



CITY of NOVI CITY COUNCIL

Agenda Item 6
October 24, 2011

SUBJECT: Approval of a Commercial Rehabilitation Tax Abatement Policy under Public Act 210 of 2005, as recently amended, following recommendation by the Ordinance Review Committee, for the property located at 43700 Expo Center Drive (former Novi Expo Center).

SUBMITTING DEPARTMENT: Neighborhood and Business Relations

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

On July 12, 2011 Governor Snyder signed Public Act 82 of 2011 into law amending Public Act 210 of 2005, the Commercial Rehabilitation Act. The original act was an economic development incentive to assist in the rehabilitation of commercial buildings in order to create and/or retrain jobs and increase commercial activities. The incentive comes in the form of abated property taxes. The act offers qualified properties a real (not personal) property tax abatement for a period of 1 to 10 years, as determined by the local community. The abatement "freezes" the taxable value of the building as it was before the rehabilitation improvements. It therefore amounts to a 100% abatement of the taxes that might otherwise have been assessed on the basis of an increased value as a result of the rehabilitation improvements. Only the value of the improvements to the building is affected; the abatement does not apply to the taxable value of the land itself, or the personal property in the building.

The 100% abatement applies to all local taxes **except school taxes**. The property taxes associated with school funding are sent to the state, and then distributed to the individual schools on a per pupil basis. Through a formula set by State's educational fund, all Michigan schools will receive funding per enrolled student regardless of the abatement.

As originally enacted, PA 210 applied primarily to commercial buildings at least 15 years old. The Act was amended in July 2011 to expand that coverage to most commercial parcels that had been used for commercial purposes in the last 15 years, and also to extend the abatement opportunity to a **new** hotel with meeting space that is attached to a convention and trade center. Following the 2011 amendments, the Council asked the Ordinance Review Committee (ORC) to review the new law and make recommendations as to whether the City should have a policy for consideration of applications under the Act, and if so to recommend policy language.

The Committee initially took up the hotel/convention center policy, and on September 12, 2011 the City Council adopted a policy as recommended by the ORC that frames consideration of applications for that facility. An application is already working its way through the Council review process for the Suburban Collection Showplace.

The ORC then took up the broader question of whether the abatement should be available to other properties throughout the City that might qualify. Before the 2011 amendments, the number of properties that qualified for consideration under Act 210 was limited mostly by virtue of the "age" requirement and the more limited definition of "rehabilitation. With the expansion of

those, the number of parcel possibly qualifying is greatly expanded.

The ORC has now recommended the adoption of two additional **limited** policies that would establish criteria for an abatement within **only two specific areas of the City**: the intersection of 10 mile and Meadowbrook Rd. and the property the former Novi Expo Center resides on. As part of its recommendation, the ORC has included a statement that as a general rule the City should not utilize the Act 210 abatement tool in other parts of the City, and has given specific reasons as to why the City Council should limit its use of Act 210 to these two unique areas.

This policy deals with 43700 Expo Center Drive—the former Novi Expo Center.

Since the opening of the Suburban Collection Showplace, the Old Novi Expo Center has remained empty. The ORC identified this particular piece as unique by virtue of its highly prominent location and status as something of a gateway to the City because of its location at the freeway intersection with Novi Road. It is also within an area of the City for which the Master Plan for Land Use has a clear and specific set of goals—redevelopment of OST-type uses, with increased height, as a way to support the retail uses in the adjacent Town Center area. Use of the Act 210 tool could help the City achieve that goal while assisting the owner of the property in its own redevelopment efforts,

PA 210 is a two-step process: first a district is created, and then an application for an abatement can be made by a property owner for a qualifying facility. The district can be created at either at the request of the affected property owners **or it can be created on the City Council's own initiative**. This is essentially a recommendation by the ORC to the City Council that it create a district in this area on its own initiative. Under the policy, all of the same general rules for consideration under Act 210 for a hotel/convention center would apply: the limitation of the abatement up to 6 years, the eligibility and application criteria, and the requirement for an agreement are all consistent with the policy recently adopted for the hotel/convention center.

RECOMMENDED ACTION: Approval of a Commercial Rehabilitation Tax Abatement Policy under Public Act 210 of 2005, as recently amended, following recommendation by the Ordinance Review Committee, for the property located at 43700 Expo Center Drive (former Novi Expo Center).

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				



City of Novi
Tax Abatement Policy
Commercial Rehabilitation Act PA 210
Former Novi Expo Center

Real Property Tax Abatement Statement of Purpose

The Commercial Rehabilitation Act, PA 210 of 2005, which offers certain qualified properties a real property tax abatement for a period of 1 to 10 years, as determined by the local community, was amended on July 12, 2011 (2011 PA 82) to expand its potential applicability to a broader category of commercial properties, and to add to the definition a qualified building a hotel or motel with meeting space that is attached to a convention and trade center that is over 250,000 square feet in size and in located in a county of a certain size (like Oakland County).

The City of Novi is a vibrant and growing community, with fair *ad valorem* tax millages and regulatory structures. The City is not, therefore, interested in establishing Commercial Rehabilitation Districts or granting tax exemption certificates to most of the commercial properties within the City. However, the City of Novi has adopted a policy for a Commercial Rehabilitation District for a convention and trade center within the City as allowed under the recent amendments to the Act. The Novi City Council has also identified a very limited number of other potential Commercial Rehabilitation Districts within the City that, because of their unique location or history, would benefit from this incentive.

This specific policy document relates to the property located in the area of Novi Road and the I-96 Freeway, known as the Former Novi Expo Center. The City has identified this limited area as a possible beneficiary of a tax exemption certificate as a means to encourage and facilitate the redevelopment of a uniquely prominent area at one of the most visible entranceways to the City. The City has adopted a Master Plan for Land Use for the Area; tax incentives are one of the tools available to the City in pursuit of redevelopment in accordance with that plan. The City's primary purpose in considering this limited District, then, would be facilitate, encourage, and incentive a redevelopment of the area as planned by the City.

Objectives to be Achieved by Granting a Commercial Rehabilitation Tax Abatement for the Former Expo Center

Applications for a Public Act 210 Tax abatement will be evaluated in terms of the likelihood that they will achieve some or all of the following objectives of the City of Novi:

- A. To accomplish the redevelopment of a unique area within the City in accordance with the City's Master Plan for Land Use
- B. To encourage and promote a significant capital investment that will serve as a catalyst for other substantial investments within the community, specifically related to the southeast portion of the City.
- C. To judiciously and prudently use all tools available to improve the quality of life in the City of Novi, in a manner that assures that the long-term benefits of such action outweigh the short-term costs and foregone revenue.



City of Novi
Tax Abatement Policy
Commercial Rehabilitation Act PA 210
Former Novi Expo Center

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The 2007 amendments to the City’s Master Plan for Land Use designate the property as part of the “Ring Road Area.” The area contemplates a general redevelopment as a City gateway and for large-scale office/research uses (consistent with the City’s current Office Service Technology (OST) zoning district) as a complement to the shops and restaurants in Town Center area. The plan does not contemplate retail uses in the area, but rather greater height office buildings assembled around a new internal road system and interconnected parking that capitalizes on the planned Ring Road, the river “corridor” on the south and visibility from I-96 to the north. The increased height and prime location makes the site ideal for an “icon” building with benchmark architecture and quality building materials.

General or Minimum Requirements for Eligibility for Establishment of District/Grant of Certificate

Every applicant must satisfy the following:

- A. The project must be fully compatible with the City’s zoning ordinance and Master Plan for Land Use and other ordinance requirements.
- B. The applicant must clearly and convincingly demonstrate that it would not construct or conduct the improvements in the City if tax abatement was not
- C. Any approved tax abatements will undergo a yearly compliance review.
- D. Rehabilitation/construction value hard costs equal to at least 50% of current real property value. Deferred and normal maintenance costs and hazardous material remediation are ineligible for inclusion in this amount.
- E. The approved site plan for the proposed and final configuration of the property must comply to the fullest extent possible with current Novi zoning ordinance and development standards with regard to landscaping, including:
 - a. parking islands
 - b. elimination of exterior storage unless allowed in the district
 - c. street trees
 - d. storm water management and treatment
 - e. required/enhanced façade materials
 - f. rooftop equipment screening
 - g. fire lanes and emergency access
 - h. screening of accessory uses and structure (dumpsters)
 - i. shared parking and inter-connected pedestrian access, sidewalks, and pathways
 - j. parking lot and building lighting
 - k. restoration of pavement and curbing
 - l. and signage
- F. Configuration of rehabilitated or proposed structures must comply with current Novi Fire Code and Michigan Building Codes as and also with respect to fire suppression systems, fire alarm/voice alarm communication systems, building height and area limitations, and Barrier Free Access.

