

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, OCTOBER 28, 2024, AT 7:00 P.M.**

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

PLEDGE OF ALLEGIANCE

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

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

APPROVAL OF AGENDA:

CM 24-10-136 Moved by Casey, seconded by Thomas; MOTION CARRIED: 7-0

To approve the agenda as presented.

Roll call vote on CM 24-10-136 **Yeas: Casey, Gurumurthy, Heintz, Smith, Staudt, Thomas, Fischer**
Nays: None

PUBLIC HEARINGS:

1. Consideration of the extension of a Commercial Rehabilitation Exemption Certificate for Sakura Novi LLC - a Michigan Limited Liability Company and Sakura Novi Residential LLC – a Michigan Limited Liability Company

No public comment.

PRESENTATIONS:

Road Program Construction Coordination - Jeff Herczeg, Director of Public Works – The agencies that are operating in Novi are Novi City staff & consultants, Road Commission for Oakland County (RCOC) and Michigan Department of Transportation Oakland TSC (MDOT). RCOC’s jurisdiction resided over all even mile roads, border roads, Novi south of 12 Mile and Grand River. The MDOT jurisdiction is 96, 696, M5, 275 et cetera. All the projects going on the rest of the major roads are under Novi’s jurisdiction except for the piece call the Forest District in Wayne County who is responsible for Eight Mile Road from Center to Haggerty. City staff attends coordination meetings with RCOC (biennial), MDOT (spring and fall) and with the Oakland County Federal Aid Committee (quarterly). They meet with the RCOC to discuss priorities, current projects, projects in the queue, et cetera. Meetings with MDOT, they discuss projects that directly impart the community like the Flex Route on 96. The most germane to Novi is the Oakland County Federal Aid Committee. That is the City Village Townships of Oakland County Committee where basically the federal funding is funneled down from. There’s a pot of federal money that comes down to that committee where there’s about \$7 or \$8 million left over that communities vie for in a diplomatic process. He represents Novi as one of the seven large communities. Why is that important? That’s where the money comes down from and how it’s managed.

What they'll do is put in a project that they think will score high enough for the committee to consider. They'll get funded and then look at the scope and sometimes that will get expanded because now the funding has been leveraged. It does require fiscal year obligation which is why RCOC or MDOT may have overlapping projects in the queue. Not all projects start when they're supposed to, that has caused more overlap as well. Adding all the projects that are going on means resources and labor are stretched. It means prices go up. While a lot of projects are being built, the profit margins for most contractors are not great. There's always a way to find money to do projects. We'll see projects continue to happen whether it's from the state or federal level but to a lesser degree over the next few years. There are other agencies involved like the Water Resources Commission (WRC) and the Great Lakes Water Authority (GLWA). The GLWA Project 54 that was just completed took a year later to complete. They were able to fund that project. The WRC has a project in the queue for its interceptor project. It's a complete rehabilitation of the entire pipeline that runs north to south. Mr. Herczeg continued to say that he doesn't think we'll see generational spending again. They were able to access the FAC funding over a three-to-four-year period and will probably use it again in the future. Not all roads are eligible for the FAC funding. By the time we're done by '26 with a lot of this big work, it's going to vastly improve the major road network. A slideshow was presented to show the collaborative and federal funded major road projects from 2022 – 2026. The good news is we're going to get the major road network in good shape. Hopefully this clears up some confusion and at the end of the day, he thinks Novi is in a good position for the future.

The Mayor said he knows that Mr. Herczeg's team get a lot of the brunt regarding road projects and so do City Council members, which is why he asked Mr. Herczeg to put together this presentation. There are many agencies and the big question he gets asked is why the projects aren't coordinated. He thinks the slideshow presentation shows the number of projects in the last two years and all the coordination in the world wouldn't allow that amount of money to be spent in any better way than it was. He gives credit to Mr. Herczeg's team and said they did an amazing job with Wixom Road done under budget and in advance of when it was supposed to be done, which allowed Beck Road to get done. They had discussion on Nine Mile and pushing that to next year. A lot of projects that we have under control, he acknowledged that Mr. Herczeg's team is making sure that those are coordinated, and everyone has given feedback as well and said to continue that good effort. The Mayor concluded by saying that he appreciates the presentation.

