

MEMORANDUM



TO: PLANNING COMMISSION
FROM: LINDSAY BELL, AICP, SENIOR PLANNER
THROUGH: BARBARA MCBETH, AICP, CITY PLANNER
SUBJECT: INTRODUCE TEXT AMENDMENT 18.296, CITY WEST DISTRICT
DATE: MARCH 28, 2023

BACKGROUND

The City of Novi 2016 Master Plan Update included recommendations for redevelopment of three sites within the City that were considered vacant or under-utilized given their location, unique features and size. One of the sites identified was named City West and is located along the north and south sides of Grand River Avenue between Beck Road and Taft Road. Over the last several years we have been working to create a new zoning district that would help to transform this area from the sparsely developed industrial past to a vibrant, walkable, mixed-use district.

Working with the Planning Commission's Implementation Committee, planning staff and the City Attorney's office have developed new 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 once it is adopted. Properties to be included in the City West District would be considered as a part of a city-initiated rezoning that would follow the public hearing and notice standards of a typical rezoning request.

The ordinance contains provisions for the existing uses that may chose to remain as is once the properties are rezoned, and not redevelop under the new standards. The ordinance will consider the uses existing at the effective date of the ordinance as legal non-conforming uses that may continue to be used in the same manner as allowed throughout the City.

This memo provides the following:

- An overview of the proposed district (see attached maps),
- A description of the existing character of the district,
- The stated intent of the proposed district,
- An overview of the ordinance standards, including the proposed Mixed-Use Development Option (MDO),
- Buffering standards for properties adjacent to existing residential areas,
- Feedback from property owners in the district, and
- Next steps for the draft ordinance and design guide.

EXISTING CONDITIONS

North Side of Grand River Avenue

The area identified as City West in the Master Plan is approximately 200 acres. Of that area, approximately 144 acres are north of Grand River Avenue with 21 parcels included. The majority of the area, 128.13 acres, is currently zoned OST Office Service Technology. There is an EXO Exposition Overlay District over a 55-acre portion of the Suburban Collection Showplace property. Approximately 14.06 acres are zoned I-1 Light Industrial. A mix of offices, industrial and manufacturing businesses, and vacant properties are present on either side. It is recommended that the three parcels fronting on Beck Road are excluded from the City West rezoning (Chase Bank, Starbucks, USA 2 Go, etc.), as they are fairly recent developments containing drive-through uses that are generally not consistent with the intent of the district.

The vision described in the Master Plan would make City West north of Grand River the highest intensity district in the City of Novi, with buildings up to ten stories and residential density of 30 units per acre. The ordinance standards allow for additional height along the north side of Grand River, but staff believes that there may be interest in 3-6 story buildings, with additional height potentially requested for mixed-use buildings, a signature office building or hotel.

South side of Grand River Avenue

To the south of Grand River Avenue, the City West area is recommended to be expanded to include all of the parcels between Beck Road and Taft Road. The vision of the Master Plan had included only the half-mile east of Beck Road to be included in the new district, but in working with the Implementation Committee, it was suggested that the district extend the entire mile along the south side of Grand River from Beck to Taft Roads. The district on the south side of Grand River includes 33 parcels totaling approximately 113 acres. The current zoning of the area is mostly I-1 Light Industrial. One area located at the southeast corner of the intersection of Beck Road and Grand River Avenue is zoned B-3. Fronting on Beck Road, one 6.4 acre area is zoned RA Residential Acreage, and a 3.4 acre parcel is zoned OS-1 Office Service. There are some significant areas of wetland in the southern portion of the district. Preserving those wetlands could help provide natural buffers between the City West developments and the residential districts to the south.

Approximately 110 acres in the district are vacant or a non-conforming residential use. Parcels developed with industrial uses that are not consistent with the desired future use for City West make up a total of about 32 acres. More recent development nearby in the corridor includes destinations such as Ascension Providence Hospital System and Suburban Collection Showplace, which are significant economic drivers in Novi, providing jobs and bringing in visitors. Commercial uses have developed by the I-96 interchange at Beck Road north of Grand River.

BASIS FOR THE NEW ORDINANCE LANGUAGE

Based on the guidance in the Master Plan, and using the text of the Town Center districts as a model, staff developed the first draft Ordinance to achieve the type of development envisioned for this area. Over time, the City West ordinance has evolved to incorporate elements of the GE Gateway East and the Planned Development options as well. The City West District includes a baseline level of development for principal permitted uses, as well as an optional Mixed-Use Development Option (MDO) which permits a wider range of uses and higher intensity development in order to encourage the creation of a dynamic mix of compatible uses.

