

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI  
DRAFT – DECEMBER 18, 2006 AT 7:00 P.M.  
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

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

**PLEDGE OF ALLEGIANCE**

**ROLL CALL:** Mayor Landry, Mayor Pro Tem Capello, Council Members Gatt, Margolis, Mutch, Nagy, Paul-absent/excused

**ALSO PRESENT:** Clay Pearson, City Manager  
Pamela Antil, Assistant City Manager  
Tom Schultz, City Attorney  
Kathy Smith-Roy, Finance Director  
Rob Hayes, City Engineer  
Benny McCusker, Director of Public Works

**APPROVAL OF AGENDA**

**CM-06-12-319** Moved by Margolis, seconded by Nagy; **CARRIED UNANIMOUSLY: To approve the agenda as presented.**

Voice vote

**PRESENTATIONS**

**1. Recognition of 2006 Annual Holiday Decorating Contest Winner**

Mayor Landry announced that Mick and Sheila Holly were the winners of Novi's Holiday Decorating Contest and presented them with a \$150.00 gift certificate. Member Nagy asked where they lived and Ms. Holly responded they lived on Wintergreen off of Ten Mile and Taft Road.

**2. Conceptual Presentation by HHT Devco for Reinvestment in Twelve Mile Crossing at Fountain Walk – Bruce Reid**

Mr. Reid was present to make the presentation and thanked Mr. Pearson and Ms. McBeth for their guidance in the process. Mr. Reid mentioned members of their team who were present, Jim Ludwig of Mc Kenna & Associates, Tom Miller of Miller Development and Greg Ashton, the General Manager of the center. Also, on their team but not present was engineer Scott Kline of Giffels and Webster.

Mr. Reid referred to the last time they were before Council and Council asked about the Fifties Festival. He hoped if Council asked them about it now they would get a more affirmative response than they received last time. Mayor Landry said he would personally attest to that and Council was pleased.

Mr. Reid said they were present to show Council what they planned to do with the north part of the center. He noted Council previously approved a partial demolition and the south drive. The plan showed a complete demolition of what was in the north to be replaced by small and mid-size retailers on the east and west with a clustering of restaurants in the center. It showed the south drive extending through to the north to Twelve Mile, and showed West Oaks being

introduced to the property directly at the point where it now T-junctions with the property. He said they were confident they could re-engineer the grade change and bring a flow of traffic from West Oaks through and into the center. Mr. Reid said the idea was to bring some of the vitality that existed in the south up towards the north. He commented that although there would be demolition, it didn't mean the tenants there were leaving. Some tenants might leave but they were hoping others would accept their invitation to relocate within the center.

Mr. Reid said the overall affect of this design was that, aside from the theatre and Sears Great Indoors, Dick's Sporting Goods, the single largest tenant with an 84,000 square foot store, would be a 50,000 square foot tenant in the new design on a single floor, if they chose to stay as they hoped they would. He said they were seeking to deliver market normal, typical formats and dimensions to top quality retailers in the medium size range, and Dick's Sporting Goods was a good example of that. He said they were hoping to add some entertainment elements and would be delighted if they were to secure one of America's best known book stores. They felt people enjoyed these types of activities with restaurants and movie theatres.

Mr. Reid said the total size was about the same size in square footage as what had been approved previously. He said it was probably less than the theoretical maximum size of development and they were using it as a guide for now. He noted some of the tenants they might bring would be heavy parking users and if they came staying within these parameters, it would be a good idea. If some of them didn't come, they might seek additional density consistent with Novi's parking ordinance and other ordinances. However, what was being presented was essentially the same size as the original approvals for Fountain Walk at about 730,000 square feet. Mr. Reid thanked Council for identifying this on the agenda as Twelve Mile Crossing at Fountain Walk as they still had to get Council's approval and go through the process, but that was the name they favored. He commented that one of the reasons for changing the name was that tenants who previously considered Fountain Walk and rejected it wouldn't connect the two as readily. He said it was a new project, new development and an entirely new concept for the site and they thought it was appropriate for those remote head office reviewers of proposals to see it in that light. Mr. Reid showed Council a few renderings and concepts and said it would be a phased project. It would be phased because they had tenants operating their businesses and the idea was to keep them operating until their new store were ready.

Member Mutch thanked Mr. Reid for responding to comments Council had made. He thought the introduction of West Oaks Drive directly into the center would definitely benefit the center and be a positive change. He said since Fountain Walk was built, one of the challenges was that the retail market in Novi was heavily saturated. Now, ten years later there has been a lot of new retail not only in Novi but west into Brighton, Howell, etc. He asked what kind of factors would allow these stores or this design to succeed that the current Fountain Walk didn't lend itself to and that Mr. Reid would be looking for.

Mr. Reid said the existing improvements in the north part generally are dimensioned incorrectly in the sense of depths of facility. They are also sited incorrectly with respect to parking and loading. He said the design Council saw was a conventional, more typical design and what customers and retailers expected. The parking was in front of the store the customer would be going into and the loading occurred off the municipal streets and behind the stores. Also, the sizing of the stores would be different than it was with Fountain Walk. Mr. Reid said the predominant color schemes of Fountain Walk and the exterior décor, which could be changed,

didn't fit the level of retailers. He said many of these retailers would be national retailers, which the structure of these centers should be built with because they draw people and carry the debt load with the lenders. Then, try to add texture with stores that don't appear in every other center. Mr. Reid commented that they didn't think Novi was over retailled. He said it was a desirable market and the feedback from tenants was very encouraging. Mr. Reid noted that the one thing they had that no other center in the region had was a very successful, extremely professionally managed movie theatre that drew hundreds of thousands of people. He said people don't necessarily shop on the way to the theatre but they did see things and would come back. He said their experience with movie theatre centers was that they performed differently and at a higher level than routine centers in the similar trade area.

Member Mutch noted one concern raised by City staff was the issue of the design where the loading zones would be facing out to the main access roads along the parameter of the site. He said Mr. Reid was aware of those concerns and he assumed that Mr. Ludwig and his team would be addressing that. Member Mutch said when they were previously before Council there had been discussion about façade and landscaping. Mr. Reid said they saw Donelson Drive as less of a concern because the other side of Donelson Drive was the back of someone else's center. He thought there was a challenge on Cabaret Drive because of the grade change going up to the hotel. He said they would not be able to prevent any view lines into their center but were mindful of the fact that the people on the other side of Cabaret Drive could expect them to treat that with berms, screening, landscaping, etc. Mr. Reid commented they expected to be decent and responsible neighbors to the people on the other side of Cabaret Drive. Member Mutch wished them luck with their endeavor and said Fountain Walk's success would be Novi's success; and for them to do well was a benefit to the community.

Mayor Pro Tem Capello commented that he was on the Planning Commission when the rezoning came forward for this property from Office Service to RCC. He said there was a major battle whether they would rezone it to additional retail because of all of the retail Novi already had, and the competition of the center with Main Street and the struggling Town Center. He said the plan of the north part where Mr. Reid was planning to demolish and reconstruct was something that was brought to them originally and was turned down. He said they didn't want another Town Center, West Oaks I or West Oaks II. Mayor Pro Tem Capello said they were asked to bring in something different so it would bring additional people into the area and hopefully help everybody. Mayor Pro Tem Capello commented that what he was seeing before Council was a transgression to something that was originally rejected in the original rezoning years ago. He could live with the loading on the side of West Oaks II because they would be backing up to loading areas anyway. Mayor Pro Tem Capello said when they came before Council a few months ago he had an issue with some of the demolition and never envisioned they would turn it into a retail center. He said it looked like they did very little else than take the buildings and instead of facing them out they faced them in. He agreed the design of the center was very contested but Council was told it was what was going on in California, Arizona and other areas of the country. So Council left it up to the developer to tell them what would sell and what wouldn't. He said if Mr. Reid was telling them something different would sell, he couldn't contest that with him. However, he could contest the layout of the buildings. He thought they would do something similar to what was in Rochester Hills but this was similar to what was north of Lansing off of 127, which was just a broader design of a retail center. Mayor Pro Tem Capello said he didn't like the design and didn't want to tell him what to do, but the design was not bringing anything to the City that Novi didn't already have.

