCUPIED SPACES

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

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%	9 8	8		100% (30% Min.)
Brick and Stone Combined	0%				50% Min (TC Ord.)
Spanderal Glass	20%	6) (S)			50%
LED Accent Light Band (2 rows)	N.P.	A 36	96		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

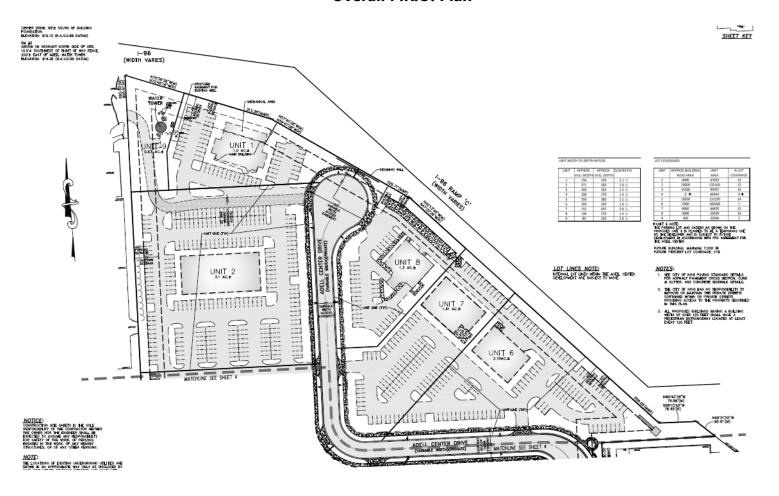
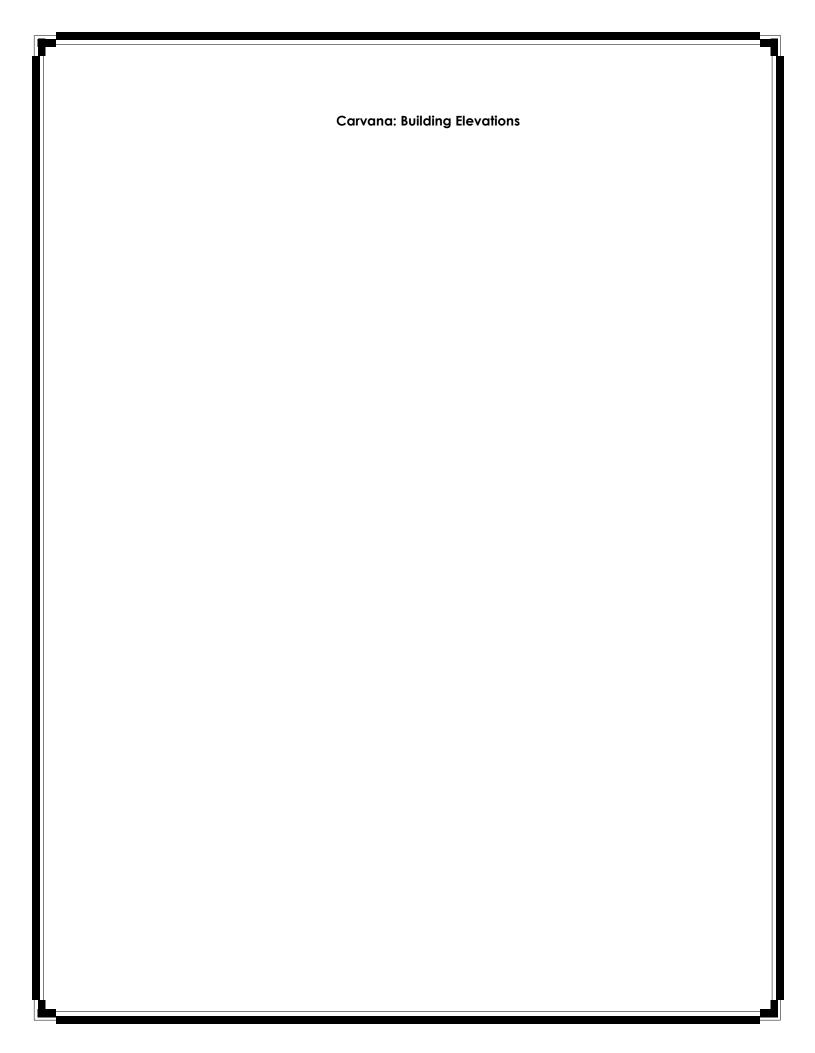


Exhibit B

Carvana's Expansion at an Increasing Pace









BLACK METAL CLIRTAIN WALL WINDOW



OCCUPIED SPACES	
CARVANA	LEFT
Brick	70%
Clear Glass	26%
Spandrel Class	0%
ACM Panels	4%
HM Doors	0%

CARVANA



1 MAY 30, 2018

Date Issued: MAY 26, 2018
43700 EXPO CENTER DRIVE

SD-2
DETROIT, MI (NOVI)



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

00

0

ROOF EXHALIST FAN BEYOND

TOP AFF

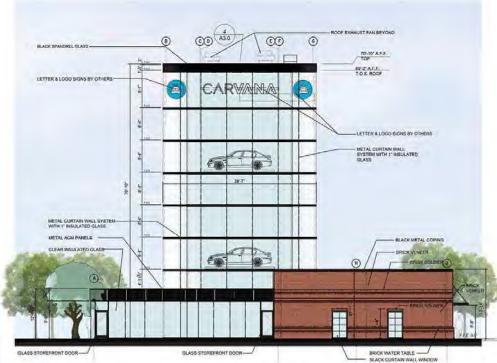
OCCUPIED SPACES

Clear Glass
Spandrel Glass
ACM Panels
HM Doors

BLACK SPANDREL GLASS

90% 53% 0% 17% 0%

33





OCCUPIED SPACES	
CARVANA	RIGHT
Brick	93%
Clear Glass	7%
Spandrel Glass	0%
ACM Panels	0%
HM Doors	0%



OCCUPIED SPACES CARVANA

Clear Glass Spandrel Glass ACM Panels HM Doors

REAR 82% 14% 0% 0%

> **③ REAR ELEVATION** SCALE: 1/16" = 1'-0"

338 * 106 Street Charlotte, NC 28202 704 333 9942 prose 204 333 9962 for way abnoards con







