



CITY OF NOVI CITY COUNCIL
MAY 6, 2024

SUBJECT: Consideration of Zoning Ordinance Text Amendment 18.296 in order to establish the new City West zoning district, along with associated ordinance changes to reference the new district, and to amend text related to the EXO District, to reflect an underlying zoning of City West.
FIRST READING

SUBMITTING DEPARTMENT: Community Development - Planning

BACKGROUND INFORMATION:

The proposed Text Amendment to establish City West District was first introduced to the City Council on July 10, 2023. Since that time, staff has taken the feedback received into account and made changes to the proposed text, and also offer more context for the proposed district.

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:

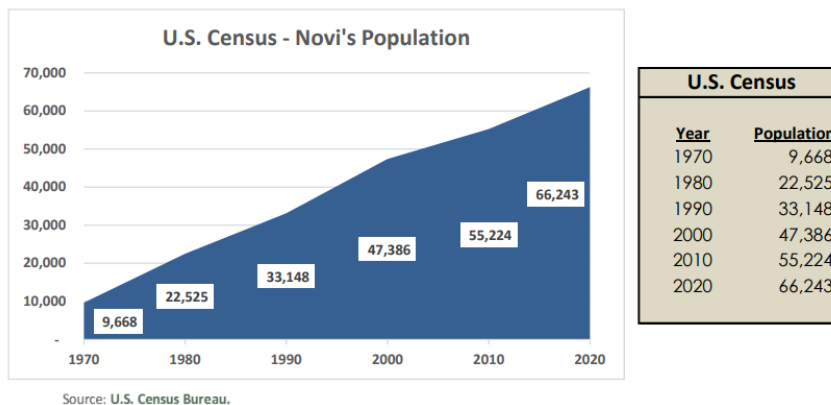
- 1) Pavilion Shore Village, near Walled Lake, which was rezoned to a new zoning classification in 2021;
- 2) Anglin Property near Town Center, which is now incorporated into the Sakura Novi development; and
- 3) City West, which is proposed north and south of Grand River Avenue, east of Beck Road and 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, staff developed the City West Zoning Ordinance text 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 guidelines. 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 last year's 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, 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 introduced 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. Visitors to events at the Showplace could take advantage of nearby restaurants, hotels, and shopping without having to get in a car. Similarly, greater housing options may appeal to employees of the hospital who could walk or bike to work in nice weather.

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, further enhancing the surrounding corridor.

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, both non-residential and 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 two (2) stories on the south side of Grand River Avenue.

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 100 feet 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 when not adjacent to a residential district. I-1 properties that are adjacent to residential districts require building and parking setbacks of 100 feet, and limit building heights to 25 feet.

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 one or more of 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)

CHANGES TO THE ORDINANCE TEXT

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. Below is a summary of the issues that were identified and provides a description of the changes made to the text from what was presented at the previous meeting or offers further explanation. In the draft Text Amendment included in this packet, the changes to City West since the last version are shown in [blue strikethrough/underline](#).

Building Height

While the proposed building heights on the north side of Grand River were supported by the City Council, the proposed maximum height of 5 stories on the south side was a concern. In the revised draft, the text now reflects a maximum height of 2 stories south of Grand River under the baseline option. For MDO projects, the height limit is increased to 3 stories, or up to 4 stories if bonus height conditions are met. City Council would need to approve the increase in height for each project proposed. Adjacent

to single-family residential zones, additional restrictions would control building heights, with a maximum of 35 feet permitted within 200 feet of single-family districts, and a maximum of 45 feet between 200-300 feet of such districts. Within 300 feet of such districts, buildings are not eligible for bonus height approval.

Setbacks from Single Family Residential

The City Council expressed concern with the building setbacks' potential to negatively impact adjacent single-family neighborhoods. In the revised draft, all buildings, regardless of use, would be required to have a minimum setback of 100 feet from single family residential districts. Under the current I-1 Light Industrial district, the minimum building setback from single family residential is 100 feet. In the revised draft, the parking setback has also been increased from 50 to 75 feet and would be required to be screened with a 5-foot wall or landscaped berm.

Buffers and Berms

Under the required conditions for City West, item K (page 9) states all sites must comply with Article 5, Site Standards for all applicable requirements, unless more specific standards are specified for City West. Article 5 includes the review standards for the following: off-street parking requirements, off-street parking layout and standards, off-street loading and unloading, landscape standards: (i.e., obscuring earth berms and walls, right of way buffers, and interior and exterior landscape plantings), exterior lighting, corner clearance, road design, façade standards, and bicycle parking.

In particular, the landscaping section related to residential uses adjacent to non-residential has been attached to this packet to show what existing standards would be applied to projects in City West when they are adjacent to a residential use. New multifamily and commercial buildings require a berm or wall of 6-8 feet in height when adjacent to a residential use. This section of the ordinance is very comprehensive in terms of placement, design, and waiver standards, and has been used successfully throughout the city. It would be unnecessary to repeat the information in Article 5 of the ordinance, as it is referenced by section number in the draft City West ordinance.

Hotel Use

At the July 10th meeting, the City Council indicated that hotels would not be an appropriate use on the south side of Grand River. The updated draft states on page 3 that hotels would be permitted only north of Grand River.

