

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, OCTOBER 17, 2011 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Landry, Mayor Pro Tem Gatt, Council Members Fischer, Margolis – absent/excused, Mutch, Staudt, Wrobel

ALSO PRESENT: Clay Pearson, City Manager
Victor Cardenas, Assistant City Manager
Charles Boulard, Community Development Director
Tia Gronlund-Fox, Human Resource Director
Barb McBeth, Planning Director
Mark Spencer, Planner
Ara Topouzian, Economic Development Director

APPROVAL OF AGENDA

CM-11-10-145 Moved by Gatt, seconded by Staudt; CARRIED UNANIMOUSLY:

To approve the Agenda as presented

Roll call vote on CM-11-10-145	Yeas: Gatt, Fischer, Mutch, Staudt, Wrobel, Landry
	Nays: None
	Absent: Margolis

PUBLIC HEARING

- 1. Establishment of a Commercial Rehabilitation District (PA210) located at 46100 Grand River Avenue for proposed hotel and meeting facility for Suburban Collection Showplace.**

Mark Churella, 21075 Cambridge Drive, said he was the President and CEO of FDI Group. He said he made a conscious decision to become a business person and citizen in the City of Novi. Mr. Bowman created a private convention center. Mr. Bowman and the City of Novi had benefited from its success. He said the times we were currently living were defined as the new normal. Risk takers needed to utilize every measure available to ensure their projects were successful. The current economic conditions required projects such as these to pursue and obtain tax abatements. Contractors would declare that tax abatements created an unfair advantage and didn't leave a level playing field but he thought nothing could be further from the truth. This project would attract new, larger shows to the Suburban Collection Showplace which provided opportunities for his companies as well as others in the City of Novi. He said other hotel properties in the City of Novi would ultimately benefit from the overflow of rooms that could not be accommodated by the proposed new hotel property. He said he had used both the Suburban Collection Showplace and the St. Johns Golf and Conference

Center; they had similarities in their banquet halls and aggressively competed for business. St. Johns had a golf course and beautiful grounds and the Suburban Collection Showplace had an expansive exposition center. The Suburban Collection Showplace also competed with Cobo Hall. Cobo Hall received millions of dollars in annual subsidies that was not a level playing field. He said over the past ten years his company had provided several million dollars in property taxes to the City of Novi. He supported the approval of the Commercial Rehabilitation District PA210 proposed hotel and meeting facility for the Suburban Collection Showplace.

Brian Barton, 27000 Providence Parkway, said he was with Hotel Investment Services; they managed the Staybridge Suites in Novi. They were opposed to the tax abatement because it was not a level playing field. He said the hotel was too small to attract what they needed to enjoy some overflow. He said the hotel would have around 127 hotel rooms. The average ratio was 67 square feet of meeting space in a large conference center per hotel room. He said this particular project had a ratio of 236 square feet per hotel room, which was 252 percent off the typical conference center hotel. He didn't think other hotels would benefit. According to the calendar there were eighty-eight functions scheduled at Suburban Collection Showplace; giving them the benefit of the doubt to fill the hotel for every event only 23 percent of the hotel would be occupied. If the number of events doubled due to the addition of the hotel the occupancy would only be 46 percent. This hotel would be taking business from the other hotels. He said Staybridge Suites sold around 29,000 hotel rooms per year. If Mr. Bowman could reduce his rate by \$3 due to the abatement, their hotel would have to match that rate to stay competitive. They would be losing around \$80,000 a year.

Greg Bond, 26800 Beck Rd, was the owner of Visions Spa Salon. He said they did a lot of business with the Suburban Collection Showplace and their bridal conventions. He said a hotel at that property increased Mr. Bowman's opportunity and the City's opportunity for greater exposure. He thought the tax abatement would benefit the entire community.

David Beaman, 46350 Grand River, was the senior general manager at Art Craft Display. They were the general contractor for show services at the Suburban Collection Showplace. He was in support of the commercial rehabilitation district under consideration. He started his office as a staff of one in 1993. Over the past 18 years they had grown to over 30 employees and had the largest gross revenue out of their three Michigan locations. By having direct contact with over 200 state trade associations, this expansion was greatly anticipated in order for the associations to increase the size and frequency of their events. It would lure groups that didn't currently use the facility due to the lack of hotel rooms or meeting room capacity. He said the expansion would make the Suburban Collection Showplace and the City of Novi a more viable destination for future national and international events which would provide substantial economic impact to the City of Novi and all surrounding businesses. He believed the new convention center hotel and meeting space was in the best long term interest of the entire City.

Paul Hess, Epoch Restaurant Group, the exclusive food service provider of the Suburban Collection Showplace. The company had been in business in the City of Novi since 1982. Part of their mission statement was to serve the community in which they did business. The opportunity to provide additional jobs was the most important decision being made. As they evaluated the additional opportunity that the new hotel would bring they projected an increase that doubled their current numbers. They currently employed 110 full and part time staff consisting of \$1.5 million in wages. He said in anticipation of that doubling they looked to bring business in from other states rather than competing and cannibalizing the local business. He said their data represented the revenue from only food and beverage event services for banquets, conferences and meetings at specifically the Diamond Center, not the entire exposition center. He said the additional revenue did not project any increases for the additional services provided at the Showplace. He said the addition of the proposed hotel would give them a far greater advantage to attract events from competing states and venues. It was their opinion that the additional economic benefit would make a positive impact on not only the local community but on greater southeastern Michigan as well. The positive impact should be recognized immediately as many of the jobs they would be able to provide were not technical in nature and didn't require long term training or an advanced level of education. He said the jobs were sustainable and a great option for many people.

Dan Linnon, co-owner of Andiamo of Novi and the Rojo Mexican Bistro. He said Mr. Bowman wanted to invest a tremendous amount of money into the community and it was incumbent for us to assist that. He said he didn't have specific figures but when there was an event at the Suburban Collection Showplace their business spiked tremendously. He said as a business owner, he was very thankful for the Showplace. He said if Mr. Bowman and his team felt the hotel would benefit the facility then the investment on the City's standpoint was relatively small in comparison.

Susan Cerrito, General Manager of the Crown Plaza Hotel, said they were formerly in partnership with the Suburban Collection Showplace. She said they were challenged, the market was running in the low to mid 50 percent occupancy. She said they added 2,000 brand new hotel rooms to downtown Detroit which did very little to help their market. She said Detroit now needed 4,500 or more guestrooms filled to push business into the suburbs. She said as a former partner with the Suburban Collection Showplace they did not sell out during the large conventions. She said in her opinion adding 127 more guest rooms to the market was not going to attract larger conventions. When running 54 percent occupancy, there were enough rooms in the market to accommodate the conventions already. She said they didn't have enough occupancy or demand and didn't believe 127 rooms would draw a major large convention to allow them to experience overflow.

