

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, AUGUST 25, 2025, 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
Tom Schultz, City Attorney

APPROVAL OF AGENDA:

Member Smith added under Mayor and Council issues for the Parks and Recreation Committee to develop a plan for Shawood Lake and Island.

CM 25-08-109 Moved by Casey, seconded by Thomas; MOTION CARRIED: 7-0

To approve the agenda as amended.

**Roll call vote on CM 25-08-109 Yeas: Casey, Gurumurthy, Heintz, Smith,
Thomas, Staudt, and Fischer
Nays: None**

PRESENTATIONS:

1. Public Safety Buildings Bond Next Steps - Plante Moran Realpoint, PFM, & Miller Canfield

Todd Fenton, Vice President Plante Moran Realpoint, said that the City designed a fantastic educational plan, implemented it, and now got it on the board to be discussed. He said he is going to go through a very brief summary of where they are at in terms of what the project is, the location of it, and then moving forward to the site due to diligent activities. He said they are going to be performing procurement with an architect, engineer, and construction manager. He said then, they will get into a preliminary design and a construction timeline, which will segue into a little bit of a discussion on the bond issuance. Which, he said, has been informative for the timing on a lot of this program. He said on August 5, 2025, Novi voters approved \$120 million public safety bond proposal. He said \$20 million of that money is a road project extending Lee Begole from Crescent to the North. He said they're building one public safety building, which comprises of a new police station and fire station, and is a \$72 million project in and of itself. He said Fire Stations 2 & 3 are approximately \$13 million; the sites are the same 14,500 square feet and then improvements are about \$2 million that haven't been programmed yet. He said that they will be building that into the budget as they move forward on Fire Station 4. He said that it's \$100 million for public safety facilities. He said the design and construction schedule that was presented in January and then reiterated in March is about 60 months. He said the majority of the \$80 million is 2028, and that's how they staggered a 60-month construction timeline. He said PFM will be discussing the possibility of how they could actually accelerate the timeline. He said they see pathways to be

able to cut maybe 6 months to a year off of the project. He said they are still working through it. He said, regarding fire station 2, the City has an option to acquire a parcel at 42000 W. 13 Mile Road. He said the City is finalizing due diligence prior to a planned closing which would be in September of this year. He said concurrently they're continuing to monitor the market for any other site that could be feasible within a mile to mile and half geographic range of where the current fire station is. He said the City acquired property in 2025 for fire station 3. He said moving forward through next year there will be a lot of site work, confirming a lot of things through geotech, easements, plot line requirements as they get further into the design. He said they need to make sure building load calculations match the infrastructure that's on site. He said they believe there will be some regulatory issues with wetlands that the city will be working on. He said they do have a care plan for the public safety building that they'll be working through with the city on some environmental work there. He said in terms of procurement right now they are in the middle of procuring an architect and engineering firm. He said they issued a pre-qualified invite only RFP, for professional services. He said one of his colleagues, Brian Webber, brought that approach to the Council in May of this year. He said it's the same with the construction manager. He said they are seeking firms with a proven track record and projects of comparable size and scope, specialized expertise in public safety, access to national local resources, and the ability to staff it and financial capability to pull off a project of the size. He said they received proposals on August 12th and scored them the same week. He said they met with the City on August 18th to review the proposals and agreed that they are going to interview 4 firms. He said this upcoming Wednesday, the intent is to recommend 2 firms for a final interview with the finance and administration committee. He said the meeting is set for September 15th, and the intent is for the FAC to recommend a final form for approval by the City Council on September 22nd. He said in terms of the boiler plate of that resolution, they would ask at that point to authorize the City Manager and City Attorney's office to take whatever actions necessary to finalize the contract with the recommended AE firm. Provided there aren't any material deviations from the contract that they already provided in terms of the construction manager, again they followed the same process. He said what a construction manager really is, is they essentially hold all the subcontracts. He said the semantic is that the construction managers are a direct contract with the city of Novi. The architect engineers are also a direct contact, but the subcontractors underneath here building the project are all held by the construction manager itself. He said those proposals or due on August 26th. He said they will be reviewed by PMR and the city administration. He said they are meeting on September 15th to narrow the pool to three firms or four. He said how the last interview with the city went there was another firm they wanted to consider, and then two firms will be recommended for a final interview by the finance and administration committee on October 6th. He said the timeline right now for a final CM firm to be approved by City Council is on October 21st. He said they will work with the City Manager's office and the Attorney's Office to finalize a contract with that. He said their final preliminary construction timeline as of today, design will be starting in the third quarter of this year and finish in the first quarter of 2027. He said for the public safety building, they expect the first bid package for site work to be released in the third and fourth quarter of 2026, building structure and envelopes in the first quarter of 2027. He said interiors and furniture fixtures, equipment and technology in the second to third

quarter of 2027, he said construction to be complete in the fourth quarter of 2028. With the fire stations, he said design will begin this year in the third quarter they expect because they are smaller buildings that they'll end earlier. He said the second quarter of 2026 will be bidding, awarding will be the fourth quarter of 2027, and construction will start the first quarter of 2028. He said again, that is also cash flow dependent. He said the majority of the bond proceeds become available in 2028 for this project. He said they are looking at the completion of construction of the fire stations in the third quarter of 2029. He said he has alluded many times to cash flow dependency and where the schedule is and PFM will provide a brief update on where they are at with the bond issuance and some of the flexibility that they may be able to build into the project.

Sean Wall, PFM Financial Advisors, said in terms of market rates the graph provided is good for two reasons. He said on the left-hand side, the tan bands are the 10-year historical range for the tax-exempt benchmark. He said the dark blue line is where the rates are as of today or this week. He said you can see just on the front end of the curve years 1 to 5 is kind of in the middle of the bands. He said as you go longer on the curve rates show they are little higher in the upper part of the historical range for the last 10 years. He said looking at a 25-year bond terms the rates are on the higher side of where they have been in the last 10 years period he said the treasury curve on the right-hand side just gives an idea of where treasuries are in comparison to tax-exempt benchmarks. He said they looked at a few different options as starting places to move forward. He said the first series of bonds is not expected to be issued until next May. He said given what they know now, discussions on projects, timelines, cash flows 10 things alike they've put together some options for the team's consideration. He said as they mentioned earlier, they went with \$40 million in 2026 and the remaining \$80 million in 2028. He said option A is contemplated as going again with the \$40 million upfront in 2026. He said through further discussion they looked at if they kept the \$40 million in 2026 what could they pull up to 2027. He said that it's about \$17.5 million, and then you would round out the issuance of the authorization in 2028 at \$62.5 million. He said the other option which he thinks they know is attractive based on recent discussions, is option B. He said that it looks like it will be \$25 million in 2026. He said he knows the road project is about \$20 million, so that leaves a little bit of a buffer. He said then they could pull up as much as they can to 2027 which is about \$45 million. He said in 2028 they would round out the authorization of the \$50 million. He said there are just different options in terms of timing, cash flow, things to consider. He said again they've got time as they go along, but just kind of settling some benchmarks along the way of what they think is possible. He said he knows there are a lot of numbers but talking about completing the different priorities of this project for the city. He said they talked about managing project cash flow needs with bond series. He said they have been in contact with the people from PMR over the last few weeks talking about the different options, weighing the options, timing, things like that. He said that is 1 priority. He said the other is moving fluid bond rates. He said rates can move anywhere, sometimes zero to 5 base points in a week or 15 to 20 base points in a week. He said if you have a couple of weeks that stack up of big movements you can see some pretty considerable right movements and changing parameters. He said future estimated taxable values they are estimating at 4% growth for the next 4 years and 3% thereafter. He said they will know more next spring when the 2026 taxable value comes out and that

will change the math a little bit as well. He said the last two here they are looking at the one mill target. He said he knows that it's a pretty firm target so with that is kind of the revenue constraint they have a more limited set of possibilities. He said the last is structuring bond, statutory bond structuring requirements which designates that they can't backload too much principle called a one to five rule. He said those are some of the factors that are competing. He said looking at this when they're looking to structure these series along the way and again a graphical representation, should help with how they're layering the debt service in each series. He said option B with the 25 million upfront shows that series 2026 that debt service gets us to \$1 million and then drops off considerably to fold in the series 2027 bonds. He said then in 2028 folds in the 2028 bonds all again staying at relatively level mileage until they drop off later down the line. He said in terms of just bond sale issuance and sale process he imagines pat will touch on this briefly. He said when they decide where they're wanting to go with the issuance of the bonds they would talk with the team about the method of sale, put together bond specifications which will inform the authorizing resolution. He said they will likely consider that in February. He said they can certainly do it earlier but that will come from pat and the folks at Canfield. He said from there they dropped and put together a preliminary official statement, hold the review call, get it all in order, apply for a rating, have a call with the rating agency, and receive the bond rating. He said then they would publish an official statement and notice of sale depending on the sale method. He said in March they sell the bonds in April and then close on the bonds. He said the city would receive the first round of funding in May of 2026.

Pat McGow, Bond Counsel from Miller Canfield, said there were four basic elements in the bond proposal: The maximum dollar amount, the maximum duration, the purpose of the project, and the estimated mileage rate. He said what the voters approved was the city issuing bonds and an amount not to exceed \$120 million. He said the bonds can be issued in one or more series not to exceed 25 years from the date of issue of each series for the projects described there. He said there is also the estimated mileage rate. He said he knows some people have asked a question what's the real limit here. Is it the dollar amount or the mileage rate. He said the answer is right and the ballot language and it is the dollar amount. The voters approved of the City issuing bonds and an amount not to exceed \$120 million. He said the mileage rate that you get to levy to pay the debt services based on what you need to cover the debt service. He said at the time the ballot was approved the estimate was it would be 1 mill in the first year an average of 0.95, but you are authorized to levy whatever you need to pay debt service and not more. He said if it turns out that interest rates are a little higher then you could levy more than a mill, if interest rates are lower or the taxable value increases faster, you will levy less than one mill. He said the one mill is really just a target. He said it was based upon the estimate at the time the belt language was approved. He said now in structuring PFM is trying to keep it at the one mill, but he just wanted to remind Council the one mill does not limit you. He said if it turns out if they get next year and interest rates have crept up; you have the ability to issue a total issuance of not to exceed \$120 million and levy what mileage rate you need each year to pay the debt service. He said one thing they do know is it will be different each year the taxable value will change, and you'll be able to levy whatever mileage rate you need to cover and pay that debt service. He said the other thing he