Mayor Pro Tem Capello said he was not there for the Town Center but understood that part of the failure of the Town Center was that the City got too involved with the design, size of the buildings and the layout of the parking. He noted he was involved with Main Street and could take some criticism for that because they were involved with the layout, parking, size of particular units, etc. He said he didn't want to redesign Mr. Reid's project because they had made mistakes in the past. However, on the other hand, he knew what he was looking for in the City and why they allowed Fountain Walk to come in the first place. Mayor Pro Tem Capello offered to meet with Mr. Reid and talk with him.

Mr. Reid said Council undoubtedly had a better grasp of the history of this site. He commented they bought it as a retail center long after it had been rezoned and viewed it as a good retail site. He noted the south was working well but they were always open to suggestions and comments. He thought it would be disingenuous for him to suggest that they would be delivering something that wasn't ultimately a retail center. Mr. Reid said their judgment was that the market wanted a retail center that was close to entertainment and dining alternatives. However, the predominant use would be retailers and they would predominantly be national retailers because that was how the financials and the demand were built. It was also how they would bring in customers because they would come to those tenants. Mr. Reid said he would very much like to take Mayor Pro Tem Capello up on the opportunity to visit with him separately and would call his office to arrange that.

Member Nagy said this center was not the kind of center she saw when in California. She never thought an outdoor retail area would work in Michigan because of the weather. She commented she was not concerned about the layout of the buildings because it was pretty conventional and the site was so big she couldn't imagine reconfiguring it to make it something more interesting because it's too late. She thought the initial design was wrong. Member Nagy said she didn't object to their plan and liked the fact that they would have West Oaks coming in. However, she asked, on the Cabaret Drive side, how buildings 1, 2, 3, and 4 connected to this other area. She was concerned because it seemed that the north side was so separate from the south side and she wondered if it wouldn't be better to move it back. She asked if the sidewalks would connect to the south side and how far would people have to go. Mr. Reid replied there were a number of studies that the ICSC and others had done that said people would walk 300 feet but don't try to make them go a lot more than that. He said they didn't expect people to park at the north end of the site to shop at major one and then walk to the movie theatre, but they might walk to the cluster of restaurants. There would be sidewalks along the road because they were trying to create the south drive experience and obviously they would widen it going further north to carry traffic out of the central parking areas. There would be sidewalks and landscaping but it would not be like the small downtown where one would walk the sidewalks. He said the north part was much more the retail center connected and linked to entertainment and dining options. Member Nagy asked what the distance was from the cluster of restaurants to major five and shops two, and if they were in the 300 feet range. Mr. Reid said they were about 140 feet from the entrance to the south drive and then they would be into an interesting walk. The walk from the restaurants to what presently existed to where the previously approved south drive would end was about 140 to 160 feet. Member Nagy said she would like to see this succeed. She said he mentioned that a national retailer would not want their building to look multi-colored but would want it to look like their own. She asked if there had been discussion in regard to signage on the outside of the buildings. He replied there had been no discussion on that but they were mindful of the fact that Novi had a

stringent signage ordinance, and that they would have to work with Council. He said some of the things they would be seeking didn't come naturally out of the ordinances and they would be asking for signage consistent with a major 67 acre center. She thought there had to be outside signage on the buildings because they were difficult to find and the little signs were not adequate. Member Nagy commented she hoped they sought the signs but hoped they wouldn't be excessive because it would detract from what they were trying to achieve.

Mr. Reid said their plan on signage was to retain a top flight signage design firm. He noted it was their experience with City Councils that signage was an issue and that members of Council had widely and strongly held points of view. He said they viewed the signage issue as one where they needed to be very well prepared and very persuasive. Member Nagy stated she wanted this to succeed and hoped the national retailers would be of sufficient caliber to attract people to this area. She asked if they had said they would take off the multi-colored paint and he said they were taking down the entire building because Council didn't like it.

Member Margolis thanked Mr. Reid for coming forward with this. She felt he was very knowledgeable about his industry. She believed that no matter what they did as a Council the market would force the kind of changes that people would react to. She thought they would bring in retail that people would go to and said Mr. Reid had a great deal invested in that. She thought what they had done looked good and she would not second guess every piece of it. She agreed with some of the remarks about anything they could bring in to make it look slightly different from some of the other retail. She felt he already knew that because of his expertise but mentioned the idea of something like the Lifestyle Center in Rochester or something similar. However, she would let them make those decisions. Member Margolis appreciated that they knew the Emagine Theatre had done a great job of being successful when the rest of the center wasn't doing well. She thought the theatre was a well run business and a great corporate citizen for Novi who had done a wonderful job contributing to the community.

Member Gatt commented he was all for the project. He said it was their money and they would decide how it was best spent. However, he urged Mr. Reid to look at the Rochester development. Member Gatt said his only problem was the loading zone on Cabaret Drive, as he didn't think it was fair to the people across the street. He said if that could somehow be changed they would have his total support.

Mayor Landry asked Mr. Reid to express to his colleagues at HHT Devco the appreciation of the City for the complete openness with which he had proceeded with this. He said from the moment Mr. Reid set foot in Novi he came to Council during a public meeting and told them exactly what his intentions were and it was very much appreciated. It showed confidence on his behalf and excitement on Council's behalf because this was a center that everyone wanted to succeed. He said to have a company like his come in and tell Council what they were thinking about every step of the way was excellent and spoke very highly of his company.

Mr. Reid thanked Council and said they had appreciated the fact that it had been reciprocated and they had been given these opportunities.

## **PUBLIC HEARING**

### **1. Rock Financial (f/k/a Novi Expo Center) Industrial Facilities Tax Exemption Certificate**

Mayor Landry opened the Public Hearing at 7:36 P.M.

**David Staudt**, 23715 Nilan Drive, member of the Novi Economic Development Corporation and Chief Operating Officer of a business neighboring the Rock Financial Showplace was present. He commented he was in support of the tax exemption increase being requested by the Novi Expo Center. He said when faced with crippling contractor difficulties and increasing construction costs, Blair Bowman and his staff gritted their teeth, secured additional funding and got the job done. He said many might have walked away from a situation like he faced. He never faltered and refused to fail and the result was one of the crown gems of Novi, southeastern Michigan and Oakland County. He believed the increase request to be reasonable based on the significant additional investment, the spirit of the original agreement and the long term commitment that the business had made to the community. Mr. Staudt asked that Council grant the approval request this evening.

**Robert Churella**, 43564 Scenic Lane, was present to express his opinion on what to do about Rock Financial because being on the Planning Commission he knew about all the problems they had gone through. He said there had been a lot of difficulty and expense that Mr. Bowman had paid and the only reason he was being asked to pay more taxes was because he had spent more money to make it look better. He said he was also on EDC and what this would do was show people coming into Novi that Novi was willing to work with them. He said they would become part of Novi like we are a part of Novi. Also, it would show the people who were in Novi that if they were willing to put more effort to make their business bigger and better, the City would work with them in one way or another. Therefore, he thought Council should approve this.

**Hugh Crawford**, Oakland County Commissioner for Novi, was present to lend his support to this project and asked Council to look favorably upon approval of this project. He said this was a gem in Novi, Oakland County and the State of Michigan. He said he could not speak for L. Brooks Patterson but knew he touted this project County-wide, State-wide, across the country and probably internationally. He said this was a real gem and it brought a lot of spin offs already realized and yet to be realized. Mr. Crawford said it was a very important project for Novi, the County and the State. He hoped Council would look favorably upon approval.