Daniel Fon, General Manager of the Sheraton Novi, agreed with Ms. Cerrito's statement regarding 2,000 more hotel rooms in the downtown market where they used to see compression from an auto show and SAE. He said as soon as those rooms were added their January numbers went down by 35 percent. His hotel paid \$515,000 a year in taxes to the City of Novi. He said with the \$7.8 million of revenue he did in Novi in 2010, his

gross profit was \$1.4 million. He said looking at the numbers put together; the hotel would run at approximately 60 percent occupancy and would probably be higher because people would want to stay at the host hotel. He said in the hotel business people would pay more to stay at the host hotel. At an average rate of \$105 that put \$2.9 million of revenue into that hotel. Based on his profit numbers of 17 percent profit, they would have a gross profit of \$496,000. He said he wasn't opposed to Mr. Bowman building a hotel there he was more opposed to the tax abatement allowing him additional funds to profit with the abatement in place.

Sam Ashley, Cunningham Limp Construction Company, said they had constructed over two-million square feet of commercial space within the City of Novi. He said their company was selected to be the builder of the project. He was in support of the commercial rehabilitation district. He shared benefits that would be experienced through the construction of the project. He said it would create approximately 400 construction jobs within the City of Novi. He said there were many influences on surrounding businesses.

Nancy Legrand, Director of Corporate Sales at the Crowne Plaza Hotel, said the Suburban Collection Showplace did a great job bringing events to the City but with respect to hotel rooms they were hurting. She said they were running average overall occupancy in the area of 60 percent. She didn't think more hotel rooms were needed in the market. She said they were partnered with the Suburban Collection Showplace as their preferred hotel and they were not sold out. She thought the Suburban Collection Showplace should stick to hosting the events in the area which attracted consumers to the area. She said in the short term she could see the construction bringing in jobs and revenue but in the long term the hotel would hurt the other hotels in the market.

Kevin Schramm, Vice President of Development with Hyatt Hotels, said he was in support of the project. He said he worked with the Hyatt for six years, since they launched the Hyatt Place brand in 2005. He said he believed there would be significant new demand created by this hotel. He thought it was sized appropriately to service the new demand while not putting other hoteliers in the area at great risk. Most of the statements made from competitive hotels relative to their occupancy were generally speaking in line with their brand averages. He said debt in today's market place was very hard to come by. He said Mr. Bowman was making a small request from the City to make an investment which would be returned over 30 years of increased taxes. He said they were willing to step up and support the project with some of their equity but it wasn't enough to hit any sort of level returns that an average hotel investment would see.

Blair Bowman, TBON, LLC, Owner and Operator of the Suburban Collection Showplace, said he appreciated the comments made on all sides. He also appreciated the effort that Council and Administration had put into reviewing the proposal. He said there was nothing normal about the times and nothing traditional about their proposal. He said he was dealing with multiple things that had to occur in order for the tax abatement to be supported; this was only one of them. He said with a modest investment now, the City

would see a return on that investment over the next 25 or 30 years. He said they pulled and generated 28,000 additional room nights and further provided at least 17 and now up to 22 new potential large scale convention and conference users that required an onsite hotel. He said they weren't just looking to build another hotel in the market place, this was to provide infrastructure to support and sustain their positive economic impact. If they didn't build the hotel they would lose business and fail to maintain the benefit of the Suburban Collection Showplace and what it produced now. He said they needed to expand in order to provide for the needs of the meeting and conference and convention planners going forward.

PRESENTATIONS

- 1. City of Novi receives two awards at International City/County Management Association Annual Conference – Victor Cardenas, Assistant City Manager**
 - a. Voice of the People Award for Transformation – Library Services**
 - b. Voice of the People Award of Excellence – Code Enforcement**

Mr. Cardenas said at the 97th annual International City/County Management Association Conference he accepted two Voice of the People Awards, one for excellence and the other for transformation. He said the awards were given by ICMA and the National Citizens Research Center. Novi participated in the National Citizens Survey on three different occasions, most recently in 2010. He said local governments used the National Citizens Survey to gather high valued citizen data on budgeting, goal-setting, performance measurement and program planning at a low cost. To win the excellence award the rating for service quality must be one of the top three among all eligible jurisdictions in 2010 and must reside in the top 10 percent among over 500 jurisdictions in the National Research Center database of the Citizen Survey. He said Novi's Code Enforcement Services positive response rating increased almost 10 percent from the 2008 survey. He presented the award to Mr. Boulard.

Mr. Boulard said thank you on behalf of the Code Enforcement staff.

Mr. Cardenas said Novi also won the Voice of the People Award for the transformation of our public library services. He said to win the transformation award the improvement in service quality rating must be significantly higher than the rating from the most recent prior survey conducted in that jurisdiction and larger than the improvement shown in all eligible jurisdictions in 2010. He said the library received a 94 percent positive rating which was up 10 percent from 2008. He presented the award to Mr. Kilgore.

Mr. Kilgore said on behalf of the Library Board he would like to say thank you. He said if it weren't for the Executive Director and staff this wouldn't have been possible.

- 2. Public Access Promotion Committee – Carol F. Spennachio and David Schied**

Mr. Shied said they were busy working on new ideas. He worked with Brian from SWOCC to put together an educational program for the community. He said they had between 13 and 17 regular attenders at their Public Access University which ran for 12 weeks.

Their weekly lessons were recorded. They started certifying people through their training program last week and had a website set up, publicaccessuniversity.wikispaces.com. He said their weekly lessons could be viewed on their website. They taught people how to produce and were currently at the post-production stage. He said they gave people an opportunity to be more hands on than with the previous training program.

PROCLAMATIONS

1. Recognition of Pancreatic Cancer Awareness Month for November – Tom Pyden

Mayor Landry presented the proclamation to Tom Pyden.

Mr. Pyden said this was the second year in a row that the City granted the proclamation and he appreciated the support. His family lost their mother/wife to this dreadful disease five years ago. Since then they dedicated their lives to honoring her memory and helping others. He said his son, Alex, was a first year medical school student at Northwestern University trying to find a cure for cancer. His daughter, Taylor, was a sophomore at Michigan State University and put a lot of energy into spreading their effort. He said if this proclamation brought one more person or one more dollar to the cause they knew it was successful.

REPORTS:

1. MANAGER/STAFF – 2012 Health Care Benefit Plan – Tia-Gronlund-Fox

Mr. Pearson said they sent out material to share with Council regarding employee healthcare. He said overall they were very pleased with the results; the increases were well in line with the region and budget.

Ms. Gronlund-Fox summarized the 2012 employee and retiree healthcare renewal plans. She said the Blue Cross Blue Shield rates came back for active employees at 2.2% and the retiree's renewal rate came back at 12.1%, which was still near the national average. She said the HAP rates came back less than what they thought at 7.4% for active employees and 6.8% for retirees. She said the Priority Health Plan came back at 8.8% for active employees. The Delta Dental rates came back with a reduction of 1.2%. She said this year they were introducing a high deductible Blue Cross Blue Shield Community Blue 4 plan which would replace the Community Blue 2 plan for several groups, including the administrative and the library employees, which would save the City around 20%. She said it was expected with the employee contributions rising, most employees would move off the Blue Cross plan because it was the higher priced plan and migrate into the HAP and Priority Health plan.

2. ATTORNEY – None

AUDIENCE COMMENT –

Irwin Arkin, 43100 Nine Mile Road, spoke regarding street naming in Novi. He thought an error was made some time ago and it had been compounded. He was concerned with the addition of the word West to his address and the City's address. He said sometimes his water bill listed the City Offices on W. Ten Mile but other times it was strictly listed on Ten Mile and his address on Nine Mile was sometimes listed as W. Nine Mile.