wanted to touch base on is that now that the voters have approved of this bond what can the city spend the money on. He said again it is really what is contained in the ballot language, and they tried to be very broad and descriptive in the various categories to give them some flexibility, but also to convey to the voters what it is that's included in this project. He said basically they can pay the cost of acquiring, constructing, furnishing, equipping the new public safety facility, which includes a Police Department and fire department that's going to be the public safety headquarters Lee BeGole Drive, and two new Fire department facilities to replace fire stations two and three period he said the city has the sites for those locations and we now know where those will be. He said renovations to fire station 4 in site acquisition. He said this was done to basically allow you to reimburse for the cost of acquiring the sites for those new facilities, demolition of existing facilities or structures on new sites and the related road and site improvements, which is Lee BeGole Drive. He said that is the \$20 million cost that they are talking about on the front end of the project. He said they can also pay for soft costs including architectural engineering, surveying, soil testing, consulting, legal, etcetera and issuance costs related to the bonds. He said this is essentially what you can spend the money on. He said the other thing that comes into play when they're talking about structuring the bond issue is timing restrictions on spending bond proceeds. He said he would like to say that the construction project drives the schedule. He said the bond issuance is really going to be based and built around the timing of when you need the money for construction and also what the expected time period of construction is. He said first when it comes to reimbursing prior expenditures, anything that has been paid that are soft costs, and that includes the architect engineering surveying, soil testing, consulting, legal cost of issuance, you can reimburse from the bond issue regardless of when you paid those costs. So, if you paid consulting costs going back a year or more, there is engineering work done a year or more, soil testing you can reimburse for those prior expenditures. He said when you issue the bonds anything that is considered a hard cost, which is land acquisition, construction equipment or furnishings can only be reimbursed if those paid no more than 60 days before the Council approved the bond language. He said if they go back that basically gets you to pretty much all of 2025. He said he believes both of the two sites that they were talking about were required after that date, the one that's already been acquired and the one that has a September closing. He said you will be able to reimburse for those site acquisitions and bond proceeds. He said the other timing restriction comes from the Internal Revenue Code, which is true for any tax-exempt bond of this nature. He said you have to reasonably expect to spend substantially all of the bond proceeds within three years. He said the reason for that is the IRS doesn't want you to issue bonds and then it takes many, many years in order to pay for the project. He said if that's the case it's suggested it would be better to have the bonds issued in more than one series. He said what's going to drive this is the flexibility to decide what they will do going forward. He said ultimately, he wants to make sure that at the time they issue bonds they expect to spend all the money within three years period he said now the fire stations are closer to a four-year time period. He said that's why they were looking at two or three issues of bonds so that they satisfy that requirement. He said the other good news is that when you issue the bonds, you are able to invest that in any investment that you're permitted to under your investment policy. He said you are going to earn interest on these bond proceeds, based on whatever you put in, CD's or money market, obviously very

secure instruments that satisfy your investment policy. He said that money is considered the same as bond proceeds. So, those investment earnings on the bond proceeds are considered bond proceeds and have to be spent on the same things that the bond proceeds are spent on. So, you can't take those investment earnings and transfer it anywhere else. He said that's the part of the project fund that is available for those costs as well and the assumptions that PFM has prepared includes investment earnings in those numbers. He said at the end of the day they will end up with more than \$120 million when you include the interest earnings. He said it doesn't know what the number is because it depends on what it is at the time period he said finally people asked the question about arbitrage and rebate. He said he would say that this is not anything they need to be worried about at this point. He said if you earn more interest on the bond proceeds than what you're paying in terms of the interest on the bonds, and you don't spend the money within two years. For each issue you might have to rebate that excess amount to the IRS. He said that's not anything to worry about in terms of structuring. He said that also assumes that interest rates allow you to reinvest at a higher rate, which for the most of the last 20 years has not been true. He said it went up a couple of years ago when short term investments got up above 4%. He said depending on how this is structured and what those investment earnings are they will look at it at that time period he said it is relatively rare there's only been a couple of times in the last 20 years that there's really been an issue for a project like this. He said if they split this into two bond issues, they may be hitting those spend down requirements anyway, but he wanted to mention it is not something they need to worry about now.

Greg VanKirk, Partner at Plante Moran Realpoint, said he is going to tackle a few questions that come up. He said a big question people ask is why the project is not done already. He said they want to under promise and over deliver. He said they put a five-year timetable on the project. He said what they think is the project could conceivably get done in four years or less subject to cash flow he said they're in the process of working on those types of items. He said by way of example if they have two fire stations have \$13 million apiece, that's \$26 million plus the road is \$20 million which means it's \$46 million. He said they can only bond \$40 million right out of the gate. He said that may change and they may be able to accelerate and bifurcate the programs and have a fire station program, a public safety program, and a road project program all running in parallel. He said they are working on it. He said they are interviewing architects, interviewing construction managers and debating on the ways that this can speed up. He said he knows this needs to be a speedy project so that community members have better services. He said personally he has an interest in speeding this up because they are fighting inflation. He said they want every power of their being to make this move as quickly as possible to save money on inflation. He said he wants to let them know that there is more to come but they will get there. He said they have a great team, and everything is on schedule and moving right along. He said soon they will have architects in front of the Council for recommendation and approval of contract.

Mayor Fischer said he would like to thank Novi voters for giving the City the opportunity to invite the representatives to share in these next steps. He said it couldn't have been done without the hard work of City staff, the support staff, and the City Manager leading

all of the teams in a similar direction. He said thank you to the city staff that got us there as well as the experts. He said it was a lot of information to take in as far as the next steps and process.

Mayor Pro Tem Casey said It's exciting to be at the point where they're talking about what they can do. She said like the mayor she would like to thank the voters for their trust and allowing the opportunity to do this on their behalf. She said she'd also like to thank Sheryl Walsh Malloy and the two chiefs and City Manager Cardenas for the work they did to educate the voters to get them to the point where they felt like they understood the program and were willing to trust the City. She said she has mentioned this before but, a reminder that she doesn't do this on a daily basis, and it is not her background or expertise. She said as they continue to educate the Council and present information, please make sure that you remember the fact that you were giving some of the background as they were talking about the issue. She said the slides were great, but the treasury interest rate movement slide took some time to digest and figure out because there wasn't axis. She said, again, this isn't what she does for a living. She said she can spend money from a marketing perspective but doesn't have to account for it. She said she would ask for the courtesy of making sure that it is clearly defined for everyone. She said it is easy to sit and be engaged in every decision that gets made and that is not the role that Council plays. She said the Council is the policy setting body and has the high-level decisions. She said as much as she watches HGTV and feels like she could give feedback on colors and fittings, that's not their job. She asked if they could pull together a document that shows what stakeholders are responsible for which decisions. She said to tell her who is responsible, who gets to approve it, who supports it and who could see information. She thinks that will only help herself remember where the responsibilities are or are not. She said the sooner they could pull something like that together it would be greatly appreciated. She said her third comment is that when they started the process, she made a comment that she was looking to see the teams monthly. She said it made sense as they were going through the process and getting to the point where they were getting ready to put the bond out or put the vote out through education materials. She said the requirement to see them monthly might not apply for the next handful of months. She said there won't be anything where they need to come and update them. She said please understand that the expectation is there is a frequency that they will meet that, and she would like them to lean more towards more frequently than less frequently. She said she also likes the updates they are getting in the admin packets. She said she will expect to continue to see those on the weekly basis that they've been seeing them so far. She said from my communication perspective she wanted to be very clear on what her expectations are going forward. She said the only requirement that she will say that she has, because she will defer to the chiefs who are the experts in what they need in the building, is going to ask them to continue to look to design with flexibility. She said if there is an opportunity as they are doing the architecture and they are doing the design to make it flexible in case in the future, if something like a wall needs to be moved, it can be. She said that would be the only expectation or requirement that she would want to put on the table.

Member Smith said thank you to the voters and staff who helped get this approved as well. He said this is definitely something we need to do. He said these buildings are going to be around for 40 years, and they could be in service in 2075 and 2080. He said that this is good timing with interviews coming up because that's mostly what they're going to be talking about. He said in addition to the public safety building experience he would like to stress from the architect standpoint, people that have experience in design and construction of lead certified buildings whether or not they pursue lead. He said he would still like to see it in 40 or 50 years, so we can save a lot of money by being very efficient. He said he would like to see a good investigation of any energy efficiency and renewable energy options in environmental sustainability. He said environmental sustainability has to be at the forefront of this project in the inside and the outside of the buildings. He said green materials if rainwater has to be collected, landscaping, that kind of thing. He said these buildings are going to be here for a long time he said when they start to make the decisions on who they hire as an architect come with some information about what they see as the trends going forward in buildings for the next 40 years it's some of what they might expect to see. He said he doesn't know if that's possible to do it. He said the buildings we have now designed in the 70s and 80s are outdated because technology has moved so far along. He said any information that they can give us to tell where trends are going were things they should expect showing up as needs for the buildings. He said he was looking forward to speaking with the architects.

Member Staudt asked that the presentation go back to the slide with the cost breakdown of the individual buildings. He said he has a fundamental issue with this slide. He asked PMR if in the \$72 million cost if 10% and 2% contingencies were included. Todd Fenton, PMR, said yes. He asked what else it includes. A representative said all costs for that specific building. Member Staudt said when he does a construction project, he is very concerned about contingency. He said he is not worried about consulting fees, as those are agreed on. He said this slide is very misleading. He said it makes it look like they are getting a \$72 million building. He said there is no absolute contingency unless the company makes it an absolute. He said he would prefer to see a table that shows what they are actually proposing to spend on the buildings, soft costs and hard costs. He said \$13 million after a 10% contingency means they are really looking at a \$10 million building. He said it is extremely misleading, and he fights this on the projects he works on himself. He said one of the things the Council hired PMR to do was to control contingency to make sure that the project came in and they knew what they were getting and what they were paying for. He asked the Bond Counsel, Mr. McGow, how far back on soft costs they could go. Mr. McGow said there is not a time limit on that as long as it relates to this specific project. Member Staudt asked if the money spent on a consultant a few years ago who provided them with a first view of the building, could come from bond funds. Mr. McGow said yes, if that was related to the replacement of the fire and police stations and project. Member Staudt asked the City Manager the costs of the original study done with the steering committee. City Manager Cardenas said he doesn't remember the price off the top of his head. Member Staudt said it was over \$100,000 and asked if all of the funds used for the studies, and costs with Plante Moran can come from the bond. Mr. McGow said yes it can, you are not required to reimburse, but you can. Member Staudt said there are really good reasons to reimburse. He said his only other comment is to use

whatever effort to accelerate the project. He said he was not anticipating 2028 for the fire stations being complete. He said he'd like to see some of the work done and finish in 2027. He said the City has \$120 million that they somehow have to fit it in. He said in other words the 1 mill is purely a placeholder number. Mr. McGow said that it was their best estimate at the time based on what they knew. Member Staudt asked if it was legally required to be at 1 mill, or if it was 1.1 mill for the first year and then goes down if that would be acceptable. Mr. McGow said yes, the City can do that.