Review Criteria Specific to Project

The following criteria will be used to evaluate specific requests for a tax abatement in terms of the **net benefit to the City and its residents and businesses**, and to determine the number of years of the abatement. The City Council reserves the right to modify the tax abatement criteria to reflect the changing objectives, priorities, or conditions of the community. The applicant shall provide **sufficient information** to the City to allow it to conduct a full and complete review of the stated criteria.

- A. The value or cost the proposed improvement (i.e., the capital investment)
- B. A specific plan depicting in detail the proposed improvements.
- C. The expected time frame of demolition of current building and construction of new structure.
- D. The expected economic life of the improvement
- E. The total expected local abatement amount
- F. The amount of real and personal property taxes already paid by the existing development
- G. Any additional costs to the City, direct or indirect (e.g., additional required infrastructure, public safety impacts, traffic concerns, and the like)
- H. The extent to which the applicant commits to the use of local (City of Novi) vendors, suppliers, and contractors,
- I. The extent to which the project will enhance opportunities for other existing or planned businesses in the City of Novi as part of the overall net economic benefits of the project to the City and its businesses and residents
- J. The environmental impact of the project and improvements—on woodlands, wetlands, storm water, air quality, etc.

Limitations

- A. The maximum time period for an abatement is six (6) years.
- B. Construction of improvements must not have started more than 6 months before an application for abatement was received by the City, and must be located in a Commercial Rehabilitation District established before the commencement of the project.
- C. There must be no outstanding taxes, fines, or liens owed by the applicant or entity with regard to the property at issue.

Agreement Required

The City will require a written agreement with the applicant that will include, as a minimum:

- (1) The term of the abatement;
- (2) Any conditions required by the City Council in connection with the grant of the abatement, as to which the City reserves all rights to determine in the interests of the City;
- (3) Any reporting requirements established by the City with respect to the information stated above and/or provided by the applicant, whether required and described under PA 210 itself or established by the City as appropriate to the project and the agreement;
- (4) Events of default that will automatically terminate the agreement, including (by way of example only):
 - (a) Closure/abandonment/sale of building
 - (b) Change of use

- (c) Failure to use local vendors.
 - (d) Failure to create new jobs as represented to the City.
 - (e) Failure to complete construction in a timely manner.
 - (f) Failure to meet any reporting requirements.
 - (g) Delinquency with regard to property taxes and/or to timely and properly follow legal procedures for contest.
 - (h) Failure to comply with local ordinances.
 - (i) Assignment without approval of the City
- (5) Any “claw back” or restitution provisions determined by the City to be necessary as appropriate to a specific project, under which the City will be paid back the amount of the abatement in the event of certain kinds of defaults

Procedures

The applicant must submit a submittal form prepared by the City and an application provided by the State of Michigan. The documents and the submission will be judged on its own individual merits, on a case-by-case basis, with respect to the achievement of the economic development/Master Plan goals of the City and satisfaction of the criteria outlined in this policy.

Applicants bear the burden of proof and must substantially satisfy conditions of the policy at initial application in order to be considered for abatement.

Review of applications shall be as required by statute. The City may approve, deny, or approve the proposal with conditions within the time specified by statute.

All procedures, rights, and obligations concerning such exemptions are subject to Act 210. The City reserves the sole discretion, to the fullest extent available under the law, to review each application and determine whether the project meets the City’s goals and the review criteria, and to determine whether the project would be beneficial to the City, whether the applicant merits consideration, and whether any other conditions exist that affect the City determination to grant or deny an application.

Novi Expo Center

Potential Development for PA210 Policy



Map Legend

- Potential Redevelopment Property
- Tax Parcels



City of Novi

Dept. of Community Development
City Hall / Civic Center
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Novi, MI 48375
cityofnovi.org

Map Author: David Campbell
Date: Oct. 10, 2011
Project: PA 210 Policy
Version #: 1.0

Amended By:
Date:
Department:

MAP INTERPRETATION NOTICE

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

4. I-96/Novi Road Study Area

Located in Section 15, the 147 acre I-96/Novi Road Study Area is located west of Novi Road and north and south of the I-96 freeway. For planning discussion purposes, the study area has been divided into three distinct planning areas (see Figure 6): the Conference District, the Ring Road Area, and the Industrial District sub study areas (see Figure 6). The Conference District covers three parcels containing 15.7 acres and includes the City's entire Conference Zoning District. The Conference District is located just north of the freeway and an adjacent electrical transmission corridor, south of the West Oaks II retail development, east of the Fountain Walk retail development and west of the Twelve Oaks Mall and Novi Road. The remaining 131.3 acres, 31 parcels, containing both the Ring road Area and the Industrial district sub study areas are located south of the freeway, north of Grand River Avenue and extend from Novi Road to about 4,000 feet west of Novi Road. This portion of the Study Area is bounded by the I-96 right-of-way to the north; industrial uses to the west and southwest; industrial, residential, and retail uses to the south and retail uses to the east that includes the Town Center retail development. The Ring Road Area comprises the east 1,300 feet of this area and the balance is designated as the Industrial District sub area.

Natural Features

The entire Study Area is located in the Rouge River watershed. The Conference District has no identified natural features. The Ring Road Area and Industrial District in the southern portion of the Study Area is crossed by the Walled Lake Branch of the Middle Rouge River that flows southeast from the northwest corner of the study area. Except for a small amount of woodlands adjacent the CSX Railroad, all of the natural areas in these areas are located adjacent to the Walled Lake Branch and most of these are located in the flood zone of this stream. The



Figure 12 I-96 & Novi Road Intersection

147 acre I-96/Novi Road Study Area contains 19.5 acres (13.3%) of City regulated woodlands and 4.3 acres (2.9%) of potential wetlands. Although a very urbanized area, most of the Walled Lake Branch stream corridor is in a natural state. The largest exception is the almost 500 foot long culvert that takes

the stream under the Comau Pico building. The Study Area does not contain any priority habitat areas.

Most of the southern Ring Road Area and Industrial District was developed before the City's newer Storm Water Management Ordinances were in place, thus throughout this portion of the Study Area storm sewers empty directly into the Walled Lake Branch without the benefit of a flow moderating device such as a detention pond.

Planning History

On the 1967 Village of Novi Master Plan's Commercial Plan map, a civic and business center node was placed at the intersection of Novi Road and Grand River Avenue. This reflected the fact that the land near this intersection included commercial uses since the early 1800s. The area west and south of the former Novi Expo site, excluding the former Expo site, was depicted for manufacturing in the 1967 Master Plan's Industrial Pattern map. This Plan also included a General Development Plan map that depicted a strip about 500 feet wide adjacent to Novi Road for civic and business center uses and the balance of the area west of Novi Road for industrial uses.

The City's 1980 Master Plan depicted a proposed ring road from Grand River Avenue to Fonda Drive (see Figure 10). In this Plan, the former Expo Center property and the properties due south of this site and west of the proposed ring road were depicted for future light industrial uses. The remaining further western portion of the Study Area was planned for general industrial uses. The eastern portion adjacent to Novi Road continued to be designated for commercial uses with the south 300 feet of land east of the proposed ring road (at the corner of Novi Road and Grand River Ave.) designated for center commercial uses and the balance of the area east of the future ring road and the former Expo Center depicted for non-center commercial uses.

In the City's 1988 Master Plan the future land uses for this portion of the Study Area were depicted the same except that the non-center commercial areas were changed to center commercial uses and the general industrial areas were designated as heavy industrial. The future center commercial use areas were included as part of the Master Plan's "Town Center" planning area based on the Town Center Design and Development Study of 1986. This portion of the Study Area kept the same future land use designations in the 1990 update to the Master Plan. The "Town Center" concept proposes providing pedestrian and design element links between properties on all sides of the intersection of Grand River Avenue and Novi Road.



