13 Mile/Novi Road Area Plan Study

PUBLIC OPEN HOUSE
APRIL 13, 2015
Overview of the Study

Subject Property

13 Mile Rd.

Novi Rd.
Overview of the Study

- Regulations for future development of property at 13 Mile Road and Novi Road (east side of Novi Road) specify that the land use will be commercial – up to 170,000 sq ft is permitted
  - These regulations are part of a consent judgment placed on the property resulting from litigation in the early 2000’s
Overview of the Study

- Applicant has expressed interest in amending the consent judgment to permit the construction of 189 units of multiple family residential
  - This is not permitted under the terms of the existing consent judgment
- The City is studying the area to determine if the terms of the consent judgment should be amended
Tonight’s Open House

- We will share information on the following:
  - Project History
  - Market Assessment
  - Proposed Development

- We want your input on:
  - Existing agreement for development in the area
  - Proposed development
  - Other ideas?
A snapshot of the 20-year history of development in the 13 mile/novi road area
1986: Original mixed use development concept presented

- At the time, there were no development regulations to permit a mix of uses within one development
- The City amended the ordinance to permit Planned Unit Developments (PUD’s) offering more flexibility in development
- Proposed development included:
  - Residential: 564 stacked flats; 620 attached single family units; 309 detached single family homes
  - Commercial: 24,500 sq ft
Timeline - 1991

- **1991: Sandstone PUD Approved**
  - Phased mixed use development
  - Commercial center
  - Detached homes, townhomes, and apartments
  - Central plaza served as focus of development in the commercial center
1995: Sandstone PUD Amended – Renamed “The Vistas”

- 1,119 dwelling units: mix of single family homes, townhomes and multiple family residential
- 100,000 sq ft of commercial/retail
- Plan influenced by New Urbanism and City Beautiful movements
- All residents would be within walking distance of the Village Commercial Center
Timeline - 1995

Images of “new urbanist” development

Stapleton, CO

The Kentlands, MD

Westlake, OH

Orenco Station, OR
Timeline – 2000’s

Residential units constructed

South side of 13 mile/West of Novi Road

South side of 13 Mile/East of Novi Road

West side of Novi Road/South of 13 mile
Timeline - 2002

2002: Litigation results in Consent Judgment

- Affects the PUD and “remaining PUD” phases (the subject parcel)
- Commercial uses allowed increased to 170,000 sq ft
- Continues residential components
- Development examples include local strip centers
- One fast-food restaurant with drive-through permitted
Timeline - 2002

Images of commercial development from Consent Judgment

Westwind Village – West Bloomfield, MI

Midtown Square – Troy, MI
Timeline – 2010’s

Commercial constructed

Gas station – southeast corner 13 Mile/Novi Roads

Rite Aid – southwest corner 13 mile/Novi Roads
Market Assessment

Understanding the market for new development
Market Assessment

- National trends:
  - Birth and fertility rates have fallen to the lowest level in US history
    - Fewer numbers of youth
    - Lower long-term future household creation
  - Marriage rates at the lowest level in US history
    - Traditional two parents + two kids household is now a minority
  - Population is getting more diverse
• National trends (continued):
  
  ○ Baby Boomers (currently between ages of 50-68) and Millennials (currently between 21-30) are the two fastest growing segments of the US population. Both groups seek:
    - Different housing options
    - Greater mobility
    - Different environments – from intense urban to rural (but where there are jobs).
Market Assessment

• National trends (continued):
  ○ Age of US residents is increasing. This has implications on:
    ▪ Increasing the demand for services including health care
      ○ Increased office space needed for health services
    ▪ Residential real estate
      ○ Current housing may not meet future needs (mobility, proximity to goods/services, social interactions)
    ▪ Commercial real estate
      ○ May decrease retail needs for shopping (coincides with online shopping and transportation).
Market Assessment

• Local trends
  ○ 38.9% of Michigan’s population lives in southeast region
  ○ Michigan’s population is estimated to have increased by 0.3% between 2010 -2014
  ○ About 26% of the Michigan population was under age 19 and 38% was over age 55.
Market Assessment

• Local trends
  ○ The City of Novi’s population in 2010 was 55,224 and is estimated to have increased about 5% by 2013.
  ○ Based on continued housing growth, the Southeast Michigan Council of Governments projects the City’s population to grow about 5% by 2040.
    ▸ The City’s over 65 population is projected to increase 134% by 2040
    ▸ The under 17 population is projected to decrease 13%
  ○ Without housing growth, the population will likely stagnate or decline based on the decrease in household size
Market Assessment

• Local trends
  - While Novi is a regional hub for retail activity, employment in retail is expected to decrease in the future due to:
    ▪ Changes in technology for creating products and delivering them
    ▪ Changes in selling methods
    ▪ Contraction of retail space
  - Retail space needs are likely to decrease due to:
    ▪ Lower size of households
    ▪ Aging population resulting in shifting of product needs/wants and means to purchase
Market Assessment

• Local trends
  ○ An estimate of 2020 sales based on existing retail space finds that between 78,000-97,500 sq ft of additional retail space could be supported in the City of Novi
    ▪ Existing vacant space or new construction
Conclusions of the Market Assessment

- The amount of commercial space (170,000 sq ft) allowed in the Consent Judgment is more than what the market would likely be able to support; a smaller amount may be supportable.

- There is a growing demand for multi-family housing in the City of Novi for the following age segments:
  - Aging residents – giving them the opportunity to “age in community.”
  - Young professionals – giving them the opportunity to live in the community while mobile, increasing the likelihood of them becoming permanent residents.
Land Use in the Area

- Most of the surrounding area is developed with residential dwellings.
- Drug store and gas station/convenience store at 13 Mile/Novi Roads are within walking distance of the subject parcel.
- Additional retail/commercial uses are at the outer edge of walkability – at least one mile in all directions.
  - Commercial uses at 12 Mile/Novi Road are regional in nature and do not generally provide goods/services for daily needs of local residents.
The City is largely auto-oriented, but non-motorized transportation (a consideration for both Baby Boomers and Millennials) is accommodated by:

- Sidewalks on 13 Mile Road and Novi Roads
- Bike path is planned for 13 Mile Road
Proposed Development

- Other approved multiple-family residential units
  - Novi – Ten Townhomes (SE corner of Novi and Ten Mile) – 93 units.
  - Fox Run (north of 13 Mile, west of M-5) – 96 units under construction (Phase 2.3) and 137 units approved (Phase 2.4). Total project (built, under construction + approved but not built) = 1,497 units.
  - Society Hill (west of Novi Road, north of 12 Mile) – 312 units approved
Proposed Development – Subject Site

- 189 units of multiple-family residential on 21 acres
  - The density is about 9 dwelling units per acre.
Proposed Development – Subject Site
Questions to consider:

- Should this area be developed as multiple family residential?
- What kind of commercial development, if any, would you like to see at 13 Mile/Novi Roads?
- Do you think mixed use including residential and local/neighborhood commercial uses would be appropriate in this area?
- Would you walk or ride a bike to commercial development in the area?