Member Gurumurthy said thank you to the Novi voters and staff for their efforts to get here. She said she is looking forward to the next few years. She said from a corporate perspective, you cannot look at timelines past one year from now because a lot of things need to happen. She said she would like to see a slide with the corridors. She said in the sense from now to say one year from now, what are the key milestones that we want to accomplish or hit so that it can be seen by month as well. She said that in two months you know you have to do this and hit this key milestone, it does not have to be every single thing. She said that in a couple of slides presented there were things that needed to be finalized, and bids sent out etcetera; she would like to see that more visually if possible. She said this way every time there is an update they can see what they've accomplished and how many more goals for the year and kind of zoom in as they go along. Greg VanKirk, PMR, said they are fully anticipating these comments on governance. He said that information is forthcoming along with not only a major milestone, but a very detailed Gantt chart. He said one of the first things they are trying to accomplish is really understanding what their limitations are on cash flow. Do they have limitations or not? He said based on that they can decide which of the three programs to run in sequence or parallel. He said cash flow dictates, because the Council may want to remain at one mill versus 1.1 mill as previously stated. He said a lot of what they do depends on where the Council makes their decision. He said they will be interviewing architects and one of the first questions they're going to talk about is how to speed along construction managers. He said they will want to know how fast they can get it done. He said they know if they are not burdened by cash flow, this is a four-year program, but again at 1 mill where they originally set the target in March giving taxable values at the time was \$40 million and then not \$80 million until 2028. He said they're just dealing with that reality and now trying to work into the finance package and understand exactly how much cash flow they have to work with period he said all this information will be forthcoming.

Member Heintz said he appreciates all the hard work from staff, residents, and votes. He said it is clear that safety is paramount. He said it's neat to be able to embark on this project. He said a few things that are important to him are to try and do deconstruction rather than demolition, remaining sustainable and flexible, and the things that have already been previously mentioned. He said he had the opportunity to sit on the School Bond Committee, and it was a great learning experience, and he is still learning through this process. He asked if moving forward there are opportunities to both staff, residents, others to provide feedback. He said he fully understands that the decisions will be with the experts building a public safety building, but he said he doesn't see a lot of opportunities for suggestions about design. Greg VanKirk, PMR, said it is predicated on

the two chiefs telling them what is needed, and the architects and experts telling them. He said a large part of this will be a governance document. He said that once an architect and construction manager are hired and they understand the financing packing, they will have a program set up and a governance package will be coming. He said that it will consist of responsibilities and who holds them and the authority and decision-making powers. He said they will be setting up a cadence to have once a month updates, or whatever the cadence is decided by Council where they will have live broadcast updates to both the Council and the public. He said the first thing everyone wants to do when the bond passes are to go. He said they need just a little bit of time to get on their feet and really understand some things. Member Heintz said he appreciates the comments about inflation and the fight against it, and the different route options and alternatives offered. He said there will be a lot of unknown things such as the cost of things pushing the timeline. He said the one thing everyone agrees on is the sooner the better and asked if that would grant overall savings. He asked with the interest cost would be if paying one mill over 4 years instead of 5 with the added year of inflation. He asked if the bond series were to move up, you begin paying interest on the bonds closing. Sean Wall, PFM Financial Advisors, said you do begin paying interest earlier on some of that money. He said as Pat discussed previously, you are also earning money on that money. He said it is a tradeoff and a lot of times it goes back to the cash flow needs and what you can do. He said if it does get moved up, they start accruing once the bonds are issued and closed. Member Heintz asked if the base plan compared to, for example, option A would roughly cost \$1 to \$1.5 million more dollars in interest costs. Sean Wall said yes, in interest costs. Member Heintz said the other hard parts are inflation and where the interest rates will be. He said it is helpful to have as much of that information whenever and wherever the Council is asked to make decisions.

Member Thomas said thank you to the voters in support of this. She said the vast amount of money going into a project like this has always made her nervous. She said it is important that our public safety is taken care of. She one of the things with this project that is very important to her is to be as sustainable as possible. She said that it also means taking good care of any green spaces they may be building on and that as much as can be preserved, is. She said another thing is that the buildings are energy efficient. She said they want to make sure every dollar is spent wisely. She said energy efficiency should be in the carrying costs, so that in the next 50 years they are not wasting money down the road on the lack of energy efficiency. She said that from a longevity standpoint, this project is something that has to be done, is very expensive and hinders the community from doing other wonderful projects, so these buildings need to be high quality and last a very long time. She said with longevity comes technology changes, and she feels like there is going to be a considerable amount of building the infrastructure for technology. She asked if that was a consideration made early in the process. She asked how that is accounted for, and if the technology supported is something that the money can be spent on. Greg VanKirk, PMR, said technology will be a big part of these buildings. He said that as their representatives the three main things they are trying to balance is quality, time, and cost. He said that is the construction triangle that everyone has been wrestling with forever. He said he knows the buildings need to be built with the highest quality and thoughtfulness that they can. He said they also know they only have \$120

million. He said those are the two variables they have, and the only one they are floating with is time. He said they are balancing the best way to do the project in a timely fashion, as quickly as possible. He said everything that the Council is asking about tonight has been contemplated, and they look forward to meeting on a regular basis moving forward, bringing them the architect, construction manager, and technology designer if they choose. He said they will be bringing the detailed Gantt charts, schedules, etc. He said they will go back to the original thoughts from march and see what progress has been done, and what the next steps are in the next two to three months. He said they are looking forward to keeping the Council up to date on all their concerns, thoughts, and considerations.

Mayor Fischer said Mayor Pro Tem Casey made a good point regarding governance, and he said that governance will protect staff, PMR, and the Council. He said there are a lot of decisions when it comes to firms, millage rates, where and how the \$120 million is spent, where the Council will be in charge of now, but will eventually fade away. He said there are a lot of things they want to be informed of through the process, but they probably won't need to be at the table for them. He said seeing that framework is one of the more important things to him moving forward. He said they talked about speed, quality, and cost. He said the two key items for him are the quality and cost. He said that the city told the voters it would take 5 years. He said he would be willing to tell the voters himself that it will take that full 5 years to ensure they get the most efficient cost structure and the highest quality buildings. He said he is open to hearing the discussions about speeding the process up, but if it compromises the quality or takes the millage rate over one mill, he will not be happy and will not support it. He said that Greg stated he has been in this business for 35 years and asked who he considers PMR to be accountable to. Greg said the seven Council members, and Mayor Fischer said that was correct. Greg said PMR works for the Council, as much as they love the City Manager and staff, they are conduits and the contract is with the City, and the City is represented by the Council. Mayor Fischer said that is an accurate description. He said the City Council are the ones who are held accountable. He said that is the reason they are asking all of these questions, and why they have deliberated the topic for an hour. He said the voters have entrusted them with \$120 million, with the support of staff, but that is why this conversation is important to have. He said from his perspective that is how he views their relationship with PMR. He said as far as some of the interest rate charts, they were quite confusing. He said some of the titles and descriptions of what is going on with them would be very helpful. He said something that is problematic to him is that they don't show where interest rates have been in the last year or two. He asked what they can tell him about the AAA curve in the last year or two. He said not the 10-year historical, because telling him it is between 1 and 5, really doesn't do much. He said he wants to know where it's been over the last 6 months, 9 months, or a year. Sean Wall, PFM Financial Advisors, said they have another data point; the lighter blue one is where it was this time last year. Mayor Fischer said that's not what he's looking for. He said realistically, they are talking about a bunch of tenures, one through thirty-year issuances, and the City won't do anything but 25. He said realistically, they are not going to issue anything but 25. He said having the full curve really gives him nothing, and what he is interested in is what the 25-year bonds done for the AAA municipals over the last 6 months or a year. Sean Wall said

he is happy to share that information. He said the reason they don't show that is because bonds are priced each year, so it gives contracts to 1-, 3-, 5-, and 7-year bonds in this amortization, and where those are pricing. He said he gets the mayor's point. He said the 25-year curve, on the long end of the curve, you can see the upper end of that margin range in the last ten years. He said comparing it to last year, you can see the front end is lower. He said on the 25-year spot rate is much higher. He said you are looking at a 25-year rate of just under 4%, whereas last year it was right around 3%. He said for context, for that year it is probably a percent difference. He said they are happy to provide additional data points about where the 25 years has been over the last five years. He said since March of 2022, rates have increased considerably. He said from 2022-2034, the yield curve was inverted. He said those rates were shorter or were lower, and the shorter rates were higher. He said in the 25-year spot rate compared to the last 5 years; this is probably as high as it has been since 2020. Mayor Fischer asked where it was when the bond language was actually done. Sean Wall said it was actually a bit lower. He said it was probably closer to 25 or 30 basis points lower than where it is now. Mayor Fischer said what he is confused by is that the estimated rates back in March and the estimated rates now, are the same, but the underlying rate was lower by 25 or 30 basis points. He said in March they were at an underlying rate of 4.5, and today they were shown 4.65. He said the underlying rate in March was lower, but they are showing the same estimated rate at this time. He said the rate for AAAs has gone up over the last six months, yet we are showing just about 15 or 10 basis points higher. He said he is getting concerns about the PMR cashflow needs. He said some of these estimates regarding rates are relatively over conservative. Sean Wall said it behooves you to have some contingency or buffer in there should rates move 15, 20, 25, 50 basis points one way or the other by the time they get to May of next year, because rates can really move around. Mayor Fischer asked if that was PFM Financial Advisors' view, is that rates going to continue to stay or go up in light of the macro and other discussions. Sean Wall said it is hard to predict. He said right now they get updates from all the investment banks and their own economists. He said on the short end of the curve, they are predicting more rate cuts. He said that it is difficult to see how that plays out in the specific market. He said this is due to things like tariffs, where investors put their money, etc. He said if longer rates have gone up, it means they're concerned about inflation in the long term. He said they hope rates will be down, but he doesn't want to cut our feet out from under us when we get to the bond process in a couple months. Mayor Fischer said he wants to also make sure that they are not in the 1% of the bell curve of outcomes as opposed to somewhere in the middle. He said that is what he is concerned about and what he sees through the data and some of the charts the Council has been provided over the time that PFM Financial Advisors has been the advisor. Sean Wall said when they are talking about sharpening interest rates a quarter point that may increase capacity by a few million. He said it's not going to move \$10 million, \$20 million, or \$30 million. He said some of that will move and if we get a big change, they are talking \$5 to \$7 million maybe, in a quarter point movement. He said some of that can be moved around, and they will continue to work on it and push the envelope as much as they can, while knowing there's the one mill backstop and the set parameters. He said he believes the estimates to be somewhat conservative, but also pretty realistic. Mayor Fischer said he errs on the side of reality to make sure they are

accomplishing all that they want to and said this is what they hired each of the advisors to do.