Member Staudt said there's a few specific projects they're interested in. First is the remaining portion of Beck Road. He asked Mr. Herczeg if it's his opinion that staff has a full understanding of what Council's intentions are relative to whether it's a boulevard, a three lane or whatever so that as federal funding becomes available, they know exactly what we want before we go and get it. Mr. Herczeg responded that they've bought themselves some time with the preservation overlay rights, so they don't need to react quickly to anything. They haven't been successful, other than the segment from Grand River to Eleven Mile, to get funded at all. And we're still in the EA process which is taking longer than we thought. We had decided to separate from Northville and then we were in

the middle of the EA process and there were new regulations so we're trying to get that to the finish line to get access to funding that we have obligated after that, we're waiting for the next move. They can continue to look for funding or see if it's a good candidate for FAC funding. Right now, we're currently in a holding pattern. We'll bring the EA to the finish line, access the funding for the segment that we have funding. That configuration already exists and may include a roundabout at Eleven Mile and after that is another conversation we have. Once the region's done, we look at things past covid life. We've been existing in the construction that we have versus what we had prior. Member Staudt said it's Council's responsibility to give clear direction. He also wanted to know what's the schedule is to get Twelve Mile, between Novi Road and Beck, done. Mr. Herczeg responded that the RCOC moved that funding to fiscal year 2027 so don't expect to see any construction happening in 2027 and that'll be a two-year construction. They had some pay forward advanced construction funds that they've been able to shift that responsibility and we're going to owe less pay forward and there's more federal funding going to the project. There's a lot of issues with a lot of agencies including the railroad and there's some water main to be moved and poor soil. It's a big design effort and construction will likely not start until '27. A stretch of Twelve Mile from Novi to Haggarty, which we have a small share of, was moved up by RCOC from '27 to '26. It will be under construction in '26 and then it'll be followed up with the rest of Twelve Mile in '27. Finally, he did get a memo from the Road Commission with pricing options for Napier and Nine Mile. We definitely want to talk about that at budget time. Member Staudt stated this was a good presentation because residents don't understand that this isn't all our decisions.

CITY MANAGER REPORT: None

ATTORNEY REPORT: None

AUDIENCE COMMENTS:

Michael Zimmerman, property owner and manager of Fountain Walk, came to address a couple of issues regarding the rezoning of this property. First, are the restrictions. These are part of every retail lease. It is in every major retail development and leasing project. This goes back to the developer and every property owner in between has had to sign these in order to get these tenants. The second issue is the benefit that it's going to provide for the center. He's spoken to most of his tenants and they're all excited about it, anything that draws traffic and isn't competing against each other. This will bring thousands of people that haven't been there in a long time. That's one of the reasons we really want this use there.

Mary Letterman, the onsite manager for Fountain Walk, has spoken to the tenants and she has 14 letters that show support for the car wash.

Bruce Milan, Chairman of the Board for Jax Kar Wash, said it's been a family business since 1953. Mr. Milan spoke about the technology the business uses. Business is 80% reoccurring due to their subscription plan. Customers continually come to the property

which adds a synergy to Fountian Walk. This is why we want to be here; it fits into their business model.

Todd Gesund, Vice President and Director of Expansion at Jax Kar Wash came to talk about what technology Jax uses for sustainability. He also spoke about public benefit and per Council comments, they will add two patios with benches and covered awnings. They also created access to the property from the Twelve Mile Road sidewalk that will lead directly to their building. Also, to the public benefit, they will add two stone retaining walls that can have signage along Cabaret Drive.

