

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI  
MONDAY, MAY 23, 2016 AT 7:00 P.M.  
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 TEN MILE ROAD**

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

**PLEDGE OF ALLEGIANCE**

**ROLL CALL:** Mayor Gatt, Mayor Pro Tem Staudt, Council Members Burke, Casey, Markham, Mutch, Wrobel

**ALSO PRESENT:** Peter Auger, City Manager  
Victor Cardenas, Assistant City Manager  
Thomas Schultz, City Attorney

**APPROVAL OF AGENDA:**

**CM 16-05-054 Moved by Wrobel, seconded by Casey; UNANIMOUSLY CARRIED:**

**To approve the Agenda as presented.**

**Roll call vote on CM 16-05-054**                      **Yeas: Staudt, Burke, Casey, Markham, Mutch, Wrobel, Gatt**  
**Nays: None**

**PUBLIC HEARING -**

1. Establishment of an Industrial Development District for Stoneridge located on Mackenzie Drive and approval of Industrial Facilities Exemption Certificate

John Kuenzel, 23819 Heartwood, said he felt the agenda was unclear when the City published it for the citizens to read. He said we have a company that wants to rent a facility in Novi and is asking for a three-year tax abatement of \$14,442.42. He mentioned they are claiming to bring 50 new jobs to Novi at an average salary of \$130,000. The citizens of the City of Novi deserve time to look at this giveaway of their tax dollars to a company that is wealthy enough to cover a \$14,000 tax. He felt what Council is proposing to do in the Stoneridge case may be legal, but it wasn't completely honest and fair.

2. Approval of Industrial Facilities Exemption Certificate in an existing Industrial Development District for BoCo Enterprises Inc. located at 41600 Grand River Avenue

John Kuenzel, 23819 Heartwood, challenged any citizens to read these words: City of Novi, Notice of Public Hearing with the consideration of the issuance of an Industrial Facilities Exemption Certificate under Act P.A. 198 of 1974, as amended. He noted that Boco Enterprises Inc. has submitted a request for such an Exemption Certificate and said that means the Suburban Collection Showplace wants to avoid paying at least \$780,000 in taxes which are much needed by Oakland Community College, the

Oakland Intermediate School District, Oakland County, Novi Community Schools and the City of Novi itself over the next 12 years. He said Mayor Gatt referred to the Suburban Collection Showplace as probably the most profitable privately owned convention center in the country. He said the owner and developer is a friend of the Mayor. The document supporting his request is a marvel of obfuscation with old data projections from 1999 and 2008. It claims the new addition will bring more jobs to the city and money. The owner doesn't want to pay his fair share of our taxes. Since BoCo is doing so well, the company doesn't need or deserve corporate welfare. What Council is proposing may be legal, but it isn't completely honest or fair. Rushing this action in five days from legal notice to voting on the issue doesn't give the citizens of Novi any time to realize what the City is doing negatively with the finances of our city in favor of your friend.

Collen Crossey, 22279 Brockshire St., said the City of Novi posted the agenda for today's meeting four short days ago and that it does not provide much notice to the citizens to voice their objections to the tax abatements that the City plans to give Suburban Collection Showplace and Stoneridge Developers. These felt the meetings should be advertised to the general public better. The agenda is full today and it includes the garbage vote, rezoning at Twelve Mile and Meadowbrook, and the two Tax abatements. She noted that tax abatements allow certain select companies to forego paying taxes and said it is wrong. These abatements cut the budget for all city services which means that residents have to pay more taxes for these services. Suburban Collection and Stoneridge also receive these services for far less money. The people who support tax abatements will tell you they are necessary in order to draw and retain businesses to Novi and she said that was nonsense. Taxes are not the main reason companies move their business to a location. She said she is tired of hearing this excuse. If these companies cannot conduct their business without a tax abatement then they need to tweak their business plan. Stoneridge is seeking three-year abatement on an existing building which they will put \$1.5 million of improvements into. The abatement agreement states that they will create 50 new jobs in Novi, and there are no requirements that Stoneridge will maintain those jobs during the term of the agreement. This agreement runs from 2018 to 2020. Suburban Collection Showplace is asking for 12 year abatement of 50% for each year. They plan to add an addition to their building that is valued at \$10 million. They also claim they will create 50 new jobs. Many Novi businesses create new jobs without tax abatements. Suburban Collection Showplace has made wild claims about their economic impact. The City Administration said the top nine events in 2015 generated \$70 million in activity, yet there has been zero new development that can be attributed to the Suburban Collection Showplace. No more corporate welfare. The tax abatement is a free market policy; in fact it is not a fair market policy. She feels their competitors would agree. The government budget reflects its values, if a government values the local tax paying businesses and families then it will pass a responsible balanced budget and ends tax abatements.

Jasper Catanzaro, 43468 McLean Ct., said he is against most of these tax abatements for two reasons; Novi cannot handle the traffic now, and he felt this would add more traffic; also he mentioned he did not think the businesses add any money to the City.

He said you would think Suburban Collection Showplace would help the local businesses, yet across the street from Suburban Collection Showplace there is a restaurant called Gatsby's, he said you should ask them if Suburban has helped their business. He mention Suburban has its own restaurant, hotel and bar and that the people who come to the events park their cars at Gatsby's and carpool over to the Suburban Collection Showplace to save money on parking at the events. He said as far as he was concerned Suburban hadn't done anything for the City of Novi. Mr. Catanzaro said he would like to see Suburban Collection Showplace give the residents of Novi free parking and free admission to any of their events. He stated other than that he was against the abatement.

### **PRESENTATIONS:**

1. Vibe on Main – Grapes, Grooves & Great Food August 12 & 13 – 2 Stones Events

Cal and Whitney Stone, from 2 Stones Events said they have been involved with Novi for a very long time. Cal had been an editor in the area and Whitney was previously involved with the Novi Chamber of Commerce. Whitney mentioned that 2 Stones Events has been around since 2009. The City of Novi has been important to them for a very long time. Whitney noted this new event, Vibe on Main will be similar to the 50's Festival that hopefully will be a two day event, or possibly just a one day festival geared towards music, wine, food and Novi Businesses. They said they are hoping to have a lot of Novi Restaurants involved and possibly some of the breweries in the area. She said Council was given a packet with information and a site plan and offered to answer any questions they might have.

Mayor Gatt thanked Cal and Whitney Stone for presenting the information on Vibe on Main and mentioned that Main Street was an area in the City that could use some help and he said he felt their plan for this event was necessary and greatly appreciated.

### **REPORTS:**

1. MANAGER/STAFF – None
2. ATTORNEY – None

### **AUDIENCE COMMENT:**

John Kuenzel, 23819 Heartwood, had concerns about the tax abatement publications and whether enough time was provided between the notice and the actual hearing.

Michael Salemi, 21129 Chase Dr., spoke against tax abatements. He felt they were unfair to the community.

Lynn Kocan, 23088 Ennishore, said she is the president of the Meadowbrook Lake Subdivision and they were negatively affected when Advanced bought out Hornback. She looked into other companies' pricing and was not able to find better rates. Currently they pay almost \$250 per year for refuse services. She thanked the City for taking this on and was hopeful that the new service would be consistent and the pricing controlled.

Marcia Goffney, 21958 York Mills Circle, said she was from Barclay Estates. She was concerned about residents being able to use plastic bags instead of carts at the curb. She would prefer everyone have to use the carts provided.

Jasper Catanzaro, 43468 McLean Court, Weston Estates said he was in a subdivision that contracted with Duncan for \$141 per year.

Carol Klausung, 30704 Ardmore Court, president and manager of her condo association said she thought it was great for the City to move to a single hauler. Her subdivision uses Advanced and although they had issues in the beginning, they have worked out most of the problems. She would like to see the new hauler provide containers for both trash and recycling.

Bob Copes, 40571 Ladene, thanked Council for pursuing this issue. He said it would save him money. Concerning the tax abatement, he discussed a company relocating to South Lyon specifically because of the incentives that were offered. He also thanked Council for supporting the Lakes Area Police Academy; it was a fantastic program.

Andrew Sarpolis, 31036 Beachwalk, wanted to commend Council for moving forward with the single hauler. He was opposed to tax abatements. He felt they could be helpful, but thought the City has granted too many of them and it was penalizing the economy as a whole.

Walt Sobczak, 24248 Hampton Hill, asked why City Council was asking for a millage when they just lowered taxes. He also questioned why they would grant tax abatements.

Ann Gayton, 40700 Mill Road Court West, said the 96 gallon container was too large, and would like the option of having a smaller one.

Annamonika Jackson, 23425 High Meadow, saw that the fees for garbage collection would begin at \$159, but was concerned how much they would increase over the length of the 5 year contract.

Gail Gerhardt, 30774 Ardmore Court, said she lived in a small condo association with 52 units. The cost quoted for the new services included yard waste, which they don't utilize. She questioned what the options were for them.

Sandeep Vadera, 44938 Paine Drive requested that the new hauler be required to close the lids on the carts once they have picked up the trash and recycling. His current hauler leaves the lids open and it allows water and other things to collect in the cart.

**CONSENT AGENDA REMOVALS AND APPROVALS:**

**CM 16-05-055      Moved by Wrobel, seconded by Burke; UNANIMOUSLY CARRIED:**

**To approve the Consent Agenda as presented.**

- A. Approve Minutes of:
  - 1. May 9, 2016 – Regular meeting
- B. Approval to award a five-year lease for multi-function copy equipment to Applied Imaging through the Michigan Intergovernmental Trade Network (MITN) in the amount of \$31,440.00 annually. Subject to final review and approval of form of agreement by City Manager's office and the City Attorney.
- C. Approval to purchase an unmarked vehicle from Signature Ford, Owosso, MI for the Novi Police Department in the amount of \$26,664 through the Macomb County cooperative purchasing bid.
- D. Approval of the final payment to Fiore Enterprises, LLC for the 2015 Neighborhood Road Program-Contract 1 (White Pines Drive) project in the amount of \$42,210.88, plus interest earned on retainage.
- E. Approval of a request from Mirage Development for a variance from: 1) Section 11-256(b) of the Design and Construction Standards, which requires a pathway along the frontage of the development, and alternatively to allow the applicant to dedicate an internal pathway for public use; and, 2) Section 11-68 (a)(1) of the Design and Construction Standards, which requires water main to be extended along the road frontage abutting the proposed development, and alternatively to allow the water main through the site to serve the function with proposed water main on Nine Mile to serve the adjacent parcels, for the Montebello project (parcel 22-27-452-001) located on the north side of Nine Mile Road between Taft and Novi Roads.
- F. Approval of Traffic Control Orders 16-21 through 16-25 for the existing and proposed No Parking Signs at the intersection of Arcadia and Cordoba.
- G. Approval of a Hold Harmless Agreement with Meadowbrook Townhomes Condominium Association to authorize the release of performance guarantees deposited by the original developer to the Association to fund incomplete site work, including roads.

- H. Acceptance of a Conservation Easement from Mirabella Estates Condominium Association for wetland conservation areas offered as a part of the Mirabella Estates development, located on the west side of Meadowbrook Road north of Eight Mile Road in Section 35 of the City.
- I. Approval to award the Novi Video Room Electrical and Mechanical to Great Lakes Power and Lighting INC, the City contracted Electrical contractor, in the amount of \$15,445.89 and R.W. Mead & Sons Inc., the City contracted Mechanical contractor, in the amount of \$23,860 and amend the budget.
- J. Approval to award a contract in the amount of \$48,821 to Actron Integrated Security Systems, Inc. to provide, upgrade, install and service a security camera system for multiple City of Novi facilities.
- K. Approval of Claims and Accounts – Warrant No. 964

**Roll call vote on CM 16-05-055**

**Yeas: Burke, Casey, Markham, Mutch,  
Wrobel, Gatt Staudt  
Nays: None**

**MATTERS FOR COUNCIL ACTION**

- 1. Approval of Resolution to establish an Industrial Development District and Approving Application for an Industrial Facilities Exemption Certificate for Stoneridge an approximately 38,000 square foot facility to be located on Mackenzie Drive and related Agreement concerning Industrial Facilities Tax Abatement.