Mayor Fischer said he had a question for Pat McGow. He said at one point they talked about the ability to use bond proceeds to acquire some of the land that they have already gone through. He said there was discussion of acquiring resolutions or other things. He asked Mr. McGow if he was comfortable saying that they don't have to do anything as long as the city paid for the land and closed after January 9th of this year. Pat McGow said That was correct, but the resolution he was referencing was language that was in the resolution approving the bond proposal. He said that language for reimbursement was approved by the Council back in March when the bond was approved. Mayor Fischer asked if they needed anything tied to the acquisition of the property or closing of the property or if they covered themselves in the resolution for putting the language on the ballot. Mr. McGow said that is correct. He said the requirement is the IRS, before you spend money on a project to declare your intent to issue bonds and reimburse from those bonds. He said you don't have to specify in this particular parcel or this purchase. He said it's just really that intent to issue bonds and intent to reimburse that starts that time frame. Mayor Fischer said the language he's read from him our bond proposal talks about the principal sum not to exceed \$120 million. He asked if in an instance when they're able to issue at a higher rate and thereby command a premium are they allowed to go above the \$120 million with the premium. Mr. McGow said he is seeing a lot of premiums in bond sales these days. He said the premium that you would get if you sold at a higher rate than market rate is considered to be a bond proceeds, and that money would go into the construction fund. He said for instance the investors assumption is that the bonds are sold at 4 1/2 but the bond purchaser wants 5% coupons, they will give you extra money to buy that bond issue, then that money goes into the construction fund. He said they will look at what that premium is when they take that into account. He said if they go out and say \$120 million, but they're going to give them an extra \$5 million at a higher rate, than they would decrease to \$115 million par value. He said you are getting the \$5 million, so you will end up with \$120 million. Mayor Fischer asked why they couldn't issue \$120 million par and clear the \$125 million. That McGow said it's because the IRS rules require them to count that as part of the proceeds and issue price. Mayor Fischer asked Mr. McGow, if that's still true even though the bond language said "principal amount" which would technically be the \$120 million. Mr. McGow said that was correct. Mayor Fischer asked to clarify that they are legally not able to do that. Mr. McGow said that is correct, they would need to count the premium towards that \$120 million. Mayor Fischer said he appreciates the representatives for coming to present. He said they are excited to get going and get this project done with them on behalf of the voters.

PUBLIC HEARINGS: None

CITY MANAGER REPORT: None

ATTORNEY REPORT: None

AUDIENCE COMMENTS: None

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 25-08-110 Moved by Casey, seconded by Thomas; MOTION CARRIED: 7-0

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 August 11, 2025 - Regular Meeting
- B. Consideration of the 2026 City Council Meeting Calendar.
- C. Approval of Traffic Controls Order 25-14 through 25-23 for various regulatory signs for Dunhill Drive, Dunhill Court, and Wales Court within Dunhill Park subdivision.
- D. Consideration of approval to award a unit price contract for tree and landscape plantings to Crimboli Nursery, Inc., the lowest qualified bidder. The contract term is one year with three optional one-year extensions.
- E. Approval of the SECOND READING of Amendment to the City of Novi Code of Ordinances, Section 33-501, relating to parking on narrow streets
- F. Approval of claims and warrants – Warrant 1186.

Roll call vote on CM 25-08-110 Yeas: Gurumurthy, Heintz, Smith, Thomas, Staudt, Fischer, and Casey
Nays: None

MATTERS FOR COUNCIL ACTION:

- 1. Consideration of a unit-priced contract for as-needed aggregate materials to Ellsworth Industries, Inc., the lowest qualified bidder.**

CM 25-08-111 Moved by Smith, seconded by Gurumurthy; MOTION CARRIED: 7-0

Approval of a unit-priced contract for as-needed aggregate materials to Ellsworth Industries, Inc., the lowest qualified bidder.

Roll call vote on CM 25-08-111 Yeas: Heintz, Smith, Thomas, Staudt, Fischer, Casey, and Gurumurthy
Nays: None

- 2. Consideration of resolutions for the dissolution of the Novi Youth Council and creation of the Mayor's Youth Forum.**

City Manager Cardenas said this is closing the door of the appointment process but opening the door to Hopefully get more interest from students from all over and not just know by schools such as Northville, Walled Lake and Catholic Central. He said they are hoping this will garner more interest in being able to be more flexible to engage the youth with the City more often.

Mayor Pro Tem Casey said she could not be in more favor of this idea. She said she believes when Council formed the Youth Council, it was initially intended to be two-way dialogue. She said over the years the early Youth Councils got really engaged in doing the activities like "Addicted to Movies, Not Drugs", "Addicted to Games, Not Drugs", and doing the alcohol bottle stickering around prom. She thinks it was a good use of time for them. She said over time it became what they expected, and they tried to come up with a really good recommendation to try this idea of encouraging interest in local government. She said they brought in students who are hopefully very interested in local government. She said they went through something similar to an ambassador Academy and then were asked to do a capstone project. She said the ask was that the City would teach them what goes on in local government, and the students would identify a problem and come with a solution and then would help to execute it. She said she doesn't think that is necessarily where the youth want to be. She said she believes what they were seeing was engagement, but not at the level that they were looking for. She said she thinks that this project opens the dialogue. She said they identify an issue that the City or City Council wants more information on from a youth perspective, puts it out there, and gets feedback from a group of youth from here in the City. She said that could be the same people or could be new people every single time based on the issue that we're looking for information on. She said this gives them an opportunity to really have the dialogue that they all want, and the input that the Council wants from the youth of Novi. She said she could not be more in favor of this. She said she was the Council liaison in the Youth Council for most of her tenure on Council, so she's speaking with some experience and being engaged with the Youth Council over the years. She said she very much supports this going forward and thanked the staff for the recommendation and suggestion.

CM 25-08-112 Moved by Casey, seconded by Smith: MOTION CARRIED 7-0

**Approval of resolutions for the dissolution of the Novi Youth Council
and creation of the Mayor's Youth Forum.**

Member Gurumurthy said thank you to the staff and City team for doing this because she knows several high schoolers who have gone through this program. She said she believes it's a great platform for high school students. She said with the new format, especially for high schoolers, the interest and commitment it gets lower towards the end of the term. She asked if the newer forum was going to have the same type of cadence for regular meetings. She asked if there is going to be a quarterly or monthly forum that they encourage high school students to come in. City Manager Cardenas said yes, at this point they are initially planning on a quarterly gathering. He said depending on how many students come in, what their interests are, and what the availability is they may

expand it. He said at this point they're just continuing meetings quarterly. Remember Google movie said this was a great platform where the students learned about the city. She said it was similar to a mini Ambassador Academy program. She said that that piece of the old program will be gone with the new forum. She asked if there are thoughts at how they can help the youth to understand about the City or if there's an opportunity where they can think about another Ambassador Academy program for high school students. She said learning about local government was very valuable for high schoolers. City Manager Cardenas said they can definitely look into that and even possibly expand the Ambassador Academy to have students possibly over 16 so they can get themselves there. He said it's something they are definitely interested in as civic classes in high schools across the area have not focused much on local government although that's where most important decisions are made, and we'd like to ensure the students are knowledgeable about that. She said they have also appointed people such as youth representatives for the library as well as Parks and Recreation and asked how that would work for this new forum. City Manager Cardenas said at this point the City is not having those youth appointees serve on those committees. He said they may look at other ways of engaging the youth to be able to participate in those different committees.

Member Heinz said as someone being involved with the Environment Club, he is very interested in looking for ways to maximize participation and interest in a group like this. He said he is also currently the Youth Council liaison and is very interested to understand the impact and just what that would mean for the liaison role in the new format. City Manager Cardenas said they would encourage whoever the liaison will be at the time to participate in those four quarterly gatherings and invite other Council members with those rules to be able to participate and engage with them. He said the rule could have another set of offline conversations with them as well he said there are other meetings that are maybe not a part of the quarterly, but some other kind of liaison time with those students. Member Heinz said this sounds like potential expansion from the current role and level of involvement. Member Heinz said the sky's the limit and feels there is definitely room for additional involvement from the liaison as well. He said the expansion of the role sounds like a great one, he is in support and looks forward to the changes.

Member Thomas said some of the students who have participated in Youth Council are some of the most accomplished students. She said it was almost unbelievable thinking about herself at that age in comparison to the kids now who come in and have accomplished so much and says they are top notch. She said the kids who come in and out are amazing and have much responsibility. She said if you look at their resumes the information they provide with the list of things they participate in you can see that they have a lot going on. She said she loves the idea of making it a bit more relaxed of an environment and meeting students where they are. She said this may give more ability for students to participate. She said it's always painful when you have more people who apply than you have positions for. She thinks it's hard to turn people away, because she thinks they just want to come in and learn more about what's going on and that is very important period she said moving forward she would like to try and make sure and likes the idea of having different kids available. She said she likes the idea of expanding our reach in meeting kids where they are. She said it sounds like a great idea, and she is sure

will be well executed. She said she has a great deal of faith in the staff and fellow Council members. She said it's wonderful and would like to shout out the Novi residents who are students because they are the best.

Member Smith said he thinks this will be good. He said he thinks it will give students the opportunity to be passionate about a subject rather than just one project, and they can split it up and do other things. He said a person who comes to mind is a beekeeper who came in a while ago. He said that she was extremely passionate about it, this would be a great forum to take something like that and run with it. He said the students here are amazing wherever they are going to school and is looking forward to see what they come up with.

Roll call vote on CM 25-08-112

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

Nays: None

3. Consideration of proposed Amendment to Consent Judgment in City of Novi v E&M Holdings case (2001) relating to a previously approved multi-family Page 2 development located at 12 Mile and Novi Roads in order to approve an alternate development plan under the terms and conditions of the Amendment.

City Manager Cardenas said this matter has been many years in the making. He said Society Hill is a proposed development that has been located at the northwest corner of 12 Mile and Novi Road originally approved in 1999. He said on their consent judgment entered in between the City and the developer back in 2001, the City last heard from the developer in July of last year. He said since that meeting, staff and the developer have been in regular conversations or negotiations to bring forth a draft version to the 2001 judgment before you this evening. He said the attorney's office and staff members have been on the front lines of these discussions for many months as well as countless meetings. He said that the applicant is also here to provide an update to the plan as presented.