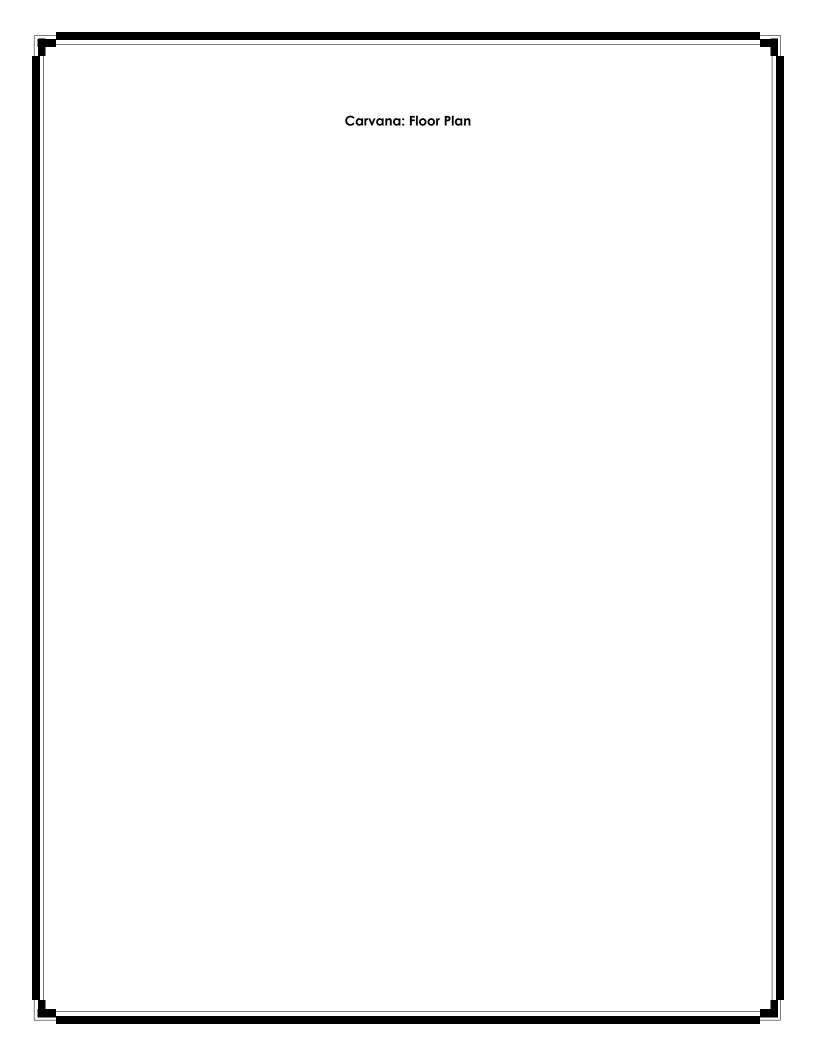
CARVANA

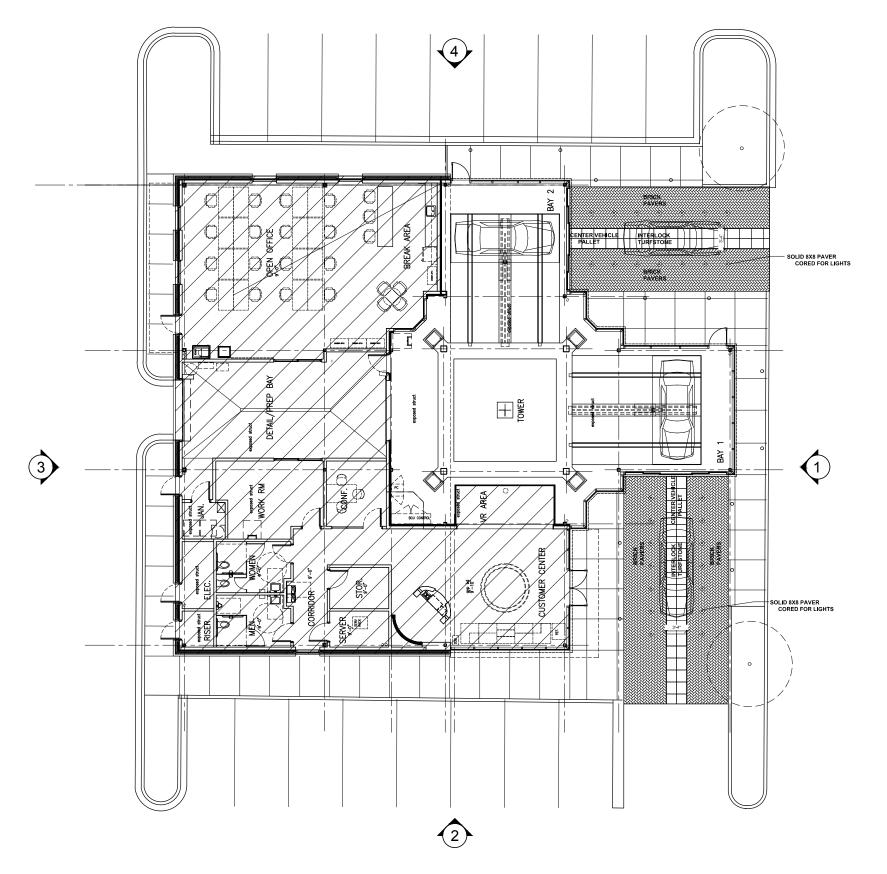


1 MAY 30, 2018

Date issued MAY 26, 2018 43700 EXPO CENTER DRIVE

DETROIT, MI (NOVI)





SD1 SCHEMATIC FLOOR PLAN

SD1 SCALE: 1/16"=1'-0"

OCCUPIED SPACES

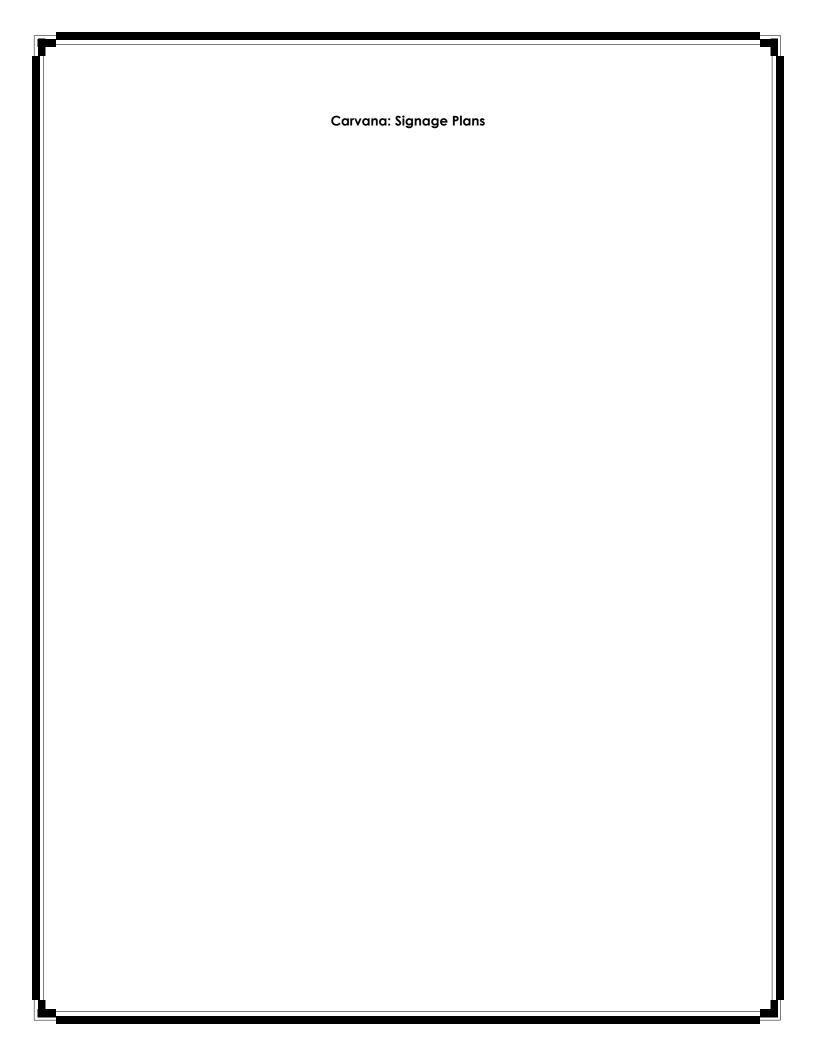
330 w, 10th Street Charlotte, NC 28202 Charlotte, NC 28202 Phone 704,333,9982 fox www.whnarch.com

CARVANA

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

Date Issued: MAY 30, 2018 43700 EXPO CENTER DRIVE

SD-1 DETROIT, MI (NOVI)





43700 EXPO CENTER DRIVE NOVI, MI 43375

DRAWING NO.