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 24-10-137 Moved by Smith, seconded by Gurumurthy; MOTION CARRIED: 7-0

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
October 14, 2024 - Regular Meeting
- B. Consideration of request for Fireworks Permit by Jason Trudeau to be operated by Gen-X Pyrotechnics, on either Friday, November 1st or Saturday, November 2nd on the campus of Catholic Central High School. **REMOVED**
- C. Enter Executive Session immediately following the regular meeting of October 28, 2024, in the Council Annex for confidential communication from the City Attorney.
- D. Approval of claims and warrants – Warrant 1166

Roll call vote on CM 24-10-137

**Yeas: Gurumurthy, Heintz, Smith, Staudt,
Thomas, Fischer, Casey
Nays: None**

MATTERS FOR COUNCIL ACTION:

1. Approval of Resolution to authorize Budget Amendment #2025-2

City Manager Cardenas stated that this is the second amendment for this fiscal year. There are no changes to the fund balance for the road or general funds but noted that the motion sheet incorrectly said that the Parks fund was decreasing the fund balance by \$7,000 but is actually decreasing by \$22,000 to meet pension liability. It is correct in the resolution. Additionally, the approved pathway, to the tune of \$113,000, is included in this budget amendment under the Municipal Street Fund.

CM 24-10-138 Moved by Thomas, seconded by Smith: MOTION CARRIED: 7-0

Approval of Resolution to authorize Budget Amendment #2025-2

Roll call vote on CM 24-10-138

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

Nays: None

2. Deny request by Jax Kar Wash, to rezone property at the southeast corner of Twelve Mile Road and Cabaret Drive to General Business with a Planned Rezoning Overlay.

The City Manager said this matter was discussed at the last Council meeting where there was a motion to approve that didn't get enough votes to pass and there was no counter motion to deny. The matter was postponed to this meeting with the indication that a motion to deny will be prepared.

David Landry, on behalf of Jax Kar Wash, was present to address the reasons to deny. The first is the utility easement on the property is a reason for its limited use. At the March 18, 2024 review by the City, the administration indicated that the RC district requires building setbacks of 100 feet from the property line which restricts the development of this corner site. Additionally, the site is impacted by utility easements. The point is the easements are irrelevant and not why this property cannot be developed. The fact is, under the current zoning ordinance, this area can only be developed in a particular area not because of the easements but because of the existing RC zoning. Item two on the motion sheet says the applicant has not established that the limitation of the use of the property to a single car wash is in the public interest or benefits the project area. The owner of Fountain Walk has stated that it would plus the 14 letters from tenants. Often with a rezoning, member of the adjacent area of the public will say they don't want this, and Council has heard the opposite. Mr. Laundry also said that per the planning review dated July 17, 2014, the staff recommends conditional approval if the benefits to the public are determined by the Planning Commission and City Council to be sufficient to offset any negative impacts. Based on information provided, the rezoning to B-3 could be determined to meet the standards of the PRO ordinance as the overall benefits to the public would outweigh the detriments. The next issue is the master plan. It's not binding, it's a plan. This area's master plan is commercial and we're commercial use. The next issue is the specific need for a car wash in this location has not been established. He doesn't know what else could be established with respect to need. It would be the only standalone car wash north of I-96. The next issue is that the limitation on the ability to develop the property was not created by the zoning ordinance but by the lease restrictions. This is not unique to Fountain Walk. No regional commercial development can exist without these kinds of restrictions in them. Finally, the proposed conditions are of limited scope compared to the project area they've created. They've followed the direction to do something on Twelve Mile Road because Council didn't like the library. They created two seating patio areas, a stairway down for another access for Fountain Walk and the decorative walls. The applicant has spent over \$100,000 on this process. He also wants to address the idea of spot zoning. That term does not appear anywhere in the Michigan Zoning Enabling Act. It's a pejorative term but it means the land use designation is incompatible with the surrounding area. The question comes down to is it

useful? Does it integrate? Is it something that is compatible with the surrounding area? He doesn't know what else they could have done to show that.