Tom Beaver, President of Global Sales for Stoneridge, said he has been with the company for 22 years and is an officer of the company. He would be happy to answer any questions Council has about the company. Stoneridge is a 50 year supplier in the transportation industry to the automotive and commercial vehicle market. Currently they are headquartered in Moran, Ohio but they are transferring their headquarters to Michigan to increase their access with key customers. They've had an office in Novi for 15 years at 28001 Cabot Drive and have approximately 20 employees. He said he believed their workforce gives back to the community. Stoneridge holds a charity auction monthly in their office, and they are anxious to move the headquarters to Novi. He believes they will create about 50 more jobs during the abatement period and those jobs will have an average salary of around \$130,000. The lease period they are signing up for is 10 years. The abatement is for three years at a percentage of the tax base. The 5.2 million dollars is a conservative number that they plan on investing in Novi in the next three years.

Mayor Pro Tem Staudt commented that this is a discussion that they have every year and the last three or four abatements had some philosophical disagreements. As a result he would like to make a motion tonight.

**CM 16-05-056            Moved by Staudt, seconded by Wrobel; MOTION CARRIED: 5-2**

**To approve a resolution to establish an Industrial Development District and Approving Application for an Industrial Facilities Exemption Certificate for Stoneridge an approximately 38,000 square foot facility to be located on Mackenzie Drive and related Agreement concerning Industrial Facilities Tax Abatement.**

Mayor Pro Tem Staudt said this is the type of business they are always talking about. This is a different type of abatement than we have ever had before. This is a good example of a company that is moving their headquarters from out of state into Novi, primarily because it provides them with better opportunities. One of the objections in the past was that we were not considering some of the smaller businesses. In this situation, they have a large company making a smaller investment into the community but moving their corporate headquarters here. This is a different type of abatement that we have ever given before and he thinks this is a good example of a company moving to Novi from out of state because of better opportunities. The amount of investment they are making far exceeds the tax benefit that they would get from this. He believes this is a deferment on taxes and hopefully those dollars go into additional investment into our city. He said he is not familiar with them and whether they have the types of activities Mr. Beaver spoke about, but he sees them as a good corporate citizen and welcomes them to the city and hopes they relocate here.

Mayor Gatt agreed with Mayor Pro Tem Staudt. He said the audience heard during the audience comments that tax abatements take money away from schools. Mayor Gatt asked for the City Attorney to clarify. The City Attorney said the schools are affected, but there is some effort on the part of the state to make the schools whole. Mayor Gatt commented that we can look at abatements in different ways, such as having vacant land with no taxes or we could have a building go up and receive half the taxes for a period of time. He said these businesses make Novi, and felt in rare circumstances, a small tax break for a short amount of time makes sense to him. He mentioned the Oakland Press recently talked about Novi, Troy, Auburn Hills, and Rochester Hills, which are four of the best cities in Oakland County all competing for business. He would give full support of a motion; if it passes he would welcome them to Novi.

Member Wrobel confirmed with Mr. Auger that if something would happen before the abatement period, we would receive 100% of the taxes owed. We compete with other countries and if we want to continue to be a viable city, we need to bring these companies to Novi. He felt that 50% of something is better than 100% of nothing for a short period of time. That is why he is supporting this abatement.

Member Mutch commented that most people know his position on tax abatements and he did not feel he had to have philosophical commentary on that. He said he has been consistent in saying he believes the economic strategy for the City of Novi is to treat all businesses fairly. All businesses matter and all businesses here are important. He would like to see all businesses paying the same amount of taxes. He recognized their request was small in the realm of tax abatements requests. He said he would not support it. He said he appreciated Stoneridge making the investment in Novi. Stoneridge has a history here and has strong incentive to stay locally. He wished them the best of luck, but he wants to be fair to the rest of the community so he could not support this abatement.

Member Markham said companies locate and commit to communities for the same reasons we all like living here. We have excellent schools, some of the best parks and paved streets and terrific library. She said the roads are in terrible shape and we are proposing infrastructure improvements over the next several years of several million dollars which is where the taxpayers want their tax dollars spent. Most taxpayers do not support cutting taxes for big business on the backs of the residents. Member Markham commented on the phone calls she gets every week from residents asking why we are subsidizing development. This is a fine company and would like them to expand here. Novi already has the lowest tax rate in the region. We brag about that, but giving more relief in the form of abatements is not necessary for a business to want to be here, nor to succeed. They have done what good corporate business people do and that is raise money wherever they can get it. The tax abatements are made available because the State of Michigan continues to promote them. As a business person she would do the same thing by coming forward and try to get that money. It doesn't make economic sense; there are many high tech quality companies with similar nature to their company in Novi. To echo what Member Mutch said, almost none of them had the benefits of reduced taxes like Stoneridge is requesting. She said she could not support giving them tax relief when this company is not substantially different from others that are already here and paying their fair share of taxes. The Detroit Free Press ran an article that said the State Budget Office is projecting a shortfall of state revenues of over \$460 million dollar next year and the analysts are placing most of the blame on the same kind of incentives and abatements that were granted in years past so businesses could pay reduced taxes. Now it is hurting our budget. The idea that tax breaks to big businesses generates jobs, that they help the rest of us, has a name called trickled down economics. It once was a popular economic theory but as one of the residents tonight showed us, the studies have shown over the last 30 years that it is about the worst way a government can spend its money to support its business and economic growth. It siphons tax dollars away from infrastructure, parks and education and into the pockets of corporation and it doesn't create economic growth. Historically the residents of Novi have experienced very few tax abatements and they had an expectation that all of the citizens, whether corporate or individuals will pay their full share of taxes to be here. By spending tax dollars wisely it is our job to create a community that is desirable for companies, their employees and our residents. That is how she wants our tax dollars spent and therefore will not be supporting the abatement.



**Roll call vote on CM 16-05-056**

**Yeas: Casey, Wrobel, Gatt, Staudt, Burke**

**Nays: Markham, Mutch**

2. Approval of Resolution Approving Application of BoCo Enterprises Inc. (Suburban Collection Showplace), for an Industrial Facilities Exemption Certificate for an approximately 176,000 square foot expansion of the existing convention center and showplace at 41600 Grand River Avenue and related Agreement concerning Industrial Facilities Tax Abatement, to be located in an existing Industrial Facilities District created in 2001.

Blair Bowman, BoCo Enterprises Inc. (Suburban Collection Showplace) mentioned one of the audience comment speakers said that in one of his studies 90% of tax abatements are bad and 10% are good, he would like to make it clear that they are here on behalf of the 10%. It is a situation where he understood some of the opinions expressed and the shared belief that it is the difference of an actual cost and an investment that is being made by an investor or developer. He said in their case, it is a unique circumstance that warrants the consideration of the tax abatement. He said of the competitors mentioned, almost all of the competitors are wholly subsidized by the tax payers. They are bonded for and run at a loss in order to have the same effects that Suburban Collection Showplace has day in and day out within this community. They have worked together with the City, and have grown the facility. They have presented some materials that even surprised him. The actual recent models of direct economic impact spending the Convention Bureau provided them by just taking nine events. Compare that with more than the hundreds of events they have had, the hundreds of million dollars' worth of yearly economic impact that they have. It trickles down. It actually happens within Novi's borders and this state. He said if they are not successful in gaining this abatement, a decision will have to be made. Very likely the financing of this project will fall and they will be in a position of losing at least one and up to three major events and not attracting some of those that would help them take the next steps. He said they could lose all of the positive benefits, the hundreds of jobs directly and the thousands of indirect jobs. Over the course of the last 10 years, the Suburban Collection Showplace has paid \$3.1 million dollars in additional tax revenue to the City. Mr. Bowman said he appreciated what the community has done and they try to give back in many other ways to this community. He hopes they are considered a good corporate citizen. He said they are going to continue to grow and respectfully request that the City approve the abatement.

Mayor Gatt mentioned that someone earlier suggested that Blair Bowman is a friend of his and that he would be voting for the abatement because they are friends. He said he has been with the City for 42 years, 27 of those as a police officer and the rest on City Council. He said he has made a lot of friends in the City and some enemies. Blair Bowman is his friend. Mayor Gatt noted he would never vote for anything except what he feels would be in the best interest of the City. The City he loves, in which he has been part of for 42 years. He said that was a despicable insinuation and he wanted to address that issue. He said there were also comments earlier in the meeting that the Suburban Collection Showplace does not do anything for the City. He mentioned last

Sunday he had friends in from out of town, and they could not find a hotel room in the City of Novi. He said he remembers talking about the Hyatt Place going up and that it was going to steal all the business and that other hotels would not make it in the area. Last weekend Comic Con was held at the Suburban Collection Showplace and there were over 65,000 people who came through Novi that weekend. They filled up every hotel and spent money at the restaurants in Novi. That is just one example that could be articulated about how the Suburban Collection Showplace has brought to Novi. He said he works for the County and wherever he goes, people want to talk about the shows coming to the Suburban Collection Showplace. The Michigan State Fair has been rejuvenated at the Suburban Collection Showplace. Hundreds of thousands of people coming to Novi and investing in Novi. He said he has no problem with what Mr. Bowman is asking, if a motion is made to grant this abatement he would support it wholeheartedly. He mentioned at the State of The City Address that Suburban Collection Showplace is one of the engines in Novi. We are very proud of Novi; we have excellent schools, one of the best hospitals, but what keeps people attracted to Novi from out of town, is that it is a destination City. Most come in here to the Suburban Collection Showplace for big shows and more big shows will be coming with this expansion if it happens. He will support Mr. Bowman in his endeavors, not because he is a friend of his, because it is great for the City of Novi. It is great for the 60,000 residents, and the 20,000 more that are coming.

Member Wrobel said the Mayor was well spoken and asked the City Manager if he was able to come up with a figure of additional revenue that comes into the City based upon Suburban Collection Showplace annually. City Manager Auger did not have a number off the top of his head, but said Assistant City Manager Cardenas believed it was around the \$10 million dollar mark based off the nine shows that they were able to get data from. Member Wrobel said that was a lot of extra investment coming into the City because of one location. This is a private business that he respects, and it takes a lot of guts to go with a private business like this. It was mentioned earlier a lot of the competition is public and is funded by the public totally. He also mentioned he has known Mr. Bowman for the past 10 years, there are people that are givers and takers, we will help him, but what he does for the community outside of his business, helping charities, helping community groups it is amazing. Member Wrobel respects that he is not a person just looking to take from the City and not giving back. Mr. Bowman is an integral part of this community and this facility is an integral part of the City as the Mayor mentioned. Member Wrobel said that the expansion of the Suburban Collection Showplace is going help Novi remain a destination for the top shows, which bring in more people to the restaurants, hotels, and the shopping. He asked how many people have been around during the golf show or Comic Con? It is hard driving around sometimes because people are here in Novi, spending their dollars in Novi. Member Wrobel said it is good for us and he made a motion for approval.