026869

REVISIONS

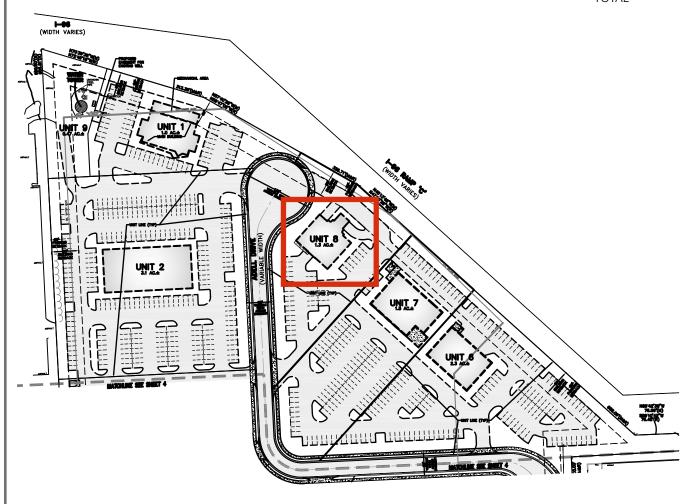
DATE: REVISION # & DESCRIPTION DESIGNER

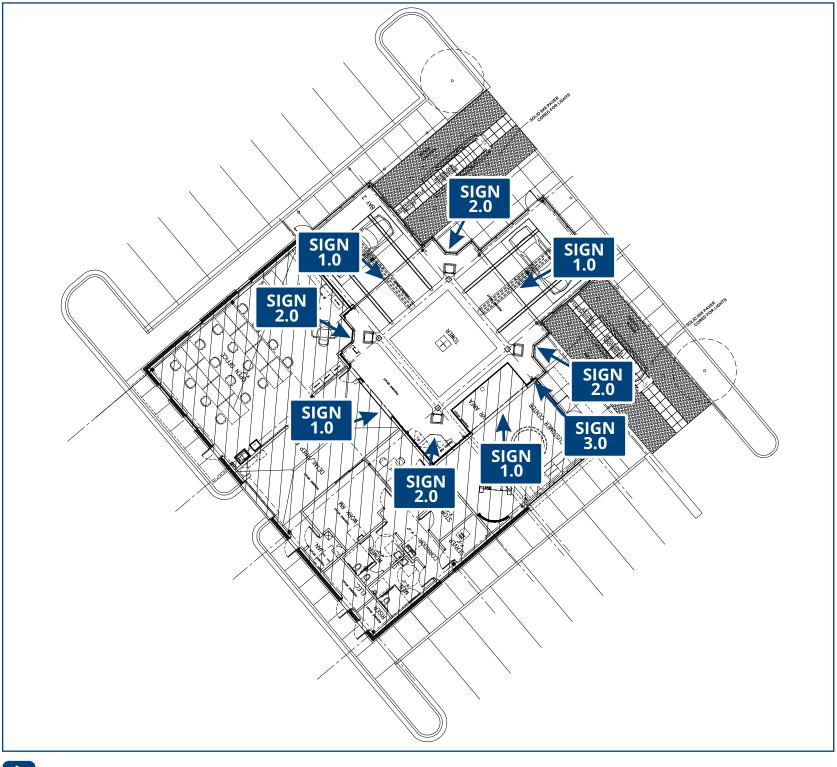


SUMMARY OF SIGNAGE

SIGN	GRAPHIC	DESCRIPTION	SQ FT
1.0	CARVANA	- ILLUMINATED CHANNEL LETTERS - RACEWAY MOUNTED - 4 SETS REQUIRED	57.33 each x4 229.32
2.0		- ILLUMINATED CHANNEL LOGOS - CUSTOM BRACKET MOUNTED - 4 REQUIRED	24.17 each x4 96.68
3.0		- UNDER CANOPY SIGN - 1 REQUIRED	9.0

335 AGGREGATE TOTAL







SITE MAP NOT TO SCALE



DRAWING NO.

DATE OF LAST CHANGE:
6/19/18

REVISION NO.

SITE

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.

CLIENT APPROVED SIGNATURE:

DESIGN DOCUMENTATION: THIS DESIGN IS THE PROPERTY OF ADVANCE SIGN GROUP. NEITHER THE DRAWINGS NOR THE DESIGN MAY BE USED OR DISTRIBUTED WITHOUT APPROVAL OF ADVANCE SIGN GROUP.

CONSULTANT:

PROJECT MANAGER:

A. SCHEIBER

DESIGNER:
THW

FILE LOC:



800.861.8006
ADVANCESIGNGROUP.COM



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"**



DRAWING NO. DATE OF LAST CHANGE: 026869 6/19/18 **REVISION NO. FRONT**

ELEV

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CLIENT APPROVED SIGNATURE:

GROUP.

FILE LOC: NOVI, MI \026869

CONSULTANT:

PROJECT MANAGER:

A. SCHEIBER

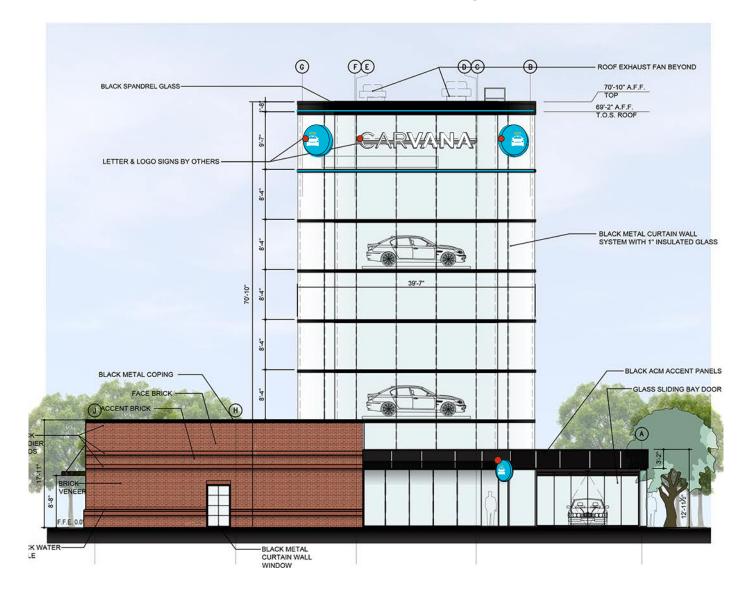
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DESIGNER: THW



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ADVANCE SIGN GROUP



- = 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"



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DATE OF LAST CHANGE:
6/19/18

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DESIGNER:
THW

ΑW

CONSULTANT:

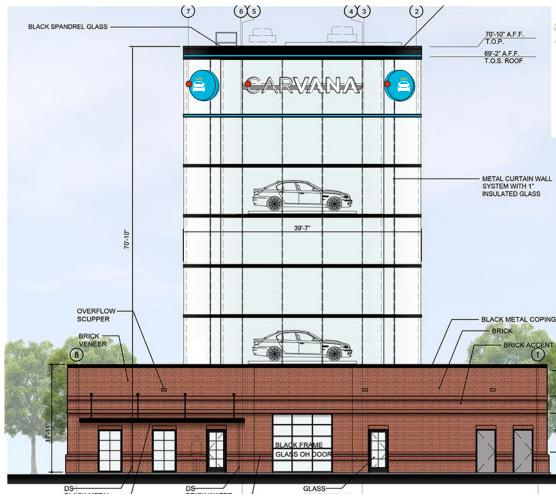
PROJECT MANAGER:

FILE LOC:

NOVI, MI \026869







REAR ELEVATION

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

 \bullet = 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.