CM 24-10-139 Moved by Casey, seconded by Heintz: MOTION CARRIED: 5-2

Denial of the request from Jax Kar wash to rezone property at the southeast corner of Twelve Mile Road and Cabaret Drive to General Business with a Planned Rezoning Overlay based on the following factors:

- 1. The applicant has not established that there is an enhancement to the project area that can only be accomplished by this PRO. The applicant has not addressed the fact that one of the utility easements on the property indicated as a reason for its limited use might in fact be able to be removed, according to Consumers Power, which holds the easement. That removal could allow a different use than that proposed.**
- 2. The applicant has not established that the limitation of the use of the property to a single use, a car wash, is in the public interest or a benefit to the public in this particular location or under the conditions applicable to this project area.**
- 3. While the applicant asserts that the detriments of the project are limited, the benefits expected to accrue to the City from this use are likewise limited in scope and nature and therefore do not clearly establish that the project is an overall benefit to the public that could not be accomplished without the rezoning.**
- 4. The request to rezone to B-3 is not consistent with the Master Plan for Land Use.**
- 5. The specific need for a car wash use in this location has not been established, which also limits the overall benefit to the public from the rezoning.**
- 6. The limitations on the ability to develop this property in a way that is related to or consistent with the larger retail center is not created by any provision of the zoning ordinance but result instead from the manner in which the retail center itself has been planned, constructed, and occupied or leased by other competing uses, and by the proposed division of the property.**
- 7. The proposed conditions (for example, the pedestrian seating areas and decorative walls) are of limited scope and nature**

when compared to the project and the entire project area and do not specifically relate to the use of the land.

Member Thomas thinks every person here did their due diligence in reading the packet and listening to the presenters. The motion to approve failed and she doesn't want to set a precedent where they keep voting on the same things over and over again. This feels like a formality to finish their business on this.

Member Staudt said in his mind this is not a formality. He thinks they need to reconsider. There's enough new information that the Council should deny this request and the motion on the table and bring it back with review for additional public benefit and perhaps revisit it at a future meeting. He's not going to vote against something that he supported the first time because it's a formality. He's a business guy and a lot of money has been spent on this. He thinks they need to give it a fair hearing.

Member Gurumurthy wants to make sure that the benefits are right for the residents.

City Attorney Schultz wanted to clarify that the action at the last meeting was not a decision. There was a motion to approve, which if passed, would've been a decision. The motion to approve didn't pass. There needs to be an affirmative motion to do something else. It's not a formality approving what Council did last time. It's a decision. This time the decision was written up as a motion to deny.

Member Thomas wanted to clarify that Council voted on this previously and that was the vote that was to approve and that did not pass and wanted to know what other option is there. City Attorney responded that's it and to be clear, Council has to have an affirmative decision and to make findings and conclusions based upon the language of ordinance and voting no on a motion to approve that would've don't that doesn't accomplish that purpose which is why Council is here now for the denial with different finding and different reasons.

Mayor Fischer said they must come up with a majority to approve or deny. Tonight's decision is a blank slate to do either of those based on the discussion and the direction from the last meeting. They wanted to revisit with what would be a denial finding and motion and that is what they are contemplating but they are free to deliberate and discuss as they see fit.

Member Staudt wanted to be clear that a no vote for this is a vote against denial and Mr. Schultz responded that was correct.

Mayor Fischer said that he will remain consistent with his comments from the prior meeting. He understands that there were additional comments about this being about Fountain Walk or the residents, but it has nothing to do with that. He thinks the City Council has done what they can to support Fountain Walk over the past years. This isn't about good, bad or indifferent on Fountain Walk and they are a wonderful partner of the community. It's nothing about Jax Kar Wash either and in his opinion, it sounds like a

wonderful business but there is zoning in Novi that allows for a car wash. If Jax was applying to go there, he would full heartedly support it. Instead, what is being proposed, a PRO, which is a process with its own criteria, limitations and things that have to be considered when approving. It is clear to him that this is not an applicable use of that PRO process. There are ample opportunities, whether it be the easement, lot lines variance requests, that there are uses that are permitted that when it talks about a PRO being an enhancement to the area as opposed to other uses, that burden has not been met. When Mr. Landry spoke talked about taking a used as the car wash would be and saying that it will be the only one and it was referenced that apparently the chair of the Planning Commission thinks that's a good idea, he's here to decide as the mayor and a member of this body whether he thinks that's a good idea. He respectfully disagrees. If 20 years from now the City has a car wash that is vacated, they have a building that they probably have to take care of. There's plenty of items under this PRO that were proposed as benefits that to him just aren't and it continues to be something that he is not able to support.