In the 1993 Master Plan, the location of the proposed ring road was moved west about 300 ft. and the former Expo Center property assigned an exposition center designation. The balance of the area remained the same as in the 1988 Master Plan.

In the City's 1999 Master Plan, the former Expo Center parcel reverted back to a light industrial designation. In addition, the properties designated commercial in the 1993 Master Plan and the two parcels fronting Grand River just west of these parcels were assigned the new future land use designation of Town Center Commercial.

On the Future Land Use Map for the City's Master Plan adopted in 2004, all of the previously designated industrial use areas were placed in a downtown west area designation. This use designation was established for future study to explore the possibility of developing a commercial, entertainment and/or cultural connection to the core shopping area the commercial areas remained in a town center commercial area. The town center commercial areas remained the same.

In the early 1990s the City developed a River Walk Plan to link the former Expo Center with Main Street via the Walled Lake Branch stream corridor. Although this project was never built, this type of facility would provide the area with an amenity that could help people appreciate the stream corridor.

The 1967 Master Plan's General Development Plan map depicted the Conference District portion of the Study Area for medium density residential (residential R-2). In the City's 1980 Master Plan, the area was designated for non-center commercial with a planned development option. This area kept the same future land use designation through the City's 1993 Master Plan. In the City's 1999 Master Plan the area was designated regional commercial with a planned development option on the Plan's Future Land Use map and it stayed the same in the 2004 Master Plan.

Existing Development

The I-96/Novi Road Study Area is a central part of Novi. Ever since the construction of the Grand River Road in the 1800s, and the days of Novi Center, the regions main transportation infrastructure crossed this Study Area. Today, the CSX Railroad, the I-96 freeway, Grand River Avenue and Novi Road are all important transportation links that supply superb access to the Study Area. Commercial development began with the start of these transportation links and commercial and industrial growth accelerated in the Study Area in the 1960s and 1970s with the completion of the Novi area freeways.

Today, most of the parcels in the southern portion of the Study Area that are east of the Walled Lake Branch of the Middle Rouge River and that front on either Novi Road or Grand River Avenue have been developed for commercial uses. Properties west of these were developed for industrial and warehouse uses. The northern portion of the I-96/Novi Road Study area is developed with one hotel, one restaurant and one small office buildings. It also contains a City owned regional detention basin.

Recently, during the Master Plan Review process, the City's Master Plan and Zoning Committee identified 17 parcels in the Study Area as being susceptible to change. These properties have the potential to be redeveloped or developed in the next 20 years. The largest of these parcels is the 22.5 acre Mohawk Liquor property just west of Expo Center Drive that housed the former Novi Expo Center in a former industrial warehouse building for over ten years.

Road improvements were made to Novi Road and Fonda Drive in the 1990s to facilitate access to this site. Currently, the buildings on the site are largely vacant and under utilized. Road access to the Study Area continues to be improved. The City has developed plans and acquired right-of-way to complete the planned ring road from Fonda Drive to Grand River Avenue, which is included in the City's Capital Improvement Plan. Funding opportunities are being explored..

The entire Study Area is adequately served by sanitary and public water although some private water systems are still in place. Storm water from the Conference District drains into a regional detention basin that flows ultimately into Bishop Creek and into the Middle Branch of the Rouge River. Storm water from the southern portion of the Study Area drains into in-line regional basins along the Walled Lake Branch of the Middle Rouge River. The City's Storm Water Master Plan Phase II recommends that all new development sites in the Study Area should be required to fully detain runoff on-site due to flooding problems down stream. As such, additional study will be required to determine the extent to which the regional basins can be used for storage and the ability for any open channel to convey the additional flow.

Study Area Review

The I-96/Novi Road Study Area is currently developed with a mix of light and general industrial, commercial, and office uses. The roots of commercial development in the City began at the intersection of Novi Road and Grand River Avenue. Formerly known as "Novi Corners," this historically significant area continues to be an important commercial area of the City. Today, the intersection of I-96 and Novi Road has become the City's major crossroad and key gateway to the City. Significant exposure to and visibility from I-96 as well as or frontage along



Novi Road and Grand River Avenue are major factors for attracting non-residential uses to the Study Area. Thus, as growth has occurred in the region, properties in the Study Area continue to be developed and redeveloped.

Access is an important consideration for any business. Western portions of the Ring Road Area and the entire Conference District could benefit from improved access. To provide better access to the western portions of the Ring Road Area, the City has developed plans to connect Fonda Drive to Grand River Avenue to complete the northwest segment of the Town Center ring road as planned since the 1980s. Completing this road could help facilitate the redevelopment of the former Novi Expo Center property that occupies approximately 22.5 acres directly adjacent to the I-96 freeway and other properties along the road.

Many commercial uses along Novi Road within the Ring Road Area developed prior to enactment of the City's access management standards. Reducing driveway cuts and providing additional rear access to the properties fronting Novi Road and Grand River Avenue could help improve property access and traffic flow. Improving the Novi Road corridor by installing attractive landscaping and building development "pulsing nodes" at Crescent Drive, Grand River Avenue and Main Street could help draw more people south from I-96 which will also help business activity in the Town Center and main Street areas.

Access to properties within the Conference District planning area is only provided by Sheraton Drive, with secondary access to the Crown Plaza site via Donelson Drive. Access improvements could increase the potential for additional development and redevelopment of the area and help reduce conflicts near Novi Road.

The Industrial District is appropriately situated on both sides of the CSX Railroad corridor on the north side of Grand River Avenue. Industrial development in this area started before the City incorporated. With good rail and road access this area is still attractive to industrial ventures.

Ring Road Area properties fronting on Novi Road were included in the City's previous Town Center design, study and planning projects. These properties are also in the City's Town Center zoning district. The Zoning Ordinance requires development in this District to have a pedestrian orientation and specific design elements. Recent development and redevelopment of these properties have included these features.

The previously identified Needs Assessment conducted for this Review, identified that the zip code area associated with the I-96/Novi road Study Area could support

an additional 308,000 square feet of Novi-generated retail goods and related services floor space demand by 2015. A portion of this growth could occur in the I-96/Novi Road Study Area.

A considerable amount of public comment was received during the review of this Study Area. The majority of the respondents indicated that they favor the area south and west of I-96 and Novi Road remaining a mix of industrial uses with retail uses along Novi Road and Grand River Avenue. They felt that office and research and development uses would also be appropriate in the existing industrial areas. They also responded that if the area was redeveloped they had a strong desire for a performing arts center and a smaller majority had a desire for office, research and development, retail/commercial and mixed use office, retail and residential buildings in the area. A substantial majority did not want residential buildings in the area. The respondents also wanted the Ring Road properties to continue the pedestrian urban character of the Town Center.

Community input favored improving pedestrian, bicycle and motor vehicle transportation systems to better serve the area. They also indicated that preserving natural features was important and many of them indicated a desire to protect or rehabilitate the natural features located along the Walled Lake Branch of the Middle Rouge River corridor.

Master Plan Amendment Recommendations

Based on the items discussed above, Master Plan for Land Use amendments are recommended for the Future Land Use Map and the Goals, Objectives and Implementation text for the I-96/Novi Road Study Area.

The Future Land Use map changes proposed include the following (see Figure 6 for proposed map):

CONFERENCE DISTRICT

- **PD2.** Continue to plan for Regional Commercial PD2 within the Study Area north of I-96.

This area continues to be designated with a Regional Commercial designation and the additional PD2 designation to direct development to use the Zoning Ordinance's Planned Development Option. This Option provides greater site plan design flexibility which is important given the access issues associated with this District.



RING ROAD AREA

- **Town Center Commercial.** Continue to designate the west side of Novi Road as Town Center which is intended for a variety of uses including retail, commercial, office, residential, civic, cultural, and open space with a pedestrian oriented, urban character.
- **Office.** Plan for large-scale office/research and development uses within the study area on the west side of the ring road and west of Expo Center Drive immediately adjacent to the I-96 / Novi Road interchange.
- **Downtown West.** With the completion of this Review, and the inclusion of the Office designation in the Ring Road Area, this designation is no longer needed.