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DATE OF
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CONSULTANT:

PROJECT MANAGER:

A. SCHEIBER

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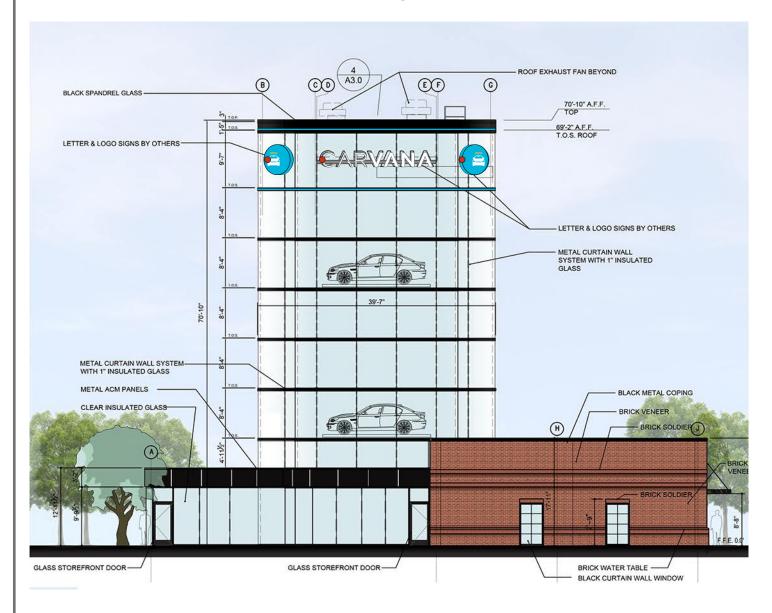
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RIGHT ELEVATION

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

- = 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.



DRAWING NO.

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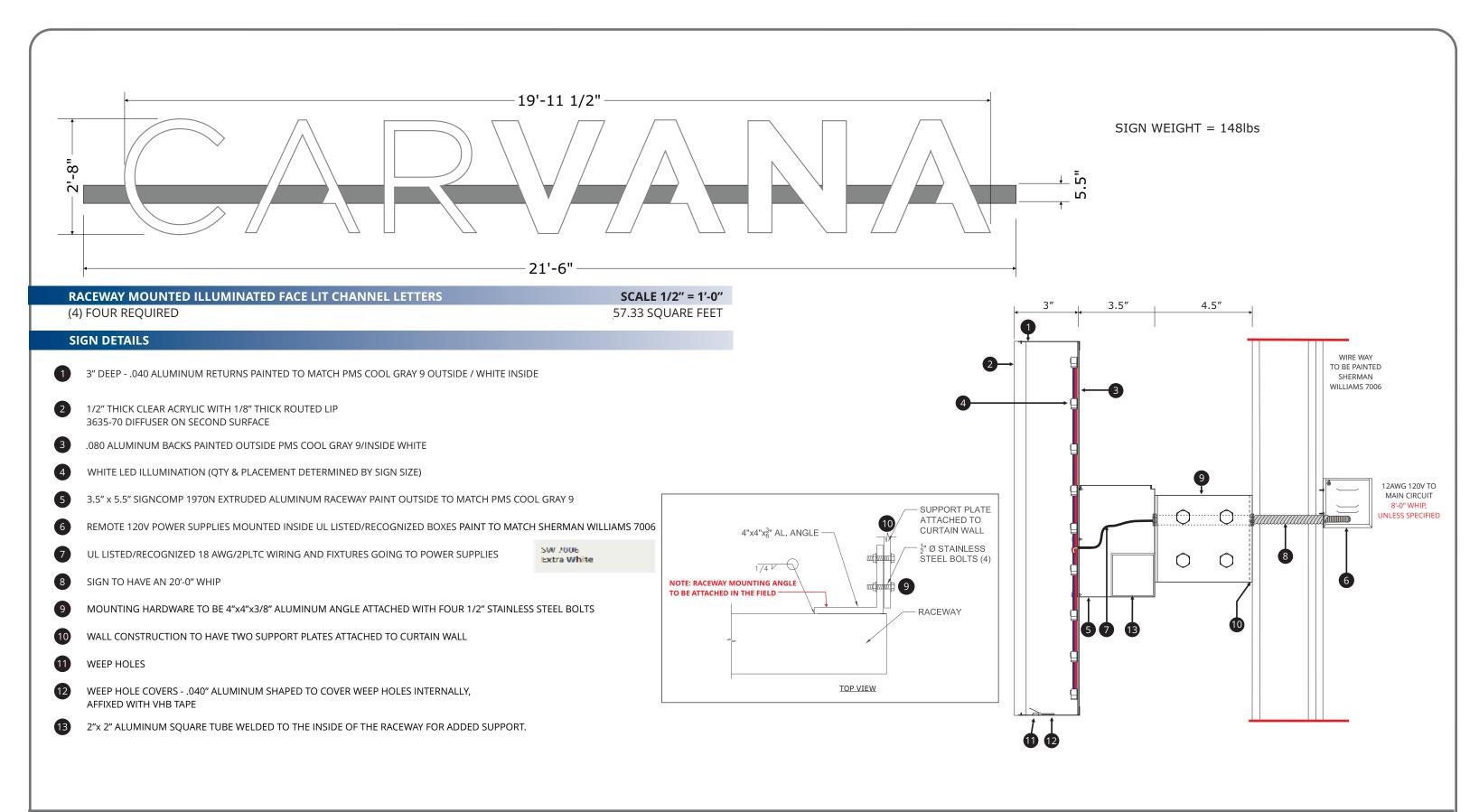
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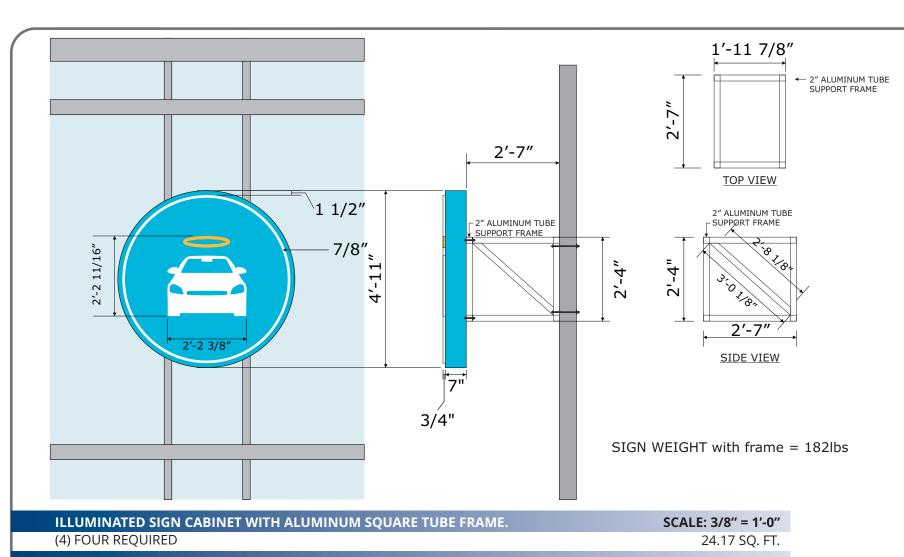
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DESIGNER:
THW

FILE LOC: NOVI, MI \026869







TOP VIEW

SIGN DETAILS

- FACES TO BE ROUTED .090" ALUMINUM PAINTED TO MATCH PMS 638 C WITH 1" PUSH-THRU CLEAR ACRYLIC (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 MARIGOLD YELLOW VINYL
- 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 MATCHPLATES
- 5 WHITE LEDS
- 6 2" x 2" ALUMINUM TUBE MOUNTING FRAME PAINT OUTSIDE TO MATCH COOL GRAY 9
- 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
- MOUNTING HARDWARE TO BE 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT FRAME TO ALUMINUM CURTAINWALL FRAME MEMBERS 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT SIGN TO ALUMINUM FRAME
- 11 WALL CONSTRUCTION IS TO CURTAINWALL FRAMING



DRAWING NO. **026869**DATE OF
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6/19/18

SIGN NO. REVISION NO.