Roll call vote on CM 24-10-139

**Yeas: Smith, Thomas, Fischer, Casey, Heintz
Nays: Gurumurthy, Staudt**

- 3. Consideration of approval to award a unit price contract to Teddy's Lawn & Landscape, the lowest qualified bidder, for Snow Removal Services for City Streets and Municipal Sites, excluding the Novi Public Library, in the estimated seasonal amount of \$144,000. The contract term is for one year with three one-year renewal options.**

Mayor Pro Tem Casey asked the City Manager if there was a reason the library was not included, and he responded by saying the library chose to stick with the current vendor and the library board approved of this prior to the bids coming back.

CM 24-10-140

Moved by Smith, seconded by Thomas: MOTION CARRIED: 7-0

Approval of consideration of approval to award a unit price contract to Teddy's Lawn & Landscape, the lowest qualified bidder, for Snow Removal Services for City Streets and Municipal Sites, excluding the Novi Public Library, in the estimated seasonal amount of \$144,000. The contract term is for one year with three one-year renewal options.

Roll call vote on CM 24-10-140

**Yeas: Staudt, Thomas, Fischer, Casey,
Gurumurthy, Heintz, Smith
Nays: None**

- 4. Consideration of approval to purchase one 2026 International Single-axle RDS Truck from Tri-county International through the State of Michigan MiDeal cooperative purchasing contract; and upfits to be completed by Truck and Trailer Specialties through the City of Rochester Hills RFP contract, in the amount of \$307,867.**

CM 24-10-141

Moved by Thomas, seconded by Gurumurthy: MOTION CARRIED: 7-0

Approval of consideration of approval to purchase one 2026 International Single-axle RDS Truck from Tri-county International through the State of Michigan MiDeal cooperative purchasing contract; and upfits to be completed by Truck and Trailer Specialties through the City of Rochester Hills RFP contract, in the amount of \$307,867.

Roll call vote on CM 24-10-141

Yeas: Thomas, Fischer, Casey, Gurumurthy, Heintz, Smith, Staudt

Nays: None

- 5. Consideration of approval to purchase one 2024 Ford F-550, one 2024 Ford F-350s, two 2024 Ford F-150s, two 2024 Ford Escapes, and one 2024 Ford Escape Hybrid from Signature Ford, through the MiDeal Cooperative Purchasing Contract; and upfits to be completed by Truck and Trailer Specialties through the City of Rochester Hills RFP contract, in the amount of \$483,853.**

CM 24-10-142

Moved by Thomas, seconded by Smith: MOTION CARRIED: 7-0

Approval of consideration of approval to purchase one 2024 Ford F-550, one 2024 Ford F-350s, two 2024 Ford F-150s, two 2024 Ford Escapes, and one 2024 Ford Escape Hybrid from Signature Ford, through the MiDeal Cooperative Purchasing Contract; and upfits to be completed by Truck and Trailer Specialties through the City of Rochester Hills RFP contract, in the amount of \$483,853.

Roll call vote on CM 24-10-142

Yeas: Fischer, Casey, Gurumurthy, Heintz, Smith, Staudt, Thomas

Nays: None

- 6. Approval of Recommendation from the Finance and Administration Committee for Investment Advisor Consultant Services.**

The City Manager said the Committee met earlier and made the recommendation to move forward with Aon Consulting to support and provide services to review the City's investment policy.

Member Staudt said that as a member of the committee, this was unanimously agreed on. The bottom line is this gives them opportunity to get an outside view of the investment policies and take a good look at what the City's doing. This is being paid for out of the funds and not the general fund.

CM 24-10-143

Moved by Staudt, seconded by Thomas: MOTION CARRIED: 7-0

**Approval of Recommendation from the Finance and Administration
Committee for Investment Advisor Consultant Services.**

Roll call vote on CM 24-10-143

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

Nays: None

7. Approval of resolution to amend the City's Fund Balance/Reserve Policy.

City Manager Cardenas said the idea of this policy was dreamt up and discussed during last year's budget process. The policy has been presented to the Finance Administration Committee and recommended to the Council for full approval. The changes set a target range from 28% to 30%. Additionally, it sets in place provision or actions to take the general fund balance falls below 25% or exceeds 33%.