Continuing the Town Center designation will encourage new development and redevelopment that complements and strengthens the value of the entire Town Center area. The Zoning Ordinance's Town Center District associated with this future land use designation provides for a wide range of uses and encourages "downtown" type pedestrian oriented development. Providing nearby office development will strengthen retail and restaurant uses along Novi Road by bringing additional potential customers to the area. Office development is appropriate along the future ring road since it is not as dependent as retail is to having frontage on Novi Road. The Downtown West designation was assigned temporarily until the area underwent further study. With the completion of this Review, the study is complete and this designation is no longer needed in the Master Plan.

INDUSTRIAL DISTRICT

- **Light Industrial.** Designate the area adjoining the railroad Light Industrial for office, research and development, light industrial and warehousing uses.
- **Downtown West.** With the completion of this Review, and the Light Industrial designation for the entire industrial district sub area, this designation is no longer needed.

The Industrial District sub area is further from the I-96 and Novi Road intersection, and thus it is not as accessible to the general public as are properties closer to the intersection. This area is still close enough to freeway access to provide adequate truck access. This area is also served by the CSX Railroad for heavier freight movements. The long term industrial use and continuing reinvestment into these properties, substantiates this area as a viable industrial location. Designating this area for industrial uses will reaffirm to investors the City's interest in maintaining this investment in the City.

This Review is recommending the following Goals, Objectives and Implementation for the I-96/Novi Road Study Area and Future Land Use definitions text amendments:

Goals, Objectives & Implementation

Land Use

(balance of section all new additional language and graphics)

Goal: Develop the I-96/Novi Road Study Area in manner that reflects the importance of this important gateway to the City.

Objective: Encourage development within the I-96/Novi Road Area to take advantage of the area's prominent location and prime I-96 exposure and visibility.

Implementation Strategy: The City should explore the possibility of underground stormwater detention in the Conference District area to encourage better utilization of the District.

Implementation Strategy: The City should review the Zoning Ordinance to see if it would be appropriate to increase permitted building heights for properties close to the freeway in all non-residential districts.

Objective: Improve traffic circulation in the I-96/Novi Road Study Area.

Implementation Strategy: The City should explore developing a new circulation system within the Conference District as depicted in the Conference District Circulation Plan (see Figures 13 and 14) and described below to improve access to existing uses, create greater potential for additional development and redevelopment, and reduce conflicts near Novi Road.

Key components of the Circulation Plan are:

- ◇ A new street south of West Oaks connecting Donelson Drive with Sheraton Drive.
- ◇ A redesigned entrance drive into the Conference District through West Oaks.
- ◇ A new westbound left turn lane on West Oaks Drive to access the redesigned entrance drive and eliminate conflicts near Novi Road.
- ◇ Narrowing of the northern portion of Sheraton Drive to one lane and restricting to northbound traffic and right turns only onto West Oaks Drive (The City could evaluate the future elimination of Sheraton Drive).



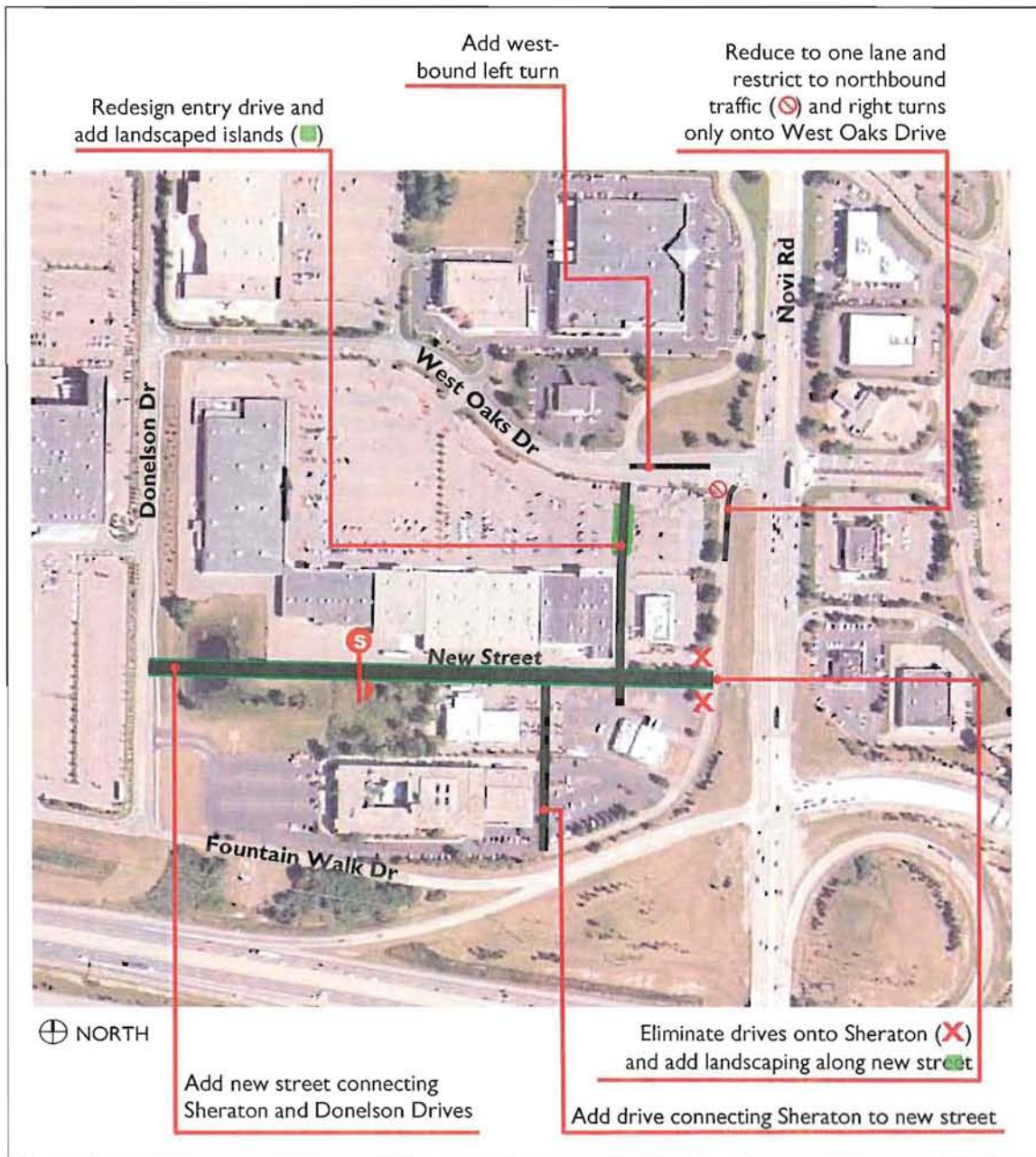


Figure 13 - Conference District Circulation Plan - Birchler Arroyo Associates, Inc. 2007

Implementation Strategy: Complete the proposed Town Center ring road from Fonda Drive to Grand River Avenue.