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PROJECT MANAGER:
A. SCHEIBER

A. SCHEIBER

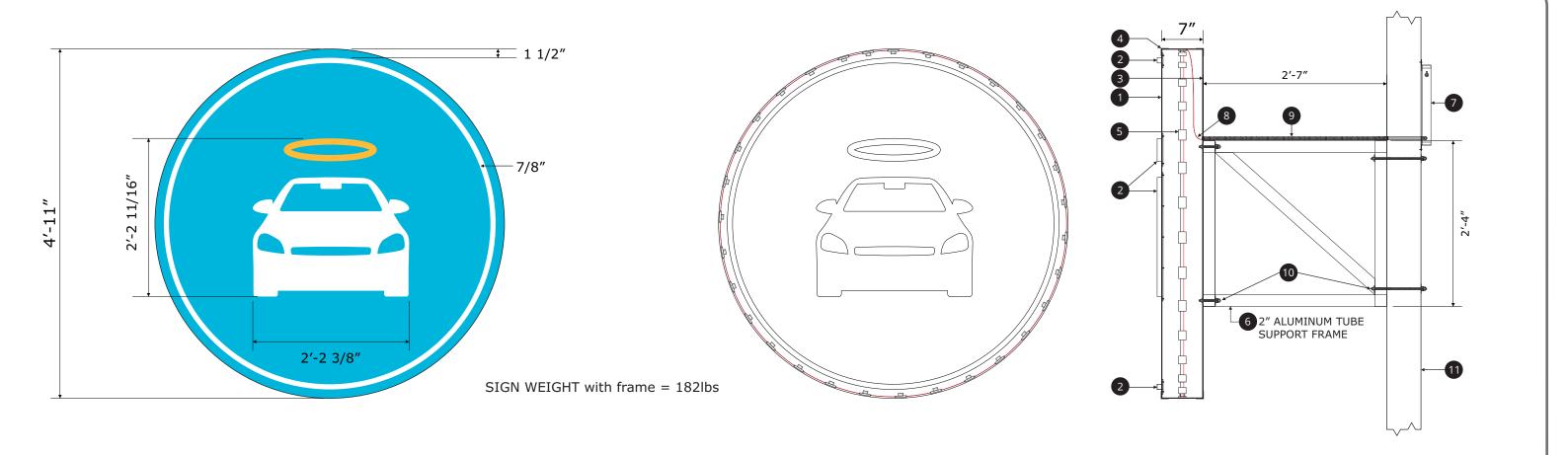
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FILE LOC:

NOVI, MI \026869







ILLUMINATED SIGN CABINET WITH ALUMINUM SQUARE TUBE FRAME.

SCALE: 3/4" = 1'-0"

24.17 SQ. FT

SIGN DETAILS

- FACES TO BE ROUTED .090" ALUMINUM PAINTED TO MATCH PMS 638 C WITH 1" PUSH-THRU CLEAR ACRYLIC (1" W/.75" EXPOSED) GRAPHICS
- 3635-70 DIFFUSER ON SECOND SURFACE FOR WHITE RING & CAR GRAPHICS. "HALO" GRAPHIC TO HAVE SECOND SURFACE 3M 3630-075 MARIGOLD YELLOW VINYL
- .090 ALUMINUM BACKS PAINTED TO MATCH PMS COOL GRAY 9 /INSIDE WHITE
- .090" ALUMINUM SIGN CABINET WITH 1 1/4" RETAINER PAINTED TO MATCH PMS 638 C. 1/8" ALUMINUM MATCHPLATES
- WHITE LEDS
- 2" x 2" ALUMINUM TUBE MOUNTING FRAME PAINT OUTSIDE TO MATCH COOL GRAY 9
- REMOTE 120V POWER SUPPLIES MOUNTED INSIDE UL LISTED/RECOGNIZED BOXES
- UL LISTED/RECOGNIZED 18 AWG/2PLTC WIRING AND FIXTURES GOING TO POWER SUPPLIES
- SIGN TO HAVE AN 20'-0" WHIP
- MOUNTING HARDWARE TO BE 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT FRAME TO ALUMINUM CURTAINWALL FRAME MEMBERS 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT SIGN TO ALUMINUM FRAME
- WALL CONSTRUCTION IS TO CURTAINWALL FRAMING



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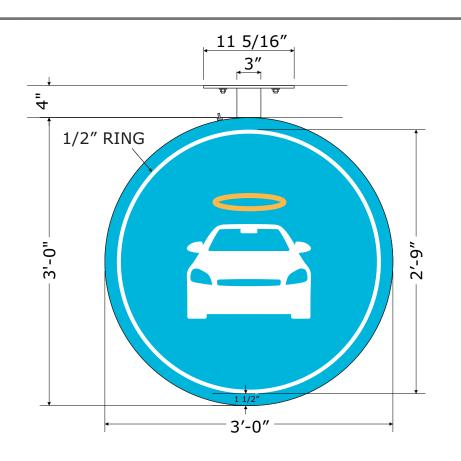
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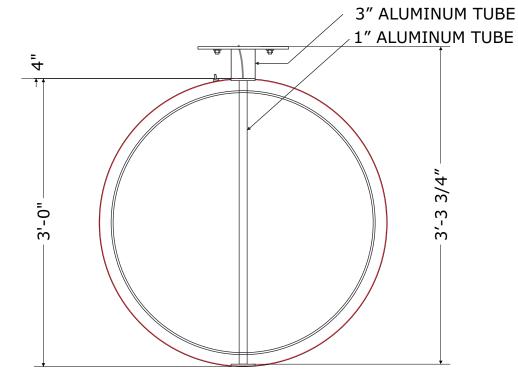
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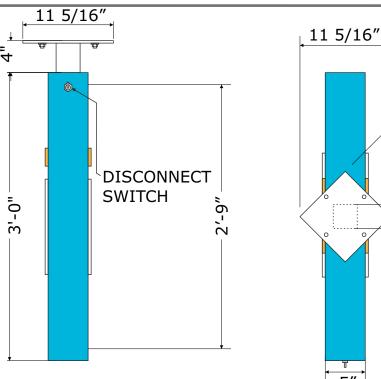




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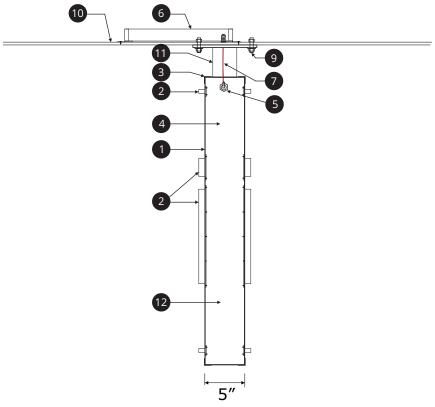
10 6