**CM 16-05-057**

**Moved by Wrobel, seconded by Staudt ; MOTION CARRIED: 5-2**

**To approve a Resolution for Application of BoCo Enterprises Inc. (Suburban Collection Showplace), for an Industrial Facilities Exemption Certificate for an approximately 176,000 square foot expansion of the existing convention center and showplace at 41600 Grand River Avenue and related Agreement concerning Industrial Facilities Tax Abatement, to be located in an existing Industrial Facilities District created in 2001.**

Mayor Pro Tem Staudt said it is interesting and a great example of what Suburban Collection Showplace means and noted he has had a number of events there and he has ordered four or five times a year from Gatsby's Restaurant across the street. They have a very small business, but they have never expressed serious issues with Suburban, however they are benefiting directly because of the location. He said he was not on Council the first time this was approved 11 or 12 years ago. In his nine years on Council he has been through the greatest of times, and absolute worst of times, and we are coming through with an exceptional development and growth spurt in the City and probably back into the best of times in the City. Expansion of the Suburban Collection Showplace is one of the best things we could do as a community. He said ironically we visit places where they spend tens of millions of dollars in investment in their own Expo Center Convention Halls, yet we are not spending that. As we heard, this particular has given us \$3.1 million dollars in taxes in addition to the abatement. He said he was happy Novi was not spending a lot money on publicly owned facilities. They are the same group on Council that has gone through a difficult time and came up with a AAA Bond Rating. It isn't because they make mistakes on these issues; some can philosophically disagree on this issue. He was sure some of the things that were done 5 years ago when they had to make considerable cuts and they didn't spend money for many years, he believe some people disagreed with that also. He said he is comfortable with this. He considers Mr. Bowman a friend, but considers a lot of people his friends. Having recently become a full time business owner in Novi, he didn't think twice when he made his investment in Novi, he did not feel bad about some businesses getting benefit. He said he is in complete support and sees this as a tremendous benefit for the City.

Member Burke said looking at this, the 176,000 square foot addition is the only piece up for the abatement. That will put Suburban Collection Showplace at number two in the state for convention center square footage. Mr. Bowman said the major center downtown is Cobo and they have done a tremendous job in turning that facility into an attraction for major internal and national events. Member Burke said he should include the words privately owned. Mr. Bowman said depending on the type of the facility, some others listed are not traditional expo centers or convention centers; they just have a large amount of space that could be considered to be used for that. Mr. Bowman said day in and day out they are non-casino based and privately owned and they are in the top five in the country. With the expansion they would probably stay at number five. The others are a substantial size as well. Member Burked questioned if without the expansion the Suburban Collection Showplace would possible lose shows. Mr. Bowman said they know, unfortunately that in a case of their largest event, they will not even

consider staying in the region. They relocated to Novi from the west coast and have enjoyed an incredible growth cycle, but they are very blunt. They are international in nature and highly successful in the other shows that they do. They would likely relocate to Chicago, and if not, go back to their west coast venue. They didn't often have long term arrangements but they are going to get these types of commitments in place and need to do that as part of three things in order to secure the financing. Member Burke said the adverse effect would be a significant economic loss for us and for Suburban Collection Showplace. Member Burke said Mayor Pro Tem Staudt mentioned earlier that this is a deferment, once the 12 years are up, the City will collect an additional \$128,903 just on this expansion over and above the other taxes they pay. Mr. Bowman said in 1 or 2 years from now, the previous tax abatement will come off and the entire first phase of the Showplace development will be fully tax paying. That is an example of how powerful these tax abatements can be. The hotel abatement will come off shortly after. They have paid literally millions of additional dollars into all taxing jurisdictions over the course of time, even abated what would otherwise come in. Member Burke said he supported this, the property was his and they were not going to do anything with it if they don't do the expansion. He said we could collect nothing or after 12 years collect a lot of money. He said it made sense to him, in the long run there were still benefits. He reiterated that Mayor Gatt said no one could get a hotel room last week in the City of Novi, but he didn't think anyone was complaining, except about the traffic. Member Burke said he would support this abatement.

Member Casey said she held her comments on both of the abatements that had come in front of them. The last couple they had seen prior to these, she said they were exceptional cases, but they were multi-national corporations and we really wanted to see opportunities where the City could support small and mid-size businesses and now we have two. She said some may not agree with her on her definition of small to mid-size, being on record as she has been in the past, she would like to be consistent and will be supporting both the abatements for that reason. In both cases, Stoneridge, first, a small business coming in adding to the employee base here in the City and bringing additional development into the City. She said to Mr. Bowman is adding to his facility and has brought in, depending on which economic model you chose to follow, has brought in business to our City and has proven himself as a businessman. With the abatements he has been successful and has been helping the City be successful. Regardless of the amount of abatement he was asking for, he was also a small business owner, and did not have hundreds of thousand employees or tens of thousands of employees, so with that rationale she wanted to explain why she was supporting Stoneridge and the abatement for BoCo, Inc.

Member Markham said the Suburban Collection Showcase was very successful and very unique in our community and within the region. The variety of events that they have speaks to a wide range of interests that are served by the operation there. There are plenty of shows she said she would never set foot in, and plenty that she loves going to. As it has grown, so also has the effect on the community. They have heard a lot talk about the positive impact as seen by the hotels and the restaurants. She said on the flip side is the congestion and the gridlock that comes along with it. The 65,000 or so

Comic Con people that came did so by car. The residents of this community suffer with the gridlock. She said they have talked in the past about moving people through our community in a more effective way so that people can get from that venue to the restaurants and so on. Member Markham believed, and would like Mr. Bowman to comment on how it, how they could benefit from discussion on public transportation and the affects it has on the community. Whether it is getting people from the airport or from the region to events at your facility. Mr. Bowman answered that he is on record, and it was a little misunderstood, that his comment about public transit as it relates to one of the biggest things as we continue to attract particularly the international shows is getting people to and from the airport. It is a critical issue that needs to be addressed; he said it is a genuinely difficult one when you enter into the overall public transit discussion because that doesn't solve the problem of getting people to and from the airport. That would be more of a philosophical and practical discussion that the community needs to engage in with others. Mr. Bowman said he wanted to give kudos to the Novi Police Department and the State Police Department and the Michigan Department of Transportation. With all the efforts that had been made, they did not have gridlock. During the peak time they kept traffic moving at all intersections. The State Police did intervene for brief periods of time, but even they admitted they weren't sure it was absolutely necessary. They did it to keep things moving over Beck Road Bridge, because of the construction at Beck Road and Grand River and the congestion resulting from the I-275 closures. He said it was an incredible job that was done by everybody and with the cooperation of the schools, again a great example of hope how we are doing things together as a community. Due to a charitable organization running offsite, they were able to give over \$1,500 to the Novi Education Foundation for the shuttle program and that was just marginally used and slightly understood. That is type the transportation that is affecting the situation that we can have an impact upon. Mr. Bowman said as far as the larger scale issues, it would be up to the community to undertake. He said he understood there is a regional authority that was talking about some a millage proposal, and if it were to pass then think he believed they would be a willing participant at the table and would see what they could do and how they would be involved. Member Markham said that is how she understood it and appreciated his comments. She said all of the police officers cost money and those are paid for by tax dollars and she is sure there is remediation from their facility to that. The tax base of Novi is two-thirds residential, meaning the residents provide the vast majority of the tax dollars. We also have several thousand business, some of which are very large and successful and 99.9 percent of them pay their full fair share of taxes and don't have an abatement. It had been mentioned that Suburban Collection Showplace has been granted two of the seven abatements that we have ever given to this community and she thinks the leadership in the past did see them as unique and bring a new and expanded development that was going to grow. Suburban Collection Showplace is successful and profitable and we are lucky to have them in our community, and they are lucky to be here. She still has a problem with the State of Michigan forcing cities like ours into the position of discounting our community. Why does that State force cities into subsidizing a successful business? Member Markham questioned the City Attorney about taxing entities, because public notices were sent to Oakland Community College, Oakland Intermediate Schools, Oakland County, State of

Michigan and Novi Public Schools that this Public Hearing was taking place, but he said earlier that those entities really not affected by this abatement. She wondered why they would be notified if they were not going to be affected. The City Attorney answered that they do get affected. The tax abatement applies to the mills that are normally assessed by them. His point was that they do get notice and they typically do not feel the need to show up at the Public Hearing. They do get some payment from the State in return for the City's consideration. He said he did not have the figures off the top of his head, but they know and aren't here. Member Markham said they are affected every time the City Council grants a tax abatement and they are noticed about the Public Hearing because it is assumed they will be affected by it. She said the proposal speaks about public-private partnership and she really didn't see it that way because they are providing tax relief and have no ownership or equity stake in his development and they shouldn't have since it is a private company and they don't have any decision making authority, so she wouldn't call it a partnership. She said she had an example of a public-private partnership she might support down the road. This November the voters in Metro Detroit will be voting to approve the Regional Transit Authority plan for public transit, which if it passes, all of the communities in the region will be part of the system including Novi, whether the residents here voted for it or not. If the region votes for it, we will be part of it. One of the proposed bus lines runs right along the Grand River Corridor from the east all the way to Beck Road, right past the Suburban Collection Showplace. If that were to come to pass, she would like to see them take a leadership role in supporting those initiatives, both local and regional, because his facility does have a big impact on traffic all the time. She would like him to help Novi build a public transit infrastructure. She said if his proposal had included a public bus stop, she would have been more inclined to support it. This kind of joint venture where he and the City would both have skin in the game and both stand to gain economically is to her a public-private partnership. That is what she is looking for if they are going to use taxpayer dollars. That is the kind of commitment that would be the only reason in her view to grant tax relief to a business which is now established and successful.

Member Mutch thanked Mr. Bowman for all he has done for the community. He said he has been to many shows at the Suburban Collection Showplace and it is always a class act. He said he did go out of his way to avoid Grand River last weekend knowing that it probably was not the place to be in town, but he did appreciate everything that he does for the community. Member Mutch previously stated on the other request, he does not generally believe in tax abatements and he thought at this point with the abatements the City has provided to Suburban, that they have established the center in a way that they finally got their feet under them and are moving forward. He said that all of the information the Mr. Bowman shared with the Council and the community about the success of what they have accomplished points to that. Mr. Bowman was going to seek out whatever financial opportunities to support the expansion and he said he understood that. Whether he agreed with the State tax abatement system or not, the fact of the matter is that it does exist and there is a specific provision in the State tax abatement system for convention centers like yours. He said it would be silly if he did not try to seek that. Member Mutch noted he has a philosophical viewpoint on

abatements and he felt that it should not be the role for city government to be involved in. He made one comment on the record that when they first sought the abatement for the original building, his vision for that area stood out and sold Council at the time, was the idea that the Suburban Collection Development would jump start the Grand River Corridor. He said he didn't think he was being unfair in terms of its impact that he would say all the areas that they have had the physical development of the Grand River Corridor within a reasonable distance from the center reflects what he would have wanted to see happen. It doesn't reflect what the City expected to happen and he said he was looking for insight from him as how this expansion would have an impact in that area. Member Mutch said that Mr. Bowman had talked about the international show and visitors from out of town. He wondered if all of the visitors come in from the Beck Road to the center and then leave and if that presents Novi in its best light. He said we have a great City and some parts of the City look better than others. That stretch of Grand River isn't going to win any awards. Member Mutch questioned Mr. Bowman on how he sees this expansion changing that dynamic. Mr. Bowman said that was interesting and one of the things he pointed out, in all likelihood with a self-help approach to things here was to acquire some of the additional properties and that it was very likely that their property that was developed as the Showplace would have suffered the same fate as all of the rest of the corridor, it seems to be that stretch of nearly two miles where very little has happened. He wondered why that was. There have been significant changes, quite frankly, thoroughfares and the ability to progress north and south. Beck Road is certainly one of the major corridors. Taft road is not and from a pure developable standpoint and navigability standpoint, that affects it. There was a plan in the original thoroughfare plan that Taft Road was to proceed over the expressway and possibly with an interchange. The second and most impacting thing that was referred to was this incredible economic downturn we have been through. Mr. Bowman said he had been in the Real Estate business before and had never seen anything like it. It seems like we are in a significant move upwards and let's hope that we can progress. He said what they have done frankly is taken what were storage yards and other types of uses along there and began to start cleaning them up. Literally, one of their partners at the corner properties at Beck Road and Grand River took some footage of the barrels and storage trailers and put it out there and asked: "is this what the entrance to Novi wants to be?" Mr. Bowman agreed with him and this is not what we want to see for the long term and he thinks when we see the renderings and the progression of this physical construction of this, this will expand the footprint, visibly impact it and the very positive view of that side of the expressway coming and going from Novi. It is not the only thing that they see as far as getting off at Beck Road. He said a good majority of traffic gets off at Novi Road and that is an important thing with the ring road and ultimately the ability to navigate around the community. He said that what they brought to the community, which was some time ago, but he felt they were an integral part, and said their project was used to obtain \$5.5 million dollars of funding from then, Governor Engler's Build Michigan Program, which filled the gap between the railroad bridge and the interchange projects at Beck Road and Wixom Road. With those things in place, Mr. Bowman said he has seen and heard of some of the Master Planning efforts and he would also encourage this community to think further and consider some real world development scenarios and very creatively look