Protection of Natural Features

Throughout the City West text, staff has attempted to make clear that protecting the existing natural features (woodland and wetlands) should be a priority for both developers and decision makers for projects in the district. While the Woodlands Protection Ordinance and the Wetlands and Watercourse Protection Ordinance will apply to any proposed projects in this district just as they do to every other site in the city, additional language has been included to show a strong commitment to preservation in the City West District. Please see the highlighted proposed text that mentions natural feature protections in the intent, design guide, and approval criteria.

Pedestrian Orientation, Sidewalks and Open Space

The sections on pages 8 and 9 related to the topics have been revised and reorganized to provide more clarity and direction for such features to be coordinated between developments to create a system of connectivity within and between projects in the district. Usable open space requirements are also more fully described, including encouraging active recreation facilities for children.

Grand River Corridor

If the City West District is adopted and the property rezoned, staff would begin working more closely with the Road Commission for Oakland County to discuss what changes might be necessary to this section of the corridor. We would propose possible changes to the speed limit, road crossing opportunities, design alternatives and accommodating the bus route stops.

Current Master Plan Update

The current Master Plan Update is still on-going. However, the proposed Future Land Use map that has been reviewed by the Steering Committee at multiple meetings designates the City West area for "General Mixed-Use." Draft documents describe the purpose of this land use category:

The GMX land use category provides the highest flexibility of the categories. It recognizes that certain properties will be developed based on prevailing market trends utilizing a site-specific master plan to guide development, reserving certain portions of the subject property for different land use typologies.

The General Mixed-Use designation would not be contrary to the proposed City West ordinance.

Rezoning

Based on the City Council's feedback, the accompanying rezoning request includes within the suggested motion that the rezoning will exclude the portions of property currently zoned B-3 at the southeast corner of Beck Road and Grand River. If in the future the owner decides to pursue development more consistent with the City West district, they could request a rezoning of that area separately. The area will remain shown in the Design Guide Maps, as well as the Future Land Use map, to be included in City West, as it is Staff's opinion that the area would better add to the creation of a cohesive district under City West rather than the B-3 District.

For a more complete summary of the origin and purpose of the City West Zoning District, Ordinance Language, and Design Guide, please reference the City Council packet motion sheet from the July 10th meeting: [City Council Meeting - July 10, 2023 - Matter 1 - Consideration of Zoning Ordinance Text Amendment 18.296 in order to establish the new City West zoning district \(cityofnovi.org\)](#)

PREVIOUS PLANNING COMMISSION ACTION

On May 10, 2023, the Planning Commission held a public hearing on the proposed text amendment and recommended approval to the City Council. The minutes from that meeting are included in the packet.

PREVIOUS CITY COUNCIL ACTION

On July 10, 2023, the City Council considered the Text Amendment for the First Reading and provided comment for revisions to the proposed ordinance language. The revised ordinance language is included in the packet and is presented for consideration again as a First Reading. The minutes from the July 10 City Council meeting are included in the packet.

CURRENT OPTIONS FOR FIRST READING OF THE TEXT AMENDMENT, DESIGN GUIDE AND ZONING MAP AMENDMENT:

Following discussion at the May 6 City Council meeting for a First Reading on the amended text, **three options** are presented for consideration by the City Council with the resulting motions to direct staff for revisions prior to the Second Reading of the draft Ordinance (see accompanying maps for the locations of each of the three options and additional details in the accompanying packet for the zoning map amendment):

Option 1: Adopt the current City West District Text Amendment, and City West Design Guide, 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 from the rezoning, which could still be done under this option.

Option 2: Adopt the current City West District Text Amendment and City West Design Guide, 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 fully amend the draft 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. As in option two, the area south of Grand River would remain as currently zoned.

RECOMMENDED ACTION: Approval of Zoning Ordinance Text Amendment 18.296 in order to establish the City West zoning district, along with associated ordinance changes to reference the new district, and to amend text related to the EXO District, to reflect an underlying zoning of City West, **AS DESCRIBED IN OPTION** , subject to any modifications as determined necessary by the City Manager and City Attorney's office before consideration of Second Reading, for the reasons provided below. **FIRST READING**

Select one of the following three options:

Option 1:

Adopt the current City West District Text Amendment and City West Design Guide, with minor modifications (with the intent to rezone areas both north and south of Grand River Avenue as will be provided with the next agenda item to rezone property with or without excluding the B-3, General Business zoned property at the southeast corner of Grand River and Beck Road from the rezoning)

-OR-

Option 2:

Adopt the current City West District Text Amendment and City West Design Guide, with minor modifications (with the intent to rezone only the north side of Grand River Avenue at this time as will be provided with the next agenda item to rezone property), *leaving open the option for the south side of Grand River to be rezoned at some point in the future without having to fully amend the draft City West zoning ordinance.*

-OR-

Option 3:

Adopt the current City West District Text Amendment and City West Design Guide, with minor modifications, (with the intent to rezone only the north side of Grand River Avenue as will be provided with the next agenda item to rezone property) AND 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 motion is made because the proposed City West Rezoning fulfills the concepts provided in the Master Plan for Land Use to provide a new zoning district that will create a vibrant, integrated, mixed-use arts and entertainment district along Grand River Avenue, east of Beck Road, and that would support and enhance the nearby Suburban Collection Showplace and Ascension Providence Park.