Mark Trueman, MHM Construction, said his company provided the electrical work at Fuerst Park. He asked Council to drop the liquidated damages charges they had against them. He said they went 63 days over contract because they couldn't get materials that were in nationwide shortage. He said they did extra work for the City trying to get things done on time and once they received the materials they finished the project in three days, working Saturday and Sunday. He said if Council considered dropping the charges, they had extra materials at the warehouse, and they proposed making a contract with the City to replace the additional ones at no charge. He felt they did everything possible to get the materials.

Diana Canup, 47210 Glamorgan, said she was the president of the Pioneer Meadows Homeowners Association. She said Council would be discussing the Planned Suburban Low Rise (PSLR) area. She stated that their subdivision was never notified of these changes. She discussed with the Planning Commission that there were no homes located at any of the properties adjacent to Mr. Bosco's property, it was his vacant property. Because of the 300 feet limit, they weren't notified. They felt that 4.5 units per acre was overwhelming for that residential. They felt nothing but residential buildings should be put in the area. She said to promote something that was that high density was disturbing and they were disturbed that they weren't notified. Regarding the property that was included in the zoned area, anything north of 11 Mile Road made sense to her, but she didn't agree that the section of land south of 11 Mile should be included. She said they had many questions regarding the zoning overlay change.

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

CM-11-10-146 Moved by Gatt, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Consent Agenda as presented

Roll call vote on CM-11-10-146 **Yeas: Fischer, Mutch, Staudt, Wrobel,
Landry, Gatt**
Nays: None
Absent: Margolis

- A. Approve Minutes of:
 - 1. September 26, 2011 – Regular meeting

- B. Enter Executive Session immediately following the regular meeting of October 17, 2011 in the Council Annex for the purpose of discussing pending litigation, labor

negotiations, property acquisition and privileged correspondence from legal counsel.

- C. Approval of Zoning Ordinance Text Amendment 18.252 to update the Novi Site Plan and Development Manual in its entirety and to amend the City of Novi Zoning Ordinance at Article 25, "General Provisions," Section 2516 "Site Plan Review (All Districts)" in order to update the existing Novi Site Plan and Development Manual. **Second Reading**
- D. Approval of an addendum to the previously approved and executed Preliminary Engineering Agreement with CSX Transportation, Inc. for the review of the portion of the Ten Mile Road Pathway project (CSX Railroad to Catherine Industrial Road) located within the CSX railroad right-of-way.
- E. Approval of a Resolution Concerning Acquisition and Approving Declaration of Necessity and Taking and authorization of Offer to Purchase in the amount of \$2,105 for a permanent easement and temporary grading permit on the Comau Pico, Inc. property (parcel 50-22-23-376-008) for the purpose of constructing a pedestrian safety path on the north side of Ten Mile Road between Catherine Industrial Road and the CSX Railroad.
- F. Approval of a Resolution Concerning Acquisition and Approving Declaration of Necessity and Taking and authorization of Offer to Purchase in the amount of \$1,810 for a permanent easement and temporary grading permit on the Suppliers Investment Co. L.L.C. property (parcel 50-22-23-376-014) for the purpose of constructing a pedestrian safety path on the north side of Ten Mile Road between Catherine Industrial Road and the CSX Railroad.
- G. Approval of a Resolution Concerning Acquisition and Approving Declaration of Necessity and Taking and authorization of Offer to Purchase in the amount of \$2,434 for a permanent easement and temporary grading permit on the Suppliers Investment Co. L.L.C. property (parcel 50-22-23-376-013) for the purpose of constructing a pedestrian safety path on the north side of Ten Mile Road between Catherine Industrial Road and the CSX Railroad.
- H. Approval of a Resolution Concerning Acquisition and Approving Declaration of Necessity and Taking and authorization of Offer to Purchase in the amount of \$858 for a permanent easement and temporary grading permit on the Shaffer property (parcel 50-22-23-376-004) for the purpose of constructing a pedestrian safety path on the north side of Ten Mile Road between Catherine Industrial Road and the CSX Railroad.
- I. Approval of Traffic Control Order 11-31 requiring westbound Summerlin Blvd. to stop at West Park Drive.
- J. Approval of Claims and Accounts – Warrant No. 853A and 853

MATTERS FOR COUNCIL ACTION – Part I

- 1. Approval of an application fee for future potential PA 198 tax abatement projects; Two-tiered fee: \$1,000 application fee and \$1,500 processing fee as recommended by the Ordinance Review Committee.**

Member Mutch said as a member of the Ordinance Review Committee they were asked to look at the fees for an applicant of a PA198 tax abatement, an industrial property tax abatement. He said there were some legal limitations on the amount they could charge and they tried to balance that with the actual costs the City incurred during the process. He said the compromise they struck at the Committee level was to make it a two part fee. A fee with the initial application to make sure only serious requests were submitted and a processing fee paid when the application was under consideration. He asked City Administration if Council didn't approve moving forward with an abatement for a particular applicant, if the second part of the fee would be charged. How he read it, the applicant would be charged the second fee whether it was approved or denied.

Mr. Pearson said the intent was that the second fee would be paid upon approval.

CM-11-10-147 Moved by Mutch, seconded by Staudt; CARRIED UNANIMOUSLY:

To approve an application fee for future potential PA 198 tax abatement projects; Two-tiered fee: \$1,000 application fee and \$1,500 processing fee as recommended by the Ordinance Review Committee

Roll call vote on CM-11-10-147

Yeas: Mutch, Staudt, Wrobel, Landry, Gatt,
 Fischer
Nays: None
Absent: Margolis

- 2. Approval of contract award to University Lithoprinters, Inc., for design and printing of three editions of Engage! in the amount of \$125,325 and three editions of Enhance in the amount of \$4,575, for a total rate of \$129,900 annually, with the option for two renewals.**

Mr. Pearson said this was first and foremost for the Parks and Recreation program brochure. They were able to add partnerships with the Library and the Novi School District. It had become one publication that added up to three million pages over the course of the year in this contract. He said there were also special Enhance brochures for seniors that were mailed out.

Member Staudt thought this was a fair price. He suggested in the future moving away from full color and having a much larger portion in black and white which reduced the cost by 15%-20%. He thought it would still enhance the product to have some color.

CM-11-10-148 Moved by Staudt, seconded by Gatt; CARRIED UNANIMOUSLY:

To approve the award of a contract to University Lithoprinters, Inc., for design and printing of three editions of Engage! in the amount of \$125,325 and three editions of Enhance in the amount of \$4,575, for a total rate of \$129,900 annually, with the option for two renewals

Roll call vote on CM-11-10-148

Yeas: Staudt, Wrobel, Landry, Gatt, Fischer, Mutch

Nays: None

Absent: Margolis

3. Approval of Resolution to establish Commercial Rehabilitation District for 46100 Grand River Avenue, proposed hotel and meeting facility for Suburban Collection Showplace.

Mr. Pearson said this was a project that had been long in the making. He said an addition of a hotel to the Suburban Collection Showplace would be positive. He said there was new legislation that allowed for consideration of a property tax abatement, it was not like the typical industrial zones, it was a commercial rehab zone. He said it was a 100% abatement for the period granted. The policy the Council adopted a couple weeks ago allowed an abatement for up to six years. They believed the application was complete in terms of the information provided. He said it was a two-step process, they would form the district at this meeting and if there was a positive consideration it would return next week for the actual certificate.