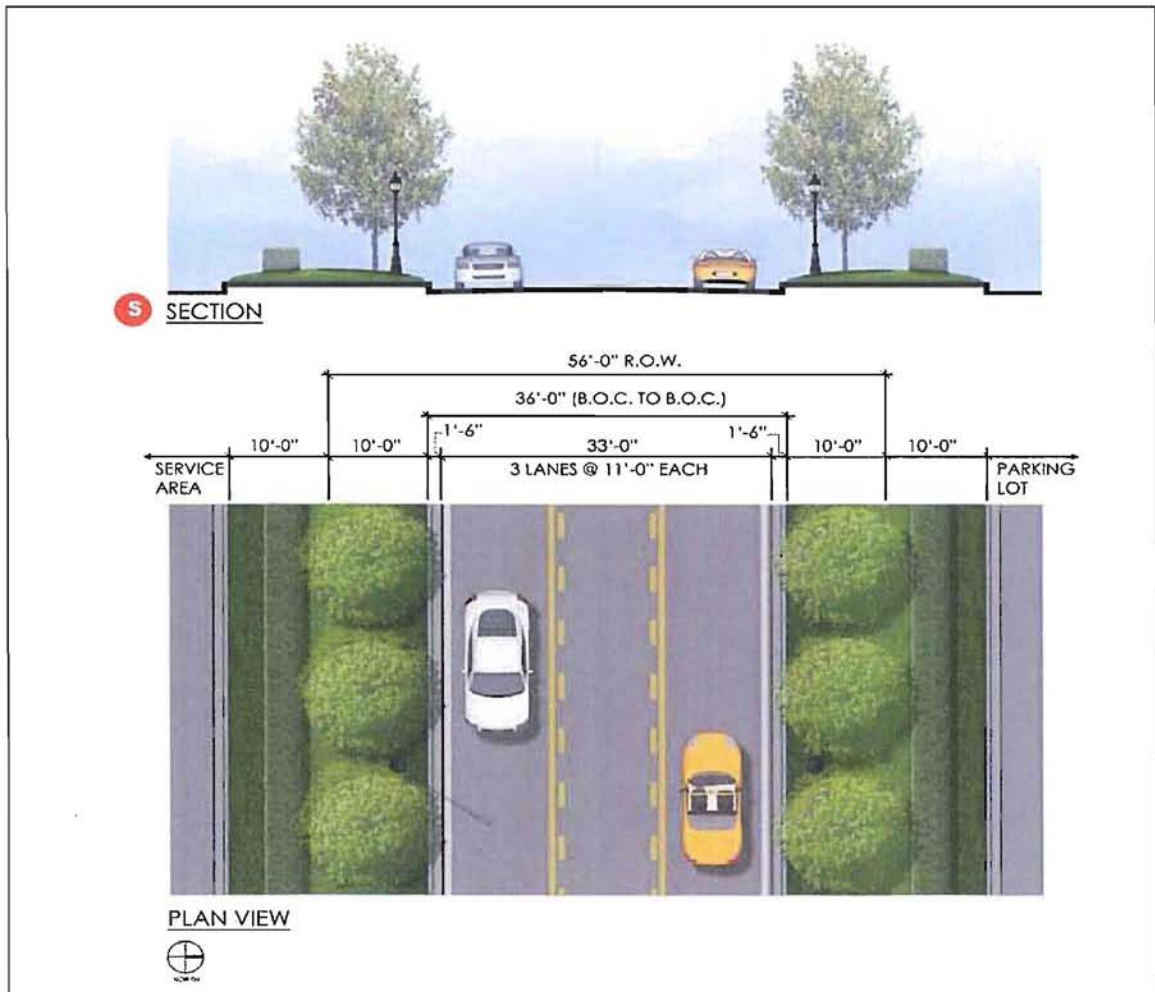


Figure 14 - Conference District Circulation Plan New Street Cross Section - Birchler Arroyo Associates, Inc. 2007

Implementation Strategy: The City should pursue available grant money to assist in the completion of the planned Town Center area ring road.

Implementation Strategy: Redevelopment of the Novi Road frontage should include a backage road between the ring road and Grand River, interconnected parking areas, and shared access points onto Novi Road to eliminate individual driveways and minimize traffic conflicts on Novi Road.

Implementation Strategy: Investigate adding a median to Novi Road at the southern approach to Crescent Boulevard to provide a refuge for pedestrians and enhance the northern entrance into the City's Town Center.

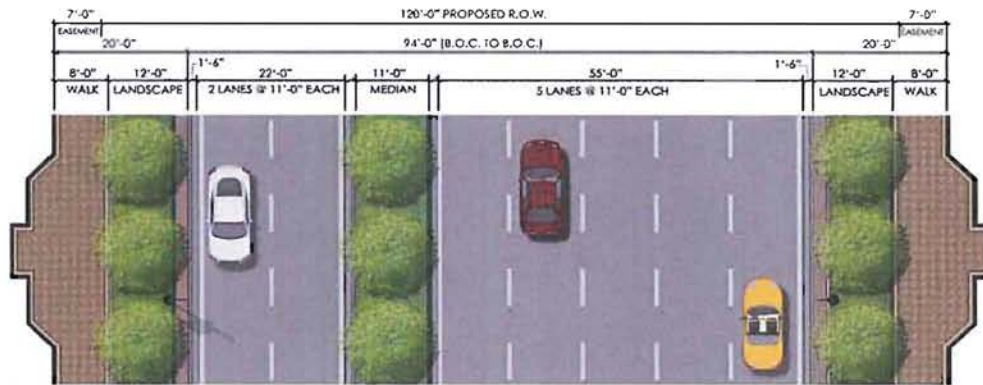
Implementation Strategy: Explore private and public funding opportunities to install canopy deciduous trees along both sides of Novi Road and the future ring road to create attractive avenues through the ring road area and to create a buffer between the sidewalk and the roadway.



Figure 15 - Ring Road Area Development Plan - Birchler Arroyo Associates, Inc. 2007



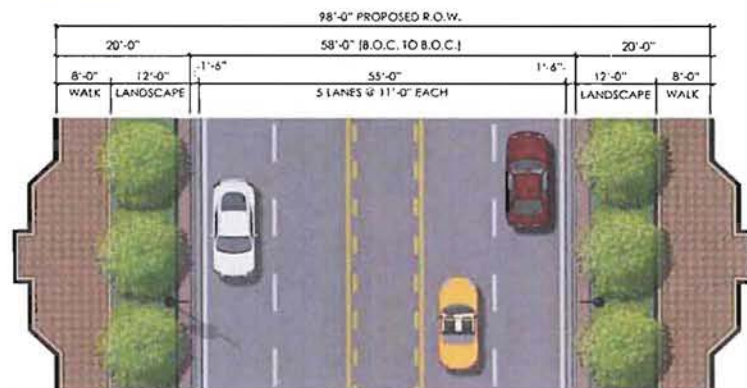
S1 - NOVI RD NORTH - SECTION



S1 - NOVI RD NORTH - PLAN VIEW



S2 - NOVI RD SOUTH - SECTION



S2 - NOVI RD SOUTH - PLAN VIEW



Figure 16 - Ring Road Area Development Plan Road Cross Sections - Birchler Arroyo Associates, Inc. 2007

Objective: Encourage development of the Ring Road sub area of the I-96/

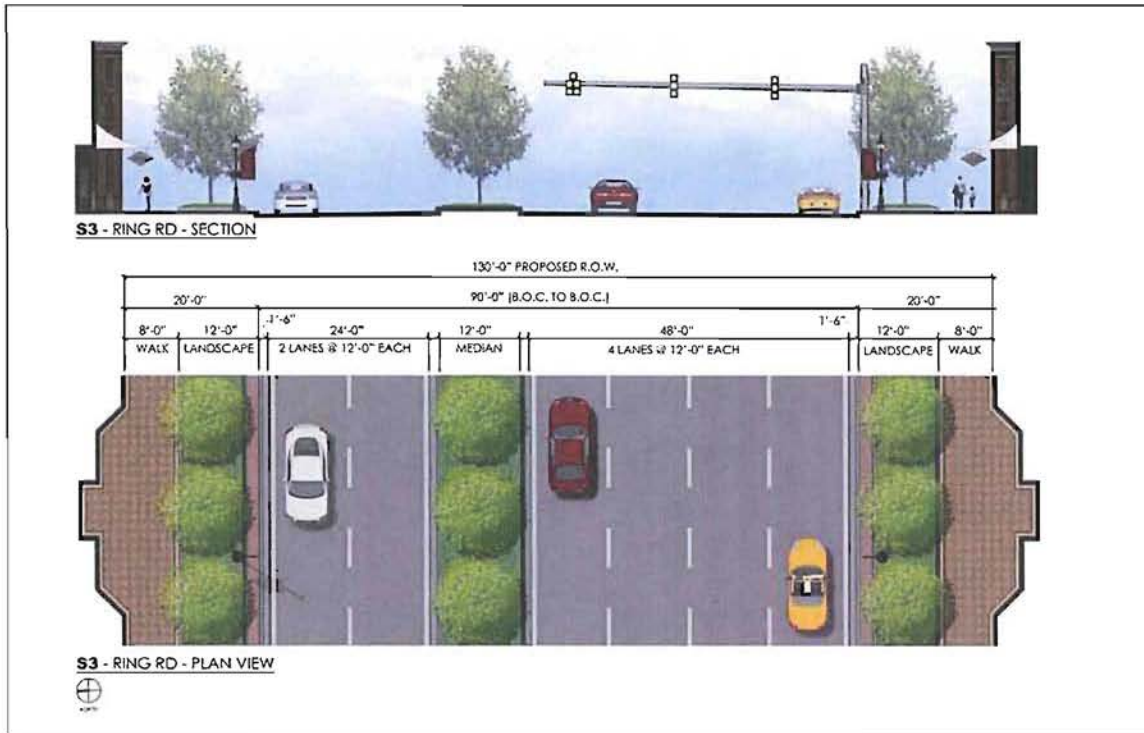


Figure 17 - Ring Road Area Development Plan Road Cross Sections - Birchler Arroyo Associates, Inc. 2007

Novi Road Study Area in a manner that adds value to the City's Town Center and Main Street areas.