at what can happen in that corridor as we progress with this major investment. He does believe there were brighter days to come or he would not be looking to make this investment even with the support we are talking about. The additional visitors we bring in and additional infrastructure we have there will make a major positive impact. Member Mutch commented that Mr. Bowman knows the abatement will be approved this evening and that he would like to see him take the leadership role in that area but helping the City set a vision for that corridor, he thinks to the degree that it represents a destination as the Mayor referenced for the people from around the world and across that State of Michigan, it needs to present a better image for our City. It needs to be the key player in that corridor that he needs to move beyond the boundaries of the properties that he currently already owns to engage some of the other property owners to make that happen. Mr. Bowman responded that there has been some discussion about the corridor improvement program, and he is 100% behind that and he thinks he needs to take that section along with it as it could use a comprehensive planning and perspective approach to it. He mentioned he would like the City to help them and the community welcomes these folks giving them opportunity for entertainment, a great deal of shopping, and that is wonderful, but welcome them to the community. Other facilities in other smaller jurisdictions use welcome banners put on by the Welcoming Bureau and the Authority in the area that has been established for tourism. We would like to look into those types of things that these major shows come to expect and would like to see from them, so they are going to be addressing some of that at the site planning process. Member Mutch said he appreciated his comments.

Mayor Pro Tem Staudt noted someone spoke and said if the Regional Transit Authority is passed and taxpayers of Novi are responsible for paying \$70 to \$80 million dollars during the next 20 years, he asked Mr. Bowman if he would consider putting a public stop at the Suburban Collection Showplace. Mr. Bowman said he would consider that, but wonders if we should be thinking about some other component to a regional transit stop. There are other forms of transportation, not just buses. He said what they are engaged in at the Convention and Visitor Bureau Executive Board in Detroit is amazing to see in downtown. It is truly a benefit to the region, but they are limited to the amount of transportation that they are going after in the M-1 situation. It really doesn't solve a lot of problems. He said he had to stop and pause because 3 years ago when we started this process, we didn't mention Lift, UBER or ride sharing. That is going to change more than anything. Right now in Pittsburgh, Google is dealing with driverless taxis and that type of thing is going to happen. The ride sharing that they saw when UBER came a lot during Comic Con. There were alternate forms of transportation in big ways. Mr. Bowman felt that transportation will alter quite a bit in the next 5 to 10 years. We may be looking to build more parking lots, but will they be used? Bus systems, major transportation systems in Phoenix particularly, where they spent over \$4 billion dollars, their ridership is down. Mr. Bowman wanted to caution everyone that it will be a whole new world, technology is staggering and one of the major shows that they have that is growing is Telematics. It is amazing to watch in the parking lot, as those cars are going around with nobody in them. It is amazing to watch GeoTrek where they have bulldozers and excavators with no one in them and they have a drone above them that are laser and satellite-guided. Mayor Pro Tem confirmed that Mr. Bowman would



be willing to consider a regional transit stop the Suburban Collection Showplace. Mr. Bowman answered yes, they would consider it. Mayor Pro Tem Staudt said that it might encourage that individual to vote for the abatement.

**Roll call vote on CM 16-05-057**

**Yeas: Wrobel, Gatt, Staudt, Burke, Casey**  
**Nays: Markham, Mutch**

3. Approval of the contract for Collection of Solid Waste, Recycling & Yard Waste and Other Services to Waste Management Inc. for a period of five (5) years beginning July 1, 2016 and expiring on June 30, 2021 with a three (3) year extension option, with Homeowners provided a 64-gallon recycling cart and 96-gallon trash cart. First year cost would be \$159.00. Subject to final review and approval of form of agreement by City Manager's office and the City Attorney.

City Manager, Pete Auger mentioned Assistant City Manager, Victor Cardenas would have a brief update on this subject and that there have been a lot of discussions, some ups and downs, what is in now and what is out so he prepared a brief discussion to help answer all of those questions.

Assistant City Manager, Victor Cardenas said as we all know City Council and City Administration have come together in developing unified, consistent quality delivery of trash collection services for Novi residents. We believe through the RFP process, and community meeting process, that we have come to that point to where we proposed this to City Council for their consideration. He said the proposal that we have is the ultimate of the three different options that came and were bid by Waste Management, and other companies as well. Waste Management Inc. came in as the lowest bid of all of the different haulers that are currently in the City of Novi and they are not in the City of Novi. What is being considered is that every resident is looking at having a 96 gallon trash cart, in addition to that 96-gallon cart they have the option of putting additional containers or trash bags as they see fit to dispose of their waste. He mentioned they would also have a weekly recycling service and they would provide a 64-gallon recycling cart. He said all of this would be included in the \$159 dollars annual cost. He also noted built into that bid price would be a 2% increase every year, so there would be a marginal increase that will be experienced in that process for the 5 years. There is a 3 year renewal process which may be where we can discuss that with them at that point. He mentioned that yard waste and bulk service is also collected on a weekly basis, yard waste is from April to November and that date can fluctuate. Bulk service is available as well, such as refrigerators, sofas. There will be a different price for condo developments and single family homes. Obviously condos will have different variations of service delivery that they require. There are different components that City Council will have to consider in the proposal. There were options for having small containers, recycling or not recycling, one had yard waste, the rest did not. We can work with the different condo associations to get the service delivery that is very similar to what they have now and also close to their price point as well. He also mentioned there will be a robust P.R. campaign by the City to get the materials out to the residents. In the bid,

we requested that they provided their own materials as well. Waste Management Inc. has a very impressive pamphlet that will come along with the carts to their homes and it will also have calendars, what is recyclable, and maps of what areas will be collected on what days. This will be a substantial handout and also we will have our own information to hand out along with social media outlays as well. He said there are different things they are considering and talking about, snow bird pricing which was discussed early on, we will continue to discuss that as the contract matures. We are also discussing cart size, and possible fluctuate in the cart sizes.

Mayor Gatt said this had come to them about a year ago, residents woke up one day and their trash service provider had disappeared and a new service provider was on the road. The new service was not nearly as good as what they had come to expect. There was trouble right away and Council had many phone calls different neighbors. Council looked into it, 25 or 30 years ago the City wrestled with the same question, it went to the vote of the people and the people voted it down. We discovered this time that we were the only city in Oakland County of any size that did not have a single trash hauler. It made sense to have a single trash hauler for many reasons, such as the City would oversee a service that would be cheaper than what the resident could negotiate because the City could have 10 – 15 thousand homeowners under their belt. It got political and ugly; in the end what we are coming up with today will be a service that will be better than what you already have for the vast majority of the people in Novi. Mayor Gatt noted there will not be any single program that will make everybody 100% happy. He said he what he promised people last year was to support a program that provides price relief to the majority of the people and this does that. He noted the \$159.00 was way below the majority of the resident's trash pick-up price now. If you had a problem before, you might get a hold of the company customer service. In this case, what we are going to do is guarantee that service and we will have a customer service rep from the company who will be on the City premises for a period of time while this launches and they will be here at City Hall. He said after the period of time expires, residents will call the company's customer service and if you are not happy, then the next call will be to the City of Novi and we will make you satisfied, if we have to send someone out to pick up something, we will do that. You will have better customer service, and service for a cheaper price. Some residents want the carts and some do not want them if it is too big. Some may want to put bags out, so when we negotiated something like that, then others complained animals can get into the bags. If there is refuse on the street, they are supposed to pick up open bags. The snowbird issue is another issue as they do not want to pay their garbage fee when they are gone. Mayor Gatt said he could understand that although their taxes don't go down, they still have to pay for police and fire service and everything else in the City while they are gone. He mentioned he does not know what the outcome would be. In the beginning we will keep working on that issue and maybe by winter we will have something. This is placed to go into effect on July 1, 2016, and if you are like him, you have paid your bill until June 30, 2016. Hopefully we can have all of this straightened out and have the new company on the street and working by July 1<sup>st</sup>. Mayor Gatt noted this company paid no money to any of the candidates running for office last year or this year, that was all nonsense the residents were hearing.

Mayor Pro Tem Staudt mentioned Bill Erickson, who is a homeowner who doesn't mind him using his name, contacted him and said there were some serious things going on with his garbage collection and he thought it was bad. Mayor Pro Tem Staudt said he then started watching and noticed that there were four different companies coming through his subdivision picking up trash at every 5th or 6th house, he realized that they were picking up trash, but some had trash all over the front yards. He said he starting inquiring with the city staff on what we could do about this. They told him we could do virtually nothing. He said he learned about what license we required the trash hauler to have to in order to conduct business in the City. They paid a fee to have trucks and that was the extent of our regulatory authority over them. He said moving forward a few months, we started talking to different people, talking to Duncan, Waste Management and other companies and asked them questions and we were lucky enough to have RRRASOC (Resource, Recovery and Recycling Authority of South Oakland County) talk to us and we became very educated on this. He said through that education, if Novi was going to continue to be a first class city, we needed to work on this issue. He said Mayor Landry was here when he first got on Council and said one of the things he told us to do was deal with the problems we have now. Don't worry about what should have been done 20 or 30 years ago. He said City Council worked on this issue. Some people have said we handled this quickly, but actually it took over a year. Many people were involved including Council and many residents. He said we put our RFQ out and got some very competitive bids and we got some less competitive. In the end, we picked the low bidder, Waste Management. Mayor Pro Tem Staudt said he is the Chairman on the Consultant Review Committee and our committee vetted out all the bids. We ended up with a bid that even the competitors he talked to that lost the bidding process told us we got an exceptional deal and that we were very lucky as a community that Waste Management was a very capable company. Mayor Pro Tem said this is the final step in the process, as the Mayor said; we are not going to be able to provide 100% satisfaction to all the residents. He said they have certainly gone into this with an open mind and they have all learned a lot and he is very confident. He mentioned we would probably have some hiccups in the beginning, but in the long run we are doing the right thing.

**CM 16-05-058            Moved by Staudt, seconded by Wrobel; UNANIMOUSLY CARRIED:**

**To approve the contract for Collection of Solid Waste, Recycling & Yard Waste and Other Services to Waste Management Inc. for a period of five (5) years beginning July 1, 2016 and expiring on June 30, 2021 with a three (3) year extension option, with Homeowners provided a 64-gallon recycling cart and 96-gallon trash cart. First year cost would be \$159.00. Subject to final review and approval of form of agreement by City Manager's office and the City Attorney.**

Mayor Gatt asked what would happen if a resident said they do not want that large of a trash cart or any cart. Assistant City Manager, Victor Cardenas answered if they get

the information ahead of time, they will not deliver a 96 gallon cart to their house. They can have the option of having their own container which cannot be more than 35 gallons and or bags at the end of their driveway. Mayor Gatt reiterated that the residents do not have to have a 96 gallon cart, the residents can opt out before the service is started on July 1, 2016. He said he thinks this should satisfy some of the residents in certain areas of the City that wanted no cart, they can buy their own trash cart, but the price will still be \$159 dollars.