Member Fischer thanked Mr. Bowman for his interest in the City of Novi and his continued investment. He asked what recourses they had next week if they approved the creation of the zone this week.

Mr. Schultz said if they created the district, at the next meeting they would consider the application. He said there was a step where the County could object to the district within 28 days. Assuming that didn't happen, their next action was to consider the resolution and the certificate based on the criterion in the policy. He said if they didn't approve the resolution, from his perspective, it wouldn't move forward and if they did approve the resolution it would go to the State Tax Commission which would also have to approve the resolution.

Member Fischer asked if there was the potential for an applicant to go straight to the State Tax Commission if Council were to deny the certificate next week.

Mr. Schultz said if Council didn't approve the certificate the district wouldn't go forward. The statute said the Tax Commission had to approve the resolution whether it's to deny or approve. The next section of the statute stated if the legislative body and the Tax Commission approved the certificate then it would be granted. He felt Council was the deciding body.

Member Fischer wanted to discuss some of the specifics for eligibility that were included in the policy. He first wanted to address the service reputation. He asked Mr. Bowman how his proposed development went above and beyond what the City already had.

Mr. Bowman said the primary benefit was the direct connection to the facility. It was an onsite headquarter hotel which was a top criteria for a decision maker's process. They were attaching it to the exposition space and the conference space; they would be equivalent to a full service hotel. He said the value presented by the brand they were working with was of the highest quality, the Hyatt Place brand. The main component to be considered was that this was not putting in another hotel at any location. He said looking at the location of the Showplace; it was not the ideal location to just build a hotel. He said they proposed between eight and ten thousand square feet of additional meeting space which was also a differentiating factor. He said major planners were saying they needed additional meeting rooms as well as enough rooms. They hoped this size would be successful, they knew it would be a difficult task and they knew the occupancy rates. He said the service model they were proposing, connecting it with the facility, made the difference.

Member Fischer said the hotel was classified as a select service hotel and was just stated to be an almost full service hotel. He asked what they would be lacking compared to a full service convention hotel.

Mr. Bowman said they wouldn't be lacking anything.

Member Fischer asked if it would be similar to the Marriott connected to the Renaissance Center, including a concierge desk, valet, etc.

Mr. Bowman said they provided valet for many events and many events provided their own valet. He said he would have to ask Mr. Schramm about the hotel providing valet.

Member Fischer wanted to clarify the difference between the select service and the full service and how it might differ from other hotels in the area.

Mr. Schramm said a select service hotel was one where certain aspects within the building were eliminated such as a three meals a day restaurant and added labor in terms of bellmen and concierge. He said select service was more focused on the rooms' product, relying on services to be provided by nearby businesses in the market. In this particular instance it was more of a trend towards a full service hotel. He said another thing that would be eliminated in a select service hotel would be room service, but in this situation the catering facility from the Suburban Collection Showplace provided an opportunity for room service for some of the guests in the hotel, as well as a much more expansive food and beverage offering to the meetings than you'd typically find. He said from a consumer's perspective you wouldn't be able to differentiate between the service levels provided at this proposed facility and what you'd find at the Marriott at the Renaissance Center. It's just on a smaller scale.

Member Fischer said the second part he wanted to discuss related to the applicant clearly and convincingly demonstrating that it would not construct the improvement if the City did not approve the abatement. He said they received a one page affirmation that stated this, but asked what market analysis and pro forma financials they looked at that drove the definitive ability to say they would not build the hotel without the abatement. He asked why that wasn't included.

Mr. Bowman said if nothing else, being in the hotel industry, in the condition of the economy, that should be extremely evident. He said they admitted it wouldn't pass a normal feasibility analysis. He said even with the tax abatement, they still had a tremendous amount of work. They were working with Cunningham Limp currently on how to reduce the amount of expected expenditure for it to be feasible. He said they would have to pull together to create a pool of investment equity. One of the things they had the ability to do was meld their operations. He said what made it feasible was being able to attract larger scale conference and convention users for long term success. He said the six year abatement period would allow them to get entrenched and gain additional business to be successful in the future. At about the same time they would be paying full taxes on the Showplace and the hotel.

Member Fischer said after six years their contention was that they would have grown so much and so many rooms would be overflowing that the abatement would no longer be necessary and it would be profitable.

Mr. Bowman said he didn't know if it would reach traditional profitability. If they were able to attract larger scale events they might have to give away some rooms to large scale conference planners in order to get them into the space. He said it would be an effort to build, gain their confidence and make sure they came. Then they could build them into full paying customers and hopefully have their events be successful. He said he knew there were challenges. He hoped that as Detroit expanded Cobo Hall that the Suburban Collection Showplace would provide another alternative for regional and statewide association business that didn't currently cycle into the area because they didn't think they had an option.

Member Fischer said Mr. Bowman mentioned a feasibility analysis so he would assume that one was conducted.

Mr. Bowman said a traditional analysis had not been done because they knew the amount of equity that had to be put into the project was very untraditional. He said they took about \$1 million out of the projected project amount by repositioning the hotel. There were more items that had to come back to the City during the site planning process. They wouldn't be able to state that this made business sense until all the boxes were checked off. He believed they would have an ultimately successful facility for themselves and the City if they were able to accomplish everything.

Member Fischer asked if the latest estimate of \$8.5 million in investment to the City was still correct.

Mr. Bowman said that was the estimate being used to drive the numbers that were required. He saw in the agreement that there was a \$9 million requirement; he suggested putting it at an \$8 million benchmark. He said his estimation was between \$7 and \$10.5 million, the \$10.5 million being if they added an additional floor to the hotel increasing their capacity to 140 rooms. He said that was not feasible and they may even need to take a floor of rooms off bringing it down in size further in order to make the investment feasible to move forward with.

Member Fischer confirmed that they were looking at an investment between \$7 and \$10.5 million, looking for the City to put a floor of \$8 million into the contract.

Mr. Bowman felt comfortable saying their investment would be \$8 million. He said that did not necessarily translate into the value of the hotel because the value of other hotels in the community was significantly less. He said at \$8.5 million yielding a \$4.25 million taxable value they would be at 35 percent over the average taxable value of hotels in the community.

He said there was a benefit in the abatement but if they were required to have an artificially high value established for taxation purposes that offset the abatement. He hoped they would receive reasonable and similar consistent treatment.

Member Fischer said he wanted to discuss the impact to local area hotels. Several hotels came forward stating they didn't believe the addition of this hotel would attract more events to drive overflows into the other area hotels. He said if there was some type of analysis that showed that overflow, some of the hotels would be on board. He said a majority of surrounding area hotels felt this would ultimately hurt their business. He asked what the distinguishing factor was between their thoughts and his thought that he would bring is so much business to the City of Novi that they would see an overflow.

Mr. Bowman said it was his opinion and that was why he decided to focus on a community wide impact versus just hotels.