INTENT AND GENERAL DESCRIPTION

The following is the description and stated intent of the district from the draft ordinance:

1. *Description of the District. The City West district permits a mix of uses, including amusement and entertainment uses, office, commercial, and multiple-family housing, that are appropriate within the context of the City West area. Key design concepts include multiple-story buildings that frame the internal street network, a corridor of buildings massed along Grand River Avenue, shared access and parking, a mix of uses including commercial and multi-family residential, and public gathering spaces. Buildings should have high-quality materials and allow for changing uses over time. Development will be pedestrian-oriented, with a high degree of transparency on the ground level and functional, attractive outdoor amenities such as plazas and pocket parks with seating and lighting. Parking is placed to the side or rear of main buildings, preferably in parking structures, driveways are consolidated from the major thoroughfare, and on-street parking is permitted on secondary streets.*
2. *Intent. The intent of the City West district is to encourage high-quality and distinctive development that will complement and support nearby areas. The district will reflect an inviting and vibrant identity for the westerly gateway to the City's Grand River Corridor area while implementing land use planning and development techniques that result in a pleasing, compatible, visual presence. Assembly of small lots and long, narrow lots into larger development parcels is anticipated and encouraged to provide coordinated development with consolidated access points. Minimum lot and frontage thresholds are established for the mixed-use development option to further this objective. Shared parking is strongly encouraged, and vehicular and pedestrian connections between sites is expected.*

The district allows a wide range of principal uses. In conjunction with different height, area, and bulk standards, this should increase development and re-development opportunities that will look demonstratively different than existing uses.

Additionally, some of the objectives of the district are intended to be accomplished or facilitated by the establishment of an optional development approval process,

the Mixed-Use Development Option (MDO). Under this optional form of development:

- *Mixing of uses is permitted, either vertically or horizontally.*
- *Building heights are greater than most traditional commercial districts in the city.*
- *Floor area ratios and densities are increased to allow economies of scale.*
- *Required setbacks are reduced to encourage a development pattern that frames the primary street frontage.*

Under the MDO concept, a wider variety of retail, commercial, office, and residential uses and open spaces are permitted, to further the creation of a dynamic mix of compatible uses. As a trade-off for this greater flexibility, regulations regarding streetscape and landscape design, provisions for parking facilities, architectural and façade design, multi-family residential dwelling units, and setback standards are incorporated into the district, resulting in a mix of some form-based standards and more conventional guidance. See the City West Design Guide for examples of the development vision and guidelines for projects in this district. The MDO, if successfully implemented, should:

- *Encourage the use of land in accordance with its character and surroundings;*
- *Conserve natural resources and natural features;*
- *Encourage innovation and creativity in land use planning;*
- *Provide enhanced housing, cultural, and recreational opportunities for the people of the City; and*
- *Bring about a greater compatibility of design and use between and among neighboring properties.*

RESIDENTIAL AND MIXED-USE DEVELOPMENT OPTIONS

Residential uses can be developed under the MDO, either as a stand-alone use or as part of a mixed-use project. The granting of a Mixed-Use Development Option application requires review and recommendation by the Planning Commission and approval of the City Council. As part of the review and appeal process, and in light of the potential additional uses and flexible building standards, the development may be subject to certain conditions, and will have to demonstrate conformance with the Design Guide adopted by the City as part of this ordinance. The MDO process is similar to the approval process for the PD-1 and PD-2 Options, with City Council authorized to grant deviations to area, bulk, yard and dimensional requirements, as well as density, if found to be an enhancement in the public interest and to not be detrimental.

The City West area south of Grand River Avenue is directly adjacent to areas designated for multi-family and single-family residential. This portion of the district is intended to provide a moderate-density transition to the surrounding uses, with buildings between 2 to 5 stories tall. Within 100 feet of existing single family residential areas to the south, non-residential uses are not permitted, and buildings are limited to 3 stories or 35 feet in height to ensure a proper transition and prevent undue impact on the existing neighbors. The 100-foot setback for non-residential uses is consistent with current I-1 District requirements, so no new hardship is created. This district shall meet specific design standards to ensure future development is cohesive and walkable. Shared off-street parking facilities are encouraged.

The creation of the new district also requires some amendments to other parts of the Zoning Ordinance, especially for various Use Standards in Chapter 4, and for the sections related to the EXO Exposition Overlay District. As we are proposing to change the underlying zoning to City West, that requires changes also be made to the description and permitted uses of the EXO, and the required conditions.

ORDINANCE FEEDBACK

Staff has worked with the Implementation Committee over the past year, and their feedback has been instrumental in getting to this point. Last year, the committee recommended a design document to offer guidance to landowners, developers, and decision makers to illustrate the preferred concept for the district. Based on that input staff has created the City West Design Guide to serve as a companion document to the Zoning Ordinance text, which is meant to further explain and visualize the design standards. 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 both documents would be used in conjunction to guide development within the district.