The Mayor said this did come from discussions during the budget and he and several members have been on Council long enough to know that there've been discussions on the fund balance and during those discussions, he oftentimes would say the semantics of how this is proposed, and it always confuses even the seven member of Council as well as staff. There are aspects like the budget that have nomenclature that call things minimum and maximums. Then you go to the CAFR and they're described as a minimum range. The whole concept here is that the language was a little discombobulated over the years so this goal of why I liked to see this pushed forward, it clarifies for staff exactly our expectations, gives us the ability to act if things get higher or lower than certain thresholds. Most importantly to him, it's not a vast change from what we actually were doing in our budget. Historically, we've fallen right in this green range. This wasn't met to be an overhaul or change in policy per se. It's more about bringing staff and all of us aligned on what the target is so we can focus on actual budget discussions as opposed to silly semantics and nomenclature.

CM 24-10-144

Moved by Fischer, seconded by Casey: MOTION CARRIED: 7-0

**Approval of resolution to amend the City's Fund Balance/Reserve
Policy.**

Member Staudt said this is a policy that we've had in some variation for about 15 years. This clarification was worked out through multiple meetings, and it appears that it will provide staff with a better idea during budgeting as to exactly our intention.

Member Heintz appreciates the action required on both the high and low end and making sure that they have understanding of what happens if they have too high or low of a fund balance.

Member Gurumurthy appreciates all the work that went into evaluating the benchmarks and determining what they need. She was happy to see the action because without those, you just put the threshold then.

Member Thomas appreciates the work that was put into this and thinks it's a good path forward.

Member Smith said as an engineer who likes spreadsheets, he particularly likes having ranges that that they can see where's they're at and what actions they need to take.

Roll call vote on CM 24-10-144

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

Nays: None

8. Consideration of a Resolution Approving a Request for a Two-Year Extension of the PA 210 Commercial Rehabilitation Exemption Certificate for the Sakura development at Grand River and Town Center Drive, extending it through 2031, and a corresponding Amendment to the existing Commercial Rehabilitation Agreement.

City Manager Cardenas stated that this was initially approved in 2021 for the Sakura development under the Public Act 210 of 2005. The max number of years for this type of abatement is 10 years back in 2021. Council approved the abatement for eight years. The applicant has requested extending the abatement two additional years due to issues they've encountered in the early stages of the project.

Jim Clark, CEO of Robertson Homes was present with Darian Neubecker, President of Robertson Homes, as well as Scott Aikens and Phil Kim, principles from Sakura Novi. Mr. Clark discussed the level of completion of the project so far and the tenancy that has been secured. The vision that they came with to this Council years ago has finally come to fruition. He comes to the meeting to ask for consideration of a two-year extension due to site conditions being worse than anticipated & delays due to Peat and EGLE. What they should have done was provide for a construction period of time. As it is currently configured there's no recovery in the first two years between getting approval and getting the project done. The good news is that the project is moving forward. The bad news is that there is a million dollars worth of dirt. The terms of the acquisition provided for the CRD money, and they weren't able to capture the CRD money so they're asking for the extension so they can capture that part of the initial transaction. There were also tax rate changes.

Member Gurumurthy commented that the project has a long history. She drives past the construction almost everyday and can see the progress. She said it looked like in 2020 there was a wetland permit and asked what the initial timing in terms of the residential and commercial completion was. Mr. Clark responded that they came out of covid, lost a major tenant, financing was tough, there were delays with the mortgage, and delays with land development. When they started digging out the pond to make it bigger and get rid of the environmental, they found peat moss which caused a six to eight month delay. The location of the main water line was 150 from where it was on the record drawings. There was a six to nine month delay to prove the site wasn't contaminated. It's life as a developer, these thing happen but they were all unanticipated. They should have come to the Council and said they need an eight-year CRD but can't get started