Jordan Sasson, applicant, said he's a taxpayer in the City and his family has been taxpayers for the City for decades. He said they are supportive of the effort that the Council has embarked upon over the last year. He said he commends them for the level of detail and attention they put into the presentation tonight, because it is complicated. He said there is a lot that goes into it with a big project spend, a lot of variables, a lot that can go wrong, and it's hard to know things exactly. He said if the Council continues to put that type of detail and staff continues as well, hopefully all will go well. He said he was present at the meeting to give updates on Society Hill and for Council to consider the action. He said most of their presentation at the meeting has been presented to the Council in the past, but they are here for a project overview of the new plan. He said it is 500 units, 1580 rooms, roughly 2 units of two parking spaces per unit. He said the development consists of a variety of different building typologies ranging from 2 to 5 floors and includes extensive indoor and outdoor amenity programs. He said there will be a lot of preserved woodland and wetland areas, open space, a lot of biking and hiking trails,

amenity areas, swimming pools, and active amenities. He said other key components include garage parking, electric vehicle spaces, and outdoor spaces for the units. He said one of the things they are most excited about in addition to bringing the project to life is what it can also do to further encourage and stimulate additional economic redevelopment of a really robust commercial core in the City. He said hopefully through additional density in residential units within the City, they will encourage additional spend access for the businesses that call Novi their home. He said as a reminder, so yeah probably this is the site plan that is subject to the consent judgment today and it was approved back in 1999. He said it is a series of traditional garden style two- and three-story apartment buildings with a central clubhouse. He said the new site plan they presented last year has notable differences in terms of layout and building typologies. He said you can see what the left side of the plan or the southern part which more midrise apartments and the product of four and five stories with essential amenities in the middle. He said the smaller buildings on the north side along 12 Mile are a series of townhomes, 2.5 to 3 story townhomes with attached garages. He flipped through slides to give the Council an idea of architecture and design. He referenced the front lobby entrance, where the amenities, woodlands and wetlands, and playgrounds will be. He said the town homes will have black shingle roofs, and for the three-story town homes, the garages will be located in the back of the front entries. He said the two-and-a-half-story town homes will have a two-car garage. He said the indoor amenities would be all inclusive of all the customary amenities that you would see in a modern apartment including a fitness center, business center, dining lounge, game lounge, and one of the buildings would have a rooftop terrace. He said outdoor amenity Programs include swimming pools, sports courts, children's playgrounds, biking and running trails that connect throughout the sites, gazebo seats, plazas to overlook what needs, dog runs etcetera. He said to highlight the natural features in green space they're going to maximize the view corridors of the preserved wetlands noticeably on the West northeast corner of the sites. He said the overall site plan results in almost 7 acres of active open space. He said one of the things they focused on a lot is where they are located and what to do to try and enhance the things around them. He said there is a bus stop at 12 Mile and Novi Road, some existing sidewalks along the stretch of Novi Rd. that they will be improving as part of the redevelopment including along the city parcel. He said that they are improving the sidewalk connectivity and also the trails within their site. He said that they would provide good access in the north, southeast, and west directions to the parks and recreation space notably along Lakeshore Park. He said to the commercial core, the major hubs around the site are the mall, West Oak shopping center and Fountain Walk.

Mayor Fischer said this has been a long-standing discussion with a lot of complexities. He said he has some questions for the City Attorney to help give the framework of this project before discussing it with City Council. He said typically when the Council discusses developments in the city, they are proposed as rezonings, planned rezonings, overlays. He said obviously this case is very different it is a site plan that's already been approved under a consent judgment. He asked the City Attorney to give a little bit more context and clarify why this process is different than something they have dealt with since 2001 or 1999 with brief background.

City Attorney Shultz said this project definitely has a more convoluted history than any other project then he has seen his time. He said that this is mostly because of the consent judgment that's in place and was approved in 2001. He said the consent judgment kind of froze the property in time back in 1999. He said the development itself actually dates back to 1995, but the initial set of approvals came in 1996 when City Council rezoned the property from RA, which is essentially their least dense district, to RM1, which is multiple family along with a potential for a PD option. He said later that year and went to the Planning Commission and City Council approved. He said it was updated a few years later in 1998-1999 and that plan is the one in place today. Remember when he said the details of what the plan include are in the Council packet, and the planning review letter. He said they did get a number of reasons why that plan did not get developed. He said he thinks the most prominent tools are that starting in 1995, the City determined there was a need to widen Novi Road. He said that they ended up condemning some property along the frontage along this property, and there was a disagreement between the city and the property owner at the time about whether or not the city's compensation offer was sufficient. He said there was a pretty decent sized gap between what the city offered and what the developer thought it was worth. He said the other thing was that the city was trying to deal with the SAD 94 issue in 1999-2000. He said he knows they all know about it, but the City started an SAD project to bring sewer to the area, got partially completed but had not finished at all and didn't believe that it had enough money to be finished. He said those discussions were percolating at the same time. He said the developer was here in 1996-1999, but what ultimately happened in this city is they settled both of those issues with the 2001 consent judgment that they are looking at now. He said what that judgment does most importantly for tonight's discussion, it gave the developer basically a five-year extension on the 1999 plan which made it good until 2006. He said every year after that, they come in for extensions which they are permitted to ask for. He said the judgment also essentially says that the city would not have to pay any more for the eminent domain acquisition of the right of way along Novi Rd. He said importantly for tonight's discussion it also said the city would not have to build the rest of the said 94 sewer as long as it never denies one of those annual applications to extend the 1999 site plan. He said that is the general background history that everyone is and intimately familiar with. Mayor Fischer asked if since 2006, the City Council has approved the 1999 plan to avoid the obligation to build SAD 94 under the consent judgment. Mayor Fischer asked if that was an accurate Explanation in layman's non legal terms. City Attorney Schultz said he thinks that's generally fair. He said probably the most often discussed part of that conversation every year is that obligation, but also the idea that the sewer has already been extended everywhere around this property anyways. He said if the city wanted to try and deny it how much it would cost, who would it serve, how would it work period he said it's a generally fair statement to say that's the main consideration. He said he doesn't know that 20 years since the 1999 plan that everyone still loved the plan, but there were other issues. Mayor Fischer said part of the motion tonight is to extend the 1999 plan. He asked if they were to deny the 1999 plan in the past or at the meeting, what specific triggers kick in. City Attorney Schultz said if Council denies the extension of the 1999 plan whether it's at that meeting or a meeting after the trigger is the language and the 2001 consent judgment that essentially says the City "shall be obligated to complete

the SAD 94 sewer line to 12 ½ Mile Road as originally planned and routed." He said what that means exactly is probably a bit unclear. He said he thinks the original route was probably through some wetlands, which is probably more problematic today than it would have been then. He said he doesn't think the city spent a whole lot of time beyond speculative discussions about how they would actually do that. He said as it comes up every year there's a better conversation, but they haven't talked about exactly what would happen if the Council decided not to extend the plan. Mayor Fischer asked if there was an idea how much it would cost knowing some of the complications through wetlands and things like that. City attorney Schultz said the city did a recent project with similar length of sewer that cost about \$1.2 million. He said obviously where it's built, flatland or not, there are relative considerations such as whether you need to get easements and right-of-way. He said those things add to the cost. He said generally to build a sewer if you have an easy property, it was \$1.2 million or something similar length a year ago. Mayor Fischer said as far as the 1999 plan, his understanding is that the plan is still in effect and there would be no Council action right now, and the developer could go and build the 1999 plan as soon as tomorrow and asked if that was accurate. City attorney Schultz said yes, they have an extension on that plan through October of this year. He said if it gets extended, the annual extension, then yes. He said there are possibly minor details to sit down and iron out, but the idea is that it is a buildable plan with only some sitting down beforehand. Mayor Fischer said ignoring the 1999 plan and going back to the City building the sewer, the City was to build the sewer for the conservative investment of \$1.2 million; he asked what rights the developer will have to build under the RM1 and PD one option, which it is currently zoned for. City Attorney Schultz said yes, whatever is permitted under the RM designation, multiple families and certainly the PD option, the Council has approved 2 plans with the PD option meaning more height and density. He said they would probably look at RM1 with the PD option, he said meaning significant multiple family developments no matter what they do today. Mayor Fischer said he will hold his more opinion-oriented comments, but because of the long history of this item he wanted to get a couple of comments from the attorney that he is sure other Council members were questioning as well.

Member Smith said his history with this land goes back quite a ways. He said he rides bikes at Lakeshore and has ridden by that land or driven by that land on the way to Lakeshore many times. He said after they lost the land that is now Liberty Park to the Sandstone settlement, he was wondering why the City couldn't replace that with this land. He said that was the early 2000s. He said one of the first things he asked the City Manager after he got elected in 2021 was what was going on with that land. He said that's when he first heard about the consent agreement they were talking about tonight, and the one that's been in the forefront of business for the last couple of years. He said the way he sees it they have four options, and the City Attorney has laid those out pretty well. He said they can deny the request, the 2001 agreement is still valid until October, and they could start building that tomorrow. He said option 2 is the next time the 2001 agreement, if assuming they deny it the next time the 2001 agreement comes up, they could deny it and spend \$1.2 million or more to build a sewer that nobody wants and wouldn't really serve anyone anything. He said E&M holdings would still own the land and can come back with a new plan to build on it. He said neither of these options preserves the land as it is. He said

option 3 is they approve the matter that they have under consideration tonight to update the consent agreement to more modern designs that was presented. He said option four and this is probably the most highly unlikely one is they come up with an agreement to buy the land, he doesn't think either side would be willing. He said he doesn't think E&M wants to sell it and doesn't think the City can't afford to buy it. He said as a City, the only way they can truly preserve the land is to own it. He said reluctantly he is in favor of option 3, which is opening up the consent agreement and changing it. He said he thinks it preserves do you have a little more wetlands. He said the City uses the City-owned parcel just to the south of it for stormwater management. He said it is 4 modern mixes of units. He said he has used the term dead trees walking. He said the land is essentially developed as it sits, it just hasn't happened yet. He said if they're going to do it he wants to make it a good development that is going to be successful and make it worth the loss of the trees on the land. He said he doesn't want it to be something that is not going to bring value to Novi. He said this is preserving more open space on the site, it saves the city from building a sewer to nowhere as well. He said it does take out a few more trees, 276 is his believed net loss of trees, some of which will be replaced on site. He said the rest will go into the tree fund. He said they have a small net increase of trips based on the October 4th traffic study of 475 trips per day. He said the one thing he thinks is really going to help us with it is to provide some of that missing middle housing that the City needs. He said a lot of people are looking to move to different types of housing that provide senior housing, and give places for younger residents to come in. He said we are going to need to support the school system. He said things have changed since he moved to Novi 40-ish years ago, and we need to bring younger people in with kids to support the schools, which is why everyone moves to Novi. He said he will be in favor of this.