Implementation Strategy: Encourage development and redevelopment of the Ring Road sub area of the I-96 Novi Road Study Area in a manner consistent with the Ring Road Development Concept Plan as depicted (see Figures 15 , 16 and 17) and described below:

- ◇ Develop nodes or "pulses" of development along Novi Road south of I-96 (see Figure 18) that will draw travelers south from I-96 to Main Street and enhance the pedestrian experience.
- ◇ Development at the corners of Crescent Boulevard/Fonda Drive, Grand River Avenue, and Main Street should include buildings set close to the roadway with increased height at the corners.
- ◇ Provide terraces or public plazas at road intersections to create spaces for pedestrians and enhance these important intersections at the heart of the Town Center area.

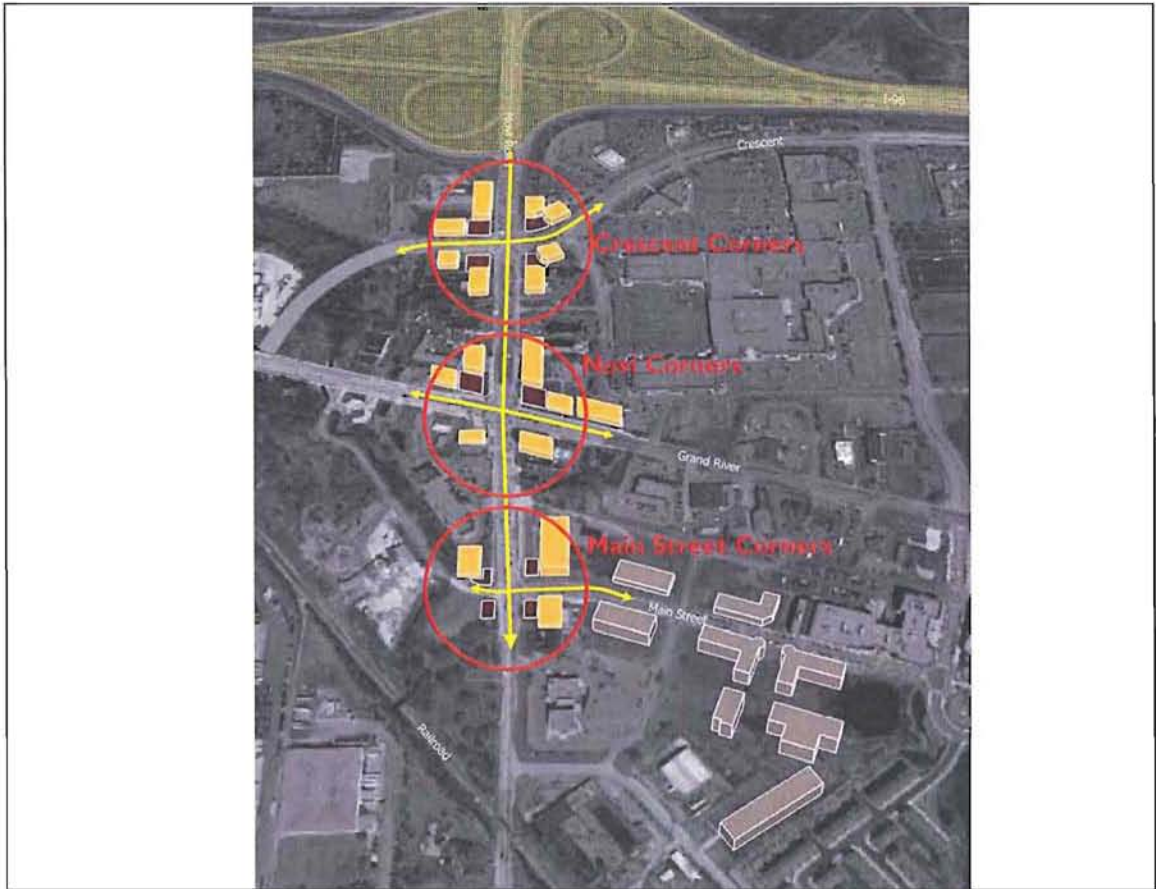


Figure 18 - Pulsing Development Along Novi Road - Birchler Arroyo Associates, Inc. 2007

- ◇ Line Novi Road with a soldier course of large canopy deciduous trees that will give significance to this segment of Novi Road.
- ◇ Feature the Middle Rouge River corridor as an attractive natural amenity and focal point for the public to enjoy.
- ◇ Pursue available grant money to assist in the preservation of the river corridor.
- ◇ Extend the ring road from Fonda Drive to Grand River to complete the northwest quadrant segment.
- ◇ Rezone the former Novi Expo Center property from EXPO to OST to encourage redevelopment of the site for office use. Office development on this site will benefit from the prime location as well as help support the adjacent retail and

restaurant uses.

- ◇ Future office development within the planning area should be encouraged to take advantage of the increased height limit permitted in the OST District.
- ◇ Redevelopment of the former Expo Center site should take advantage of its prime location and visibility and become an icon for the City from I-96. Future development of this site should include:
 - ◆ Additional building height permitted within the OST District.
 - ◆ Benchmark architecture and quality building materials.
 - ◆ Enhancement of the river corridor as a site amenity.
 - ◆ Pedestrian connections to the Town Center area.
- ◇ Consider OST zoning for the property at the northwest corner of Grand River Avenue and the future ring road. In addition, the zoning ordinance should be evaluated as it applies to this site in order to permit OST uses while allowing building form and placement consistent with the TC-1 District.

Objective: Develop the Industrial District sub-area of the I-96/Novi Road Study Area in a manner that facilitates the continuing reinvestment in the area and high quality development.

Implementation Strategy: Encourage the use of landscaping and other buffering techniques to improve the appearance of the Industrial District from I-96.

Implementation Strategy: Encourage the use of right-of-way plantings, site landscaping, and building facades should be enhanced with high quality materials to improve the appearance of the Industrial District along Grand River Avenue and to provide a better transition into the Town Center from the west.

Implementation Strategy: Evaluate rezoning of properties within the planning area in order to facilitate implementation of the Master Plan.

Implementation Strategy: Gradually phase out outdoor storage uses over time as redevelopment occurs within the planning area.

Implementation Strategy: Encourage the development of flexible space buildings that can accommodate office, light industrial, and research uses to respond to the growing trend for this type of space.