the day they signed the purchase agreement. These were somewhat anticipated because there's always something that happens on a development, but they didn't see these. Member Gurumurthy said she understands all the issued delayed the timing but wanted to know, assuming an ideal state, did they have an original estimate of when they wanted to complete the residential and commercial. Mr. Clark said they would have been going a year and a half ago, but they just weren't able to get started. Member Gurumurthy then wanted to know when he currently thought they'd be done with the residential and commercial. Mr. Clark it depends on the leasing but he thinks there's good news on the commercial. For the residential side, they will be done framing and hopefully stabilized and 90% or more occupied by this time next year. Member Gurumurthy stated that the abatement extension is through 2029 and wanted to know what the reason was for coming forward with this request in 2024. Mr. Clark said it was because they lost the first two years. There was no abatement because there were no taxes because there was nothing to assess, and nothing done. What they had hoped for was they would get an eight-year abatement from taxes that were in place when they were up and stabilized. They spent a fortune getting going. The whole thing was delayed two years so they're asking for an extension to account for all the unforeseen things that have happened on this site. In business terms, when they came before Council, was an eight-year CRD that would get eight years of tax abatement and that was what was approved. As it stands now, they'll get maybe six years of abatement. He didn't come last year when he still wasn't building to ask for an extension. He felt he had to show that they were going to do what they said they would do.

Mayor Fischer said to hear the woe from people who do this for a living is disconcerting to him. He thinks the City has gone long and far on this project. The City purchased this property and was selling it back at cost with no interest accrued. They signed an eight-year abatement, and the developer agreed to the condition in terms. This project has taken between the purchase agreement, going through six different amendments and now the delays in construction continue to delay. He understands that they want it done because that's when they get paid, and the City wants it done as well. One thing, as it relates to economics, he has a strong feeling that if material prices go down, rents and sales are able to come in higher and he's never heard someone coming back to the Council stating that they want to share the profit. He is encouraged to finally see the work being done and his frustration for the last eight years has been the pace at which this had been going through. He is not inclined to support at this point for a full two years but could get around a one year if there was support for it. Mr. Clark said he would appreciate any help.

Mayor Pro Tem Casey stated that generally her response was that she couldn't support the extension of an abatement, but she was impacted by the story about EGLE and that was a real impact that was unexpected and unnecessary. She is not comfortable supporting an extension.

Member Smith said he won't be supporting the abatement either because things happen in construction.

Member Heintz said he appreciates the project moving forward but it's hard to support this. Mr. Clark then stated that was what was sold to them, a million dollars worth of peat.

Member Staudt said he was astounded as there as been no recovery time and perhaps the Council could have made a better clarification of when the abatement began. He would be supportive of an extension. He reminded everyone that the City did sell the property with the peat issue. He's sorry that Council has come down to this.

CM 24-10-145 Moved by Casey, seconded by Smith: MOTION CARRIED: 5-2

Denial of Resolution Approving a Request for a Two-Year Extension of the PA 210 Commercial Rehabilitation Exemption Certificate for the Sakura development, extending it through 2031, and corresponding Amendment to the existing Commercial Rehabilitation Agreement, because the initial approval of the abatement as negotiated by the City and the developer was clear that it was limited to 8 years and that there would be no extension, as a result of which no basis for granting the extension was included in the original resolution, and because the applicants have not established that the delays or additional costs (if any) of the project require the extension.

**Roll call vote on CM 24-10-145 Yeas: Heintz, Smith, Thomas, Casey, Gurumurthy
Nays: Staudt, Fischer**

9. Final approval of the request of DTN Management/Tricap Holdings for JSP18-10 The Bond for a Third Amendment of the Development Agreement, and revised Preliminary Site Plan, Storm Water Management Plan and Woodland Permit. The Subject Property is zoned Town Center One and is approximately 7.99 acres of vacant land.

City Manager Cardenas stated that this is the final stage in the process. The new revisions of the plan increase the building height to five stories and allow for a total of 329 apartments.

Albert Ludwig, from Tricap Holding, was present. They were here back in July and walked away with an approval. They had to go back to planning and to the ZBA. They have completed those tasks. The amendment to the development agreement was completed by the attorneys and now they are looking for Council's signature to that development agreement.