Mayor Pro Tem Staudt questioned, during the five-year term of the contract it is \$159 up to \$172? The rates each year are set, Waste Management has agreed to these terms and cannot come back and say we made a big mistake and raise the price. Mayor Pro Tem Staudt confirmed with Assistant City Manager, Victor Cardenas that the contract is a confirmed price for five-years. We have some flexibility with the Condo Associations, we also have some flexibility with homeowners who live in the lakes areas where it is difficult to maneuver in those areas and accommodate those. He noted that he believes we have probably responded to many of the primary questions that the residents had. He said we have tried to accommodate every option that residents had come up with during the last year. He understood that the Mayor said we couldn't completely deal with the issue of snow birds and we have accommodated condominium owners. He stated there are a lot of things are huge pluses and the number one thing is that we will not have to hear again, at least in the next five years from residents is the question we hear; we just moved into Novi, where do we go to get our trash picked-up? He said now we can direct them to a single source.

Mayor Gatt followed up with a question regarding choices on the cart size. Assistant City Manager, Victor Cardenas said they are currently working on an option that if residents do not want the 96 gallon cart, they might be able to turn it in for a smaller cart option. Mayor Gatt confirmed that on July 1, the residents will get a 96 gallon cart or they won't get anything. He then confirmed that in the near future, it may be possible once the hiccups subside, we will then try to get them a smaller cart if they wish.

Member Wrobel mentioned a year and a half ago this was not on Council's radar. He said he has been President of his Association for the past 8 years and he has received more calls about the trash than anything else this past year combined. He said this is an important issue within the City and that is why they decided to move forward with it. He did question the yard waste and said they are picking up from April to November approximately. He mentioned one issue they have had with Advance Disposal in their subdivision was that they had to call them up individually to have them come and pick up Christmas Trees. He confirmed that it was in the contract.

Member Mutch said regarding the recycling bin program, which was an incentive based program to encourage people to recycle and he wondered if that was included. Assistant City Manager, Victor Cardenas said we looked into it and it didn't turn out to be a robust and sustainable program after having discussions with colleagues at RRRASOC, so at his point, it will not be part of the initial program.

Member Mutch noted that in terms of the three alternatives that the City was considering, he has had some people ask him about the fact there was a lower price alternative at the presentation we had before Spring Into Novi with the Homeowners Associations. He wanted the Assistant City Manager to quickly touch on what were the key differences between the alternatives and why the city administration is recommending the one that they did.

Assistant City Manager, Victor Cardenas said the first alternative would be every resident would get 64 gallon recycling cart no matter what and then they would bring whatever container they would wanted to the curb under 35 gallons. Second alternative was to use a 96 gallon for trash and a 64 gallon for recycling and any type of trash that would have to be picked up would have to be in the 96 gallon cart because it was an automated system and you had to use the 96 gallon cart. The third alternative was the best of both worlds, you could use a cart and/or a container under 35 gallons or bags and you still had a recycling option. He felt it was the best of all worlds at a reasonable price.

Member Mutch confirmed the third option provided us the greatest flexibility and accommodated the widest range of needs and did not force everyone to use containers that are too large for their garages or get into the situation where we do not have any standardized containers. Assistant City Manager, Victor Cardenas said they heard from Homeowner Associations that they would prefer the same containers to have uniformity. Member Mutch confirmed that the recycling containers are 64 gallons. He also wanted to confirm that whatever they choose to do otherwise, in terms of the larger containers, we will have an option at one point to request a smaller trash cart. Assistant City Manager, Victor Cardenas said we will have to work that out with Waste Management, and to be fair with them so that they order the right quantity for the number of residents we have. Member Mutch confirmed if a resident would like to take advantage of that option, would they have to take the 96 gallon cart first, if you don't want one, you will get an option for a 64 gallon cart later. Member Mutch commented that in his household, there are only two people, and they only put out one bag of trash and the rest is recycled. He felt that a 96 gallon cart would be too large for him. He said a lot of residents came out to speak tonight and a lot of residents provided input. He mentioned that some had strong opinions about the City's role in trash hauling and some are happy with the services being provided with their current provider and are concerned with what this change can mean. Member Mutch said that from his perspective, all of the feedback has been very helpful and all of Council knows more about the trash hauling business than a year ago. He believed it was the feedback we received from residents that has been particularly helpful. He also said to understand all of the challenges that we are facing, the Mayor correctly stated we are not going to be able to address every situation, but what has been proposed is an attempt by the City to address as many of those varying interests as we possibly can. Member Mutch said he didn't always agree with the process we followed because he felt at times we could have gathered public input better to get to this point, but he did believe from his perspective that this is the right decision to make and it is appropriate for the City to take on this responsibility for providing city wide trash and recycling

services. He said some residents have questioned the City's role in that and under state law, the City does have the authority to enter into these kinds of contracts and under the City Charter we are responsible for regulating and managing the trash collection. He said we probably haven't been as actively involved as we should have in the past and it worked fine for a number of years and it caught up to us. He said the Mayor Pro Tem said in some neighborhoods, we had situations where we have multiple trash companies creating negative impact on city streets with the wear and tear especially on the neighborhood streets. He noted that depending on where you lived in the City you received different levels of service and that is not what we expect from a service that the City could provide. He mentioned the three things he considered with the cost, this contract should provide this service at a price that ensures that at a minimum, the majority of residents will see a cost savings from this change. He said not everyone will see a cost savings, but he does believe it will be a significant amount of residents who will see a reduction in the cost. Member Mutch said that at the same time, the contract will provide the full range of services that residents have under their current contracts and that we do full service recycling, bulk pick-up and yard waste, including Christmas Trees. He mentioned we used a competitive bidding process and we follow the same process as a homeowner or associations to follow an open and transparent competitive bidding process to ensure we are getting the best possible service at the best possible price. Member Mutch believed we accomplished all of those goals and said he would support and would approve the contract tonight. Member Mutch commented that all of the residents should have the full range of services that are under this contract which means that residents who live in condominiums should have access to recycling. There has been some discussion about some of the challenges that some of the condominiums face that they would be able to opt out of recycling. Member Mutch said the way the ordinance is written is that you do not have an option to opt out of recycling if you are not participating in the City's system you cannot make other arrangements to have your recycling picked up. He said that it is incumbent on the City to figure out what are the obstacles to providing that service and making sure we make the appropriate accommodations with the hauler to allow all residents access to that service. Member Mutch also noted besides the benefit to the environment and for all of residents who would like to recycle the City will get a certain amount of revenue based on the volume of recycled material that is collected within the City. He said that allowing organizations to opt out of that actually reduces the City's future revenue which has an impact on services to residents. He said the City can find solutions for the condominiums that will work for those condominium associations. He said he did not want to see the return to residents not getting the full range of service that they should get through this contract. Member Mutch asked that all Novi residents have patience with the City during the next few months, complain to the Council Members if you need to, we will get you directed to the right people. He also mentioned this is a huge change and it will have a big impact, we have heard that even changing the day that residents normally have their trash picked up will have an impact on their schedule. He said the City Council is committing city staff and to working with all of you to make this go as smooth as possible and he hopes that after six months to a year in the process, people will feel that we made the right decision.

Member Casey said she wanted to thank all of the residents who stuck with us during this lengthy time period as we really tried to uncover what the best opportunities were for the City. She noted when this first came out as a conversation, there was some anxiety because we were not 100% sure how the pricing would work. Over time, with your patience as we've done the due diligence to get to this point, she hoped that it pays off for the majority of the residents. Member Casey thanked the residents for their patience and all of the comments and feedback we got tonight on the trash bags and making sure the lids were closed on the containers. She also thanked Assistant City Manager Cardenas and the team he compiled of the city staff, she felt they were really listening to residents feedback in terms of all of the variety of challenges that are faced and honestly, she looks forward to being one of the first to opt out of the 96 gallon cart because it is almost as big as she is. Member Casey thanked them again for all of the work they put into this issue and hoped it was recognized by everyone as we start to roll out this process. Member Casey looked forward to supporting this motion when it comes forward.

Member Burke spoke on some issues that had been addressed earlier and he wanted to reiterate if someone doesn't want to start off with that the 96 gallon size, wondered if they would be out for the duration. Assistant City Manager, Victor Cardenas said at the roll out in a robust program, we will notify the residents as much as possible that they can opt out completely or be put on a list, so that at a later date they can get swapped out.

Member Markham thanked the Mayor and mentioned she would like to point out what she appreciated in the new proposal. She said the City will be much better served with having only one trash hauler that we the City, will be responsible for and they are answerable to us, I think that will be really good for the residents. She said she especially liked the provisions under liquidated damages section, which say there are actually financial penalties for every time they have a spill in the neighborhood. She mentioned that every time there is a spill or a late pick up there will be a financial penalty. Member Markham said she appreciated that and felt the residents would also. She mentioned the Field Supervisor that will be in the City to deal with any problems and felt that was very important. Lastly she wanted to say she appreciates that bulk items will now be included in trash removal and at least with the service she was using, it was at least \$10 dollars per item, so this is a cost savings for some. She thought in general it was better to get these items out of the houses and off the streets to someone that can dispose of this properly and she was happy about that.

**Roll call vote on CM 16-05-058**

**Yeas: Mutch, Wrobel, Gatt, Staudt,  
Burke, Casey, Markham,  
Nays: None**

4. Consideration of a request from Neptune Center for a variance from Section 11-239(b) of the Design and Construction Standards of the City Code, which requires parking areas and maneuvering lanes to be hard-surfaced and curbed,

to allow the applicant to construct a parking area that has no curb on parcel number 22-15-451-009.

David Jenks, Owner of Neptune Center properties located at 44300, 44220, and 44240 Grand River thanked Mayor Gatt and Council and said that these parcels have been recently consolidated and they are at the base of CSX Railroad Bridge. We had an eyesore building there, a house that was right on Grand River and recently demolished it. He said before they did that, they allowed a SWAT Team to conduct training exercises and he gave a letter to Deputy Clerk, Cortney Hanson from Chief Molloy who was appreciative of using that for his tactical training exercises. He said he is requesting approval for this variance to eliminate curb in the middle of their yard. He mentioned back in 2013, they worked with the City to develop the property and at that point undertook the development of the south half of the property, but not the north half. The north half still has unpaved, unimproved parking areas and the south half has complete paved parking areas. He said what they are looking for is relief from these standards. If there are parking blocks in front of each place, these lots which abut each other, that will create a tripping hazard, snow plowing would be difficult and movements of their vehicles back and forth between the said lots will create a hardship. What they are asking for is to eliminate the curb. He said that most of the interface back there does not have a curb, this was approved through Engineering. The proposed alternative which is basically eliminating 110 feet of curbing and a sidewalk doesn't materially affect the full storm water, the attached grading plan indicates that there is a high spot in that area so all of the water will run across the pavement into the storm collection facility. He said the exact same condition is now 215 feet and an additional 110 feet and that is what we are asking to eliminate. Most importantly, the discharge of storm water from their site is permitted by the State. He provided a certificate of coverage which he gave to Deputy Clerk, Cortney Hanson, and an IS 210759 allows storm water to be various things that we do to handle storm water on the site to assure that there is no sedimentation, no contamination of the adjacent lots. He said finally he would like to talk about the granting of the variances that will not be detrimental to neighbors or public health. He mentioned again the elimination of this required concrete curb and sidewalk on the north side that will in no way affect the safety or welfare or the community. The area in question is all contained in the setback requirements, the lot adjacent to is not butting any property, it is basically not visible from Grand River and it is in the middle of their yard. He said in summary he is saying that we have been a partner for the community for a long time, we have greatly enhanced the appearance of that part when you come off of the CSX Railroad Bridge, we have a nice facility there, we have made a substantial investment to do that and we are requesting a very minor variance that would alleviate some required curbing in their own backyard.