He said he firmly believed from the letters of intent and interest that they would come to the facility if they had an on-site attached hotel. He said they did a canvassing of State Association Business as a subsection of the market place and it yielded the potential for 28,000 additional room nights in and of itself. He appreciated the fact that in certain instances some hotels didn't sell out but that showed their point. The people considered where they stayed currently and would still consider where they stayed. The other hotels wouldn't lose every room night that the Showplace generated for them now. He believed firmly that other communities did similar projects for a reason and the community was behind it for a reason. Often times the projects were funded at tax payer expense, even the hotels. He said they were done at such public/private partnerships or at the public doll because they were there to bring in the delegate dollars. He said he didn't think Mr. Schramm and Hyatt would come into this Detroit marketplace right now if that additional demand wasn't going to be there. He said they proposed this before during traditional times and they would have gladly built it. He said now was the time for them. Other communities were proposing similar types of

projects under much more traditional publicly funded methodologies. He said if they didn't build this someone else would and that was when people would be concerned.

Member Fischer asked if it was his intention to be the end user, operator of the hotel.

Mr. Bowman said he would be the owner. He said Mr. Schramm would require him to have a professional management company that was engaged in the operation of hotels that they were comfortable with.

Mr. Schramm said the ongoing structure of the hotel would be that Mr. Bowman would be the owner of the hotel, Hyatt would franchise the Hyatt Place brand name to that entity and along with their approval process they would require and recommend a professional management company to operate the hotel. He said they had been in business for 53 years and there was a substantial amount of equity in the Hyatt name. He said they were particular about who operated any of their brands at any level and price point. They had experience opening hotels in association with convention centers in Denver, San Antonio and Chicago. In each of those Cities they owned real estate and had already existing Hyatt brands. In two of the instances the other hotels were visible from the convention center hotel. He said they saw increase in rate and occupancy in all three cities at the existing Hyatt hotel as a result. He said they did a tremendous amount of research when they launched Hyatt Place in 2005 to quantify the value of their positioning in the market place relative to their direct competitors. Consumers consistently said they saw them as a more upscale brand. He said they were more upscale in nature than the existing hotels in the market place today. He said it would be built at a leverage point with more equity than it took to develop any of the other projects. Mr. Bowman's basis was significantly higher and his need to charge a higher price point in order to satisfy the obligation would be much more significant. He said as a result there should be very little concern by the existing hoteliers or City Council that Mr. Bowman, as a result of a tax abatement, would be willing or able to trade his product at a price point that would be detrimental to the market as a whole. He believed it would trade at above market rates and allow some of the existing hoteliers to drive their own rates slightly higher which would be a halo effect as a result of the tax abatement.

Member Fischer asked for the background on why Hyatt Place was chosen as opposed to the other offerings that the Hyatt brand offered.

Mr. Schramm said it was the most approachable brand they had in their portfolio and it was the leader in the upscale select service segment. He said it was upscale in nature for the price point it competed at. If this transitioned from a tax abatement zone to a bonding zone there could be more conversation but the amount of the bond needed wouldn't be palatable for anybody.

Member Fischer asked how many hard commitments Mr. Bowman had from events at the convention center after the addition of a hotel.

Mr. Bowman said they hosted the Dental Association and they would be returning in 2013. He wanted to coincide that event with the opening of the hotel. He said they would do their best without an onsite hotel to keep them but with his estimation they wouldn't be able to do enough. He said they had it on the drawing board and went through a series of approvals from their Board of Directors to remain with Suburban Collection Showplace. He said Suburban had the battery, testing and engine show coming up next week that was critical. He said the shows might have to split apart and the battery show required an onsite hotel. He said if they didn't split apart it was very likely they would be the incubator for Cobo Hall. This was their largest show but they would have to consider relocating without a hotel. He said this was a cycle that they would contract out for years to come and many events were already committed to other locations for 2012, 2013, 2014 and beyond. He felt they would get their share of the business and be able to compete for it. The battery show had gone out of their way to tell the Showplace they would contract with him but he didn't have an actual contact for them at this time. He said the same question was asked when he brought forward the Novi Expo Center with two letters of intent.

Member Fischer wanted to discuss with City staff the TBON, LLC Suburban Collection half rate industrial facilities which talked about the abatement amounts that had been received to date. He wanted to know the assumptions made to drive the amounts. He asked about the abatement amounts that had already been granted to the property and what the City would anticipate the abatement amount for the hotel in particular would be.

Mr. Topouzian said there were three different calculations on the sheet he was referring to. The first calculation was the PA198 from 2005 through 2013, when the abatement for the Suburban Collection Showplace would expire; it also goes out from 2014 to 2020. The next smaller chart contained to PA210, which showed a six year abatement per the policy from 2013 to 2018, with a couple more years of estimates. The third calculation, which was not eligible for an abatement under PA210, referred to personal property. He said the calculation for PA198 showed from 2005 to 2013, the total amount of all property taxes. The next item was the amount less the state education tax. Taking that calculation you came up with the total abatement amount. The less state education tax was the 6 mils specific to PA198 which the applicant had to pay for. He said the bottom line was the abated amount, the line item before that was the total City millage, and was also part of the total abatement amount. The 2014 to 2020 figure showed estimated net taxes of almost \$2.1 million which would not be abated. He said the total abated amount including the City mil was \$1.579 million for the PA198. The PA210 amount was \$627,000.

Member Fischer said it did appear that \$8.5 million was used as the value that would be anticipated with SEV being half of that. He asked if they looked at what the impact to the City might be using the \$7 million figure versus the \$10.5 million figure.

Mr. Topouzian said they looked at the hotel construction estimate from \$7 million to \$10.5 million but the assumption was made based on the \$8.5 million.

Member Fischer asked Mr. Topouzian, in regards to the \$1.6 million that was previously abated, what benefits the Showplace had brought to local businesses.

Mr. Topouzian said small businesses saw the advantage, such as restaurants in the area. He said he had seen hotels have an advantage from the spillover of certain events. He said places in the Town Center such as Biggby Coffee and Potbelly had seen an uptick. He said it had been favorable.

Member Fischer thanked Mr. Topouzian for the time he spent getting the proper information together for Council. He thought tax abatements should be used sparingly to attract top notch investments. He said they just talked about using the abatement to attract the Suburban Collection Showplace and the money the City had forgone in that abatement. He wasn't on Council at the time to approve it but he felt it was unique enough and probably deserved the abatement. He said he couldn't go as far as to say that this hotel would be unique. He didn't think the service level met the intent of the policy. He wasn't completely convinced they were at the level they expected in Novi. He didn't think they received all the information necessary to make him feel that the hotel would not be built without this tax abatement. He thought it was unfair for the City to get involved in providing an advantage to one hotel over another. He said they had hotels that had been in Novi for 20 or 30 years that recently renovated and changed names. He thought for the City to play favorites and forego possible revenue was an unfair competition to one hotel over another. He said he likely wouldn't be able to support it.

Member Mutch said they had gotten a lot of feedback regarding this hotel on the local hotel market. They asked Mr. Bowman to provide information on his perception of that impact, both positively and negatively. He wanted to get a better sense of that because other hotels had concerns that he would bring in a new hotel that would take away business from their hotels. He said one thing Mr. Bowman provided to the City was his estimate of 28,000 hotel room nights being generated by shows, conferences and events; he asked if he felt comfortable with those numbers.