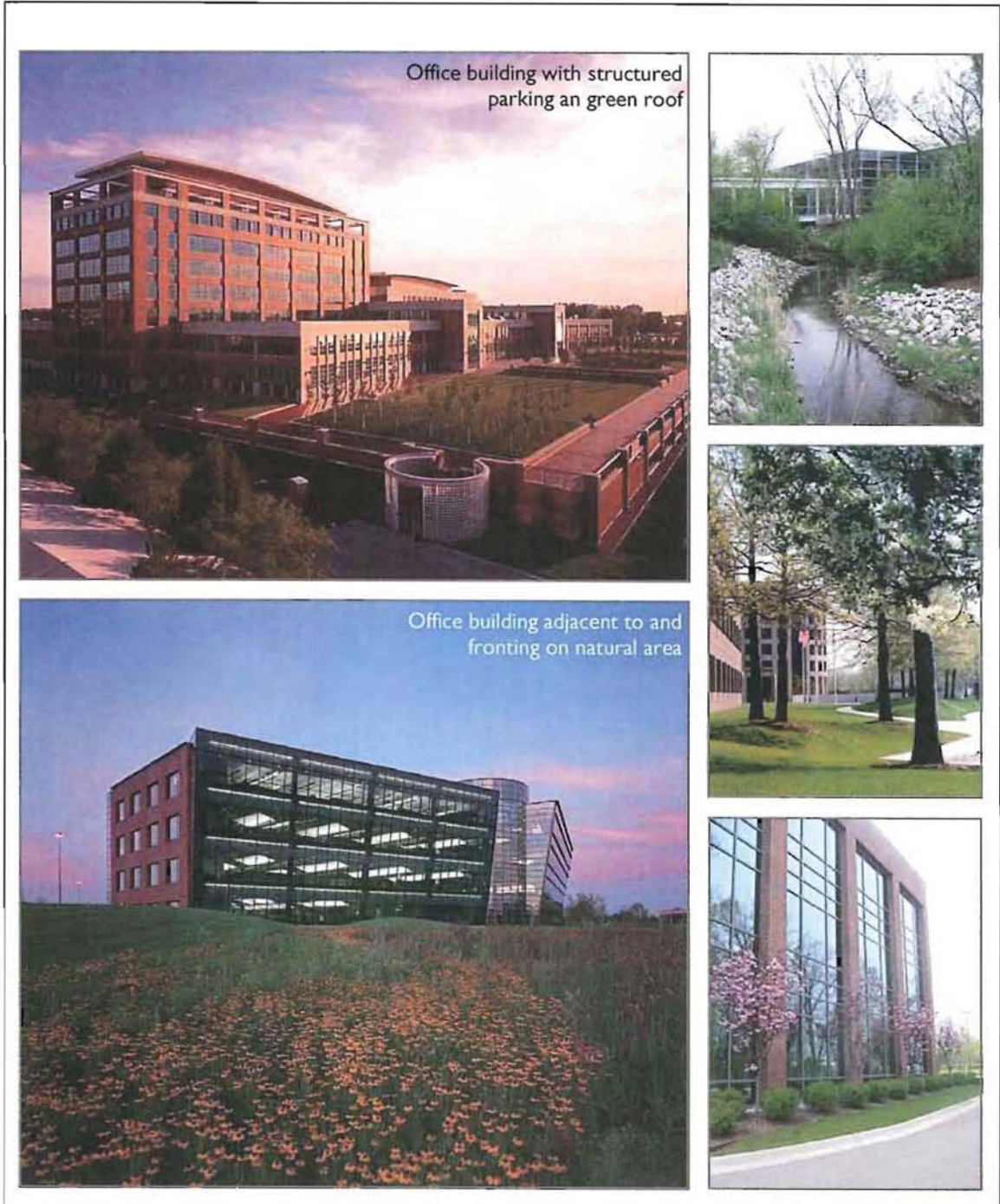


Figure 19 - Examples of Benchmark Office Buildings - Birchler Arroyo Associates, Inc. 2007

Implementation Strategy: As redevelopment and development occurs, green building techniques, such as green roofs, should be encouraged to reduce energy costs. In addition to energy savings, green roofs could also enhance the view of buildings within the Industrial District from the I-96 freeway.

Future Land Use Definitions

The following Future Land Use definition amendments regarding the I-96/Novi Road Study Area are proposed:

Downtown West District ***(Remove this designation)***

(new additional language)

PD2

This land use is designated with a Regional Commercial designation and the additional PD2 designation to direct development to use the Zoning Ordinance's Planned Development Option. This Option provides greater site plan design flexibility for key properties.

This Review completes the study of the Downtown West area that was requested in the Master Plan for Land Use adopted in 2004. The previously mentioned proposed Future Land Use Map amendments for the I-96/Novi Road Study Area assigned Office and Light Industrial future land use designations to these areas.

Figure 20 Beck Rd. looking north
from Ten Mile Rd.



Figure 21 Beck Rd. looking north
from Eight Mile Rd.

ORDINANCE REVIEW COMMITTEE
September 29, 2011 | 7:30 a.m.
Mayor's Conference Room | Novi Civic Center | 45175 W. Ten Mile Road

Mayor Landry called the meeting to order at 7:30 a.m.

ROLL CALL: Mayor Landry, Council Members Margolis, Mutch

ALSO PRESENT: Victor Cardenas, Assistant City Manager
Charles Boulard, Community Development Director
Rob Hayes, Public Services Director
Thomas Schultz, City Attorney
Ara Topouzian, Economic Development Director

APPROVAL OF AGENDA: Agenda was unanimously approved as presented.

AUDIENCE COMMENT: None

MATTERS FOR DISCUSSION:

1. Sidewalks clearance by the City

Mayor Landry began the discussion by stating they had to discuss whether the City would plow non-motorized pathways and whether to designate certain streets as snow routes. Mr. Schultz said he modified the proposed wording for the ordinance on sidewalk snow clearing to include language about what areas a residential homeowner is responsible for clearing. Mr. Hayes said he was concerned about people who live on corner lots and have a segment of a major pathway on the side of the property. He said the proposed wording did not require them to clear the portion of pathway on the side of the property, which would leave portions of pathways not cleared. Mayor Landry asked how often that happened. Mr. Hayes responded that it was not common, but could become an issue. Member Mutch asked about commercial properties and whether they should be included as well because they could also have a portion on the side of the property that contains a major pathway.

Mayor Landry said that the packet material showed it would cost approximately \$50,000 to contract out the service of clearing snow from 12.5 miles of bike paths that do not front City of school property and are not on walk-to-school routes. He added that it would take away 5.7 miles that the DPS has historically cleared.

Member Margolis said she thought \$50,000 was a reasonable cost to provide that service. She said it would help promote walking year-round and would also be a benefit for residents when more pathways are added.

Member Mutch agreed and said he contacted other cities that provide similar services. He said the City of Holland plows most residential streets using the Parks and Recreation staff at a cost of \$55,000. He said \$50,000 was reasonable and would also save staff time and money. He said it would differentiate Novi from other communities and encourage walking.

Mayor Landry said he hoped staff could find a way to work with the contractor to do other portions as well so DPS staff and the contractor aren't working in the same areas.

Moved by Margolis, Seconded by Mutch: Carried Unanimously

To present to Council the plan to budget \$50,000 to contract snow clearing services for 12.5 miles of bike paths that do not front City or school property and are not on walk-to-school routes.

Mayor Landry said the next topic was on the proposed wording regarding the ordinance on sidewalk snow clearing. Member Margolis said she was ok with the proposed wording, but wanted to clarify it to say "single-family residential".

Moved by Mutch, Seconded by Margolis: Carried Unanimously

To present to Council the proposed ordinance change in Section 21-126.

Mayor Landry addressed the issue of designating snow routes. Member Margolis said the proposed ordinance didn't list the specific streets they pointed out in Cedar Springs and Meadowbrook Glens. Mayor Landry asked if those streets should become permanently designated snow routes and how the City would notify residents. Mr. Hayes said they had initially planned to use the reverse 911 system, but decided Nixle would work better. Mayor Landry said that if it were passed by Council, staff should have something delivered to each homeowner on the snow route to notify them of the change.

Member Margolis asked if it would be a policy decision to designate streets as snow routes, or if it should be added into the ordinance. Mayor Landry said that the streets should be specifically called out in the ordinance. Member Mutch added that street signs be put up along the route as well to ensure everyone understands when they park on the street that it is a snow route.

Moved by Margolis, Seconded by Mutch: Carried Unanimously

To present to Council the proposed ordinance changes in Sections 33-681 through 33-683 with suggested changes.

2. Public Act 210 – Commercial Rehabilitation Tax Abatement Policy as it relates to shopping centers and other commercial areas.

Mayor Landry said they received examples of areas to designate as districts and potential criteria for a potential policy on commercial rehabilitation tax abatement.

Member Margolis said the policy should designate those specific areas and what the City wanted to see as a result of granting the abatement. She said by setting the district ahead of time, the applicant wouldn't have to go through that step of the process. Mr. Schultz said if they set the district before the applicant applied, they wouldn't have much of an argument

for denying an abatement if they chose to. He added there was no appeal process through the State Tax Commission though. Member Margolis said she liked the idea of setting the districts in the policy. Mr. Cardenas said they would have to have specific criteria and each district they set to create a level of expectation.

Member Mutch said the district approach made the most sense because they would be limiting the amount of people who would qualify to apply for an abatement. He said each district would have to have specific thoughts on what the City wants it to become.

Mayor Landry said he was ok with not creating a policy at all, but was open to hearing all opinions. He said they should not create a district at Old Novi Road and Thirteen Mile because the area was too small. He added they should not create the district for Main Street either because there are already plans to move forward without the abatement. Mr. Topouzian said the Novi Expo Center and Novi 10 Shopping Center would be great to have redeveloped as a result of this policy.