Member Thomas said this proposal makes her very sad. She said if we can look at the City land right now, they have a proposal to use City land for stormwater runoff. She said she was wondering if someone could give them background as far as how that came to be, make sure that all of that information is shared and that anyone watching understands how that came to be and what the value is, and how much land there is. City Manager Cardenas said the City acquired the parcel of three acres just south of this planned development through a tax sale under the old tax laws. He said the amount he believes it was purchased for \$30,000 in back taxes and maybe less. He said it was not a very big expenditure that the City shelled out for the parcel. He said the majority of it was wet. He said it was something that the City Council at the time was interested in terms of preserving or maintaining the wetland parcel. He said it then possibly assisting with this development back then in many different incarnations, even back in the day. Member Thomas asked what the current value of that particular property is. City Manager Cardenas said that we have not had that appraised at all but doubts it's much more than what they paid for it because it was not usable in terms of the wetlands. He said they have not looked at the land in terms of value. Member Thomas asked if there was any compensation for the use of the property. City Attorney Schultz said there is no cash payment or anything like that. He said it is a part of the project. Member Thomas said that the City is then giving them that concession, but then as she looks through the proposal, she sees concessions after concessions to build this giant property that she doesn't think fits within the community where it's placed. She said nobody has a lot of

single-family residential homes, and these buildings are significantly larger than anything that would be allowed. She said the buildings are much larger than what they would normally allow to be built but they're allowing concessions and setbacks. She said significant setbacks for buildings and parking. She said we are to the best of her knowledge not meeting the city ordinance for wetland mitigation. She said she thinks this is an instance of very poor negotiation on the city's behalf. She said she was barely in favor of this with the lower units when they started and feels like it has just gotten worse since then. She said she doesn't feel as though this is in line with the community. She said when talking about PUD, there are instances where they don't give PUD's and where they do. She said she is not in favor of this and will not support it.

Mayor Pro Tem Casey asked City Attorney Schultz to talk a little about the process that they're going through right now. She said they're talking about amending a consent judgment. She said if approved there would be approving A preliminary site plan and asked if the City Attorney could talk about what comes next after that. She asked if there would be a continued negotiation. She asked if it would be put in front of a judge. She asked how the rest of the process looked. City Attorney Schultz said If the Council were to approve this tonight, a motion essentially tells the Manager's Office and the Attorney's Office to finalize the document pending minor changes. He said what needs to be done to get that document filed with the Oakland County Circuit Court, meaning pulling together all of the attachments and exhibits. He said once that gets entered that date starts some of the timelines ticking. He said the next big thing is a developer submitting a final site plan application that needs to be done and complete, within two years of the application. He said then there's obvious timelines and the consent judgment for how long the program's preliminary site plan is good. He said the actual approval and entry of the amendment is the approval of the preliminary site plan that also triggers some other dates. He said that's good for five years period he said the wetland permits and woodland permits will all be good for five years. He said at that point they do the regular administrative process to get their final site plan review. He said nothing comes back to City Council staff what does the normal review. He said hopefully within that five year. The preliminary site plan is good, and they will get their final site plan for a 2025 development. He said that triggers other things. Mayor Pro Tem Casey said what she was trying to make sure is that they understood the general steps they are taking and the fact that if it gets approved it's a preliminary site plan. She said it does get filed in the court and then there's other steps besides them just voting this evening. She said that is helpful. She asked the city attorney to talk a little bit more about why there is a five-year timeline for preliminary site plan, at the same time there's a requirement for the developer to submit for approval of a final site plan. She said we've got a two-year window and a five-year window, and they overlap. City Attorney Schultz said the normal process for any Development as they go to the Planning Commission, or in this case the City Council to get their preliminary site plan approval under the ordinance. He said that is good for two years, and then they were able to come in and ask for extensions essentially for the next three years. He said that's a recognizable 5-year period of time. He said the developer made the argument and negotiated this document to include A 5-year approval without having to come back those extra couple of times in terms of when they needed a final site plan. He said a developer can file that or wait to file it till last minute if they feel like it

will be approved. He said it takes a bit of time usually to get to the final site plan, because of all the drawings in construction plans. He said the reason why they said you have to do it two years from the approval is really to make sure they got this started earlier. He said then they might otherwise be obligated to show essentially that they're interested in doing for the development and it would include Council and other discussions to make sure the Council would like it. He said they think if they're going to do it, they want the plan to be passed and make sure they are expanding their effort and doing the things necessary to get the actual final site approval. Mayor Pro Tem Casey asked if there's any process that changes the preliminary site plan that can be requested before moving to the final. She asked if there is any process which changes to the final site plan could be requested after approval. City Attorney Schultz said there's a provision in the document, paragraph 21, which deals with the modifications. He said this lays out what the things our staff might be able to change. He said because of the preliminary site plan and final site plan There was a lot of detail and sometimes you figure out or realize that something was wrong. He said as long as it's relatively minor thing that doesn't change open space or the density or number of rooms the concept behind the document is that staff would normally review that and given the right to say they are comfortable and it's got to go to Council, or if it is a certain kind of change it would automatically come to Council. Mayor Pro Tem Casey asked if the applicants could ask for changes to go to Council. City Attorney Schultz said yes, he would hope that by this time they're not planning on doing too much before the final site plan. Mayor Pro Tem Casey said as she looked through the list of deviations, there were a couple of places, for instance 3, 8, 14, 17, and 20 where staff has some measure of where they don't support a particular piece of the deviation. She said she wants to support staff with those deviations and not accept them as presented but asked for those changes to be made. She asked if a motion was made tonight how does that works as she puts her comments on record that she wants staff's recommendation to be followed. City Attorney Schultz said the answer is a bit more convoluted, but he recommended she explore those with staff before putting that into motion, because he thinks the general answer is if there are things that aren't going to modify the plan as far as the units and layout the developer can accommodate. He said If there are things that are going to require the developer to move things around, lose units, or expend a significant amount of money he believes they would need to give the opportunity to the developer to say if they can or cannot make those changes. He said he's not sure which ones the mayor Pro Tem is looking at, but it depends on how significant they are and if they aren't that significant, they can probably talk through it tonight. Mayor Pro Tem Casey said she doesn't know if they would be significant. She said deviation #3 talks about building setbacks along the western property line. She said the general comment she would make in looking to the developer is to look to ensure appropriate screening and actually even probably going more than required if they are granting a deviation. She said when she looks at the maps, it looks like there are a couple places where the development is close to residence looking at 60-foot setbacks instead of 75. She said when there are multifamily adjacent to multifamily, they don't require fencing or berms. She asked City Planner Barb McBeth If it's 80% or 90% opacity and what the requirement is. City Planner Barb McBeth said for the most part between like uses berms are not required. She said if the property adjacent was altered also multiple family, they wouldn't require a berm or a screening if it is the same use. Mayor Pro Tem Casey

asked if they have anything in the consent judgment that talks about any requirements on screening for that particular northwestern side where the development abuts Charneth Fen. Barb McBeth said that it is also multiple family. She said there is something about the south property line that the consent judgment tries to address. She said that area would be adjacent to single family residential, so a berm would be required along the property line. She said in this case, the discussion between staff and the developer was that there could be a fence along that line. She said that is what the developer has requested just for the portion east of the maintenance building at the very west side of the site. She said that was one area that the consent judgment did discuss. Mayor Pro Tem Casey said it is not discussed in the westward where it was absolutely very close as close as 50-60 feet vs 75. City Planner Barb McBeth said they definitely need a variance for the dimensions. Mayor Pro Tem Casey said to Mr. Sasson that the map shows it is heavily wooded on the property. Mr. Sasson said It is worded on the property and also heavily wooded on Charneth Fen. He said Charneth Fen's entry road happens to run parallel to the property line, so the closest building is west of their road. He said there is also what looks like a wetland in terms of the color, but it's actually their detention basin. He said that the detention was also between the Society Hill property and the closest residential buildings on Charneth Fen's property. He said he doesn't know the distance between the Society Hill buildings and their buildings but it's actually quite far. Mayor Pro Tem Casey asked if in the design plans they did if they had what they are planning to do with the existing woods in the area. Mr. Sasson said there is thinning to accommodate greeting to get to the sidewalk and trails, the short answer is there is some there are also some trees that will continue to remain on the property in their property. Mayor Pro Tem Casey said she would encourage both staff and the developer to do whatever they can to keep as many trees as possible. She said even though there are no requirements, be very conscious of the residents that they are going to be abutting. She said for many of them it will be a front door, and a road in between. She said she would still ask that they do the most they can and that space. She said she's not putting any requirements she's just saying to do the most they can in that space to keep that screening as much as possible. Mr. Sasson said the Mayor Pro Tem asked in the last presentation to work with the staff to ensure there are no objections. He said that there are two landscape ones he will know in advance that they tried very hard to address. He said it's two different deviations that result by the same site condition to be aware of. He said this building has a row of garages along the backside. He said the code requires that you can have 15 consecutive parking spaces without a landscape median of 200 square feet based on the garages and the dimensions of the building. He said there was no way for them to get 200 square feet of landscape median in, but they were able to get a landscape median in it's just not 200 square feet. He said that condition within itself creates the deficiency of one too many parking spaces. He said in addition a shortage of overall building foundation landscaping, it's the same issue on the site. He said they couldn't get the space to work. He said that's a sight constraint more than a disagreement on trying to obviously not get their support. Mayor Pro Tem Casey said those were the other two deviations that she called out as wanting to have conversations on. She said she thinks that is deviation 17, the landscaped islands and parking areas, and deviation 20, the foundational landscaping. She asked City Planner McBeth if she was comfortable. She said if she looks at what's written for deviation 17, it is not supported by staff to have no

more than 15 parking spaces continuous, but landscaped island with the decades canopy tree. Ms. McBeth said that is correct. She said the diligent landscape architect was pushing for that and trying to make sure that we got something at that location. She said at this point they were talking about a conflict with probably a very important sidewalk to one of the main entrances of the building and not enough space in that area. She said planning staff believe that it would be a big modification to the plan and probably would be more difficult. She said they would like to continue to work with the applicant if given the chance maybe some sort of landscaping could be incorporated there some skinny landscaping. She said it is the same premise and conversation for foundation landscaping for deviation 20. Mayor Pro Tem Casey said if she looks at deviation 8, the number of parking spaces, there is a note that talks about A relatively minor deviation to reduce impervious surface area. She said there's a minor deviation to getting the number of spaces that are required and if she's reading it correctly, staff are comfortable with that piece of it. She said there's also a concept of adding carports, which are a plus, but there is a possibility of losing potentially one to two parking spaces for a max of 15. She asked how to get comfortable with that, because the language says attempts should be made to minimize the space lost. City Planner McBeth says staff were comfortable with the smaller deviation associated with the reduced parking overall period she said they were also happy to hear about the idea of carports or garages that might be placed there She said those might be taking up slightly larger space than parking spaces due. She said if given the chance they would want to try to work with the developer and see if there is a way that they can have the carports that would be slightly narrower or be able to accommodate regular parking spaces. She said if not it would be a deviation the City Council would be asked to grant. Mayor Pro Tem Casey said she will leave it with the city planner whom she supports to continue those conversations to do what she can to resolve those deviations as great as possible. Mayor Pro Tem Casey asked Mr. Sasson the number of townhome units with first floor living, AKA primary bedrooms, if there are 16 or 20. Mr. Sasson said there are 16 as of now, oriented in the east west direction. He said the greed falls off pretty hard at that location. He said when they get into their final engineering, if they're able to bring the bedrooms downstairs, it will be their preference too. He said they weren't able to make that floor plan work in that building and keep the dimension. He said it added almost 20 feet of building length, which put them in a tough precarious place with the way the grade fell. He said that is why the number is 16, but it is 2 1/2 story unit buildings that have those units on the ground floor with a primary bedroom. Mayor Pro Tem Casey said as it relates to deviation 14, her expectation is that they will build the fence. She said she thinks what she wants to make clear is the way the deviation is worded, and there is reference in the consent agreement to any possibility that the property they just purchased would be sold. She said why she approved the purchase of that property is to protect the trees, and there was a lovely wetland that she wanted to see US maintain. She said she has no interest and no intent to sell that property. She said she would oppose any decision to try and sell it. She said to understand her expectation is that deviation 14, the fence will be going up on the South side, because she doesn't have any intent to allow an RM to go in there because she is not willing to sell the property. She said when she looks at the plan, they're at maximum density, maximum height in maximum layout that is willing to be considered. She said she's hopeful that this is it, and they're not expecting to see any other material changes

