



**CITY OF NOVI CITY COUNCIL**  
**FEBRUARY 5, 2023**

**SUBJECT:** Initial consideration of Planned Rezoning Overlay (PRO) eligibility of the request of Sakura Novi Residential, LLC, for Sakura East JZ23-41, to rezone from Light Industrial (I-1) to Town Center One (TC-1) on land located on the south side of Eleven Mile Road, west of Meadowbrook Road in Section 23. The applicant is proposing to utilize the Planned Rezoning Overlay option to rezone and develop a 45-unit multiple-family townhome development on approximately 3.5 acres of land. Under the PRO Ordinance, this initial review by City Council is an opportunity to review and comment on the eligibility of the proposal and give feedback to the applicant before they formalize their plans.

**SUBMITTING DEPARTMENT:** Community Development Department - Planning

**BACKGROUND INFORMATION:**

The petitioner is requesting a Zoning Map Amendment for approximately 3.5 acres of property on the south side of Eleven Mile Road, west of Meadowbrook Road (Section 23). The applicant is proposing to rezone property rezone from Light Industrial (I-1) to Town Center One (TC-1) using the City's Planned Rezoning Overlay (PRO) option.

The Future Land Use Map identifies this vacant property and those to the west and south as Town Center Gateway. Land to the east and north of the subject property is indicated for Industrial Research Development Technology on the Future Land Use Map.

The subject parcel and all parcels surrounding it are zoned Light Industrial (I-1), which reflects the historic development pattern of this area. North of the property is the City's Department of Public Works complex. To the east and northeast of the property are office buildings. The parcel to the south is owned by Verizon and has a large cell tower on it but is otherwise vacant. To the west is a large city-owned parcel with a wetland area.

The applicant has made some revisions to their plan since the Planning Commission meeting, which have not been reviewed by Staff. Those changes are mentioned in this memo; the formal staff and consultant reviews in this packet will not reflect the new information received.

The revised PRO Concept Plan proposes a 45-unit multiple-family townhome development. The single entrance to the development would be from 11 Mile Road, with an emergency use only access to the parcel on the east. Additional changes since the Planning Commission public hearing are noted in the chart below.

#### Changes to PRO Concept

|                            | <b>PRO Plan Reviewed by Staff and Planning Commission</b> | <b>Revised PRO Plan</b>                                                                                 |
|----------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Number of units</b>     | 52 units                                                  | 45 units                                                                                                |
| <b>Number of buildings</b> | 10 buildings                                              | 8 buildings                                                                                             |
| <b>Density</b>             | 16.61 du/ac                                               | 14.38 du/ac                                                                                             |
| <b>Room Count</b>          | 260 rooms                                                 | 225 rooms                                                                                               |
| <b>Open Space</b>          | 53,468 square feet                                        | 61,855 square feet                                                                                      |
| <b>Site Amenities</b>      | None                                                      | Multipurpose turf field, gathering area with fire pit, garden with seating                              |
| <b>Usable Open Space</b>   | Not quantified                                            | 13,813 square feet                                                                                      |
| <b>Public Benefit</b>      | None                                                      | Payment toward a pedestrian connection between 11 Mile and Grand River on City-owned parcel to the west |

Rezoning to the TC-1 category requested by the applicant would permit the development proposed. Some of the conditions that could be proposed based on the PRO Plan include:

1. The height of the buildings will be limited to 35 feet. The ordinance permits up to 5 stories or 65 feet in TC-1, so limiting the height would be more restrictive.
2. The use of the property is restricted to 45 attached residential units, with a total room count of 225 and a density of 14.38.
3. The total open space of the site will exceed the 15% requirement, with no less than 35% provided.
4. The distance between buildings will be a minimum of 15 feet.
5. No more than 7 units would be in a single building.

Staff notes concerns with the proposed residential uses' compatibility with the Industrial zoning surrounding it, lack of buffers to adjacent property, lack of public benefits, deficiency in required trees and the inconsistency with the Master Plan for Land Use.

There are several deviations from the ordinance that have been identified.