Mayor Gatt thanked Mr. Jenks and asked him to stand by to answer questions while they open this up to Council for discussion and/or a motion.

Member Mutch thanked Mayor Gatt and asked City Manager, Pete Auger who would be the most appropriate person to talk to about this issue. He said City Engineer, Rob



Hayes would be the most appropriate. Member Mutch said he was looking at the plan that had been approved and in terms of what had been approved through who he assumed was the Planning Commission. He wondered if the primary purpose of the curbing at this location was to essentially delineate these parking spots that are showing up on the plan. City Engineer, Rob Hayes responded by saying yes there was natural transition area that you mentioned so that the curb section was to separate those two areas and to also to control storm water and deposition of sediments and or pollutants. There was not enough detail on the site plan to have us to determine whether or not if there would be actual deposition of sediments or pollutants. Member Mutch said it is confusing to him, that he actually looked at the site and knows how it operates and knows why the applicant wants to have this flow of traffic from the parking area back to this main paved area, it seems like this other area would not have been curbed entirely but essentially left open the way it is to accommodate the flow of traffic. He asked was that the thought there? City Engineer, Rob Hayes confirmed that the area to the left was for access to the unpaved area and that there is no curbing at all in there even on the perimeter where Member Mutch expected to see it. Member Mutch asked Mr. Jenks what his contentions with this is that in order to use back half of the property fully, he needs to be able to essentially transverse this curbed area with vehicle traffic of whatever kind. Mr. Jenks confirmed that was the reason. Member Mutch then said what jumps out at him is the parking area and wondered how much parking area they typically need for the site. Mr. Jenks explained that they have 2 ½ acres in the back. We have a lot of different equipment that they store back there. Member Mutch was wondering about employee parking and Mr. Jenks responded by saying the employee parking was on the east side and that is all curbed and meets all the standards and they have about 60 parking spots there. Member Mutch wondered if the employees are utilizing the parking spots now or is it not generally utilized. Mr. Jenks answered that they do utilize it with company vehicles, so they are parked on either side of where the proposed curb would be. He mentioned there was a picture to show where adjacent parking would be. Member Mutch said he was open to consider this request and that this should have been sorted out before Council, he said he wasn't sure if they were best equipped to address these concerns and that it seems like in the review process, there should have been some understanding of how the site was going to be used going forward. Member Mutch said he thought Mr. Jenks was right and if he planned on utilizing the back half of the property the way he wanted to use it, it doesn't make sense to have a least this amount of curbing here. He also said that from the staff's viewpoint we don't want to have water running off either direction through the site. He asked City Engineer, Rob Hayes what kind of alternatives, and if the staff has looked at them to ensure the applicant can continue to use the back portion of his property, while trying to, in some way, accommodate what you are trying to accomplish here. City Engineer, Rob Hayes said at this point they have not looked at any alternatives because a lot of details were not in the site plan.

Member Mutch asked in terms of the variance, was it holding up anything. Mr. Jenks replied that it was holding up their certificate of occupancy. Member Mutch said they are on a time frame to get the results. Mr. Jenks said we are close and agreed with Member Mutch that this is the last thing standing. Member Mutch asked City Manager,

Pete Auger if the recommendation from staff was to deny the request. City Engineer, Rob Hayes said that was correct, according the ordinance, the City Staff doesn't have the discretionary power to make this decision, only City Council can do that. Member Mutch asked City Attorney, Tom Schultz in terms of if Council wanted to consider approving the request, would he feel that the request meets the standards outlined in the ordinance to allow us to do that. City Attorney, Tom Schultz said they helped draft the motion to approve or there is an alternative.

Member Mutch asked if he felt we were out of the realm and he said it was up the City Council. Member Mutch said he will listen to what other Members on City Council say about this and said he did not have a strong opinion on this. He said he can also see from the applicant's viewpoint that leaving the curb as it is currently planned to be constructed would make it difficult to utilize the property in the way they intend to use it.

Mayor Pro Tem Staudt thanked the Mayor said that we should never let a good ordinance stop progress.

**CM 16-05-059                      Moved by Staudt, seconded by Burke; UNANIMOUSLY CARRIED:**

**To approve a request from Neptune Center for a variance from Section 11-239(b) of the Design and Construction Standards of the City Code, which requires parking areas and maneuvering lanes to be hard-surfaced and curbed, to allow the applicant to construct a parking area that has no curb on parcel number 22-15-451-009 because the applicant has demonstrated : 1) the application of the ordinance standard on this site is infeasible or otherwise presents an exceptional difficulty, nor has it demonstrated that enforcement of the ordinance on this site would be any more difficult or impractical than it would be on any other site where the ordinance has been applied, 2) the alternative proposed by the applicant is adequate for the intended use and does not substantially deviate from the performance that would be obtained by strict enforcement of the standards, 3) the granting of the variance would not be detrimental to the public health and welfare.**

**Roll call vote on CM 16-05-059**

**Yeas: Wrobel, Gatt Staudt, Burke,  
Casey, Markham, Mutch,  
Nays: None**

5. Consideration of the request of The Ivanhoe Companies for Beacon Hill, JSP 15-08, with Zoning Map Amendment 18.710, to rezone property in Section 12, located on the northeast corner of Twelve Mile Road and Meadowbrook Road from RA (Residential Acreage) to R-4 (One-Family Residential) and B-3 (General

Business), with a Planned Rezoning Overlay (PRO), and to approve corresponding Concept Plan. The subject property is approximately 21.13 acres. The applicant is proposing a 42-unit single-family residential development with frontage on and access to Meadowbrook Road, up to 22,000 square feet of commercial space with frontage and two access drives on Twelve Mile Road, and an open space/park area at the corner of the intersection.

- 5.-A. Preliminary Site Plan
- 5.-B. Marketing Booklet/Revised Concept Plan

City Manager, Pete Auger said this project has gone through quite a few reviews; at least 6 or 7 different iterations going from 110 attached units to the 42 units. He also said in the attached book you will find more detail than you'll usually find at this stage of a project.

Mayor Gatt asked the representative if they would like to address Council .

Gary Shapiro, Ivanhoe Companies said he has been developing property for over 30 years and proud to say he has been developing in Novi for over 20 years. He said this project has been a long process, since we first earmarked this project, this site was one of the last corners and the Master Plan had not been changed since the Twelve Oaks Mall was built and M-5. He said they came a long way, at first they looked at this as a lifestyle center with retail on the corner. He said the results we have today is a collaborative effort and he thanked the Planning Staff, Master Plan Committee. They worked endlessly with Tollgate Farms in particular to put in a 50 foot corridor for 1400 feet along Meadowbrook Road and a 50 foot buffer all along Twelve Mile Road. He said from going from where they started to where we are now, he said he is quite proud. Forty-two percent of the site is open and almost a third of it is going to be parkland. He said they are donating it and he said he is pleased to do it. On the corner of one of our last intersections coming on an easterly direction to Novi, we are going to have a passive park, we have worked extensively with the Parks and Recreation Department, Planning Department and Clear Zoning. He said they are very excited about what they have here and if there were any questions, they have a power point with illustrations.

Brad Strader, from MKSD Studios said he has worked with Mr. Shapiro on different projects for 18 years, although he said he is primarily a community planner. He said Mr. Shapiro has done a lot of work and award winning projects. He displayed some of the illustrations that we have used with the Planning Commission, the Sub-Committee and with Tollgate Farms. He said we have a City Park and trail and 42 percent of the property has open space and we have worked hard at having a 50 foot landscape greenbelt from Meadowbrook and also on the north property line and also along Twelve Mile. He said it is a single-family neighborhood. He said they have really listened to the community and have looked at our plans, listened to the Planning Commission and also looked at Walkable Novi Plans, so we have a very walkable development with

sidewalks and pathways, also adding to the Trailhead Connection. He said they looked at this project and the changing characteristics that we are all familiar with. He said that the Master Plan is being amended after M-5 went in and the reconstruction of Twelve Mile and the Boulevard a lot of more intense development to the south of us, we have low density residential to the north of us. We are that transitional piece; we have the beautiful Tollgate Farms to the west. He said they really looked at a lot of different alternatives, there was a real market as there is always in Novi for more commercial or a lifestyle center, something that is more intense development that Mr. Shapiro had mentioned which would have added a lot more traffic which would be compatible to the south, but not compatible with what is to the north. He said they changed directions and looked at different types of residential, different types of attached residential, townhouses and apartments and so forth. He said they came up with an alternative with 54-single family homes with some commercial on the Twelve Mile frontage. He said what they heard from staff reviews and meetings with our consultants was that they had to reduce the density, bigger lots were needed and do more open space to preserve the woodlands and wetlands and reconsider. They said the layout was ok, but they had to reconsider so they made changes to it and came back, had a Public Hearing with the Planning Commission and we heard it was much better, but the density was still too high and we needed a deeper buffer to the north, deeper buffer to the west at Tollgate Farms. He said on those plans there were 6 lots that had a rear end facing Tollgate Farms. He said Tollgate Farms did not want to see the rear of homes, they wanted us to have tuck it back in the development and have more open space adjacent to the lots in the development and have more amenities for the parkland that we were providing. He said the plan they came up with has a deep 50 foot buffer along Meadowbrook, deep buffer along the north, with a buffer along the east, we have 5 1/2 acres of parkland or open space including 3.2 acres at the prime corner that would be donated to the City and have amenities such as seed it, grade it, put in parking, put in a bench and so forth. He said we also have greenbelt along the commercial frontage. He said they made a lot of changes and progress to the plan based on comments from the Planning Commission Staff, the Planning Commission encouraged us to meet with Tollgate Farms and we met with them three times. He said this is a list of the key changes to the plan that we presented to the Planning Commission and he could cover that in more detail if needed. He said they have 42-single family homes, we have neighborhood and commercial, with up to 22,000 square feet. He said this was a concept of what the design would be, but they would come back with a final site plan to work out the details of the elevations once they have their tenants committed. He said they have done a traffic impact evaluation that shows us the Level Service at Twelve Mile and Meadowbrook would remain Level Service C, we are only adding about 1 1/2 seconds of delay at that intersection, so while a lot of the development traffic the traffic is a big issue, are scaled back, development has a very modest impacts in terms of traffic. He said this is a concept where it really pops off the open space, you can see it is scattered throughout and we also added on a center open space in the middle of the subdivision this is how 39 of the 42 homes adjoin the open space. He said they have a beautiful corridor between the commercial and the residential that includes a wetland restoration, changing the culvert and making it more of a natural stream. He said they have been

working with the DEQ and they said this is an exemplary project and will be much in terms as far as the habitat and eco system when we are done. He said one of the things they had met with Tollgate Farms, and in the visual information they supplied Council showed the landscape plan along Meadowbrook to meet the City's standards with regimented street trees and so forth with formal plantings. They wanted us to compliment the natural appearance across the street and the visual plans they supplied to Council showed a revised more natural landscape plan. In that plan which involves the deviation we are seeking, is to have a more immediate impact visually and to make it look more natural we are going to bury the tree sizes, rather than 7 foot high evergreens we will have some that are 10 foot high, so we are varying the heights of plant materials so it would be more natural more quickly. He said they also tucked their entrance back and this is a feature of the design we think that does a nice job of complimenting Tollgate Farms to the west. He mentioned the park, the 3.2 acres at the corner with amenities there and it ties into the wetland restoration and habitat restoration with the creek and wetland area. He said they are only impacting about 13 percent of the wetland and the wetland area will be a much better quality of wetland when they are through with it. He referred to a visual plan of the wetland enhancement materials they were providing Council in the packet they were provided working with the DEQ. He said in conclusion this is their phasing plan, the Planning Commission with a lot of work of our staff and consultants, the Planning Commission unanimously recommended approval including their request for deviations. He said they did ask for one additional deviation that we restricted the commercial uses that could go into the commercial center so we are requesting B-3 Zoning, by restricting some of the more intense uses. He said they also asked that they add to that, no Vapor Shops so we agreed to add that at the Planning Commission to add that to the list of restricted uses. He said this would all be wrapped up in terms of illustrations and words to work with City Attorney, Tom Schultz to be put into our PRO Agreement.