Mr. Topouzian said he wasn't sure if having this policy in place would make people want to redevelop those two areas. He said he has heard from the Novi 10 Shopping Center and it is a variety of factors that keep them from redeveloping.

Member Mutch said it was a state law and whether or if we do not have a policy in place, people can still apply for it.

Member Margolis said she was more open to creating a policy with only the Expo Center and Novi 10 Shopping Center as districts. She said they are better redevelopment options. She added she liked the list of potential criteria laid out in the packet. It would become an asset for those properties, whether or not they took advantage of it.

Member Mutch said he was in favor of having a policy. Mayor Landry said they would refer it to staff to create a specific policy on those two properties (no vacant land) and that it contains specifics on what the City expects to see as an end result for each property.

The meeting was adjourned at 8:21 a.m.

Recorded by: Cortney Hanson
Deputy City Clerk

ORDINANCE REVIEW COMMITTEE
October 13, 2011 | 7:30 a.m.
Mayor's Conference Room | Novi Civic Center | 45175 W. Ten Mile Road

Mayor Landry called the meeting to order at 7:30 a.m.

ROLL CALL: Mayor Landry, Council Members Margolis, Mutch

ALSO PRESENT: Victor Cardenas, Assistant City Manager
Rob Hayes, Public Services Director
Thomas Schultz, City Attorney

APPROVAL OF AGENDA: Agenda was unanimously approved as presented.

AUDIENCE COMMENT: None

MATTERS FOR DISCUSSION:

1. Public Act 210 - Commercial Rehabilitation Tax Abatement Policy as it relates to shopping centers and other commercial locations

Mayor Landry began the discussion on Public Act 210. He said they received policy recommendations on two proposed locations: Meadowbrook Road and Ten Mile intersection and the old Novi Expo Center property. Mr. Cardenas said there was a question on whether the senior living center on Meadowbrook Road should be included. It was included because it is zoned to be office use.

Member Margolis said she thought they had indicated they wanted more of a vision of what the locations should become if granted the abatement under the policy. She said maybe they needed to be more specific in the policy on what exactly they were looking for as a result of potential redevelopment. Mr. Schultz said that could be added to the "Statement of Purpose" portion of the policy.

Member Mutch said there was specific information in the Master Plan on what they wanted the old Expo Center property to become, but they hadn't done the same for the Meadowbrook Road and Ten Mile intersection. He said it may be wise to go through the same process to discuss what the ideal outcome of the property would be.

Mayor Landry said the northwest corner of Meadowbrook Road and Ten Mile was the main area they wanted to rehabilitate. He said the northeast corner concerned him because it appeared each individual parcel could apply separately for an abatement. He said they should add a minimum square footage requirement or require an entire specified area to be redeveloped as one piece.

Member Margolis liked the thought of going through the Master Plan process for the Meadowbrook Road and Ten Mile intersection. Mr. Schultz asked if they wanted to go through that step before including it in the policy. Member Mutch said they should just keep the process moving forward and reference the future change to the Master Plan in the policy.

Member Margolis said they would do a Master Plan review of that area and put into the policy that there will be no abatements for the area until the vision is developed in the Master Plan.

Member Mutch said he thought the northeast corner should have to be assembled into one piece in order to qualify for the abatement. Mr. Cardenas said they needed to look at the entire intersection at Meadowbrook Road and Ten Mile to decide if they want to include it in the policy or indicate each section has to have a common theme. Member Mutch said they should have common elements if they were done separately so that they conform.

Mayor Landry said they should include all four corners at the intersection of Meadowbrook Road and Ten Mile. He added they should indicate a minimum acreage of maybe two acres to qualify for the abatement. He said he wanted to encourage someone to buy up several parcels and redevelop them as one piece. He also said he wanted there to be commonality between all four corners of the intersection, if redeveloped. Member Margolis said she would like to see what the minimum of two acres would include.

Mayor Landry said the policy should include language stating the redevelopment must be completed according to the Planning Commission or Master Plan which was adopted by City Council. He said it should be consistent with the vision created by the Planning Commission and approved by City Council.

Member Margolis mentioned the section of the policy regarding jobs and said she didn't feel it was necessary to include because it was commercial redevelopment. Member Mutch said that was actually part of the statute and had to be included.

Member Mutch referenced the policy for the old Novi Expo Center and said item E under General Requirements should say "The approved site plan for the proposed and final configuration of the property must be in compliance with current Novi zoning ordinance and development standards *to the degree physically possible...*" He added that he felt they had enough of a concept to take both policies to City Council.

Member Margolis said the Ordinance Review Committee should have the opportunity to review it before it goes to Council so they can see the revised language.

Moved by Margolis, Seconded by Mutch: Carried Unanimously

To present to Council the Commercial Rehabilitation Act Tax Abatement Policies for the Ten Mile and Meadowbrook Road District and the former Novi Expo Center with revised language as discussed and to include a two acre minimum area and to specify the character of buildings and façade be in comportment with a plan to be initiated by the Planning Commission and approved by City Council.

2. Policy regarding the acceptance of existing private residential streets

Mayor Landry wanted to verify that the reason the issue arose was because Briarwood of Novi Condominium had asked the City to create a Special Assessment District in order to pay for the reconstruction of their private streets. He added there were 38 miles of private streets that were built in the late 1990's and early 2000's with the knowledge they would have to maintain those streets. He said he didn't want to create a policy that allowed private streets to be reconstructed through a SAD.

Member Margolis said she brought it to Ordinance Review because the issue kept coming up. She said there was not a clear answer and it would continue to be an issue.

Mr. Schultz said the City does not have to maintain private roads through a SAD because it wouldn't qualify as a public improvement. He said the City has never done a SAD to fix private roads. He said there was a section in the Charter that said the City could do a SAD if it was a nuisance, but it is not.

Mayor Landry said they would have to fund it themselves by raising the money or getting a bank loan. He said they could do something similar to the City SAD process themselves.

Member Margolis said she felt it was beyond reasonable for the association to be able to get a loan and do it themselves. She wanted to find a way for the City to offer some type of assistance even if it wasn't doing a SAD. Mayor Landry said the issue was that the condominium association knew when they built that it was up to them to maintain the roads. Member Mutch agreed and said they should have been saving money from the very beginning because they knew they would have to maintain the road themselves.

Member Margolis said she was not in favor of doing a SAD or making the roads public for the City to maintain, but wanted to find a way to offer some type of assistance. Member Mutch asked if the City could perform the maintenance and then make them pay for it without making it a SAD or making the streets public. He thought that could be a solution because the association is actually willing to pay in this situation.

Mayor Landry said he didn't know what the City could offer as assistance and didn't want to take over the streets as public. Member Margolis said she didn't want to take over the streets either, but wanted to offer some type of help because they can't do it on their own.

Member Mutch said he agreed with the Mayor but was sympathetic with Briarwood of Novi Condominiums. He was hoping they could find a way to help them without doing something as drastic as a Charter Amendment.

Mayor Landry said they need to put a policy in place so there is a clear answer for when this arises in the future. Member Margolis asked if there was anything we could do to help them. Mr. Cardenas said the policy could state that the City could advise and assist with expertise in the process.

It was recommended that a policy be created for presentation to City Council on October 24th that the City will not accept private streets or create a SAD for the reconstruction of private streets, but the City can offer assistance and provide expertise.

3. Snow Emergency Declaration Clarification

Mr. Cardenas said there was some adjusted wording in the ordinance because it currently states that a snow emergency would be automatically declared any time there was a snowfall of more than 4 inches. The changes would make it clear that a snow emergency could be declared at the discretion of the director of public services and also on the proposed "snow routes" only.

The Committee agreed to send the proposed ordinance change to City Council on October 24th.

The Committee then discussed the status of old subdivisions awaiting the completion of various site improvements that are eventually intended to be dedicated. Mr. Hayes said the issue arose because they get several calls each week from citizens who want repairs done to their streets but the City has no authority over them. Mr. Schultz said the developer holds the obligation to complete the roads. He said the City could take the developer to circuit court and have it enforced. Mayor Landry said the item should be sent to Executive Session because it was a litigation matter.

The meeting was adjourned at 8:28 a.m.

Recorded by: Cortney Hanson
Deputy City Clerk