Mr. Bowman said that was only one segment of the market, it was State Association Business only. He said it was a phone survey they conducted in the early stages to determine the State Association Business' intent. He said they asked if they would consider the Showplace in their rotation if there was an onsite hotel and if they didn't consider the Showplace currently because it didn't have a hotel. He said the Showplace did some limited business with some of the association. With the upgrade of having an onsite hotel they could do a considerable amount more. He said there were larger scale statewide conventions that typically rotated between Traverse City, Grand Rapids and Lansing. He said in addition they provided all the letters from significant planners that would bring in tens of thousands of delegates over the course of three to five days. He looked at the opportunity positively and wouldn't dwell on the negative. He said he didn't believe a negative existed and it was impossible to quantify. He looked forward to working in partnership with the State Association to pursue this business and have a spillover and regional lodging pool. They would seek and pursue some of the larger scale pieces of business.

Member Mutch said he was looking for an estimated sense of what kind of room night traffic he saw being generated by this investment by the City. He said using the 28,000 room night number for discussion, if 28,000 room nights would be generated by the conferences coming to the Showplace, what percentage of that would be captured onsite and what percentage had to go offsite. He said the other issue he didn't see addressed in the numbers was what happened to his hotel when he wasn't filling rooms for a conference or event or on weekends with smaller events. What would the impact of those rooms be on the market?

Mr. Bowman said an important part of their business plan was that they would pursue and fill midweek style business, such as tradeshow business that occurred. For example, next week they were hosting a midweek three day event. He guaranteed that they wouldn't keep all of the weekend business on site. People would continue to go for price and other things and he wouldn't have a competitive advantage. He said the cost basis that he would enter the market in would compete with hotels. He said with all due respect some of the hotels had just been purchased for distressed values and he understood that. He said at 125 rooms, his best estimate was that they would maintain 60 percent of that business onsite. He said the percentage wasn't only on room nights, for larger scale events they would only be able to host 125 rooms and there were many events that required thousands of room nights. He said he didn't want to over promise. He said the hotel job generation was important but it would be the impact on other local businesses to focus on. He said they were unique; this situation wasn't done every day. He said this wasn't a traditional approach, it wasn't connected to a casino and there was no bonding available. He said they identified an area where they could expand. He said if they were able to do that within the abatement period they would also cease the abatement of the initial phase because they obviously could.

Member Mutch clarified that would be something Mr. Bowman would be willing to put into the application. He said the agreement language referred to local vendor participation in terms of commitment from him along the lines of the agreement and a percentage.

Mr. Bowman said he wasn't sure how they would make it a percentage. He said they used many local suppliers. He said the letters of support were indeed from suppliers but many of them were located in Novi or immediately local vendors. He said his only concern was that he didn't want to be put into an artificial circumstance and not be able to competitively build the hotel. He said he would give those reasonable standards and reasonable efforts but he couldn't imagine committing to 50 percent of Novi suppliers. He said he didn't know that 50 percent of their construction suppliers could be based in Novi and provide the manpower, expertise and pricing power to do that. He said he would be happy to consider it and if the City had a list he would make sure they received their bidding information. He thought their track record stood for itself; he would love nothing more than for every supplier to be a Novi supplier.

Member Mutch said at this point he would be looking for agreement language that addressed some commitment.

Mr. Bowman said he had no problem in committing to using local suppliers, vendors and contractors. He said off the top of his head many of the companies they used currently told them the only reason they were in business today was because of the Showplace. He said in the agreement they could add to bring the matter to the table each year and if they didn't feel he met the criteria the abatement could cease. He said he didn't know how he could commit to a percentage.

Member Mutch said he said he reviewed what other communities might potentially be looking at in terms of potential competition. He felt less concerned after reading that information due to other community's financial situations and the public viewpoint. He said after everything that had gone on in Troy the past year he couldn't imagine public support going forward with a public/private partnership.

Mr. Bowman said he was the seconding vote that allowed the study to go forward at the Convention Visitors Bureau in Detroit. He said it was Troy based hoteliers that pushed for it. He said not all the hoteliers would be adjacent to the facility but they would come together to do something that could attract larger scale business into the community.

Member Mutch said looking at that information it wasn't as compelling as Mr. Bowman thought it was. He said he would take the same approach to the establishment of the district as he did with the Tognum proposal that they saw a few meetings back. He said as a Council they established a policy but he didn't necessarily agree with the approach of having the City indirectly subsidizing this hotel operation at the Suburban Collection Showplace. He said it was the same problem he had with granting tax abatements generally to businesses. He didn't think it was the business of local government to get into the business of subsidizing private enterprise that way. He said they talked a lot about the importance of the free market. He said it was very interesting for him to listen to people in Lansing the past couple weeks rail against State and Federal involvement in building a public bridge and countering private enterprise. He said these were the same people who were encouraging and passing legislation that resulted in public government getting involved in indirect subsidy for this particular operation. He said in terms of the practical operation of the policy, he was willing to support the process moving forward. He thought the proposal was in line with what they expected from the policy. He said they had another opportunity to vote on the actual agreement and the abatement itself. He said he wasn't telling Mr. Bowman anything he hadn't heard from him personally, he had been consistent with the City's rule on tax abatements. He said for discussing the establishment of the district, if the proposal was consistent with their policy at this point he was willing to vote to move it forward.

Member Wrobel said tonight all they were doing was approving a resolution to set up a district. The questions they had would be best served at their next meeting when they decide to grant the abatement or not. He said he had a lot of question that he would ask at the next meeting.

CM-11-10-149 Moved by Wrobel, seconded by Staudt; MOTION CARRIED: 5 – 1

To approve the Resolution to establish Commercial Rehabilitation District for 46100 Grand River Avenue, proposed hotel and meeting facility for Suburban Collection Showplace

Member Staudt said he would also hold most of his comments until next week. He said he was a professional traveler who attended 12 to 15 trade shows a year. He had also been responsible for setting up tradeshow and conferences, he couldn't think of ten percent of those facilities that were not attached to the convention centers he selected. He didn't see the Suburban Collection Showplace surviving without a hotel. He said he could empathize with the competition issues but this was a very unique facility even recognized by L. Brooks Patterson as one of the community's crown jewels. He thought it should have been built with a hotel from the beginning. He said this wasn't really a hotel; it was the continuation of a very large project that was started years ago. He said one of his concerns was putting preconceived notions on their decisions. He said the Detroit auto makers figured out that making quota issues and various types of suppliers didn't work anymore. He said they could only work with this business to make them successful and give them the flexibility to do the right things. He thought Hyatt hotels were premium hotels. He said some convention center onsite hotels reached prices of \$350 to \$500 a night. He said most hotels were built on property that was owned by the public and there was still connection to it. This was entrepreneurship at its highest degree. He said he would support it, he was sorry that it affected businesses but that was the nature of the abatement period. He said the company he worked for worked with Plymouth Township and received an abatement because they made a significant investment in that community and they thought it was worthwhile for them to make a larger commitment. By making the abatement with them they were able to spend much more on their building and he felt the same thing would happen with this facility.

Member Mutch said he wanted to clarify that the request for the local vendor and supplier percentages wasn't a personal request, it came directly from the policy and if Council Members had concerns about that then it should be addressed in the policy. He said in the agreement there was discussion about the use of local jobs as one of the requirements. He wanted to be clear that they all agreed to those requirements when they agreed to the policy.

