

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: LINDSAY BELL, AICP, SENIOR PLANNER
THROUGH: BARBARA MCBETH, AICP, CITY PLANNER
SUBJECT: CITY WEST DISTRICT – OPTIONS TO CONSIDER
DATE: APRIL 9, 2024

Mayor and Council –

For your information, work and revisions to the proposed City West Ordinance that will most likely come before Council on May 6th.

- Victor

Since the City Council's first look at the City West Ordinance on July 10, 2023, staff has taken the feedback received into account and made changes to the proposed text. Those changes were summarized in the attached August 17, 2023 Administrative Packet. Changes to City West ordinance since the last version are shown in blue strikethrough/underline in the updated draft ordinance that is attached.

The purpose of this correspondence is to:

- Provide background information for those not yet familiar with City West, and
- Summarize the potential options or potential additional changes that City Council will be asked to consider on April 22nd, when we hope to bring the City West topic back for consideration.

BACKGROUND

The City of Novi's 2016 Master Plan Update included recommendations for redevelopment of three areas within the City that were considered vacant or under-utilized given their location, unique features, and size:

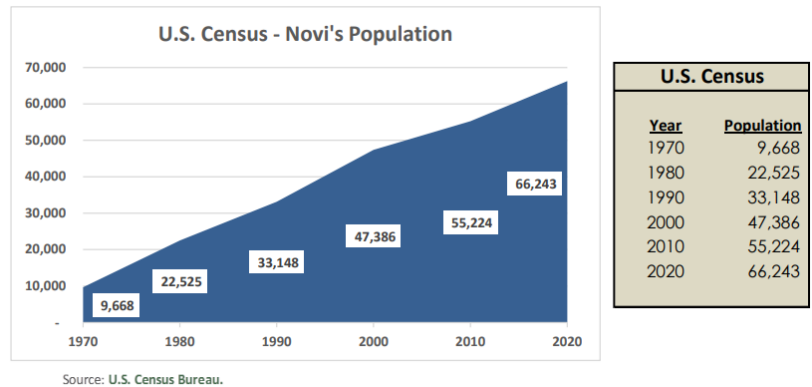
- 1) Pavilion Shore Village, near Walled Lake, which was rezoned to a new zoning classification in 2021;
- 2) Anglin Property near Town Center, which is now incorporated into the Sakura Novi development; and
- 3) City West. City West is proposed north and south of Grand River Avenue, east of Beck Road and west of Taft Road.

The Master Plan recommendation for this area was to create a vibrant, integrated, mixed-use arts and entertainment district that would support and enhance the nearby Suburban Collection Showplace and Ascension Providence Park.

Working with the Planning Commission's Implementation Committee (comprised of Commissioners) and the City Attorney's office, the City West Zoning Ordinance text was developed to provide the standards under which properties in the new district will be developed, as well as a Design Guide that offers visual examples that the Master Plan and ordinance language are working together to accomplish. The Design Guide complements the ordinance language and will be made part of the ordinance by reference. It includes background information on the area, inspiration images from around Novi and other communities, and 3D models to visually show certain requirements or suggestions. The intent

is for both documents to be used in conjunction to guide development within the district. Each 3D model shown in the Design Guide is conceptual only; actual projects would need to be designed by professional architects and engineers based on specific on-the-ground information not currently available to staff.

As the current 2023 Master Plan update effort continues, Novi continues to grow, as evidenced by the 20% population growth from 2010-2020. At the recent community open houses, 74% of participants indicated the City West area should be “transformed” when given the definition “long-term and large-scale change in the appearance and function of an area with the



intent for a dramatic shift in use, design, and accessibility.” Another 21% indicated the area should “evolve,” while only 5% thought the area should be “maintained” in its current state.

HOUSING OPTIONS

The City West area provides an opportunity to expand the housing choices available for young professionals, empty nesters, and other residents who prioritize an interconnected community with a mix of complementary uses providing easy access to destinations within Novi, as well as access to the freeway. Grand River Avenue is a major corridor with greater road capacity than many areas of the city. Mass transit has recently been offered along the Grand River corridor through Novi and into Wixom. With the addition of transit stops in the City West area, it is a logical location for additional density to be permitted following the principles of transit-oriented development. Most of the city's housing options are currently not in proximity to the new transit routes, which will limit their utilization.

The state's Growing Michigan Together (GMT) Council has recently completed their comprehensive population growth report for the state. Michigan ranks 49th for population growth in the nation. In order to begin to reverse this trend, the GMT Council has recommended three strategies to build back the state's population. Strategy 3 is to “Create thriving, resilient communities that are magnets for young talent.” The City West district could help establish the type of housing in proximity to transit that would attract not only the workforce needed for innovative entrepreneurs and businesses, but also provide appealing housing options for the City's aging population in a compact, connected setting.

CREATING A SENSE OF PLACE

City West is also an opportunity to showcase Novi as an area of interest to the thousands of visitors to the Suburban Showplace and Ascension Hospital each year. Creating a place of interest surrounding these existing activity centers will boost the City's image, while reducing the need for shorter vehicle trips with a mix of uses available.