- *Residential buildings require 15-foot setbacks from all property lines. The applicant proposed side yard setback of 11 feet, a deviation of 4 feet. **Applicant's response letter indicates this may no longer be requested with the new layout.***
- Increasing the maximum number of rooms from 114 to 225. The ordinance permits the City to increase the number of rooms if it is confirmed that:
  - *That an increase in total number of rooms will not cause any detrimental impact on the capabilities of public services and facilities, including water service, sanitary sewer service, storm water disposal, and police and fire protection to serve existing and planned uses in the area;*
  - *That an increase in total number of rooms is compatible with adjacent uses of land in terms of location, size, character, and impact on adjacent property or the surrounding neighborhood.*
- The ordinance requires perpendicular parking spaces to have minimum standards of 19 feet length, 9 feet width. The PRO plan proposes 9-foot by 18-foot space on the garage apron areas, a deviation of 1-foot.
- Six-foot wide sidewalks where the TC-1 ordinance requires 12.5 foot wide sidewalks along Non-Residential Collectors and local streets.
- Proposed elevations for residential buildings have an underage of minimum required brick on the front facade (26% proposed, 30% minimum required) and an overage of Cement Fiber Siding (58% on sides, 50% maximum allowed).
- Insufficient screening between site and surrounding I-1 property. **This deviation is not supported by Staff.**
- Deficiency in multifamily unit trees provided. **This deviation is not supported by Staff.**
- Deficiency in interior drive trees located along the drives. **This deviation is not supported by Staff.**

## **PRO ORDINANCE**

The PRO option creates a “floating district” with a conceptual plan attached to the rezoning of a parcel. As part of the PRO, the underlying zoning is proposed to be changed and the applicant enters into a PRO agreement with the City, whereby the City and the applicant agree to a conceptual plan for development of the site. Following final approval of the PRO concept plan, conditions for the development, and a PRO agreement, the applicant will submit for Preliminary and Final Site Plan approval under standard site plan review procedures. The PRO runs with the land, so future owners, successors, or assignees are bound by the terms of the agreement, absent modification by the City of Novi. If the development has not begun within two (2) years, the rezoning and PRO concept plan expires, and the agreement becomes void.

The City Council adopted revisions to the Planned Rezoning Overlay ordinance. Under the terms of the new ordinance, the Planning Commission does not make a formal recommendation to City Council after the first public hearing. Instead, the initial review is an opportunity for the members of the Planning Commission, and then City Council, to hear public comment, and to review and comment on whether the project meets the requirements of eligibility for Planned Rezoning Overlay proposal. Section 7.13.2.B.ii states:

*In order to be eligible for the proposal and review of a rezoning with PRO, an applicant must propose a rezoning of property to a new zoning district classification, and must, as part of such proposal, propose clearly identified site-specific conditions relating to the proposed improvements that,*

- (1) are in material respects, more strict or limiting than the regulations that would apply to the land under the proposed new zoning district, including such regulations or conditions as set forth in Subsection C below; and*
- (2) constitute an overall benefit to the public that outweighs any material detriments or that could not otherwise be accomplished without the proposed rezoning.*

(See chart at the bottom of this memo for additional ordinance details for suggested types of conditions)

After this initial round of comments by the public bodies, the applicant may choose to make any changes, additions or deletions to the proposal based on the feedback received. The applicant will then submit their formalized PRO Plan, which will be reviewed by City staff and consultants. The project would then be scheduled for a 2<sup>nd</sup> public hearing before Planning Commission. Following the 2<sup>nd</sup> public hearing the Planning Commission will make a recommendation on the project to City Council. City Council would then consider the rezoning with PRO, and if it determines it may approve it, would direct the City Attorney to work with the applicant on a PRO Agreement. Once completed, that final PRO Agreement would go back to Council for final determination.