Mayor Landry said when he looked at the project what was most important to him was to place the hotel portion in prospective. He thought the project was unique and they didn't have to look any further than the legislation of PA210 because they created an exception just for this project. It didn't allow abatements for any hotel anywhere, it's an abatement for a hotel attached to a convention center of a certain size and there was only one place that complied with those standards. The legislation of the State of Michigan specifically recognized this project as unique. He said what was really at issue wasn't the hotel, it was the convention center. He saw two issues. First, was the Showplace important to the City of Novi and second, with the hotel would that improve the marketability of the Showplace or would it allow it to preserve its current existence. The Showplace brought in 1.5 million people to the City of Novi. He said it had an annual economic impact on the City of Novi of \$675 million there was no other single

business in the City that did that except possibly Twelve Oaks Mall. He said there were three other current discussions regarding the creation of convention centers located in Troy, Dearborn and Romulus. He said a hotel at Novi's convention center might scare one or all of them off. This meant we were protecting our business and our City or at least made them think differently. He said the issue wasn't about comparing the hotel that was proposed to any other hotel; to him it was about the Showplace. He said looking at the policies, the objectives were to phase in long term tax benefits, and after the six year abatement the City would be receiving another \$100,000 a year. Another objective was to assist in the economic viability of an existing convention and trade center without demanding high public services; he said it would clearly enhance that. Third, the capital investment that would serve as a catalyst for other substantial investments in the City while not undermining the economic or financial viability of existing businesses, the effects of other hotels. He said he saw that 21 of the 49 potential new conventions would require more rooms than the hotel would have, 43 percent of the expected new business would have to go to other area hotels. He said no other hotels could say that because they were built, they provided business for other hotels because they weren't attached to convention centers. He said every hotel had a unique aspect, Staybridge Suites was right next to Providence Hospital, and a percentage of their business was long term stay for people visiting people in the hospital. The Inn at St. Johns had a wonderful golf course and Romanesque wedding chapel, every place had a unique aspect that allowed them to draw customers that no one else would draw. He said Marriot just invested a lot of money into the Renaissance Baronette, so the Novi market is investable. He said the Suburban Collection Showplace does improve the quality of life in Novi because when there is an event in town local business does increase. He said he was in support of this. He said to those who said Novi gave too much to the Showplace, the legislature passed PA210 stating there was 100 percent abatement for up to ten years. The first thing Novi did was to say no to the Showplace, we were not going ten years, Novi's policy was six. He said they did that to be consistent because the PA198 policy allowed 50 percent to be abated for twelve years. He said they did say no and they have said no. He thought it was unique and was in the best interest of Novi to do so. His feeling on tax abatements was that they were like three irons, if you wanted to have a complete set of golf clubs in your bag, you had to have one but you didn't use it very often. He said he would support the motion and the creation of the district.

Roll call vote on CM-11-10-149

Yeas: Wrobel, Landry, Gatt, Mutch, Staudt

Nays: Fischer

Absent: Margolis

4. Approval of Sign Ordinance Text Amendment 11.100.41 to amend the City of Novi Code of Ordinances at Chapter 28, to add regulations concerning the placing of signs in the PSLR, Planned Suburban Low-Rise Overlay Zoning District. First Reading

Mr. Pearson said there were two related items, the first was a sign regulation package and the second was a zoning overlay district. He said this had been under consideration dealing with transitional area between residential and the Grand River corridor area. He said the Planning Commission and staff made positive

recommendations that this overlay be instituted to provide flexibility to the property owners. He said the existing properties by the overlay would not become nonconforming, it would provide an option for development options that would stay in keeping with the surrounding land uses.

Member Wrobel appreciated the work that the Planning Commission did on this item; it took a lot of foresight and hard work. He said when he looked at the projected areas that were involved some of them made sense to him based on their closeness to Providence Hospital and some other developments. The one piece that didn't make sense to him was the property at the southwest corner of Beck and 11 Mile Road. He asked Mr. Spencer for the rationale behind the decision for adding that.

Mr. Spencer said part of the rationale was looking at what land uses were currently out there and what could be buffered. He said they looked at a line that was about a half mile parallel to the south side of Grand River, north of that line was higher density developments. He said about $\frac{3}{4}$ of a mile south they saw more residential developments, schools and some vacant property that the school system owned. He said the $\frac{1}{4}$ mile stretch between the two lines included most of the Bosco Property and therefore it was included in the overlay.

Member Wrobel asked what the density per acre would be in the projected acre.

Mr. Spencer said it would be 7.3 dwelling units per acre.

Member Wrobel said he understood the rationale for putting it in this area and some parts made sense but he wasn't comfortable at this time, given the current infrastructure supporting such a density. He said he was leaning to not support this item.

Mayor Landry said it appeared to him that item 4 was dealing with the signs and item 5 should be dealt with before item 4.

CM-11-10-150 Moved by Fischer, seconded by Landry; CARRIED UNANIMOUSLY:

To table item 4 until after item 5

Roll call vote on CM-11-10-150

Yeas: Landry, Gatt, Fischer, Mutch, Staudt, Wrobel

Nays: None

Absent: Margolis

5. Approval of the establishment of the Suburban Low Rise Overlay District and related regulations, including:

A. Zoning Ordinance Text Amendment 18.253 to amend the City of Novi Zoning Ordinance to add Article 23B, PSLR, Planned Suburban Low-Rise Overlay District; to amend at Article 24, Schedule of Regulations, Section 2400 Height, Bulk, Density and Area by Zoning District; and to amend at Article 25, General

Provisions, Section 2509 Landscape Standards: Obscuring earth berms and walls, right of way buffers, and interior and exterior landscape plantings; Section 2519 Performance Standards and Section 2520. Exterior Building Wall Façade Materials; and

- B. Zoning Map Amendment 18.700, initiated by the City of Novi, for rezoning 131.7 acres of property in Section 17 and Section 20, located north and south of Eleven Mile Road, east of Wixom Road and west of Beck Road, by overlaying the PSLR, Planned Suburban Low-Rise Overlay District on properties in the R-1, One-Family Residential; R-3, One-Family Residential; RA, Residential Acreage; RM-1, Low Density, Low-Rise Multiple-Family Residential; and I-2, General Industrial Districts.
First Reading**

Mayor Pro Tem Gatt referred to Mrs. Canup's statement that no one in Pioneer Meadows was notified. He asked Ms. McBeth if that was correct.

Ms. McBeth said there were a number of notifications that went out for the most recent public hearing at the Planning Commission. There were 61 property owners notified in areas surrounding the proposed rezoned area. She said the notice was also in the Novi News and there were five rezoning signs scatter throughout the area at key locations. She said there were a number of open invitations for the public to attend and a special website to share the information.

Mayor Pro Tem Gatt asked how one person in Pioneer Meadows might not have been notified when others were.

Ms. McBeth clarified that not all the people in Pioneer Meadows were notified. People within 300 feet of the edge of the rezoning were notified.