that come in front of us them through the preliminary or final site plan. She said she is looking forward to seeing this as it is, as it stands and through the process. She said she's not expecting, hopefully, any changes to any of those items, but knows that is called out in the consent agreement. She said she believes this to be a better choice for the City than the 1999 plan, because it is a more modern development it's got more of the amenities that are suited to how people live today. She said it has tennis courts, pickleball, basketball, all the amenities that were not present in the 1999 planned. She said she thinks from that perspective it's a plus. She said she thinks the variation in housing styles, even 16 units as first floor living she loves, and even some of the taller buildings are elevator buildings. She said another big win is applying the 2025 current codes to this development in comparison to what was locked in in 1999. She said a great example of that is the 100-year storm detention basin, that matters a lot to her. She said she likes the language and appreciates the work that the city attorney did to get the language in section 21 E, which again eliminates the possibility of additional changes related to the number of units, number of buildings, material changes like that. She said she thinks well the design has a greater height and density than the 1999 plan, it is consistent with the underlying zoning. She said they are not putting anything in there that wouldn't be a possibility Under the current zoning today. City Planner McBeth said that is correct, with deviations. She said some of the buildings are longer than they would normally anticipate, some have parking issues or are a bit lower on parking. She said there are several issues that the Planning Commission or City Council would need to decide on. She said generally speaking they're at the max height and max density. Mayor Pro Tem Casey said she'll be happy to see the elimination of SAD 94 when that comes to pass. She said if they were asked to build that sewer, they're talking about a minimum \$1.2 million and probably much higher with increased construction costs and what else would be required. She said that prices would never go down and would only continue to rise.

Member Gurumurthy said this was one of the toughest agenda items, knowing that if they don't do anything right now, they can start building the 1999 plan. She said she has always been concerned about the number of units, the density in the room increases. She said she's glad to see that anything that changes during the approval process, whether preliminary or final, has to come back to Council. She said she was also happy to see the 16 primary units. She said if there are more opportunities to please go ahead and do a first floor. She said if there is any decrease to that number at all, to come back to Council. Just what the plan was in terms of submitting the final site plan approval. Mr. Sasson said if this gets approved, they will round up consultants who've been waiting to get going. He said it would take a handful of months at the minimum to do the fine engineering. He said one of the things they need to do, and the consent judgment, is to do new soil borings. He said they've got old ones, some new ones and need more. He said they've got a lot of third-party work between consultants and contractors to get going on in order to be in a position to submit to staff. He said it is not a submission that will go in this year because it takes a lot of time to put together, and we're coming into quarter four. He said the hope is to realistically be submitted no later than the end of next year. He said they obviously have up to two years, because there is a lot of variability and engineering cons in constraints they will need to work through. He's one of the good things is that nobody requires a very robust preliminary site plan that is not conceptual at all, so there

is a lot of work that has gone into this already. He said hopefully that gives them the ability to speed it up. He said they have to do engineering in the final site plan, which is engineering and landscaping exercise. He said they're looking to get started on the building architecture and bring everything together at the same time to put them in a position to start not just horizontal work but vertical construction too. He said it's very much like the work that Council is doing on the public safety bond and anyway. He said they have to build roads and do all the design in he needs to do that too. He said they have a lot of that done with there's a lot more detail than needs to go into it and it will take time. He said like the townhome buildings are similar to fire stations 2 and 3, they're smaller and they're easier. He said the bigger buildings are much more complicated and take a lot of effort. He said they need to round the troops and put a team together. He said it's more than a year, but less than two years of design and engineering work to submit and work with Novi to be in a position to get going. He said they are committed to starting tomorrow morning. She said she believes there are benefits that come out. She said in terms of the woodland mitigation, there's a lot of calculation going on. She said one request she has is to work with the city teams about not just going after credits but actually looking at places where they can plant off site in Novi, which would benefit the community. She said to do this instead of going after the credits or paying, because there is a lot of opportunity. She said she agrees with the comments regarding the deviations on islands and parking as well. She said she understands there are some issues with buildings, or they'll walk away or you're not able to plant trees, even though it can be fewer trees. She said her request is to look at other places within the parcel so that you can take a tree and plant it. She said if you're not able to plant trees, make sure it's done somewhere else within the parcel or off site. She said the next thing, that it was unclear how many parking spaces there were, and if it was based on bedrooms. She asked if everybody, even though there were fewer parking spots, got the right to a spot for their unit. Mr. Sasson said the parking count is a global site-wide count, but one of the big things they do is parking distribution so there is a sufficient number of spaces for the units around the building. He said this way you don't have to park a 5-minute walk away from your building, they look at that as guest parking. He said they are looking more granularly when they planned to make sure there's a reasonable expectation of the number of spaces outside and inside of each building, between garage parking and surface parking. Member Gurumurthy said in terms of carports, that is a good thing. She asked what the percentage was that they were planning. Mr. Sasson said they reference it as garage parking, detached garages, or car parts. He said it is their strong preference to include detached garages. He said the reason right now they're asking for the leniency to make the adjustment of the 15 spaces is that they've identified the drawing set that would be an exhibit four or five locations on the site they could do it. He said the reason they don't know at this point in time whether or not it can be done is because of the utilities in the roads. He said a part of the final site plan review is that there is coordination on where those utilities go. He said there's easement requirements in the city that have-to-have clear space on either side of utilities, and they need to work with the electrical company to get the electrical utilities in the road also. He said there is a lot of coordination they still need to do. He said if they put in a garage, detached garage or carport they also need to provide clearance around those utilities in order to provide that. He said he believes they will be able to provide some locations they've identified,

but until they get to that level of coordination they won't know. He said they were asking for the relief to be able to adjust up to 15 parking spaces to give them the flexibility to provide the amenity. He said if they are able to make it work with the ordinance standards and provide the clearances then that is one of the many items they need to embark upon over the next many months with the team. He said if they have the clearance, they're going to put detached garages in. He said if they require more space than carports, we'll be right with the officer they would fall back to carports. He said none of those are visible from Novi Rd, they are all on the back half of the site, the western half of the site, tucked backwards so they are not front facing and you're not staring at them as you drive by. Member Gurumurthy said in terms of the southern property, she would also like to see the fence installed, because the goal is that they want to preserve the properties of the wetland. She said she is glad that if anything changes, they will come back. She said she would like to request with the first-floor bedrooms that they don't reduce that number at all.

Member Heintz confirmed that they either approve this with 22 deviations or deny it. He said he previously did not support this and he didn't think it has moved in a direction to be a more thoughtful development. He said there was a discussion about carports but also there isn't space for trees in the parking areas so there is a deviation. He asked the developer to explain that. Mr. Sasson showed an image of the areas in question and explained there are parking spaces along the road opposite the building but when you cross the road there is an entry door. The dimensions required to make that landscape median with a tree would be much larger than the space allows. He said if they didn't need a sidewalk, they could fit the tree and meet the ordinance requirement, but since they had to have the sidewalk, there was no way to get the tree in the median. He said they preferred to protect the life safety aspect over a single tree at those 3 locations. Member Heintz asked if there were other vegetation options or tree varieties that could be used. Mr. Sasson said they will have shrubs, but the ordinance states a specific type of deciduous tree should be in those islands. He added the code requires 200 square feet of landscaped areas, but they would have to take out the sidewalk and that would not provide safe access to the building. Member Heintz said these deviations are not new requirements and you just aren't abiding by them. Mr. Sasson said every project has a list of deviations based on the design and they try their best. He said they have lowered the number of deviations over the past few years. He said the site is a challenge topographically. He said they think adding garage parking is critical, they have to use the grade and place the buildings in certain locations. Then based on how they need to surface park the site to have ample parking as well as access in more than one location. For safe passage for everyone on the site, when you cross a main road on the site, they need to have a safe entry. Member Heintz said in Mr. Sasson's opening remarks, he used the term "redevelopment" and that caught him off guard because the land is not currently developed. He asked what he meant. Mr. Sasson said they view this as an interesting opportunity to spur redevelopment and reinvestment into a commercial core that has existed for a long time. It's adjacent to three of the largest taxpayers in the city. They are seeing investment with Dick's Sporting Goods moving to the mall, but it's leaving Fountain Walk so there needs to be reinvestment. They hope this will give resources and continued optimism for those owners to continue to invest into the community and help

make those assets better for the next 40 years. When he said redevelopment, he meant reinvestment and redevelopment of a stimulation of encouraged investment into the stock of assets that already exist. Member Heintz said he understands that this property is planned to be developed. He said the important thing to him is to have thoughtful development and he didn't think that happened.