Staff has also engaged with property owners and relevant stakeholders through mail notifications, in-person meetings with developers, tenants, and land owners, and by providing a feedback form on the City website. In early November 2022, staff sent letters to property owners and current tenants with a link to a City web page with a feedback form in addition to access to the draft Ordinance text, draft Design Guide, and a map of the district. Emails were sent out to known developers that had expressed an interest in properties within the area in the last several years with the same information. Staff has met with property owners and tenants to answer questions, provide clarifications and receive feedback.

All the responses have showed positive support for the amendment to the Ordinance. Some property owners were concerned over how the change would affect a current use that would become nonconforming, but that concern was eased after explaining how nonconforming uses or structures would be permitted to continue, and even expand in a limited capacity. Some current nonconforming uses would actually become more conforming under the proposed standards, such as restaurant uses in the I-1 district.

Those spearheading new developments in the area also provided feedback on the Ordinance text. In response, we added lodge halls/fraternal organizations as a Special Land Use, as well as religious organizations/churches as a similar use. Another property owner met with staff to discuss plans to build a mixed-use hotel development on the south side of Grand River. Comments from him and his team suggested an increase in the allowable height for mixed use developments in the south area in addition to a minor change related to shared access drives.

A distinction remains between potential development north and south of Grand River Avenue, but only in density and height. There is no current distinction between north and

south areas when it comes to uses, although townhouse-style residential buildings are more appropriate in the southern area where densities are lower.

A commercial broker representing the properties at the southeast corner of Beck and Grand River provided additional feedback on the text amendment and design guide. He noted the need for some clarification in the text to ensure that multifamily could be built as a stand-alone use – if there is proven connectivity. He also noted that the desired look may not be achieved with certain restrictions – namely, the minimum 5-acre parcel size and restrictions on residential density under the Mixed-Use Development option.

Another developer expressed concerns about hotels being allowed on the south side of Grand River Avenue prior to the installation of additional safe pedestrian crossings along Grand River Avenue, but had no objections to hotels being permitted on the north side. The Draft Ordinance as attached indicates that hotels shall be permitted on both sides of Grand River, but only as a part of a Mixed-use Development Option (MDO), and subject to the standards of the ordinance, including specific Eligibility Criteria and Design Criteria, as well as discretion by the City Council under the Special Land Use standards of the ordinance (Section 6.1.2.c). The draft ordinance indicates that any MDO is considered an optional form of development, and subject to certain standards:

The granting of a Mixed-Use Development Option application requires review and recommendation by the Planning Commission and approval of the City Council, under the process contemplated in MCL 125.3503 As part of the review and appeal process, and in light of the potential additional uses and flexible building standards, the development may be subject to certain conditions, and will have to demonstrate conformance with the Design Guide adopted by the City as part of this ordinance.

Although some adjustments were made to the draft text amendment based on the feedback received, other items were left as standards that could be determined on a case-by-case basis in the MDO process -- this is where some conditions or deviations can be up to Planning Commission and City Council's discretion to allow some flexibility to accommodate site-specific circumstances if it makes sense within the context of the development and the overall intent of the district.

PUBLIC FACILITIES

The historic Grand River Avenue corridor, running from downtown Detroit all the way to Lake Michigan on the west side of the state, bisects the City West area. In this area of the city, Grand River is an auto-centric five-lane major arterial with a speed limit of 50 miles per hour. The road characteristics make the streetscape inhospitable for pedestrians and cyclists. In order to create a more walkable environment, staff would recommend the City appeal to the Road Commission for Oakland County (RCOC) to reduce the speed limit in this area. A mid-block crossing would also be advisable to provide another option for pedestrians and bicyclists to get between the north and south sides of the district. The options for such crossing should be further studied as a joint effort between RCOC and the City. The Design

Guide provides samples of elevated pedestrian crossing and bus shelters as a guide to possible future decisions on these matters.

NEXT STEPS

Planning Commission is asked to review the proposed amendments and offer guidance to Staff as we advance these districts through the approval process. Depending on the suggestions for additional changes, we ask the Planning Commission to set a public hearing. Following the public hearing, the Planning Commission will be asked to make a recommendation to the City Council on the proposed ordinance amendments and later, consideration of the rezoning of approximately 250 acres to the new district. The attached staff version of the proposed amendment is subject to review and changes by the City staff and/or the City Attorney's Office, and the Planning Commission and City Council. Please contact Lindsay Bell 248.347.0484 or lbell@cityofnovi.org with any questions or concerns.