**Robert Benes**, Catering Manager at the Rock Financial Center, was present and said they had been in the building for 14 months. He said it was a beautiful location and working there had been a great privilege. He wanted Council to know that since they had been there, they had created almost 200 jobs in Novi and just this weekend 130 people were employed for two days because of the events there. He wanted to thank Mr. Bowman and let Council know what the Rock Financial Center had done economically for this area.

**Keith Wilson** was present and said he was developing the old Expo Center into the International Automotive Expo of Novi, which would be an indoor auto mall. He asked Council to approve the request because when he first got involved in Novi he got to know Mr. Bowman and watched what he did to that old building and the community. He said the new building was amazing and probably the finest in the Midwest and the country. He commended Mr. Bowman on his vision and he hated to think what the City would be like if he had gone somewhere else with his vision and his project. Mr. Wilson asked that his request be granted.

**Bob Thorn** said he was the owner of Petland in Twelve Oaks Mall and a board member of the Novi Chamber of Commerce. He said his personal experience in Novi had been that whenever something was going on at Rock Financial everyone got an up-tick in retail. He said there was a presentation a few minutes ago and he supported that as well. Mr. Thorn said doing things for Rock Financial and the people responsible for Rock Financial to encourage them to do more in Novi was the right thing to do. He asked for Council's support on the abatement.

**Chuck Olszewski**, 24626 Jamestown Road, said he had been laid off from the automotive industry and knew how important it was to have great businesses in a community and for a community to promote an atmosphere that made businesses want to locate in the community. He said he was currently a full time student at Walsh College working on his MBA with finance specialization. He believed Novi needed to do whatever it could to be business friendly and he was in favor of the tax abatement that Rock Financial was asking for. He felt it was important for Novi to work with its businesses to show other businesses that might be watching that Novi was willing to work with them.

Mayor Landry read two pieces of correspondence into the record.

Letter from Senator Nancy Cassis addressed to Mayor Landry and City Council Members:

"In my experience at the legislature dealing with MEGA tax abatements and local participation, only some projects have proven to be a catalyst for growth in local revenues and job creation. Under the leadership of Blair Bowman and others whose private investment and willingness to take a risk establishing the Rock Financial Showplace, "Novi's Expo" has more than lived up to and gone beyond its commitment to enhancing our community fiscally. This is precisely the goal of providing local incentives. Therefore, I hope you will consider Mr. Bowman's request positively because his project truly is an investment in Novi today and tomorrow which will continue to reap rewards for our businesses and residents".

Sincerely,  
Nancy Cassis  
State Senator

Mayor Landry read a second letter into the record from The Greater Novi Chamber of Commerce to Council and City of Novi:

"In regards to Rock Financial Showplace request for an increase in their tax exemption; I just want to state my support.

Rock Financial Showplace is such an important part of the Novi community. We at the Greater Novi Chamber have been working closely with them to build a new committee to help develop more tourism and conventions in Novi.

Rock and Mr. Bowman have already helped our new Chamber immensely and show support of many other community organizations and charities. In helping them with this request I feel it would also benefit our community".

Sincerely,  
Whitney McClellan, Executive Director

Mayor Landry closed the Public Hearing at 7:44 P.M.

## REPORTS

1. **SPECIAL/COMMITTEE - None**
2. **CITY MANAGER**

### **2007-2008 Budget Special Meetings Schedule**

Mr. Pearson commented his thoughts were turning to budget preparations. He asked Council's indulgence to look ahead to April to set City Council work sessions for receiving the budget. He said they would outline the schedule of how the different elements would be developed to deliver the budget for consideration. They would also reference last year's two meetings. Mr. Pearson suggested Saturday, April 21<sup>st</sup>, Thursday, April 26<sup>th</sup> and Saturday April 28<sup>th</sup> if necessary.

Mayor Pro Tem Capello stated he would prefer to start a little earlier so they didn't tie up two Saturdays. He suggested Thursday, April 19<sup>th</sup>, Saturday, April 21<sup>st</sup> and Thursday, April 26<sup>th</sup> and save the last Saturday, April 28<sup>th</sup> if necessary.

Member Gatt said any day was fine except April 28<sup>th</sup>.

Mayor Landry said the proposed dates were Thursday, April 19<sup>th</sup>, Saturday, April 21<sup>st</sup>, and Thursday, April 26<sup>th</sup>. He asked Mr. Pearson if those dates were good for him.

Mr. Pearson said it could work very well. He said at the Thursday, April 19<sup>th</sup> session the budget would be presented with a brief overview. Then on Saturday, April 21<sup>st</sup> they would get into the meat of the budget.

**CM-06-12-320      Moved by Margolis, seconded by Capello; CARRIED  
UNANIMOUSLY: To schedule 2007-2008 Budget Special  
Meetings for Council budget sessions on Thursday, April 19<sup>th</sup>,  
Saturday, April 21<sup>st</sup> and Thursday, April 26<sup>th</sup>.**

### **Voice vote**

Mr. Pearson updated Council on the City Survey, which was put on the City web site at [www.cityofnovi.org](http://www.cityofnovi.org) so everybody could participate. It was the same survey that went to a statistically valid sample of the community that was representative of the community as a whole. Mr. Pearson said the report would be back to Council this week.

Member Margolis asked if Council would get a separate report when the results were compiled on the statistically valid sample and then one for the web sample. Mr. Pearson said the statistically valid sample would be delivered Thursday to Council. He said the survey was also given to the staff and they would get a separate report on that. He said the survey would be open until the end of the month and that report would be to Council in January.



Mr. Pearson advised Council that the Neighborhood Services Division had initiated a program they call the Resident Leader Academy. He advised that throughout 2007, on the first Thursday of the month there would be a series of speakers in a Civics 101 sort of program. Mr. Pearson said Ms. Uglow had lined up speakers from various City departments and it would be an opportunity for residents to learn more about their community and their City government. He said it would be a two hour program the first Thursday and Judge MacKenzie would open it up on January 4<sup>th</sup>. To talk with someone about this program, please call 248-347-0437.

Member Mutch asked if the class was already established or was it still open to residents who were interested. Mr. Pearson said it was completely open and was more of a drop in when they could situation. It would be good to go to them all, but that's not always possible. It was open enrollment for lack of a better term.

**3. DEPARTMENTAL - None**

**4. ATTORNEY - None**

#### **AUDIENCE PARTICIPATION**

**Linda Krieger**, 44920 Byrne Drive, was present to speak to Council as a citizen in regard to the Novi Police Department. She said a couple of years ago Novi Police responded to a call. A woman was distraught and there was something about a dead body. Upon investigation, Novi Police officers discovered millions of dollars in cash and upon further investigation an international drug ring was uncovered. She said millions of dollars in assets were confiscated and drug lords were brought to justice and following proper channels the Novi Police brought back a tax free cash reward for their hard work. Novi Police administrators, including the Chief and Deputy Chief who live and are invested in the City continue to work hard studying the use of this tax free income for the residents of Novi. She said upon completion of their studies the Novi Police recommended to the City officials, in order to best serve the community of Novi and the Police Department, that the money be used for a gun range. Ms. Krieger said by doing so the Federal government could not penalize the Novi Police Department in the future regarding any future confiscations. The Novi Police did an excellent study which she read at the City Clerk's office and on the Novi web site. She said the study not only included the plan for forfeiture funds but also for the future Novi build out to the year 2024. She noted that from the Novi Police administrators this was excellent foresight; they are fiscally responsible for the budget and for building, operations and maintenance. Ms. Krieger said they worked as a team player with other departments in the City including the DPW and also as a team player with the residents and with concerned residents to the east who were direct neighbors of the Police Department. The Novi Police came up with an incredible plan, presented it to the people and included was their awareness of tax concerns of residents. She said they are residents. In 2005 the money was already set aside for a gun range and because the forfeiture funds keep coming the plans keep coming. She said there were pros and cons but the pros definitely outweighed the cons. Ms. Krieger said she had participated in the Lakes Area Police Academy a few times and had observed how the Novi Police looked after their residents. She said she had used the Farmington gun range and for an amateur she had fun but for a professional police officer the range was definitely archaic against today's drug lords who were definitely armed and had plenty of time to practice. If millions of dollars of cash money from drug lords was found in Novi then Novi Police needed to be equipped to deal with

these people. If the administration determined after lengthy studies, that a gun range was the best answer then we, the people, should support our officers who look after us in fighting against international drug lords. She said this had national implications and asked Council to forward the plan for a gun range especially since the money was free and not tax dollars from residents. She noted that each Council member brought to the Council table their time and experience and she thanked them. Also, as a resident she would greatly appreciate it if Council would review the motions in the previous Council meetings in regard to the Police Department and give them a favorable response. Ms. Krieger said she asked this from her heart and her mind after studying this issue. She thanked Council for their time and the hard work each did for the citizens and wished them the best in the holiday season.