Mayor Pro Tem Gatt said he understood the policy of the 300 feet but when you looked at a map of a case like this and saw that the real dense population of people who would be affected lived further than the limit, he thought it would be appropriate for the City to bend the rules and send everybody in the subdivision a notice. He thought it was too dense of a proposal for him to support. He didn't think the infrastructure could withstand it and he wouldn't be supporting it for that reason.

Member Mutch said he was conflicted on the proposal. One of the arguments made for it was its adjacency to Providence but on the other hand one of the things that stood out when looking at the maps of that area was the natural featured woodland and wetlands between the Providence Hospital campus and the 11 Mile corridor, it was a significant buffer. He said it created a buffer between what was going on in the Grand River corridor and the 11 Mile corridor. He said not that long ago Council saw the Medilodge proposal which was in that area on 11 Mile. This was the model for the Suburban low-rise concept. He said looking at the parcels under discussion, the Wizinsky property and Profile Steel property adjacent to Target were different situations than the Bosco property. He said the ordinance raised concerns with the issue of the proposed density. He was surprised that this allowed multifamily up to 7.3 dwelling units per acre.

He said Medilodge showed you could have higher density developments without a lot of impacts. If other parts of the 11 Mile corridor developed similarly with senior housing, convalescent care or assisted living facilities he would probably feel comfortable. He thought there was a lot of good material in the item related to concept. It laid out a framework that would bring the City attractive development that would be more consistent with the residential area. They had to figure out how to deal with the density issue because that was what raised concerns with people. He thought the more appropriate direction would be to send this back to City administration to look at the density issue and provide feedback. He said it contained a lot of good planning concepts. They had to figure out what to do with the area because it was a transitional area. With the approval of Medilodge, Council opened the door for the development to continue along that area. He said the current zoning was R-3 Single Family Residential which wouldn't give the City the type of quality development they could see from this zoning district if it were changed a little.

Mayor Landry agreed with Member Mutch. He thought that area of the City was a transition area but presented a tremendous opportunity. He said the hospital changed the entire quadrant of the City. He saw the area building out with medical facilities, congregate facilities, perhaps physical therapy places. He said he liked the tenor of the Zoning Ordinance to encourage development of nontraditional residential but would look like residential. He said they had to be proactive to develop the area to use the hospital as the engine to allow medical related facilities to build in the area of the City. He said he didn't like the thought of a lot of apartment buildings or real high density traditional residential developments in these areas. He thought there were certain aspects that were very good.

Mr. Pearson said he was hearing two issues, the boundaries and the residential density component. He thought they could come up with information between the first and second reading. If they weren't comfortable at the second reading they could send it back to the Planning Commission for a more full review.

Member Mutch said he believed the Planning Commission had a fairly robust discussion on this item. Without some direction from Council on what they wanted, he didn't feel it would be beneficial to send back to the Planning Commission.

Mayor Landry said he thought the Bosco property had to be included in this because it was adjacent to what was going to be developed. He didn't think that property was going to stay a hobby farm because it was a prime piece of property. He felt comfortable passing something tonight and seeing what administration brought back. If Council didn't like what was brought back, it could be sent back to the drawing board.

Member Fischer said he was fine with passing the first reading, but since they didn't seem to be providing direction, they might be better postponing it this time. Once they had more details from staff they could have a first reading at the next meeting and then provide more clarification to move to second reading. He agreed that they needed to tone down the density. In regards to the Bosco property, he said he would

have an issue including that property with the current proposed density. He said if in part of the package from staff, the density was brought down, then he could live with including the Bosco Property but that would be a key to his decision.

Member Wrobel said he agreed with Member Fischer he wouldn't be opposed to the Bosco Property, but not at the current stated density. He would listen to alternatives from staff.

Mr. Pearson said for a practical matter, there could be different Council Members if they didn't have the first reading at this meeting.

CM-11-10-151 Moved by Mutch, seconded by Fischer; CARRIED UNANIMOUSLY:

5. To approve the establishment of the Suburban Low Rise Overlay District and related regulations, including:

- A. Zoning Ordinance Text Amendment 18.253 to amend the City of Novi Zoning Ordinance to add Article 23B, PSLR, Planned Suburban Low-Rise Overlay District; to amend at Article 24, Schedule of Regulations, Section 2400 Height, Bulk, Density and Area by Zoning District; and to amend at Article 25, General Provisions, Section 2509 Landscape Standards: Obscuring earth berms and walls, right of way buffers, and interior and exterior landscape plantings; Section 2519 Performance Standards and Section 2520. Exterior Building Wall Façade Materials; and**
- B. Zoning Map Amendment 18.700, initiated by the City of Novi, for rezoning 131.7 acres of property in Section 17 and Section 20, located north and south of Eleven Mile Road, east of Wixom Road and west of Beck Road, by overlaying the PSLR, Planned Suburban Low-Rise Overlay District on properties in the R-1, One-Family Residential; R-3, One-Family Residential; RA, Residential Acreage; RM-1, Low Density, Low-Rise Multiple-Family Residential; and I-2, General Industrial Districts. First Reading**

Member Mutch said as part of the discussion about density he would like to bring back a refresher on the Medilodge project because his biggest issue with density was having apartment style developments. If they had something high density similar to a Medilodge project, he would be more willing to consider that.

Member Staudt said at the time they were looking at the Medilodge project, he was looking at it as an independent event. He would have a difficult time seeing multiple similar projects on 11 Mile. He doubted he would support the second reading if it included the Bosco property.

Mayor Landry asked if as an overlay district every project had to come before Council for approval.

Ms. McBeth said as an overlay, the existing zoning and uses could continue. If the applicant chose to come forward, they would first go to Planning Commission with a concept plan and public hearing and then City Council for approval of that. Then it would go back to the Planning Commission for approval of the site plan.

Mayor Landry confirmed that every development, if the overlay district was passed, would have to come before the Planning Commission for recommendation and then City Council and all the residents would have an opportunity to weigh in at that time if they didn't like a certain aspect.

Roll call vote on CM-11-10-151 **Yeas: Gatt, Fischer, Mutch, Staudt, Wrobel, Landry**
Nays: None
Absent: Margolis

4. Approval of Sign Ordinance Text Amendment 11.100.41 to amend the City of Novi Code of Ordinances at Chapter 28, to add regulations concerning the placing of signs in the PSLR, Planned Suburban Low-Rise Overlay Zoning District. First Reading

CM-11-10-152 Moved by Fischer, seconded by Mutch; CARRIED UNANIMOUSLY:

To approve the Sign Ordinance Text Amendment 11.100.41 to amend the City of Novi Code of Ordinances at Chapter 28, to add regulations concerning the placing of signs in the PSLR, Planned Suburban Low-Rise Overlay Zoning District. First Reading

Roll call vote on CM-11-10-152 **Yeas: Fischer, Mutch, Staudt, Wrobel, Landry, Gatt**
Nays: None
Absent: Margolis

AUDIENCE COMMENT – None

MATTERS FOR COUNCIL ACTION – Part II

COMMITTEE REPORTS – None

MAYOR AND COUNCIL ISSUES – None

AUDIENCE COMMENT – None

ADJOURNMENT

Regular Meeting of the Council of the City of Novi
Monday, October 17, 2011 Page 26

There being no further business to come before Council, the meeting was adjourned at 9:36 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Natalie Laitinen

Date approved: October 24, 2011