UNDER CANOPY SIGN

SCALE: 1" = 1'-0"9 SQUARE FEET

SIGN DETAILS

- FACES TO BE ROUTED .090" ALUMINUM PAINTED TO MATCH PMS 638 C WITH 1" PUSH-THRU CLEAR ACRYLIC (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 MARIGOLD YELLOW VINYL
- 3 .090" ALUMINUM SIGN CABINET WITH 1 1/4" RETAINER PAINTED TO MATCH PMS 638 C .
- 4 WHITE LEDS
- 5 DISCONNECT SWITCH MOUNTED TO TOP OF SIGN
- 6 REMOTE 120V POWER SUPPLIES MOUNTED INSIDE UL LISTED/RECOGNIZED BOXES
- 7 UL LISTED/RECOGNIZED 18 AWG/2PLTC WIRING AND FIXTURES GOING TO POWER SUPPLIES
- 8 SIGN TO HAVE AN 8'-0" WHIP, INSTALLER TO SPECIFY IF SPECIFIC LENGTH IS REQUIRED
- MOUNTING HARDWARE TO BE 3/8" STAINLESS STEEL THRU-BOLTS, NUTS, AND WASHERS TO MOUNT TO UNDERCANOPY
- 10 CEILING CONSTRUCTION IS TO BE DETERMINED BY SURVEY
- 11 3" SQUARE ALUMINUM TUBE
- 1" SQUARE ALUMINUM TUBE





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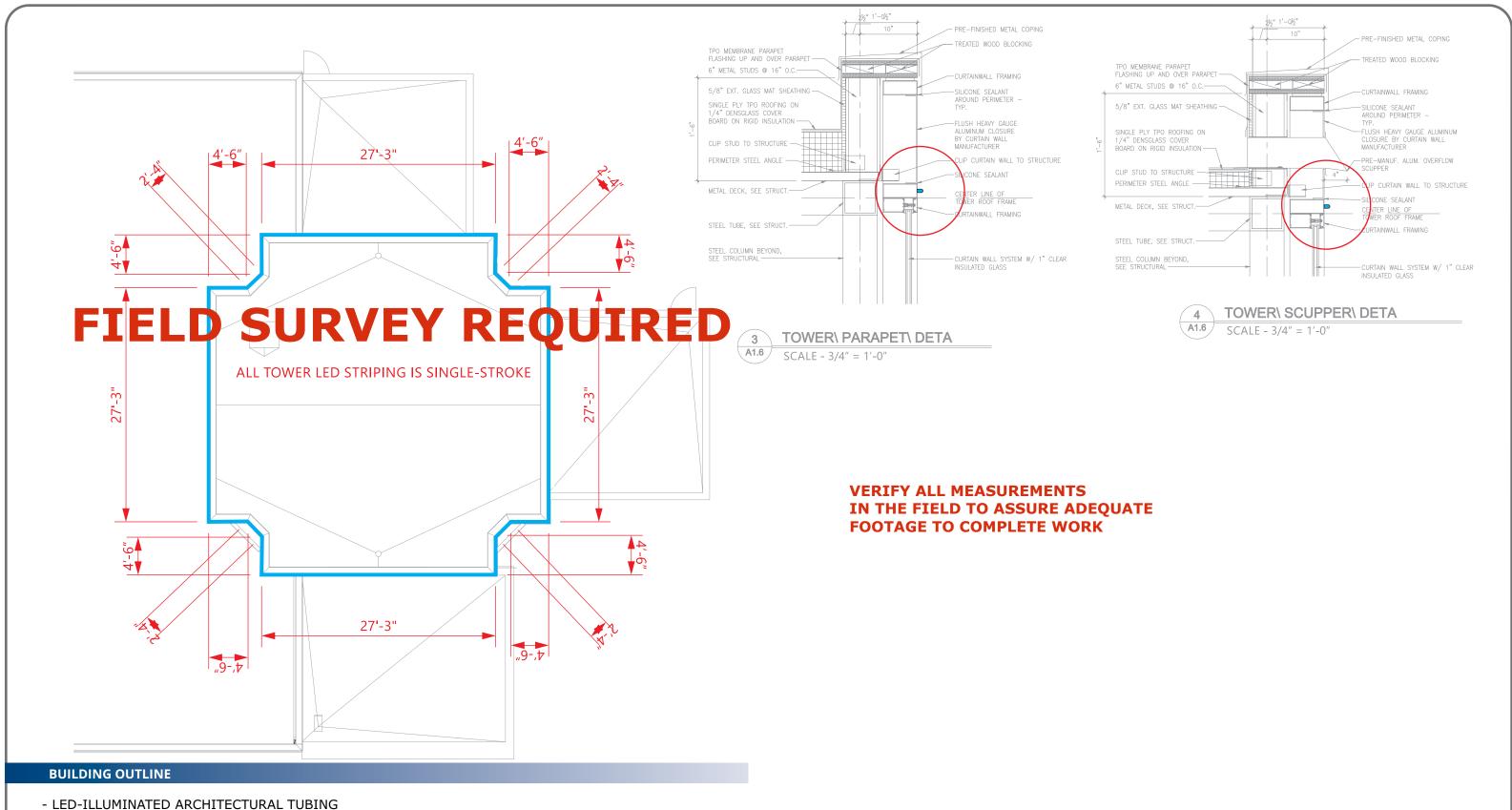
PROJECT MANAGER:
A. SCHEIBER
DESIGNER:
THW

FILE LOC:

NOVI, MI \026869







- SPECIFIC BRAND TO BE DETERMINED



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CONSULTANT: ΑW

PROJECT MANAGER: A. SCHEIBER

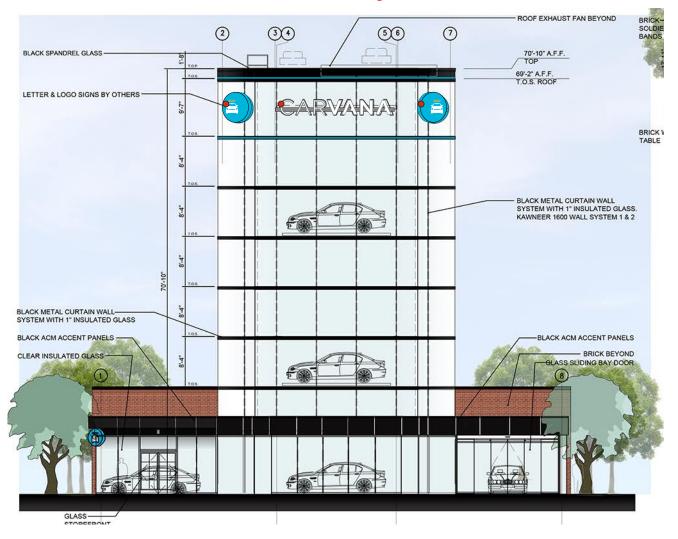
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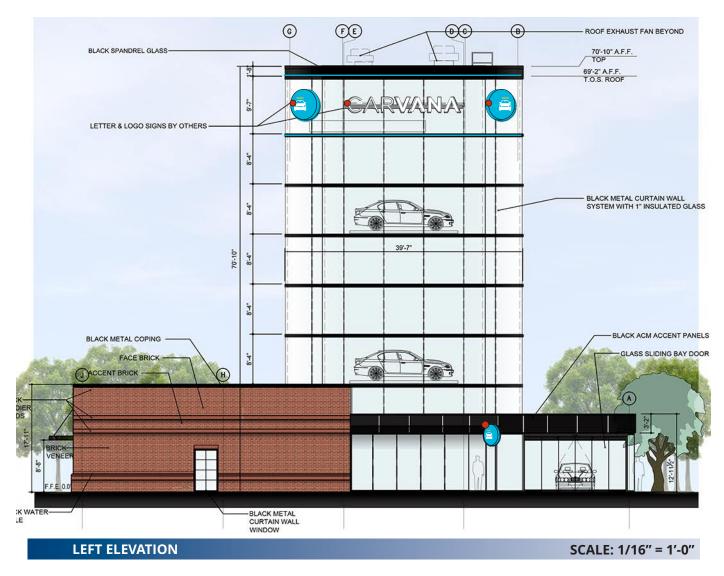


SCALE: 1/16" = 1'-0" BUILDING OUTLINE

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

FRONT ELEVATION





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CONSULTANT:

ΑW

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

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43700 EXPO CENTER DRIVE NOVI, MI 43375

DRAWING NO. 026869

SIGN NO.