**Bill Charles**, Vice President of the Novi Retirees Association, was present to speak on their behalf. Mr. Charles said the Novi Retirees Association was a little disenchanted with the December 4<sup>th</sup> meeting of the Council and the denial of the Police Chief's plan that was put together by the Police Department and endorsed by the City Manager. He said the Novi Retirees Association was made up of a lot of retired police officers and former Chiefs and Captains, and they urged Council to reconsider their action and approve the plan that was well stated to the Council and not waste any more time.

**CONSENT AGENDA REMOVALS AND APPROVALS (See items A-J)**

**CM-06-12-321 Moved by Gatt, second by Capello; CARRIED UNANIMOUSLY:  
To approve the Consent Agenda as presented.**

**Roll call vote on CM-06-12-321**                      **Yeas: Landry, Capello, Gatt, Margolis,  
Mutch, Nagy**  
**Nays: None**  
**Absent: Paul**

- A. Approve Minutes of:
  - 1. December 4, 2006 – Regular meeting
- B. Approval of employment agreement for Performing Arts Manager position to Debbie Lannen, in the amount of \$46,000.
- C. Authorization to participate in the Traffic Improvement Association 2006-2007 "Drive Michigan Safely Task Force" Enforcement Grant.
- D. Approval to extend the Trophy contract for the second renewal with McNish Sporting Goods for a one (1) year period at the same terms, conditions and pricing as the original bid of October 2004.
- E. Approval to apply for a DTE Energy Tree Planting Grant, for a maximum grant award of \$3,000 (City's grant share is \$3,000 to be funded from the tree fund).
- F. Acceptance of a sanitary sewer easement from Northville Public Schools for the proposed sanitary sewage pump station at the northeast corner of Garfield Road and Eight Mile Road as part of Special Assessment District 170, located on Parcel ID No. 50-22-32-300-001.

- G. Acceptance of Merlyn Contractors, Inc. site sanitary sewer as a public utility. The site is located at 28361 West Park Drive and is Parcel ID No. 50-22-09-300-047.
- H. Acceptance of Maybury Park Estates Phases I and II Water Main and Sanitary Sewer as public utilities, and approval of the site storm drainage facility maintenance easement agreement.
- I. Approval to enter into a one-year Agreement with Total Employee Assistance & Management, Inc. (TEAM) for employee assistance services in an amount not to exceed \$12,000 for the first year with an option to grant a one-year extension.
- J. Approval of Claims and Accounts – Warrant No. 735

#### **MATTERS FOR COUNCIL ACTION – Part I**

- 1. **Consideration of request from BoCo Enterprises, Inc., for amendment or revision to previously-granted Industrial Facilities Tax Exemption Certificate for Rock Financial Showplace (f/k/a Novi Expo Center) in order to increase exemption from \$12.0 Million to \$16.7 Million to reflect additional construction costs.**

Mr. Pearson said this item dealt with a previously adopted certificate for tax exemption of 50% for real property and it was granted based on estimated construction costs. He said at that time it was estimated to be a \$12 million investment. Since that time and after construction and operation they finally received the assessed value from the Assessor's office and that number was in excess of the original \$12 million investment they made. Mr. Pearson said Council received material explaining that and in order for BoCo Enterprises to receive the certificate with 50% for 2006 taxes they needed to have a decision by the City Council tonight. Then BoCo Enterprises would have to go to the Tax Commission in Lansing to receive final approval. Mr. Pearson said the obligation of a public hearing had been met and now it was up to Council on how they wished to act on the next step.

Member Gatt said during the public hearing he had heard several words that he wanted to repeat to the people who were watching. He said he heard the words vision, risk taker and commitment and all speaking about Mr. Bowman and his staff at Rock Financial Showplace. He said Mr. Crawford was present and said he couldn't speak for L. Brooks Patterson but anyone who was up on the news knew that Mr. Patterson talked about Rock Financial Showplace on a regular basis. Member Gatt said in fact, today in the news, Detroit was grappling with expanding Cobo Hall for more money than Mr. Bowman and his partners put into Novi's beautiful center. Member Gatt stated he wholeheartedly supported Mr. Bowman and the Rock Financial Showplace in all their endeavors. He commented they had heard business owners say whenever there was a show at the Rock their business went up as well. He said it was a jewel to the community and he couldn't think of one building more spectacular and it defined Novi. Member Gatt said when they first changed it to Rock Financial Showplace some people said bad move because everyone knew it was the Novi Expo Center and yet a year and a half later everyone knows about Rock Financial.

Member Gatt said he didn't know if everyone knew about Blair Bowman and John Bowen, but these two men have done more for Novi than probably any two men combined. He thought

Council would be making a terrible mistake if this abatement was not granted. It wasn't a lot of money, it was for seven more years and he believed it was something Novi owed them for their commitment to Novi.

Member Margolis wholeheartedly agreed with Member Gatt. She thought Rock Financial Showplace was the jewel of the community; they really did Novi proud in the business community and were very impressive. She said they were also a great corporate citizen and knew just personally being involved with the Town Hall Committee and the Library fundraisers that they had been part of them also. Member Margolis said she asked Mr. Pearson to send her the minutes of when this was first considered and she looked at the Tax Abatement Policy. She said it was very clear from the minutes and the policy that the intent was to give the 50% tax abatement and this was just following through on the intent of both those items.

**CM-06-12-322      Moved by Margolis, seconded by Gatt; CARRIED UNANIMOUSLY:  
To approve request from BoCo Enterprises, Inc., for amendment or  
revision to previously-granted Industrial Facilities Tax Exemption  
Certificate for Rock Financial Showplace (f/k/a Novi Expo Center) in  
order to increase exemption from \$12.0 Million to \$16.7 Million to  
reflect additional construction costs.**

## DISCUSSION

Member Mutch asked if this would be a one time request for adjustment for construction costs and would not come back in the future to make further adjustments. Mr. Schultz said he would have to say that the State Tax Commission rules that permit the revision didn't speak to the number of adjustments. On the other hand, they provide that if the local unit of government didn't approve it there would not be an approval by the State Tax Commission. He wasn't sure that was the best answer but it was the only one he could give based on the rules as he saw them. Member Mutch said he was logically thinking that construction costs were established and fixed and would not change. Mr. Schultz said it should be a one time adjustment, as a practical matter, but the rules didn't speak to that. Member Mutch asked if future improvements on the property would fall under tax abatement or would they have to come back again and make a request. Mr. Schultz thought that would be a different request assuming it was eligible through the City Policy.

Member Mutch said he didn't want to reiterate the praise that had been given to the Expo Center. He said he lived close to it and had concerns when it was first built about the traffic and the noise coming from the site. He said the traffic had been fine, the occasional fire works show and the music had become an ambiance of the neighborhood. He said when it came to tax abatements he had been consistent in saying that he didn't agree with them in principal. He felt the environment they wanted to create for the business community was one where all business community taxpayers paid the same amount. The goal was to make it as little a burden as possible. Member Mutch saw this request as really being a paperwork kind of change. He said the original request was for 50% and the amount had been fixed at \$16.7 million and the request was for 50%, so he saw that in keeping with the original request and would support the motion.