CM 24-10-146 Moved by Casey, seconded by Fischer: MOTION CARRIED: 7-0

Approval of the final approval at the request of DTN Management/Tricap Holdings of the Third Amendment to the Development Agreement for JSP 18-10 The Bond, and incorporate

the revised Preliminary Site Plan dated August 21, 2024, subject to final review and approval of the Third Amendment and revisions by the City Attorney and City Manager.

**Roll call vote on CM 24-10-146 Yeas: Smith, Staudt, Thomas, Fischer, Casey, Gurumurthy, Heintz
Nays: None**

CM 24-10-147 Moved by Casey, seconded by Fischer: MOTION CARRIED: 7-0

Approval at the request of DTN Management/Tricap Holdings for the revised Preliminary Site Plan, Woodland Permit, and Stormwater Management Plan, based on and subject to the following:

- 1. All deviations and waivers granted in the Development Agreement and the Amendments to the Agreement,**
- 2. The Zoning Board of Appeals variances granted on August 13, 2024,**
- 3. The findings of compliance with Ordinance standards in the staff and consultant review letters and the conditions and the items listed in those letters being addressed on the revised Final Site Plan.**

(This motion is made because the plan is otherwise in compliance with Article 3, Article 4, and Article 5 of the Zoning Ordinance, Chapter 11 and Chapter 37 of the Code of Ordinances and all other applicable provisions of the Ordinance.)

**Roll call vote on CM 24-10-147 Yeas: Staudt, Thomas, Fischer, Casey, Gurumurthy, Heintz, Smith
Nays: None**

B. Consideration of request for Fireworks Permit by Jason Trudeau to be operated by Gen-X Pyrotechnics, on either Friday, November 1st or Saturday, November 2nd on the campus of Catholic Central High School.

Member Smith understands the desire to celebrate things like opening the STEM center, et cetera but fireworks can be stressful for a variety of reasons and would encourage the Rules Committee to look at ordinances regarding fireworks. He would also like to find a way to better define this and limit the impact of fireworks on the surrounding neighborhood.

The Mayor Pro Tem agrees with the frequency concerns with fireworks.

CM 24-10-148 Moved by Casey, seconded by Thomas: MOTION CARRIED: 6-1

Approval of consideration of request for Fireworks Permit by Jason Trudeau to be operated by Gen-X Pyrotechnics, on either Friday,

**November 1st or Saturday, November 2nd on the campus of
Catholic Central High School**

Member Heintz wondered if there would be additional requests made by the applicant. He is also concerned about the frequency issues.

Roll call vote on CM 24-10-148

**Yeas: Thomas, Fischer, Casey, Gurumurthy,
Smith, Staudt**

Nays: Heintz

COMMITTEE REPORTS:

1. Environmental Sustainability Committee –

Council Member Smith stated that the Committee discussed implementing a pilot solarized program similar to Ann Arbor's and this will be coming before Council at some point in the future. They will be having a meeting with the Communication department at the next meeting.

2. Mobility Committee

Council Member Smith stated that at the last meeting they discussed the Neighborhood Sidewalk Repair program. Staff is working on the final plan based on the discussion during that meeting.

3. Public Utilities and Technology Committee

Council Member Thomas said at the last meeting the speaker wasn't able to make it so they revisited goals related to the committee.

4. Long-Range Strategic Planning Committee

Mayor Pro Tem Casey said the committee talked about a timeline to start executing their long-range strategic plan might look like.

5. Rules Committee

Mayor Fischer said the Committee discussed the Older Adults Needs Committee's recommendation to take the Older Adults Advisory Committee and bring that to a Council level appointment. Further recommendations shall be coming from staff. More deliberations are required. He thinks Council members need to start thinking about their schedules and encourage everyone to start thinking about more quality of the meeting opposed to the quantity and maybe see if some of the meetings might take place monthly with more deliberations, more decisions made, more agenda and more robust discussions.

MAYOR AND COUNCIL ISSUES: None

COMMUNICATIONS: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:40 P.M.

Cortney Hanson, City Clerk

Justin Fischer, Mayor

Transcribed by Becky Dockery,
Account Clerk

Date approved: November 12, 2024