Member Staudt said the first speaker did a good job of encapsulating his views on this and he will support this. He said they overlook the types of investments that people like the Sasson family make in Novi. The taxable value on that property is roughly a million dollars and they have been paying taxes on that for more than 30 years. He asked the City Attorney to clarify that in the event this final site plan goes through the SAD will be dissolved. City Attorney Schultz said yes, when the 2025 final site plan is approved, the SAD 94 obligation goes away. Member Staudt said to give him an example of a \$1.2 million public benefit they've had in the past. City Attorney Schultz said that's never occurred. Member Staudt said he reads social media and people are asking what the benefit is to the City. He said one of the benefits is that we are not going to build a multi-million dollar sewer and that's a huge benefit to the community. He confirmed that the 1999 site plan would disappear also, so the antiquated 1999 plan and a multi-million dollar obligation to build a sewer to nowhere would be gone. He asked the developer about the pond next to the property and whether they intend to maintain water levels in it. He said it can be very shallow and sometimes looks nice but other times it's a big mud pond. Mr. Sasson said it has evolved over the years but was never a pond and only recently turned into a pond. That's the byproduct of all the surrounding developments discharging their storm water back into it. He said the 1999 plan discharged into that pond and one of the benefits of the current plan is that it doesn't discharge into the pond. It's an EGLE and city regulated wetland. They have obligations to control invasive species around it, but no ability to add or take out water from it. There are a lot of tree plantings around it that will remain and it's a big vast open space with a lot of beautiful wildlife. They hope it's viewed as an amenity. Member Staudt confirmed they are going to leave it in its natural habitat. Mr. Sasson said that was correct. Member Staudt asked if his family ever had interest in selling the property. Mr. Sasson said not that he knew of. Member Staudt said there is language in the agreement that talks about acquiring the 10 acres next to the property. The City recently acquired that and they have no interest in selling it. They acquired it to maintain the green space. He asked if they would be willing to remove that provision because it implies the City is willing to sell and we are not. We don't want to give the impression that we are willing to sell that property. Mr. Sasson said they are ok with putting the fence there and he didn't want there to be any expectation of anything. He asked for the right to not put in the fence or remove it if somehow that land turns into a multi-family project. He said the history is that his family has tried to buy that piece of property for 40 years, but the City had the first right of refusal because it was foreclosed. He said if they want to take it out, they can. Member Staudt said in his time on Council they have had to deal with things that have lingered for many years. This is closing the book on that and opening a new chapter for their development. He will support it.

Part I

Approve proposed Amendment to Consent Judgment in *City of Novi v E&M Holdings* case (2001) relating to a previously approved multi-family development located at 12 Mile and Novi Roads in order to approve an alternate development plan under the terms and conditions of the Amendment subject to:

- (1) The requirements of the staff and consultant review letters included herein, unless modified by the Amendment or the Exhibits**
- (2) Final review as to form and content, including the making of necessary modifications or revisions to the Amendment in the interest of the City and to carry out the requirements of any ordinances or other laws and the intent of the Council in approving the proposed Preliminary Site Plan, prior to entry by the Court, by the City Manager and City Attorney**
- (3) Final review and approval of the Exhibits to the Amendment in a manner satisfactory to the City Manager and City Attorney.**
- (4) Undertaking all actions necessary, as determined by the City Attorney's office, to secure entry of the proposed Amendment, including but not limited to submitting the proposed Amendment to the Court by appropriate motion.**
- (5) Entry of the Amendment by the Oakland County Circuit Court.**

This motion is made because the alternate proposed Preliminary Site Plan represents an improvement upon the 1999 Final Site Plan extended for the past 25 years under the Consent Judgment in that:

- (1) The plan contemplates a more modern development type than the 1999 plan.**
- (2) The design, architecture, and façade materials represent an upgrade to the 1999 plan;**
- (3) The proposed residential neighborhood would support healthy lifestyles through the provision of walking trails, sidewalk connections, and open space amenities within the development.**
- (4) The unit sizes and types help the City's goal of providing a wide range of housing options, some of which are not currently available in the City and could appeal to a variety of renters who prioritize minimal maintenance, smaller unit sizes, and natural surroundings.**

(5) The proposed project will protect and maintain areas of the City's woodlands, wetlands, and natural features in a manner that is consistent and not significantly different from the 1999 plan, or a plan that could otherwise be brought under the PD-1 option on this RM-1 multiple-family zoned property.

This motion is also made because the proposed Amendment addresses long-outstanding issues with respect to the sanitary sewer extension and eminent domain proceedings reflected in the 2001 Consent Judgment to the benefit of the City and the City Council believes its entry to be in the public interest. This motion is also conditioned on any language relating to the Developer having an option to acquire the adjacent property to the south (the former Bundoff property) being removed from the Amendment.

Part II

Approval of request by E & M, Inc. (Society Hill) for one-year extension, to October 9, 2026, of site plan approval for a 312-unit apartment project developed as a PD-1 Option in a multi-family (RM-1) district, located at the southwest corner of Novi Road and 12 ½ Mile Road, previously extended under a consent judgment and subject to annual extension reviews.

City Attorney Schultz said as the conversation has unfolded about changes from preliminary site plan to final, there may be some changes but the idea behind the language and the consent judgment is those are to be minor and normal. Any significant changes would have to come back to Council. They will be careful as they process the final site plan to make sure that if anything significant changes, they would come back to Council.

Mayor Fischer said everyone understood that language as part of the consent judgment. He said he was happy that it was included and would expect those items to come should staff feel they are substantial per the contract. Mayor Fischer said as he outlined in the beginning this has been a very long process, and complex issue. He said we have a 25-year-old site plan protected by a consent judgment, and if they don't build, then the city has to build, and if they don't approve the 1999 plan, the city has to build a sewer. He said member Smith did a good job of outlining the different ways and that is how he is viewing this proposal and project as well. He said Member Staudt alluded to this, but he will ask. He asked the applicant how much they expect the plan to pay in taxes this year on the property. Mr. Sasson said they pay about \$35,000 right now. Mayor Fischer said he is under no illusion that they will continue to pay that money as a gift to the City without anticipation of some type of return and development. He said he thinks there's some people that think Society Hill will just go away, and he doesn't think that's the reality. He said to Member Smith's point, they could continue to push forward the 1999 plan but that would be a disservice to the City of Novi and disservice to those around it. He said it is

outdated and lacks the amenities of the current plan. He said what he finds ironic about some of the building discussions is that in that 1999 plan it is actually adding more housing stock to more affluent people as opposed to the 2025 plan which has a variety of housing stock including first floor living in master's for seniors. He said it had studio apartments, things that will attract some young professionals. He said they can push for the 1999 plan and continued to push for affluent families, or they could live what they mean about having different diversity in housing stock. He said his other opinion is to deny the plan, and just build the sewer, but he thinks it will cost way more than \$1.2 million. He said he's seen projects in the city escalate in the area they were talking about and would see that number going upwards of three or \$4 million. He said to pay 3 or \$4 million then have to come back with the same plan and get it approved through planning, because that's what's allowed under RM1, and PD doesn't make much sense. He asked why they would pay \$3 or \$4 million when the benefit here could be the savings, a large savings. He said he is in support of going forward with this plan. He said yes, this development has 500 units versus 312 in the 1999 plan, but again it's giving different house stock. He said the average unit goes from 1800 square feet per unit down to about 1200. He said additional amenities such as outdoor space, soccer fields, dog parks, walking trails and others they don't necessarily have in Novi. He said the comment was made that if they're going to lose some of the trees, it might as well be with a plan that is within the best interest of Novi and all who live here. He said one of the most important factors of the judgment is the removal of the 1999 plan, once they get final site plan approval, and the SAD 94. He said that is a big win, because there have been 20-some-odd Councils that have had to continuously approve the 1999 plan, just to avoid the SAD. He said he is very proud and thanks to this Council does not shield away from tough discussions. He said he thinks this is another situation of the Council stepping up and taking a messed-up plan from the 1999 Council that has lingered because of this consent judgment made back in 2001. He said they had a lot thrown at them that they've had no control over, but they were willing to step up, have conversations and negotiate with the City Attorney and city staff for the last two or three years to get to this point. He said it's frustrating when people say there have not been concessions or there haven't been negotiations, because it isn't true. He said that is not how local government and development works. He said he has been working with the staff, as a Council, for two or three years and they are not getting everything they want. He said he knows there are things whether it be in the 1999 plan, the SAD, that they are not happy that they are giving up, and there are setbacks that the city may not be happy with, and there are things that staff will still have some consternation with period he said at the end of the day between the developer, City Council, staff can only mostly get to where they can live with the same general and best interest of the city of Novi it makes him proud. He said he is proud to sit with many of the people at the meeting supporting the project, because it has been a long time coming and there has been a lot of work with it. He thanked the applicant for the efforts they've made.

Roll call vote on CM 25-08-113

Yeas: Staudt, Fischer, Casey, Gurumurthy, Smith

Nays: Heintz, Thomas

CONSENT AGENDA REMOVALS: None

AUDIENCE COMMENT: None

COMMITTEE REPORTS:

1. Environmental Sustainability Committee - Councilmember Smith

Member Smith said the committee met on August 12th and discussed short- and medium-term goals. He said each of the members will be championing some specific issues in that area. He said they discussed the state of city projects that are already in progress. He said they are going to ask for some information on Shawood Lake.

2. Mobility Committee - Councilmember Smith

Member Smith said the committee met on August 21st and discussed safe streets for all the draft action plan. He said the sidewalk survey data is in, it's not in a usable format right now. He said city staff are working on getting that into GIS, so they can see where the issues are. He said from there they'll be making plans on which sidewalks get repaired and how to set up repaired districts. He said they discussed the Nine Line, which is a pathway that crosses Oakland County along 9 Mile Rd. He said the east part is being planned and the county has come to the cities on the south side, Novi and asking the city to join in with the memorandum of understanding to continue the development going West. He said that it was referred to the committee by City Council. He said they had an initial discussion on that and are going to recommend action at a future point when they have had a chance to review it a bit more. He said they had a report from staff on why the connection between the I -275 trail near 9 Mile Road and Seeley Road was rejected by MDOT and the Federal Highway Administration.

3. Public Utilities and Technology Committee - Councilmember Thomas

Member Thomas said the committee met on August 20th and had representatives from DTE come in and discuss some of the history of power in the city and the progress that has been made so far. She said they talked about getting regular updates of the power outage data within the community and thinks it was a positive experience. She said she thinks they have seemingly good partners in DTE, and the plan is to make sure they are staying on top of the data and accountability through their partners at DTE to make sure they're doing the best they can to power the community. She said she thought it was very useful and a good start to help us communicate to know what's happening, know when there are issues, and so the community knows what they are working on with DTE to make sure all issues are addressed. She said it was very positive.

MAYOR AND COUNCIL ISSUES:

1. Request for Parks and Recreation Committee to develop a plan for Shawood Lake and Island. – Councilmember Smith

Member Smith said at the last meeting of the Environmental Sustainability Committee, they talked about requesting a preliminary plan of what can be done with Shawood Lake and the island from the Parks, Recreation, and Cultural Services Commission. The first step is having a plan before you can find funding. It really has potential to be a very unique recreational space. It will be one of the few places you can put a kayak in the water.

CM 25-08-114 Moved by Smith, seconded by Casey; MOTION CARRIED: 7-0

Approval of the request directing the Parks, Recreation, and Cultural Services Commission to provide plan options for Shawood Lake and the island for City Council to discuss during the initial budget planning meeting in February 2026.

Roll call vote on CM 25-08-114

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

COMMUNICATIONS: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 9:49 P.M.

Cortney Hanson, City Clerk

Justin Fischer, Mayor

Transcribed by Alyssa Craigie,
Administrative Assistant

Date approved: September 8, 2025