Mayor Pro Tem Capello commented that there was no doubt in his mind that if Council knew

the construction costs were going to be \$16.7 million when Council granted the exemption they would have granted it at that amount. He said to him it was just an administrative change; \$12 million was the estimate and \$16.7 million was the actual cost. Mayor Pro Tem Capello said they intended to grant the exemption based on the actual cost of construction and were doing what they would have done a couple of years ago had known what the actual cost would be.

Mayor Landry believed initially the intent was to grant the abatement for 50% of the value of the facility. The Rock Financial Showplace had proven its value to the community and its qualifications for abatement. He said the abatement should reflect the true value of the facility, whatever that value was and the Assessor had agreed on the value of the facility so he could wholeheartedly support this request. Mayor Landry said it was heartening and impressive to see experienced business people come to the podium in support of this request and it spoke volumes. It was much more powerful than what anyone at the Council table said. He would have no problem supporting this and was 100% behind this.

**Roll call vote on CM-06-12-322**

**Yeas: Capello, Gatt, Margolis, Mutch, Nagy,  
Landry**

**Nays: None**

**Absent: Paul**

**2. Approval of Traffic Control Order 06-05 for the installation of a permanent Yield Sign or Stop Sign as directed by City Council, on northbound McLean Court and Mystic Forest Drive.**

Mayor Pro Tem Capello believed when Council adopted the new procedures for subdivision petitions for signs within their subdivision that the general idea was to give the subdivisions what they wanted unless there was a reason they shouldn't. He said Mystic Forest had asked for a stop sign and the Weston Estates Homeowners Association supported a stop or yield sign. So, they had no opposition to the stop sign.

**CM-06-12-323 Moved by Capello, seconded by Nagy; CARRIED UNANIMOUSLY:  
To approve Traffic Control Order 06-05 for the installation of a  
permanent Stop Sign as directed by City Council, on northbound  
McLean Court and Mystic Forest Drive.**

**DISCUSSION**

Member Mutch asked if this went through the procedural steps or was there some question about what procedure should be followed. Mr. Pearson said what was different and new from the last time Council postponed it was expression of opinions from neighboring subdivisions. He said there was a report from the Traffic Consultant, OHM and an updated report from the Weston Estates residents. He said in looking at the procedure again the only thing they might have missed was the pre-advertisement for this and thought the understanding was they could do it after the fact. He thought they had met the spirit, intent and substantive parts of the policy Council adopted. Member Mutch asked if when future requests came in would the expectation be to follow this policy. Mr. Pearson said yes.

Mayor Landry stated he agreed wholeheartedly with Mayor Pro Tem Capello and his comments.

Roll call vote on CM-06-12-323

Yeas: Gatt, Margolis, Mutch, Nagy, Landry,  
Capello  
Nays: None  
Absent: Paul

3. Consideration of the requests from Interphase Land Development LLC, applicant for Casa Loma, for: 1) A variance from Section 11-68(a)(1) of the Design and Construction Standards requiring the ability to serve the development with at least 2,000 gallons per minute flow in residential developments (1,750 GPM proposed), 2) A variance from Section 11-68(a)(1) and 11-68(a)(5) of the Design and Construction Standards requiring water main extensions longer than 800 feet (990-ft main proposed) to include a secondary connection point to allow for a future looped connection, and requiring secondary water main stubs to be extended to the property lines for future extension, and 3) A variance from Section 12-174(a)(4) of the Wetlands and Watercourse Protection Ordinance requiring building sites (lots) in a site condominium to exclude wetlands. The applicant is proposing a ten-unit residential site condominium to be located on the west side of Beck Road, south of Nine Mile Road.

Mr. Pearson said this had three separate Design and Construction Standard waivers. He noted it was their job to apply those and give professional opinions on whether a waiver existed because of the particular unique circumstances. He said for each of these cases there were one or more operating departments that did not see that kind of practical difficulty or any other reason. He commented there was something similar on Taft Road just south of Grand River with water flow issues. The project started with a preliminary site plan in November 2005 and Council saw the first Design and Construction waiver in January 2006. He noted there was also discussion when this went to the Planning Commission for the site plan. The issue of the wetlands was brought up, there was discussion and some assurances were made. He said they made it sound, from the Planning Commission's perspective, like there were not going to be wetlands on the lots. He said now the applicant was before Council to lay out their case and staff was present to answer any questions they had.

David Compo said they were a builder who had been around since 1959 as James B. Compo, Inc. He noted he was present as manager of Interphase Land Development, LLC. He said the intention was Lot 6, which would be the model home and his future and final home. He noted they have had the 15 acre parcel for many years; the Bellagio development was directly to the north and they shared the border. He commented Bellagio had set an excellent precedent for beautiful homes in the community. Mr. Compo said there were only 10 lots on 15 acres and the preliminary meeting was November 2004. It had now been over two years and over \$200,000 in soft costs for ten lots and he felt they had bent over backwards to satisfy the people they had dealt with through the Planning Commission and committees. He commented they had redesigned the project over 15 times to meet all these specific needs, and had come to the point of requesting a meeting with his engineer, Mr. Pearson and Ms. Antil. Mr. Compo said they had gotten so frustrated through this that Engineering, Planning and Zoning couldn't agree on what they wanted, let alone tell him what they wanted. He thought two years was far too long to go through this process. As for tonight and the couple of things they were requesting, he had heard the Council was level headed and used a common sense approach. He thought a lot of people on the Planning Commission were also level headed even if he hadn't had success with some of the people he had dealt with.

Mr. Compo said the engineer was present to speak with them. He said some of this came down to cost because some of the stuff proposed went into the tens of thousands of dollars in extra costs for the potential of “what ifs”. He stated Bellagio was not requested or had received a waiver to not put a stub street or stub water main, which he thought would have been the better way to go. It would have improved and made their project easier. He said Bellagio completely surrounded his property and it appeared they had much more of a burden than Bellagio with what they were requested to do. He said they wouldn’t have a gated community and yet their homes were of Bellagio caliber and more because they had larger lots. The whole intention when they originally did this was to make it completely unique, one of a kind and not just meet the rules but exceed them in every way. He said they originally wanted a one acre cul-de-sac. He said there was a huge roundabout going through and they wanted a larger boulevard, so the entire thing was a boulevard. They have proposed over a half million dollars in landscaping to make Casa Loma the gem of Novi residential and surrounding areas. He said if he didn’t believe in what they were doing and some of the things they wanted to change and ask for he wouldn’t even consider it because he was going to live there.

Mr. Compo said they would talk about water flow and issues to do with the “what ifs”. What if there’s a fire on these three lots and they needed a hydrant. He said if one of the homes was burning the pressure of the other two lots only would be less than 20 lbs, and he didn’t think the concern to the people on the other two lots would be how good their shower is. As custom builders in every home they build over 4,000 square feet they automatically put in a fire retention devise with an extinguisher and fire hose on each level. He said that automatically brought down the requirement for what was needed because they wanted to address that before the law mandated some type of sprinkler system for homes. He thought that would be a mistake.

Steve Witte, Engineer from Nederveld, said there were three requests before Council and two of them related to the water main and one related to the wetland. Mr. Witte said they were asking for a variance from the required 2,000 gallons per minute in residential lots. He said they had modeled several different water main options including having different pipe sizes, varying volumetric flow of the water taken out of the far west hydrant and adding or omitting the water main stub.