REVISION NO.

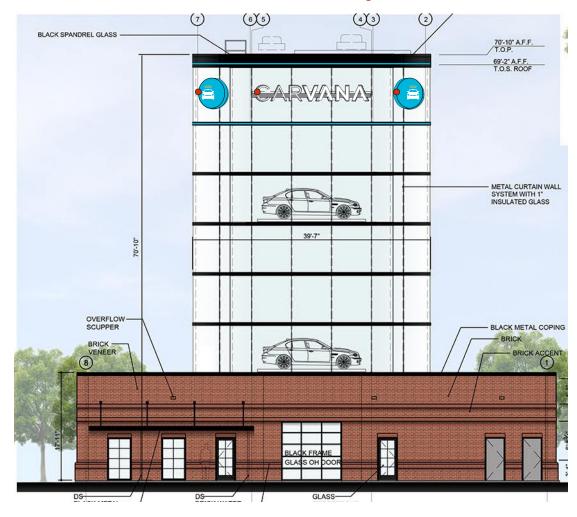
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DATE OF

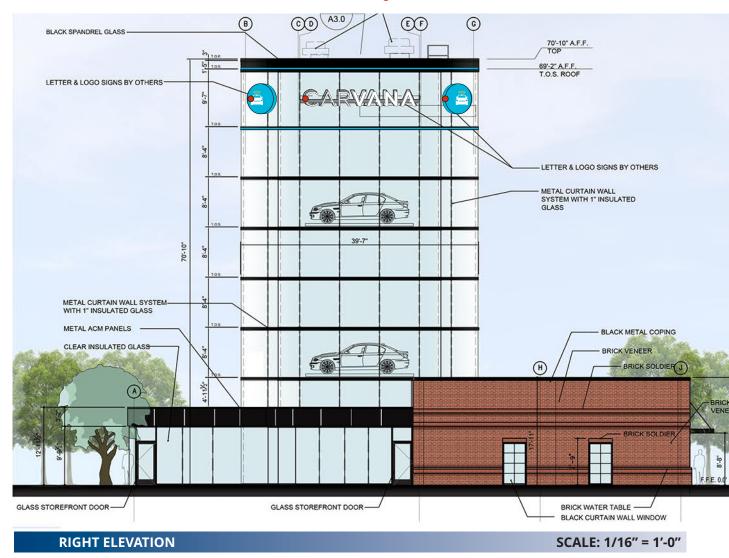
SCALE: 1/16" = 1'-0"

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

FIELD SURVEY REQUIRED



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

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

43700 EXPO CENTER DRIVE NOVI, MI 43375

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CONSULTANT:

ΑW PROJECT MANAGER:

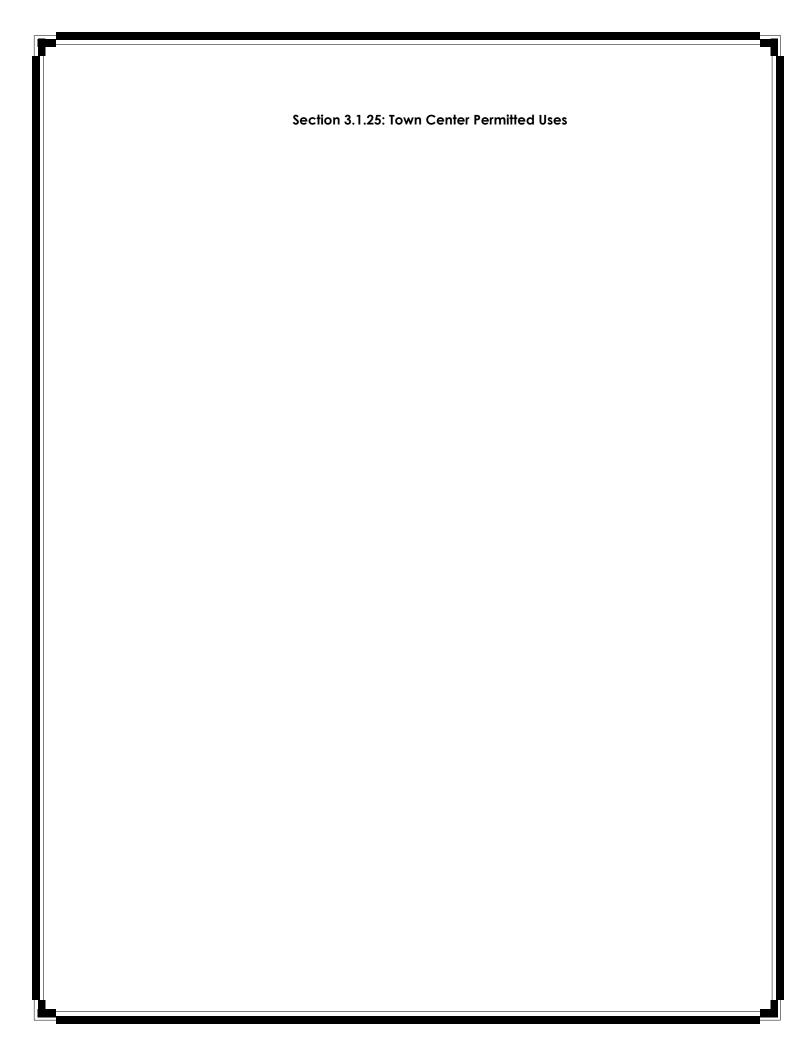
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FILE LOC: NOVI, MI \026869



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3.1.25

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
- 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 §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 \$4.19 customarily incidental to the above permitted 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 or clinics §4.31
- iv. Microbreweries 4.35
- v. Brewpubs 4.35







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 iunk 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
- 2. Subject to the conditions required in Section 3.14.1 through Section 3.14.5.

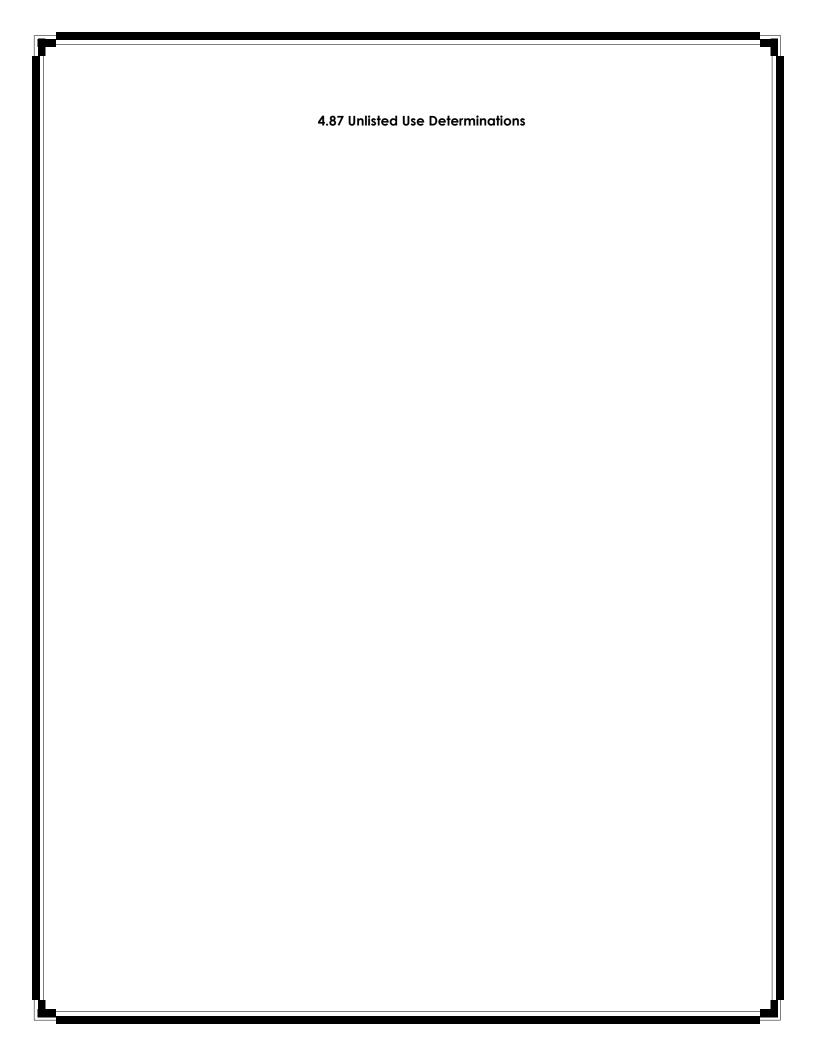
4.78 RETAIL USES, SERVICE USES AND RESTAURANT USES