INTEREST IN THE PROPOSED DISTRICT

Property owners south of Grand River in the City West area, both of vacant land and currently developed property, have expressed an interest in and support of the ordinance amendment. Some property owners have introduced concepts for projects that could align with the intent of the City West ordinance amendment and Design Guide. Current businesses such as Gatsby's, Paradise Park, and Total Sports Novi have found the text amendment appealing due to the flexibility it offers for those businesses moving forward.

The density and height of the buildings would also permit more preservation of sensitive areas, as the footprint of the buildings could be smaller. Above or underground structured parking, instead of surface parking lots, would go further in promoting areas for open space and reducing impervious surfaces. More taxable value would be created on a smaller footprint of developed area.

COMPARABLE SETBACKS TO WHAT IS CURRENTLY PERMITTED IN THE I-1 DISTRICT

The City West District includes a baseline level of development for principal permitted uses, which would be allowed at a similar intensity to what can currently develop in the I-1, Light Industrial District. Within 100 feet of a single-family residential district, non-residential buildings are not permitted, which is the same as in the I-1 District currently. At the baseline level of development, building height is limited to three (3) stories.

MIXED-USE DEVELOPMENT OPTION (MDO)

The ordinance includes an optional Mixed-Use Development Option (MDO), which permits a wider range of uses and higher-intensity development to encourage the creation of a dynamic mix of compatible uses. While the MDO provides greater flexibility in parking and landscaping, as well as setbacks and building height to allow a more urban form of development, projects will still be subject to other applicable codes and regulations of the City, including Wetland and Watercourse protection, the Woodland Ordinance, Stormwater detention standards, façade, and landscape requirements, as well as lighting and noise ordinances. As an optional form of development under the state zoning enabling law, approvals of MDO projects are up to the discretion of City Council, and subject to the project meeting various criteria.

One of the project criteria to be evaluated for MDO projects is whether a proposed site design and layout minimizes negative impacts on existing natural features. Other criteria provide stipulations that surrounding landowners shall not be unreasonably burdened, and the proposed development is deemed to be compatible/harmonious with surrounding area.

Residential uses are permitted using the MDO option with a minimum setback of 2 feet per each foot of building height from single family residential districts. Within 200 feet of single family residential, building height is limited to 35 feet, which is the same height limit as the single-family districts—that is, the same height as a typical single-family home in Novi. Building heights for all uses within 200 to 300 feet of a single-family residential district are limited to 45 feet. These are significant height limitations that respect the existing developments. By way of comparison, the current I-1 District allows a 40-foot building with a setback of just 20 feet to adjacent property.

While the proposed ordinance standards allow for greater height along the north side of Grand River for MDO projects, staff believes that most projects will have 3-5 story buildings, with additional height potentially requested for mixed-use buildings, or for a signature office building or hotel. Buildings greater than 300 feet from single-family residential districts may be eligible for bonus height at City Council's discretion. Bonus height may be granted if the project provides the following:

- Underground or structured parking (1 additional story per 125 spaces provided)
- Dedicated open space or preservation of natural areas in excess of 25 percent (up to 1 story bonus)
- Gold or Platinum LEED certification in building design (up to 1 story bonus)
- 15 percent or more residential units targeted for workforce housing (up to 1 story bonus)

NEXT STEPS

As the draft ordinance returns to the City Council for a First Reading on the amended text, staff will be presenting three options for consideration by the City Council (see accompanying maps for the locations of each of the three options):

Option 1: Adopt the current City West District Text Amendment, with minor modifications, and Rezone areas both north and south of Grand River

This is the option recommended by Staff. The City Council appeared to be in favor of excluding the B-3, General Business zoned property at the southeast corner of Grand River and Beck Road, which could still be done under this option.

Option 2: Adopt the current City West District Text Amendment, with minor modifications, but rezone only the north side of Grand River Avenue at this time

This option would leave the potential for the south side to be rezoned at some point in the future without having to amend the City West zoning ordinance. In the meantime, the south side of Grand River Avenue would remain zoned primarily Light Industrial, and any new development proposed would need to meet the I-1, Light Industrial District standards (or RA or B-3, in the case of two properties near the southeast corner of Grand River and Beck). This would also leave open the option for a developer to request a rezoning of the land on the south side of Grand River to City West if that district is needed to support a particular development.

On the north side of Grand River, 144 acres would be rezoned to the new City West District.

Option 3: Direct staff to revise the City West District Text Amendment and City West Design Guide to remove all references to the south side of Grand River Avenue, with the intent to Rezone only the north side of Grand River Avenue

This option would remove the area south of Grand River Avenue as an option for the development that the City West Ordinance and Design Guide contemplates as originally introduced. If the City Council chooses this option, Staff would make revisions to the text amendment and Design Guide so that it only pertains to that area north of Grand River Avenue prior to the Second Reading or the ordinance amendment.