Mr. Witte said as requested and proposed, without the stub and without changing the size of the water main, the water main modeling results in a normal pressure of all the lots of about 49.5 lbs per square inch, which was very high, with 2,000 gallons per minute being drawn from the far west hydrant. He said there would only be three lots that would fall below the required 20 PSI and those were lots 5, 6 and 7. He said even with the water main stub to the south, these lots would still be under the 20 lbs per square inch. Mr. Witte said there would be 1,750 lbs per square inch drawn from the west hydrant and all the lots would have the 20 PSI. He realized that when the City staff reviewed their request they looked at their standards, and rightly so. He said to give Council an idea he handed out three items to Council members. Mr. Witte said the

first was the International Fire Code from 2003, which said “one and two family dwellings that did not exceed 3,600 square feet, there shall be 1,000 gallons per minute”. He reminded Council they would have 1,750 gallons per minute. It went on to say homes larger than 3,600 square feet followed the schedule on the second page of the document he had handed out to Council. He said on that page Council would see that for 1,750 gallons per minute, which they had, it could service up to a 4,800 square feet home with normal construction. He said there

were things they could do construction wise that would increase or decrease the amount of flow needed.

Mr. Witte said the third page was from the Insurance Service Offices and Council would see they said for one and two family dwellings not exceeding two stories in height, they recommended 750 gallons per minute. He said the final page said the City of Farmington Hills standards for residential was 1,250 gallons per minute and they had 1,750. Mr. Witte said there would only be three houses affected by this. If anything near 2,000 gallons per minute was drawn from the hydrant on the west end of the cul-de-sac it would likely be because one of those three houses was on fire. He said the inconvenience to the lots and the homes reflected a very small number of people, it was extremely unlikely and would be very short lived. This was regarding the first request.

Mr. Witte said the second request was for the stub to the south. The next request was regarding the length of the water main. He said 990 feet was proposed and 800 feet was the maximum. He said the argument for the variance was that there was more than sufficient flow and pressure in the water line to accommodate this development. He noted the hydrant along Beck Road was tested at 2,211 gallons per minute with a very high pressure. Mr. Witte noted the project was adjacent to woodland and wetland and of particular concern were a number of existing trees that the developer was attempting to save between Lots 2 and 3, which was the suggested route. He said in all likelihood they would not be able to save them with the construction of the water main stub. The difference in the links between what was allowed and what was proposed was relatively minor of 190 feet and was not incredibly out of line with what was normally allowed. He said it had been stated by City staff that redundancy was one of the main reasons for requiring the secondary stub and that meant if the water main ever needed repair there would likely be fewer people or lots that would have their water turned off. However, since this stub location was only 400 feet from the 12 inch water main and Beck Road there would be very few houses that this redundancy would ever potentially benefit. Mr. Witte stated there was a memo from Mark Spencer, City Planner, regarding the development to the south and he said there was some potential for future development. However, if Council would read his memo there are 12 lots varying in size from 1 ½ acres to 10 acres south of this site, so the likelihood of this ever being extended to the south was very small.

Mr. Witte said the final request regarded the wetland on the south side of Lot 4. He said they had been working with the City to develop a plan that would be acceptable to the developer and the City. At the Planning Commission meeting the wetland was discussed and what was in question was the setback from the wetland. He showed Council the existing wetlands and said the Planning Department was saying it basically took a part of a separate lot so that their rear yard setback had to be taken from the edge of the wetlands. Therefore, the building would be 50 feet off the wetland and typically a 25 foot buffer was required. He said at first that sounded like a doable thing but taking a closer look, the wetland actually came to a point and when the tip of that point offset the 50 feet, it really affected the lot with the executive style homes being proposed. He said the developer had been working with the City to try to come up with a win-win situation. If the overall lot had not been proposed for development, the owner could have constructed a building or a home within the 25 feet setback since a new lot would not be created and the subdivision ordinance would not be enacted. He said the only time this would come up would be when the land was being subdivided. As far as setbacks from a rear yard standpoint, the intent of a 50 foot rear yard setback was to provide separation between houses. Since the wetland in question was in the rear yard of Lot 4 this intent was



achieved even with a 25 foot setback from the wetland. Mr. Witte said this request did not affect the 25 foot no disturb zone from the wetland so grading or disturbance could still occur within the 25 feet even without the variance. He said it really would not benefit anyone to have the building 50 feet back. It would simply allow a structure to occur between the 25 and 50 foot setback.

Mr. Witte said Mr. Spencer indicated that it was more difficult to keep accessory structures like porches, decks, etc. outside the wetland setback if this variance was approved. Mr. Witte said it was actually that type of construction they wanted to be able to put in that setback and was what they were after. There was also a comment by City staff that if Council approved the variance for this there would be a condition placed on it that the wetland and the 25 foot buffer be placed in the Conservation Easement. He said the owner did not have a problem with that.

Member Gatt said Mr. Witte's presentation was very complete. However, he was sure the homes would be lovely but he could not vote for a project that the City experts did not recommend approval for.

Mayor Pro Tem Capello thought one of the main issues they had with Bellagio was water pressure at that time and in that area. They were concerned about building million dollar plus houses, extending the water line and not having enough pressure for those homes. Also, regarding the water line going to the west, there was a lot of preserved wetland to the west of Bellagio and that tied into the west of that to a corridor they tried to preserve. They knew they didn't want a water line in that area to the west. He said for those reasons they didn't require Bellagio to put in a stub. He didn't have a problem with not requiring a stub but did have a problem with the other two variances requested. He said he could not approve the variance regarding the size of the water line. It was just an economic issue whether or not the bigger water line went in and he didn't see that as a great economic burden on them. Mayor Pro Tem Capello said regarding the wetlands, he could see where the building envelope was and they were bringing the wetland buffer right up to the edge of the envelope. He knew through experience with Mystic Forrest homeowners that had wetlands in their backyards were mowing the wetlands, complaining that the wetland growth was encroaching into their yards and the geese and muskrats were coming up on their properties. He saw nothing but problems for the homeowner and the City in granting their variance and allowing the wetland buffer to go up to the edge of the building envelope, which could be the edge of the house or deck.

Member Nagy said she couldn't grant the variances either. She said Novi had their own rules and she would have to go with the department heads who made recommendations to Council. She said while she appreciated the information brought forward, it was not what was on the books. She said, with regard to wetlands, she was on the Planning Commission and always tried to protect the wetlands. She believed this wetland according to our department held storm water and existed for the habitat. She agreed with the previous speaker that when it was too close the animals and the wetland could encroach. Conversely, there had been situations where the people took trees down and mowed and destroyed wetlands and she was not in favor of that either. Member Nagy believed the lots could have been made a lot smaller. She said it was their choice to build this kind of home and this was a question of the cost and the cost was their cost. She understood they didn't want to keep spending a lot of money but she thought that was what it was about. If the lot sizes were reduced that would help as well. Member Nagy was not in favor of anything regarding changing the water that would come through there. Mr. McCusker made a recommendation regarding that and she agreed with him.

She could not grant any of the requests.

**CM-06-12-324** Moved by Nagy, seconded by Margolis; **CARRIED UNANIMOUSLY:** To deny the requests from Interphase Land Development LLC, licant for Casa Loma, for: 1) A variance from Section 11-68(a)(1) of the Design and Construction Standards requiring the ability to serve the development with at least 2,000 gallons per minute flow in residential developments (1,750 GPM proposed), 2) A variance from Section 11-68(a)(1) and 11-68(a)(5) of the Design and Construction Standards requiring water main extensions longer than 800 feet (990-ft main proposed) to include a secondary connection point to allow for a future looped connection, and requiring secondary water main stubs to be extended to the property lines for future extension, and 3) A variance from Section 12-174(a)(4) of the Wetlands and Watercourse Protection Ordinance requiring building sites (lots) in a site condominium to exclude wetlands. The applicant is proposing a ten-unit residential site condominium to be located on the west side of Beck Road, south of Nine Mile Road. The denial was due to the recommendations made by the City staff and department heads, and because none of the language for variance relief from the Design and Construction Standards was met.

Mayor Landry said the reason for her denial was because she was adopting all the reasons from the consultants and City staff. Member Nagy agreed.