## **PLANNING COMMISSION**

The Planning Commission held a Public Hearing on December 13, 2023, to review and make comments on the proposal's eligibility for using the Planned Rezoning Overlay option. Comments made at that time are reflected in the meeting minutes included in this packet, and summarized here:

- A Novi resident inquired what the City would do to protect the rights of adjacent landowners of I-1 properties, because having adjacent residential zoning would

change the rules of what they could do with their properties. She also remarked about the lack of any benefits.

- A Novi resident noted the lack of connection to the Sakura Novi project and the lack of public benefits.
- A real estate broker for one of the subject properties stated for many years there has been no serious interest from developers in developing I-1 uses, including office use. He noted that nearby office complexes have 30% vacancy. Another real estate professional for the other parcel echoed these comments.
- A consumer bankruptcy attorney representing his parents estate noted problems in the office real estate market and believes residential within walking distance to the Town Center area is what millennials are looking for.
- Commissioners stated they liked the units had garages and that traffic impacts would be less than under the current development potential.
- Commissioners thought residential units in this area would help to support the retail, restaurant, and other businesses in the area.
- Commissioners thought additional buffers should be provided on the subject property and not burden the adjacent properties.
- Commissioners reiterated that additional public benefits would be needed to justify the PRO, as well as the required development amenities.
- Commissioners stated that serving the underserved senior housing market could be a public benefit to consider.
- Commissioners stated that the residential use in this location could make sense if PRO requirements are met and additional concerns raised are addressed.

## **SUMMARY OF CONDITIONS AND BENEFITS OFFERED**

**PART 1: Summary of possible conditions from applicant, or staff and consultant's review letters that may be considered to meet the standard of clearly identified site-specific conditions that are more strict or limiting than the regulations that would apply to the land under the proposed new zoning district:**

- A. The permitted uses of the property will be 45 residential units in a townhome building configuration in substantial conformance with the Concept Plan.
- B. Density shall not exceed 14.38 dwelling units per acre **(at the top end of what can be permitted in the TC-1 District)**
- C. Preservation of approximately 0.1 acre of City regulated wetlands
- D. Providing open space with amenities that exceed the ordinance requirements of 15% of total area, and 200 sf per unit of usable open space **(as shown in updated Concept Plan)**.

**PART 2: Summary of conditions that may be considered to meet the standard of constituting an overall benefit to the public that outweighs any material detriments or that could not otherwise be accomplished without the proposed rezoning:**

- A. The applicant offers to pay for the costs associated with constructing a 6-foot-wide off-road concrete pathway between 11 Mile and Grand River on City-owned parcel to the west. As shown on the applicant's illustration, the length of the pathway would be approximately 1,192, and would include a bridge or boardwalk crossing over the stream. **The need and desire for this pathway would require further consideration and study. The applicant would also need to clarify if additional costs including the design of the facility, would also be covered. Off-road shared-use pathways are recommended to be 10-feet wide in the draft Active Mobility Plan.**

**DEVIATIONS**

The proposed PRO Concept Plan includes the following ordinance deviation requests (Note these are based on the PRO Concept Plan dated October 10, 2023, **except as noted as changed in bold**):

1. Planning deviations from Section 4.82.2.E to reduce the side setbacks from 15 feet to 11 feet along the western property line (deviation of up to 4 feet). **This appears to no longer be required.**
2. Planning deviation from Section 4.82.2.B to allow an increase in the number of rooms permitted on the property up to the maximum allowed by the Ordinance **(225 rooms proposed now)**.
3. Planning deviation from Sections 4.82.2.F and 5.3.2 to allow parking areas on the garage aprons to be 18 feet in length, a deficiency of 1 foot from a standard parking space and located less than 5 feet from the building wall.
4. Planning deviation from Section 3.27.1.I to permit the existing 6-foot sidewalk rather than the 12.5-foot-wide sidewalk required in the TC-1 District on a non-residential collector road.
5. Possible planning deviation from Section 3.27.1.L if no development amenities are provided. **This appears to no longer be required.**
6. Possible planning deviation from Section 4.82.5 for a deficiency in the required amount of usable open space. **This appears to no longer be required.**
7. Façade deviation from Section 5.15 to permit the underage of brick (4%) on the front façade, and the overage of Cement Fiber Siding (8%) on the side facades of the Matsu building style.