- 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 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:
 - 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









- e. Documented compliance with 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 estimated cost of 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 safety, 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.
- 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,
- 2. 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







- e. Documented compliance with 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 estimated cost of 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 safety, 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.
- 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.

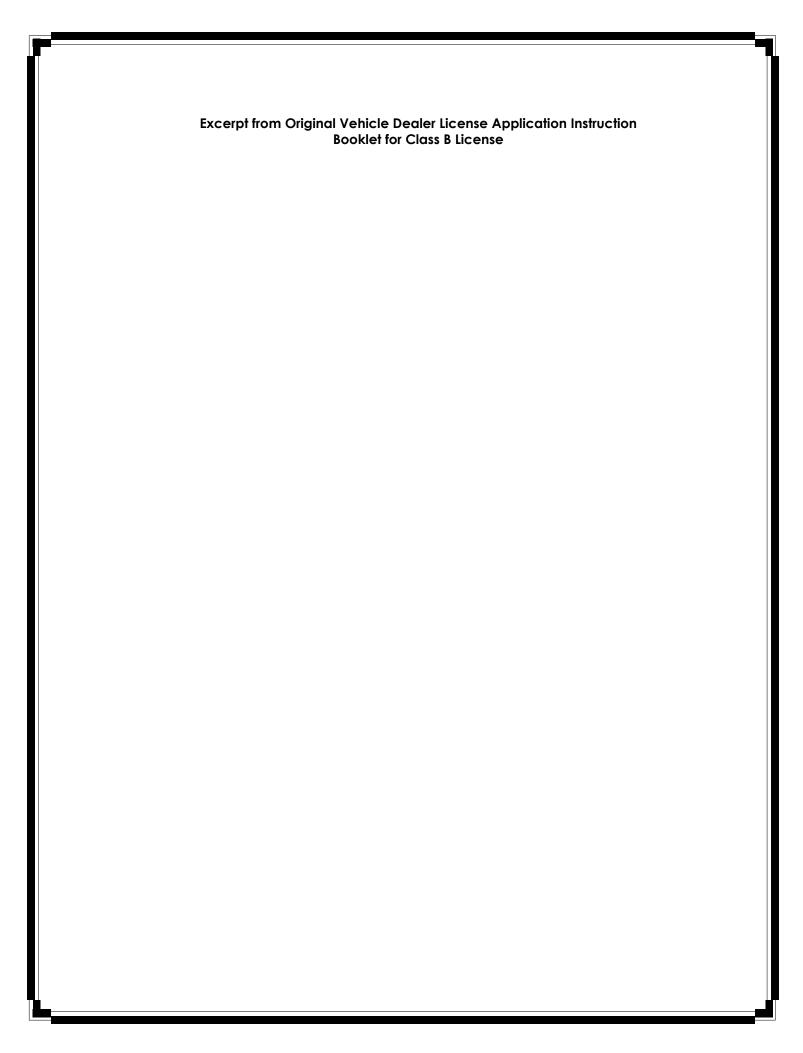
In acting upon the request, the City Council shall take into consideration the spirit, purpose and intent of the Ordinance and the Master Plan for Land Use. If the City Council determines that:

- 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,
- 2. 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









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: licensing@michigan.gov

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 licensing@michigan.gov.

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:

- 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:

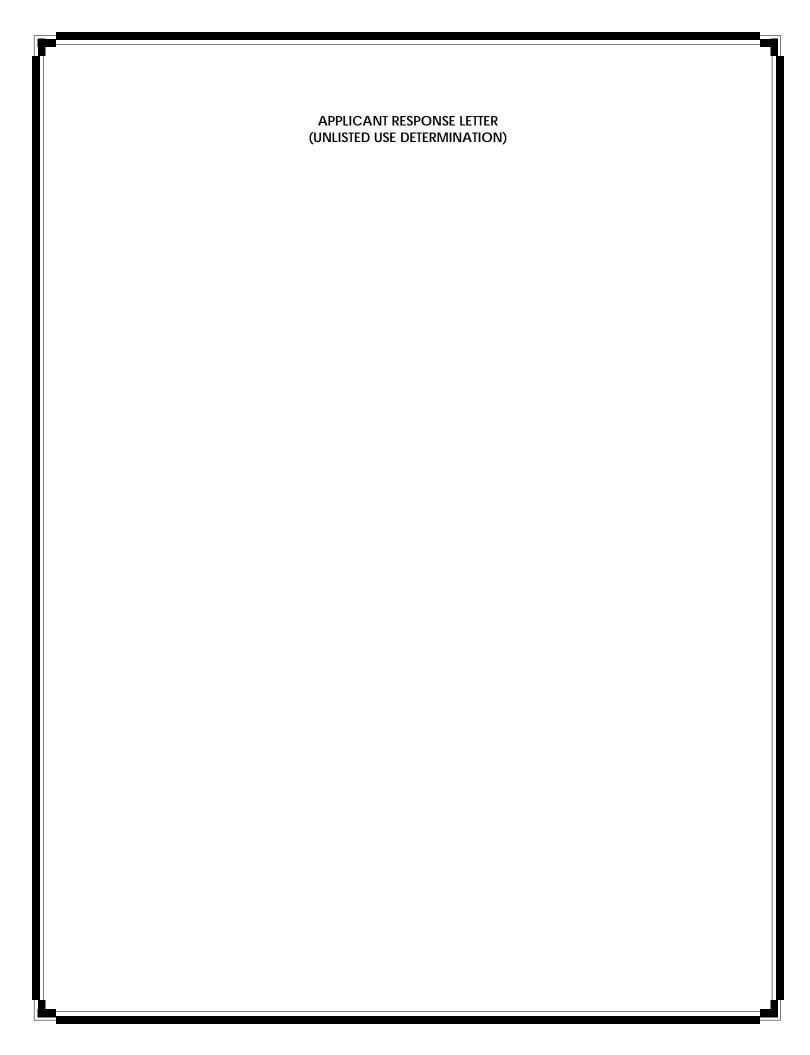
A dealer may not combine space and resources with another dealer to meet the minimum established place of business requirements for a new or used vehicle dealer. Each licensed new or used dealer must meet the established place of business requirements <u>separately</u>.

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.





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.

Signage

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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