Mr. Schultz said they needed to pick up the language for variance relief from the Design and Construction Standards. He said Council would need to find that all three of the following apply in order to grant a variance: 1) there was an exceptional practical difficulty applying the standard, 2) the alternative was adequate and not a substantial deviation and 3) granting the variance would not be detrimental to the public health. Mr. Schultz said as he understood the motion for all the reasons Member Nagy incorporated from the staff, she had found that none of those three items were met. Member Nagy agreed.

## **DISCUSSION**

Member Margolis said she understood some of the things the applicant was saying. However, she could not go against the experts the City paid in this area. The experts were telling Council that this was a situation that 1) was against the City's very clear standards and 2) that would be a detriment to the community and therefore she could not approve it. Member Margolis said in their presentation they mixed up issues in terms of the City's building and planning process and the very clear standards the City had. She said Council was looking at the process to make things easier, faster and clearer. She said if that was something Council needed to look at and talk to them about that was a separate issue and she would talk to them or they could talk with City staff. She said these three things were very clear standards that Council had set up, and she could not offer those variances at this time.

Member Mutch said he would also vote in support of denial of the variances. He stated just following the information they provided on the plan the Open Space Preservation Option they selected allowed minimum lot widths of 140 feet. He said they had to have larger lots based

on the depths of their lots. It was clear they chose the wider lots of 175 feet and the size of the lots was pretty much driving every one of the variance requests. Member Mutch said the length of the water main would have been less than 800 feet and he thought it would have been possible with a different plan to meet those requirements. Member Mutch said they were not required to change their plan if that was what they wanted to go with but then they were choosing to take on those additional costs that come with making those lots larger. He assumed those costs would be built into the development costs of the project. Member Mutch said it was unfortunate if they had problems going through the development process and that was something the City was working on. However, the standards were clear and he could see pretty early on what choices he was making. He didn't think it was Council's job to waive the standards because they didn't like the cost. Member Mutch said that was the cost of doing business with those standards and all developers coming to the City needed to keep that in mind.

Mayor Landry offered the applicant an opportunity to speak and he did not.

**Roll call vote on CM-065-12-324**      **Yeas: Margolis, Mutch, Nagy, Landry, Capello, Gatt**  
**Nays: None**  
**Absent: Paul**

Mr. Campo said he thought he would be allowed to speak. Mayor Landry said he offered that opportunity and he declines. Mr. Campo said he thought he was supposed to speak after the roll call vote. Mayor Landry said he could speak now because he didn't want to deny him that opportunity.

Mr. Campo said he was taking the worst economy, Michigan, and trying to make something special. He stated he was a real estate broker, builder and developer. He said the only reason he had already reduced the lots from 1 acre plus lots was because Mr. Spencer pressured them so heavily, that this would go through and they would do everything they wanted if they could do one lot. He said he wanted the open space plot to protect, protect, protect. Mr. Campo said fine and did everything the City and the Planning Department wanted, only to get the shaft in the end. He said he needed to make a lot sellable based on the cost he was incurring through the City because of the requirements. They would have to be \$350,000 a lot just to get them to market to cover costs the way things were going now. He thought it was shortsighted of a lot of committees from the standpoint of what was going on here and an incredible amount of shortfalls that he would like to talk with Council about. Mr. Campo said he had a two page list of the problems they encountered through this entire process and that was the short list. He said they had developed all over the place and nowhere but Novi had they encountered these types of problems. He said things like inspection fees for the storm sewer at \$42,000 to \$43,000 to inspect. He said it was incomprehensible what was going on, and some of it goes to cost and others to common sense. Mr. Campo said Council mentioned Bellagio was not required to do the stub road and by doing that stub to the south they would be doing just what Council said they didn't want to do to Bellagio. If they would have come to them it would not have affected any woodlands or wetlands going towards their property. He said where they were going would definitely affect woodlands and some wetlands that they would be filling in, which was already approved. Mr. Campo said if Council had a little more history of the site they would understand more,

because it really was contrary to what they had already mentioned about allowing things in other developments. He felt what had happened tonight was completely unfair.

- 4. Consideration of resolution to authorize the purchase of additional service credit by a City employee; and approval of Revised Policy Governing the Purchase of Prior Service Credit adding the following language "There shall be adequate funding (50% or higher) in the MERS Division from which the employee who is requesting the purchase is covered."**

Mr. Pearson said the City had a policy that allowed employees to buy different types of years of service to improve, at the employees own cost, their pension and years of service that they had. However, given some of the recent mandates from the MERS program they do not allow for improvements to the pension program for each group if it was not funded at a 50% level. He said it was Administration's feeling that this request did not meet the policy in that if this particular employee were to retire, the substitute person would come in and the City would be at a disadvantage. Mr. Pearson said given the new MERS mandate did not meet the criteria, they would ask for consideration of this request because the policy required they present it to Council for their decision. He said as a sub part to that, they suggested that an additional clause #10 be added to the existing policy to make it crystal clear regardless of how they wanted to handle this request.

Mayor Pro Tem Capello said the City contributed to the MERS program, correct. Mr. Pearson said both the employee and the City. He asked if the majority came from the City and Mr. Pearson said it did. Mayor Pro Tem Capello said it was the City that was delinquent in contributing to the MERS program, correct. Mr. Pearson said he would not use that term. Mr. Pearson said by the actuary study at full payout there was a gap in City funding of the MERS program. He said his point was they had an employee that had been with the City for a good period of time and had been a remarkably good employee and because there was a gap in the City funding in the MERS program, Council was going to tell him that he could not buy years of service and retire. He thought that was inherently unfair as it was not any fault of his own. He said it was not necessary to amend the policy prior to approving this employee's buyout, as it was just a suggestion that Council might want to do to clarify in the future, correct. Mr. Schultz said that's true.

**CM-06-12-325 Moved by Capello, seconded by Gatt; MOTION FAILED:  
To authorize this particular City employee to buy additional  
service credits so that he could retire approximately 1 ½ years  
early.**

#### **DISCUSSION**

Member Gatt said the motion made was to approve this employee's ability to purchase service time. He asked if the City was able to do that or did MERS rules preclude the City from doing that. Ms. Smith-Roy said MERS addressed this specific individual's circumstance and they did allow it to go through. However, they didn't have all the facts that related to the City of Novi that being that the members that would be promoted to that position would add liability and make that particular division's further liability greater below the 50%. So, because of that they expressed that to MERS and based on whatever happened tonight they would let them know what the Council's decision was. She would also share with them the unique circumstances of this particular division. Member Gatt asked what the ramifications would be if Council allowed

this employee to do this. Ms. Smith-Roy said what would happen would be what happened in the past. It would be actuarially computed and spread out over 30 years. There would not be an immediate impact but the action in and of itself would create a liability because the people who were eligible to be promoted to this position would bring additional liability to that division. Member Gatt asked if it would then hurt the bargaining unit of the remaining employees in their quest. Ms. Smith-Roy said it would and it was their opinion that it would be unfair to the remaining members of that group because it would create an additional liability. She said that was their concern and if it was approved in this case, then the policy shouldn't be changed, and they would need to do the same with other members of that group if they decided to also purchase years of service. She said it needed to be made clear to all the members what their ability would be to purchase years of service and whether it would be allowed or not. She said they shouldn't look at it on just this one single case. Member Gatt said they could do this and it wouldn't cost the City additional money but it would hurt the bargaining unit members in the long run. Ms. Smith-Roy said it would not cost the City additional funds today but would cost additional funds in the future. She said this was because additional contributions would have to be made for that specific division by the nature of the group itself, being the individuals that would come into that group would all carry additional liabilities with them. Member Gatt said there are two groups that fall under this situation. She replied correct. He said the COAM and appointed officials, and there were only three members in that group.