8. Landscape waiver from Section 5.5.3.F.iii for 62% deficiency in multifamily unit trees (approximately 59 provided, 156 required).
9. Landscaping deviation from Section 5.5.3.B.ii and iii. to allow insufficient screening between the site and adjacent industrial properties.
10. Landscape waiver from Section 5.5.3.F.iii for 10% deficiency in interior drive trees (approximately 18 provided, 20 required).

**CITY COUNCIL ACTION:** This is City Council's opportunity to comment on the eligibility of the proposal according to the standards of the PRO Ordinance and offer feedback to the applicant. No motion is necessary at this time, but the table below contains the examples of conditions that may be more strict or limiting, and/or provide an overall benefit to the public, as listed in the Ordinance that could be discussed at the City Council meeting.

| Types of PRO Conditions (Section 7.13.2.C.ii.b)                                                                                                                                                                                                                                                                                                    | Included | Notes                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------|
| (1) Establishment of development features such as the location, size, height, area, or mass of buildings, structures, or other improvements in a manner that cannot be required under the Ordinance or the City's Code of Ordinances, to be shown in the PRO Plan.                                                                                 | Yes      | Buildings and layout to be as shown in the PRO Plan.                                                   |
| (2) Specification of the maximum density or intensity of development and/or use, as shown on the PRO Plan and expressed in terms fashioned for the particular development and/or use (for example, and in no respect by way of limitation, units per acre, maximum usable floor area, hours of operation, and the like).                           | Yes      | The number of units shown in PRO Plan are maximum intensity allowed.                                   |
| (3) Provision for setbacks, landscaping, and other buffers in a manner that exceeds what the Ordinance of the Code of Ordinances can require.                                                                                                                                                                                                      |          | <b>Use of native species in landscaping could exceed ordinance requirement.</b>                        |
| (4) Exceptional site and building design, architecture, and other features beyond the minimum requirements of the Ordinance or the Code of Ordinances.                                                                                                                                                                                             |          | Not proposed                                                                                           |
| (5) Preservation of natural resources and/or features, such as woodlands and wetlands, in a manner that cannot be accomplished through the Ordinance or the Code of Ordinances and that exceeds what is otherwise required. If such areas are to be affected by the proposed development, provisions designed to minimize or mitigate such impact. | Yes      | Plan shows preservation of about 0.1 acre of wetlands.                                                 |
| (6) Limitations on the land uses otherwise allowed under the proposed zoning district, including, but not limited to, specification of uses that are permitted and those that are not permitted.                                                                                                                                                   | Yes      | Uses would be limited to attached townhome units only. The applicant states they will be rental units. |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------|
| (7) Provision of a public improvement or improvements that would not otherwise be required under the ordinance or Code of Ordinances to further the public health, safety, and welfare, protect existing or planned uses, or alleviate or lessen an existing or potential problem related to public facilities. These can include, but are not limited to, road and infrastructure improvements; relocation of overhead utilities; or other public facilities or improvements. | Yes | Provision of funds to construct a pedestrian pathway between Grand River and 11 Mile Road, on a parcel of land owned by the City |
| (8) Improvements or other measures to improve traffic congestion or vehicular movement with regard to existing conditions or conditions anticipated to result from the development.                                                                                                                                                                                                                                                                                            |     | No traffic improvements beyond what is required                                                                                  |
| (9) Improvements to site drainage (storm water) or drainage in the area of the development not otherwise required by the Code of Ordinances.                                                                                                                                                                                                                                                                                                                                   |     | No Stormwater Management beyond what is required                                                                                 |
| (10) Limitations on signage.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     | Not proposed                                                                                                                     |
| (11) Creation or preservation of public or private parkland or open space.                                                                                                                                                                                                                                                                                                                                                                                                     |     | Not proposed                                                                                                                     |
| (12) Other representation, limitations, improvements, or provisions approved by the City Council.                                                                                                                                                                                                                                                                                                                                                                              |     |                                                                                                                                  |