Mayor Gatt thanked them for their outstanding presentation and opened it up to Council for a discussion and/or a motion.

Member Mutch thanked the Mayor and asked Mr. Shapiro who owns the property under consideration. Mr. Shapiro said he has it under option which he said he plans on acquiring from Shaarey Zedek. He said they have a beautiful three-story Synagogue on I-96 and they planned on doing a replica of that, but now they want to put it on the market and he acquired it. Mr. Shapiro said it is under contract from them. Member Mutch said they originally had the property and intended to build a Temple and they decided to not move forward. Mr. Shapiro said they had reached out to developers primarily they wanted to do a commercial center there. Mr. Shapiro said that wasn't for him and he wanted to work with the community and bring this to fruition. He said they are trying to monetize like everyone else, the best of their ability because the religious facility is shrinking, not expanding. Member Mutch said obviously with this conversion of this property if this is approved, the value of the property will go up significantly. Mr. Shapiro said he wasn't sure about that, they had inquiries from Churches, Mosques, and everything else. Member Mutch noted that Mr. Shapiro had an option on this and wondered if he intended to be the developer of this property.

Mr. Shapiro said he is the developer and we did the PRO, his company over a period of 30 years has built and developed over 10,000 units and all over the communities in Metro Detroit. He said either way they will develop it and build it or we will develop it under strict watch under the PRO Agreement. He said for instance if they promised it will be in writing what the tree replacement will be, what the entrance will look like, or what the elevations will look like, we don't always build them, but we are different, we are pure developers. Mr. Shapiro said if he puts a name on it, he puts his name on it and put it on a contract and bring it to fruition. He said they do not always do the actual construction. Member Mutch brought this up was because the last time Mr. Shapiro was in was because of Berkshire Pointe development on Wixom Road south of Grand River. Member Mutch said he sold that project on the fact that his reputation in the community is long standing and obviously well learned and ended up flipping that over to Pulte and they ended up developing it and he said he had concerns about that project. Member Mutch said one of the elements of that project he did like was the renderings for the housing facades and what ended up being built by Pulte he said this may sound harsh, but frankly he felt they were some of the ugliest home designs he has seen. Member Mutch added that Pulte come in on another project in the City and tell us that not only were they going to do a similar product, but they were going to use the exact same home designs that they used in Berkshire Pointe, so now they are going to have the exact same house designs in two different subdivisions. He said he was not happy about hearing that. He agreed that Mr. Shapiro had some very nice renderings in the packet, but if this goes over to Pulte and we get Phase III of "cookie cutter" house designs, he didn't think that would reflect well on the process and he was just putting that out there. Mr. Shapiro said it was very important for him that it was the first time and he has sold to Pulte for 30 years and he sometimes builds a portion and sells the others, he has sold to Toll and also sold to different people. He said he is different than other developers when we do show the scheme of the elevations. He said the elevations were mirrored from what was approved in the PRO Agreement. He also mentioned he respects Member Mutch's opinion, it is what it is. He said right now we are at a threshold in the community; we just got out of the "Great Tsunami", a residential depression unprecedented since the Great Depression. Mr Shapiro said we needed smaller lots. He said he does not love smaller lots, he likes bigger lots, but everyone can't afford a million dollar house. He said every tree, every entranceway and the elevation mirrored it. The elevation mirrored it, it may not have looked exactly like we envisioned, but it was close. Member Mutch said whatever his issue is with the size of the lots, the point he made was that what he presented to Council and what Council approved, the renderings and the houses that were built were not the same. Member Mutch said he put this on the table because it is a concern of his and now that Pulte is going to recycle that product in the community he would like to see a commitment that if we approve this, we will not see Phase III of Pulte's product being recycled. Mr. Shapiro said it would be something different, but he could not promise Member Mutch today what it will be. Mr. Shapiro said he is trying to build a house in Novi in the \$400,000 dollar range and he is having a hard time doing it. Those elevations were mirrored but they were not exact, there is not much you can do when you have a small house. Mr. Shapiro said someone liked them, they sold 60 homes. Member Mutch agreed they are buying them, they are not that concerned about how

they appear. He said he is complimenting Mr. Shapiro and what he is presenting in this package in terms of the renderings, and thought they were attractive they fit well for a house that size. Member Mutch said that there was a request from Clear Zoning to do some Master Plan review of this corner and he said at that time, about this particular project, was that he did not want commercial development on Twelve Mile Road. He said one of the things reviewing this with the development process is, they are recommending commercial development. Member Mutch asked City Planner, Barb McBeth if the Master Plan has any recommendations for commercial at this location. City Planner, Barb McBeth said currently the Master Plan does not have any recommendations for commercial, the current Master Plan recommends large lot residential. She said we do have an update that is currently underway which there are some modifications to the current version. Member Mutch asked if the draft plan shows commercial at this location and she responded that it did not. Member Mutch said looking at this piece of property, it is obvious there is a half mile stretch between Meadowbrook Road and M-5 where we have these large, mostly vacant, large lots zoned residential. Member Mutch wondered what makes these lots different than those properties. City Planner, Barb McBeth said they took a look at the entire area and partly with the exhibits shown from the developer, we have seen a plan to the east a couple of times, but nothing officially submitted for a Community Center and Church. For several of those large lots, and also one or two of those lots to the east that remain. Member Mutch said he has some concern that if we allow commercial on this piece and let's say the Church property next door, they also want to sell it as this is being proposed here and then we get this march to M-5 with everyone wanting to do commercial development. He wondered what the position of the City would be to say no to those requests where we said yes to the other. City Planner, Barb McBeth said we need to take a look at these on an individual basis so as the plan comes in; we need to take a look at it and see if we can do what's proposed. Member Mutch asked if the Master Plan is not allowing it but we are allowing it here, what is the legal justification for saying no to anyone else? City Planner, Barb McBeth said this is coming in as a unique project, a Planned Rezoning Overlay and coming in at the same time we are looking at the Master Plan review and update. She said with those things done together, the next round, we can take a look at an individual basis. Member Mutch said the problem he has was there was nothing that differentiates this property from any other property along this stretch and he felt we would get into a situation with a domino effect once we go from the door of one, we have the potential for requests of commercial development along this corridor. He wondered if Planning Staff has looked at any other uses for this corner, such as office, which may be more appropriate than commercial. City Planner, Bard McBeth said they have looked at other residential, but not office for that corner. Member Mutch said he thought we allowed for office on Twelve Mile and those are compatible and appropriate. He mentioned he did think we need commercial in terms of development. He wondered what were the terms of the woodlands on site and if they would be removed. She said they have the Environmental Consultants on site and they would be able to answer that question. Pete Hill, ETC answered the question saying 460 of 577 trees or approximately 80 percent of the regulated woodlands will be removed and the applicants propose to replace all that on site. Pete Hill, ETC said the number was actually 402 out of 460 or

approximately 87 percent of regulated trees will be affected. Member Mutch said that tells the story on environmental issues. Member Mutch asked City Planner, Barb McBeth if this is a walkable development and she responded saying that it did have a number of walkable elements. She said they have the number of sidewalks we would expect on the proposed streets and the residential component and it does have a connection from the residential component across the creek and over to the commercial development. She said it also has the form of a trailhead at the corner of Meadowbrook and Twelve Mile Road with a proposal to add six parking spaces and a bike rack and bench and whatever else the City would like to install at that location. Member Mutch wondered what percentage of users of the commercial development would we expect to arrive there by foot or by bike. City Planner, Barb McBeth said that was hard to say and partly why they requested that the additional parking spaces be installed by the developer when the second phase, the commercial development comes in. She said they thought some of the people who visit the commercial component might come on a bike or by foot, but there would be other people who would want to use the facilities that the City has provided along Meadowbrook and Twelve Mile Road. Member Mutch asked why the people would come to the commercial center. City Planner, Barb McBeth said it would be convenience commercial primarily, mostly drive by. Member Mutch confirmed with City Planner, Barb McBeth that the trail was a gravel trail in between the commercial and the residential. Mr. Shapiro said the gravel trails go to the retention basin. Mr. Shapiro used a visual display for Council to show them that there was a concrete sidewalk going to the commercial center. He asked City Planner, Bard McBeth about City Council requesting active park areas in residential and he did see this in this development. She said primarily the intent was to try to preserve some buffers around the edge and try to keep the development somewhat self-contained within these natural buffers, the active recreation portion might be considered the part near the corner that has the trailhead. Member Mutch said that Mr. Shapiro said the justification for the smaller lot development in the City meets a housing need in Novi. He wondered what the housing type was that he was meeting. City Planner, Barb McBeth said it is for the smaller lots, people are not as interested in maintaining a large lot, they are looking for new housing, we can tell that Mr. Shapiro said they are selling quickly in Berkshire Pointe. Member Mutch wondered how we quantified that need, how many more of these size lot developments do we see going forward. She said the Master Plan for Land Use is missing the middle housing that Novi may not have at this point. This kind of development may fit into that category of some new housing, smaller lots. It will be interesting to see that some of the areas near Walled Lake, the older part of property near Walled Lake might be appropriate for some mixed use kind of housing. She said some other areas that might be smaller lots might be smaller lot housing. Member Mutch wondered if the staff knew what the need would be for this type of housing. He was looking at the Master Plan Update and he didn't see anything that identifies other than the Grand River Corridor appropriate locations for this kind of development. She said we can continue to look for that in the Master Plan Update, it wasn't something we specifically said that we picked out specific spots. She said the Grand River Corridor didn't undergo a lot of study during the review and we are expecting some mixed use housing there and maybe smaller units, not exactly like this, but some more of that



missing middle type housing. Member Mutch said the frustration he has is that we keep getting these projects coming in and noted a few such as Andelina Ridge, Berkshire Pointe, Dixon Meadows, Oberlin and these were all smaller than R-4 sized lots, that was over 400 units. He said in the last 10 years we have had Tollgate Woods, Knightsbridge, Liberty Park and these are another 700 units, so over 1000 units that are this size are for smaller lots and yet, what is the expected demand and where are the appropriate locations for these. He said we go through this process where developers say we want to build homes on 5000 square foot lots and wherever they show up and decide that is a good location, we have planning staff saying we really need more of this. He said he is frustrated that planning staff cannot tell him what the demand is for this type of housing or where it should go on the Master Plan. He also said we had a discussion about putting in commercial at Thirteen Mile and Novi Road. Planning Department had a market analysis done that said we can only support 20 or 25 thousand square feet of community commercial in that area, that has literally has thousands of households within walking distance to that location. He noted that here we are talking about an equal amount of community commercial at a location that is really not within walking distance of anything other than these homes that are going to be built. He said it didn't make sense to him and thinks we disregard the Master Plan when it is suitable. He said that the parkland donation appreciates this is a key component of this development, but the City is getting all of the undevelopable property, that will be the responsibility of the City to maintain, and we get a small little upland area for a trailhead that doesn't connect to a trail. He said he doesn't know why we as a City are taking on responsibility other than the corner piece of the property. He said if it were usable he could understand it.

Mayor Pro Tem Staudt wondered why we are taking on this park. He wondered why we don't let the developer continue through his commons association take on that responsibility and said he didn't see any value in this. City Manager, Pete Auger said through our Park Master Plan, when we looked at the City in our planning documents, it did say this area in the City is without a public park and an area to be looked at for a small public park. He said it also does connect to trails and we spent some money and grant money and won an award for the connector trail that goes over Meadowbrook Road to connect non-motorized routes and trail ways and it will be a passive park where there will be little or no maintenance on it. The only spot that will not be planned is passive right now in the parking area that will be built by the developer and the bike racks; it will be a turn-key operation. He also said it will be improved wetlands with several pipe drainage systems that just pour into this area now that the developer will turn into a more eco system than what currently exists. Mayor Pro Tem Staudt said his consideration is that this is waste parkland and this is the only part he doesn't like, he said he liked the development, but taking on this responsibility of this park and providing at any level of maintenance is an issue to him. Mr. Shapiro said he is open to anything in a collaborative fashion and he wanted to clarify that 2 ½ acres are upland, it could have commercial on it, the balance of it is wetlands and they have worked with Park and Recreation and this fill the criteria of a trailhead. Take the upland and plant wildflowers, put up a bike rack and put the parking spaces and that the City wanted it. He said if we don't want it, that would be fine. Mayor Pro Tem Staudt asked if it was

going to be a 10 foot pathway, that we are expecting for a trailhead. Mr. Shapiro said the trailhead we looked at the Walkable Novi had a hole where they wanted a park, and the word trailhead is a loose word. The idea is that with all of the paths along the frontage, this is a passive place for the residents to pass through and sit on the bench or for people to park to go to the niche commercial, like a coffee shop. Mr. Shapiro said he thinks this is a tremendous asset. Mayor Pro Tem Staudt spoke with Director of Parks and Recreation, Jeff Muck and he said the idea was to make a place where people could stop and go to the niche commercial. Mayor Pro Tem Staudt said he was one of the founders of the Walkable Committee and his understanding was that they were looking at 10 foot pathways, and wondered what is coming with this development. Parks and Recreation Director, Jeff Muck said it was planned to be a connector so people can jump on a bike and hit the M-5 pathway, as Mr. Shapiro said that trailhead might be a bit of a misnomer. He said he felt they encapsulated more of a low maintenance plan, more passive area with some potential for the water down the lines. Mayor Pro Tem Staudt asked what happened with the 10 foot pathways that we developed through the Walkable Novi Committee and wondered if that was being disregarded at this point. City Planner, Barb McBeth said the 8 foot pathway is on the opposite side of Meadowbrook and this would be the 6 foot wide sidewalk on this side of Meadowbrook. Mayor Pro Tem Staudt said if he went back and looked at the Walkable Novi plan, there was never a discussion at the time when we developed the Walkable Novi plan that this was going to be a more robust pathway on this side of the street. City Planner, Barb McBeth said he may be correct and they would certainly go back and check that and if it is something you would like us to talk to the developer about and include a wider path on this side; that could be something we could discuss.

**CM 16-05-060            Moved by Staudt, seconded by Burke; UNANIMOUSLY CARRIED:**

**To approve tentative indication that City Council may approve the request of The Ivanhoe Companies for Beacon Hill, JSP 15-08, with Zoning Map Amendment 18.710, to rezone property in Section 12, located on the northeast corner of Twelve Mile Road and Meadowbrook Road from RA [Residential Acreage] to R-4 (One-Family Residential) and B-3 (General Business), with a Planned Rezoning Overlay (PRO), and to approve corresponding Concept Plan, and direction to the City Attorney to prepare a proposed PRO Agreement with the following ordinance deviations:**

- a. Reduction in the required minimum lot size and minimum lot width for one family detached dwellings reviewed against R-4 Zoning standards to allow for smaller lots (1 0,000 square feet and 80 feet required, 6,000 square feet and 50 feet provided);**
- b. Reduction in minimum front yard setback for one-family detached dwellings reviewed against R-4 Zoning standards (30 feet required, 20 feet provided);**
- c. Reduction in minimum side yard setback and aggregate side yard setback for one-family detached dwellings reviewed**

- against R-4 Zoning standards( 10 feet with 25 feet aggregate required, 7.5 feet with 15 feet aggregate provided);
- d. Reduction in minimum rear yard setback for one-family detached dwellings reviewed against R-4 Zoning standards (35 feet required, 30 feet provided);
  - e. Deviation of ordinance standards to allow proposed upsizing of Woodland Replacement Trees (evergreens) throughout the site in an amount not to exceed 33 percent of the evergreen trees provided ( 102 on the concept plan), as recommended in the Landscape Review letter, and based on the standards of the Landscape Design Manual, which does not allow additional credit for upsizing of Woodland Replacement Trees;
  - f. Deviation from landscaping ordinance standards for the following areas due to the proposed heavily landscaped design, and the proposed improvements to the pond and wetlands:
    - i. Deviation for the required landscape berm, and the required trees and sub canopy trees to be planted on the berm, along the residential frontage of Meadowbrook Road due to the existing wetlands and heavy vegetation in this area;
    - ii. Deviation for the required greenbelt landscaping south of the residential area (approximately 540 feet) due to the existing wetlands, and other heavy plantings proposed for this location; and
    - iii. Deviation from the required greenbelt landscaping along the western 235 feet of the Twelve Mile Road frontage due to the existing wetlands and other heavy plantings proposed for this location; and
  - g. Design and Construction Standards (DCS) Waiver for the lack of paved eyebrows within the residential development.

**The following conditions shall be requirements of the Planned Rezoning Overlay Agreement:**

- a. Applicant's offer to dedicate 3.28 acres to the City for the establishment of a public park with the following improvements made by the developer:
  - i. Mass and fine grading of 5.63 acres, including topography enhancement, wetland and woodland replacement plantings, and seeding on upland park.
  - ii. Augmenting the creek, removal of damaged culverts, and realignment of creek.
  - iii. Creation of a weir system to effectuate a waterfall/spillway to be viewed from the bank of the park.
  - iv. Enhanced design for landscaped retention ponds.
  - v. Habitat restoration.
  - vi. Installation of wetland enhancement plantings.

- vii. Applicant to construct six parking spaces, a bench, and bike racks.**
- b. A minimum of 42% or 8.8 acres of open space as shown on the Concept Plan.**
- c. Limiting the number of dwelling units to 42, in accordance with the Concept Plan.**
- d. Limiting the commercial square footage to 22,000 square feet or less.**
- e. A maximum of two drive-through establishments in the commercial area. The applicant offers to exclude many of the more intense uses permitted in the B-3 District including fast food restaurants, fueling stations, produce sales, day care centers, business schools and colleges, private clubs, motels, veterinary hospitals and clinics, auto washes, bus passenger stations, new and used car salesrooms, tattoo parlors, outdoor space for automobile sales, and automobile service centers.**
- f. Preservation of a 10 foot wide wooded buffer along the east property line, and a minimum of a 50 foot wide buffer along Meadowbrook Road, as shown on the proposed Concept Plan.**
- g. At the time of Preliminary Site Plan Review, the Landscaping and Facade plans for the commercial phase shall meet minimum Zoning Ordinance standards.**
- h. Woodland Replacement Trees shall not be used in place of the required Street trees along Meadowbrook and Twelve Mile Roads, per the recommendations of the Landscape Review Letter, with modifications to be shown on subsequent submittals.**
- i. Applicant complying with the conditions listed in the staff and consultant review letters.**

**This motion is made for the following reasons:**

- a. The proposed density shown on the PRO Concept Plan is generally compatible with the existing uses on the adjacent and surrounding parcels, as indicated by the proposed density recommendation in the draft revised Master Plan for Land Use applicable to this property.**
- b. The proposed development is consistent with several objectives of the Master Plan for Land Use, as detailed in the Planning Review Letter.**
- c. While the proposal calls for a significant departure from the vision of the 2010 Master Plan, which is to provide for a maximum of 0.8 dwelling units to the acre north of Twelve Mile Road, both east and west of Meadowbrook road, the submitted PRO Concept Plan displays sensitivity to the adjacent large lot RA properties in the area through the use of buffering along the edges of the site, including preservation of existing vegetation and represents a reasonable alternative to the existing Master Plan as indicated by the draft revised Master Plan.**

- d. The proposed Concept Plan shows the preservation and enhancement of wetlands on the site.
- e. The applicant has worked cooperatively with the Tollgate Education Center to create landscaping along Meadowbrook Road that presents a more natural look that blends well with the Tollgate frontage.
- f. The site will be adequately served by public utilities.
- g. The Traffic Impact Statement that was submitted with the rezoning request was found to be acceptable and the Level of Service (LOS) at study intersections is expected to remain at acceptable levels.
- h. Submittal of a Concept Plan, and any resulting PRO Agreement, provides assurances to the Planning Commission and to the City Council of the manner in which the property will be developed.

**With the amendment that staff discuss the additional size sidewalk or pathway consistent with the Walkable Novi Plan.**

Member Mutch said he would support the motion out of respect for Mayor Pro Tem Staudt because he had addressed an issue that needed to be addressed. He said when the City received the Grant for the extension of the pathway along Meadowbrook Road, north to Twelve Mile Road; we made representations to MDOT that we would continue that pathway, north to Thirteen Mile to create a true trail between the two MDOT pathways along M-5 and I-275.

**Roll call vote on CM 16-05-060    Yeas: Gatt, Staudt, Burke, Casey, Markham, Mutch, Wrobel  
Nays: None**

- 6. Approval for Material Recovery Facility Services Agreement between the City of Novi and the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC), for the delivery of all recyclable materials collected by the City to RRRASOC's facility of which the City will receive a portion of the revenue based upon its contribution in exchange for a small membership fee.

**CM 16-05-061            Moved by Staudt, seconded by Wrobel; UNANIMOUSLY CARRIED:**

**To approve the Material Recovery Facility Services Agreement between the City of Novi and the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC), for the delivery of all recyclable materials collected by the City to RRRASOC's facility of which the City will receive a portion of the revenue based upon its contribution in exchange for a small membership fee.**

Member Mutch confirmed with RRRASOC representative, Mike Csapo that this will be an administrative fee and that we are already members of RRRASOC. Mr. Csapo said this is an additional administrative fee to cover their operating costs as well as well as any capital repairs that might be necessary. Mr. Csapo said that in exchange for that, our contractor doesn't incur any costs into the contract for the processing and they guarantee that the material goes through the facility engaged in the best practices. He also said when there is revenue available from the material that is sold to that facility; the City would get a prorated portion of that.

**Roll call vote on CM 16-05-061    Yeas: Staudt, Burke, Casey, Markham, Mutch,  
Wrobel, Gatt  
Nays: None**

7.     Approval of resolution to authorize Budget Amendment #2016-3.

**CM 16-05-062            Moved by Burke, seconded by Wrobel; MOITION CARRIED: 6-1**

**To approve the resolution to authorize Budget Amendment  
#2016-3.**

**Roll call vote on CM 16-05-062            Yeas: Burke, Casey, Markham, Wrobel  
Gatt, Staudt  
Nays: Mutch**

**AUDIENCE COMMENT – None**

**COMMITTEE REPORTS - None**

**MAYOR AND COUNCIL ISSUES - None**

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

**ADJOURNMENT** – There being no further business to come before Council, the meeting was adjourned at 10:25 P.M.

\_\_\_\_\_  
Cortney Hanson, Deputy City Clerk

\_\_\_\_\_  
Robert J. Gatt, Mayor

\_\_\_\_\_  
Transcribed by Deborah S. Aubry

Date approved June 6, 2016