Member Margolis said part of the particular issue with these two groups was the small size of them. Ms. Smith-Roy said correct. Secondly, they were bringing their liability from previous service that got put into the new group and actuarially that group contains that liability, correct. Ms. Smith-Roy said the liability followed the actual individual and the assets also followed. So whatever assets had accumulated for that individual follow into the next division and so do the liabilities. She said most of the liability was created by benefit improvements that were retroactively effective besides being a small group. Member Margolis said those benefits get spread over through the years so until you reach that 30 year mark they would still be playing catch up. Ms. Smith-Roy agreed. Member Margolis said she did not like not approving this authorization and she thought it was a mistake on the part of this Council to make this change. MERS had their rules for particular reasons and in order to make sure that they keep the fund liquid they had to deny this request.

Member Nagy said she would not support the motion for the reasons stated previously. She thought it would be unfair to the remaining members of the group, and thought what they were doing now was taking an isolated case and forgetting about the group as a whole. She said she didn't want to incur any future costs to the City.

Member Mutch said Council was allowing this person to buy years of service and he assumed he would reach their eligible retirement formula calculation and retire. Then another person would be brought into the union so essentially it would be a double hit, correct. Ms. Smith-Roy said the individual was paying for their portion of the liability so that was where it was a little misleading and that was where MERS actually didn't understand the uniqueness of the group. She said MERS was calculating it for that individual to pay for his share of the liability. She said that was OK, but what they were missing was that only the individual who came into the group would carry additional liability. She said there was no way to make the person purchasing the years of service pay for that because they were not the reason it was being caused. It was being caused because of the way the division was set up. Member Mutch said so when they retire the individual wasn't adding to the liability, the person replacing them was





Roll call vote on CM-06-12-330      Yeas: Gatt, Margolis, Mutch, Nagy, Landry, Capello  
Nays: None  
Absent: Paul

7.      **Approval of Consultant Review Committee's recommendation to grant a one-year extension with Spalding DeDecker & Associates, Inc. for civil engineering field consulting services through December 31, 2007.**

CM-06-12-331      **Moved by Nagy, seconded by Capello; CARRIED UNANIMOUSLY: To approve Consultant Review Committee's recommendation to grant a one-year extension with Spalding DeDecker & Associates, Inc. for civil engineering field consulting services through December 31, 2007.**

## DISCUSSION

Mayor Pro Tem Capello said there seemed to be a slight glitch in the approval process of single family homes between the similar/dissimilar façade review and the site plan review. He asked Dave Potter, Vice President of Spaulding DeDecker to call Doug Necci because he had an idea of how to pick up a whole week in there on the review process. Mr. Potter said he would call Mr. Necci.

Mayor Landry asked how the computer "thing" was working, and asked Mr. Potter to explain it. Mr. Potter said it was wonderful and explained that Spaulding DeDecker provided the construction field engineering for the City of Novi. Mr. Potter said one of the items they brought to the City was the use of a web based project portal. He said the inspectors perform all their inspections on a computer laptop and that information was uploaded onto web based portal for the stats used including digital photographs. He said they have had great feedback on it.

Roll call vote on CM-06-12-331      Yeas: Margolis, Mutch, Nagy, Landry, Capello, Gatt  
Nays: None  
Absent: Paul

8.      **Approval to award a preliminary and geotechnical engineering services contract for the Northwest Quadrant Ring Road (aka Crescent Boulevard West) Scoping Study to Anderson, Eckstein & Westrick, Inc. for a not-to-exceed fee of \$41,344.**

CM-06-12-332      **Moved by Mutch, seconded by Nagy; CARRIED UNANIMOUSLY: To approve award of preliminary and geotechnical engineering services contract for the Northwest Quadrant Ring Road (aka Crescent Boulevard West) Scoping Study to Anderson, Eckstein & Westrick, Inc. for a not-to-exceed fee of \$41,344.**

Mr. Pearson said one of the things Council heard loud and clear was the importance of the road network and making improvements. He said the Crescent ring road had been on the books for a long time and this was the first step to realizing this important project. He said they



had gone through their list of engineers and made the recommendation enthusiastically with the firm that's here based upon the depth of their proposal.

Mayor Pro Tem Capello asked Mr. Hayes if JCK did this several years ago. Mr. Hayes said JCK did a conceptual design in the mid to late 1990's. He noted a lot of the data was either unavailable or needed to be updated. Also, a new topographic survey needed to be done and new and updated geotechnical information. He commented that the flood plain had changed and they would need to update it, and there were a variety of issues that needed to be brought up to speed.

Mayor Pro Tem Capello said the topography had not changed in that particular area, and if anything, the flood plain had been reduced instead of expanded. He said he could understand if the issue was they couldn't find the information but the City had already paid for it once. Mr. Hayes said there was some information they had not been able to get from JCK but for the most part the bulk of this effort would be to revisit everything and bring it up to current standards. For example, the alignment and vertical elevations of Grand River had changed. Mayor Pro Tem Capello said he could see that end of the project had changed but the other end coming off Fonda had not changed at all. He asked if either Mr. Potter or Mr. Hayes had any idea of where someone might look to find it. Mr. Potter agreed with Mr. Hayes that the information had to be updated as it had probably been five or six years and there were some statutory requirements for flood plain in order to do that. He said as far as where to find it, they applied for permits through the State MDEQ, but again the rainfall data had been changed so again the modeling had to be updated. He thought it was appropriate to move forward and look at that corner again. Mayor Pro Tem Capello said he wasn't questioning Mr. Hayes, he was just seeing if Mr. Potter knew where that data was. Mr. Hayes said it was a good question and he didn't disagree.

**Roll call vote on CM-06-12-332**

**Yeas: Mutch, Nagy, Landry, Capello, Gatt,  
Margolis**

**Nays: None**

**Absent: Paul**

9. **Approval to waive the bid process and extend the Water Service Connection contract with D & D Water & Sewer, Inc., effective April, 2007 through April, 2009, under the same terms, conditions and prices as the original April 2004 contract.**

**CM-06-12-333**

**Moved by Gatt, seconded by Capello; CARRIED UNANIMOUSLY:  
To approve to waive the bid process and extend the Water Service Connection contract with D & D Water & Sewer, Inc., effective April, 2007 through April, 2009, under the same terms, conditions and prices as the original April 2004 contract.**

## **DISCUSSION**

Member Nagy said a lot had changed economically from 2004 to 2006. She said she assumed Mr. McCusker used this company because he was happy with them. She asked Mr. McCusker if there was a way to get a lower bid on this. Mr. McCusker said basically this was a contractor they brought in when they had problems with the original contractor doing the work. He said the copper, brass and metal prices have gone up considerably over the last three or

four years. Mr. McCusker said when this company said they would keep the pricing the same they kind of took that as a “better get it while they could”. She asked if he had been happy with this contractor. Mr. McCusker said he was a great contractor to just have available. He had a lot more equipment than we did and they had needed him for extra services like main breaks and things of that nature. She said she would support the motion.

**Roll call vote on CM-06-12-333**      **Yeas: Nagy, Landry, Capello, Gatt, Margolis, Mutch**  
**Nays: None**  
**Absent: Paul**

**10. Approval of resolution to authorize second quarter Budget Amendment #2007-04.**

**CM-06-12-334**      **Moved by Gatt, seconded by Nagy; CARRIED UNANIMOUSLY:**  
**To approve resolution to authorize second quarter Budget Amendment #2007-04.**

**Roll call vote on CM-06-12-334**      **Yeas: Landry, Capello, Gatt, Margolis, Mutch, Nagy**  
**Nays: None**  
**Absent: Paul**

**CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None**

**MAYOR AND COUNCIL ISSUES - None**

**AUDIENCE PARTICIPATION - None**

**ADJOURNMENT**

There being no further business to come before Council, the meeting was adjourned at 9:05 P.M.

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David Landry, Mayor

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Debra Blashfield, Deputy Clerk

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Transcribed by Charlene Mc Lean

Date approved: