

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI  
MONDAY, JULY 22, 2024, 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:**

**CM 24-07-103          Moved by Casey, seconded by Smith; MOTION CARRIED: 7-0**

**To approve the agenda as presented.**

**Roll call vote on CM 24-07-103          Yeas: Casey, Gurumurthy, Heintz, Smith, Staudt, Thomas, Fischer**  
**Nays: None**

**PUBLIC HEARINGS: None**

**PRESENTATIONS:**

1. Older Adult Needs Committee Final Report

Mayor Pro Tem Casey addressed the Council with the Committee's final report. This Committee started back in January 2023 when the City Council passed a resolution to establish the Committee. The Committee members are herself, Kathy Crawford, Jay Dooley, Kim Nice, Debbie Wrobel and Council members Brian Smith & Ericka Thomas. Staff liaisons were Jeff Muck and Kit Keiser. The staff liaison from the City Clerk's office was Deputy Clerk Melissa Morris. The committee wouldn't have been successful without the wisdom and guidance of Jeff and Kit and the absolute stellar project management and organization skills of Melissa Morris who kept everyone on track with everything needed. The Committee heard presentations from the Novi Public Library, Novi Police, Novi Fire, Novi Code Enforcement, Novi Older Adult Services, Novi Parks Recreation & Cultural Services, Meadowbrook Commons, Novi Community Planning Department and Novi Community Relations Department. The Committee heard from representatives from AgeWays, Oakland County Older Adult Services and Senior Center Managers from Hartland & Auburn Hills, and from the OPC (townships of Rochester, Rochester Hills and Oakland). The Committee had a specific charter that they had to follow in terms of what it was that they were seeking to understand. The gist of it was trying to help the City Council and the City administration understand what activities, needs and volunteer community opportunities existed and should exist for the older adults in Novi. They talked about programs, projects, facilities, best practices and how they might start disseminating information and creating advocacy regarding the services for older adults in specific areas. The reason this committee was formed was the projected growth in our

older adult population over the course of the next 20 years. There is definitely going to be an increase to one in five Americans who are going to be 65 or older by 2040. The City also saw a significant increase in the number of senior residents living in the City. SEMCOG, the Southeast Michigan Council of Governments, did some data projections and they're projecting that in 2045, 41% of Novi households are going to have an adult that is 65 or older and one third of those are going to have a senior living alone. The Committee spoke to a lot of people as they needed to learn and ground themselves in information so that they could make the right recommendations to the Council and the administration. The Committee has spent the last year plus on a learning journey learning about the OAS department and the programs offered, understanding how the City offers transportation to the residents, touring Meadowbrook Commons to understand how we manage housing, learning about senior center operations from three different communities, hearing from first responders and code compliance to learn from what they see and hear, understanding library offering for older adults, getting program information from the Oakland County Chief of Older Adult Services & the Area Agency on Aging 1B, reviewing existing data sources, learning about the multitude of communication channels available to residents, conducted focus groups and conversations with older adult residents, conducted a FlashVote survey on recreation center needs, and learning about planning from the Novi Community Planning Department. Advocacy programs and communication specifically were two areas of focus that were part of the charter that the Committee felt should be addressed by other entities in the City. It should be noticed that the words "older adults" and "seniors" are used interchangeably and that boils down to differences in opinion on how we refer to our older adult residents. It is recommended that the City should take another look at that nomenclature and have the experts come back with a recommendation, get some input from residents for what the preferred term is and for us to use going forward. The Committee believes that both the Mobility Committee and the Long-Range Strategic Planning Committee should explore universal design and do some deeper engaging of our residents with disabilities. That was an area this committee did not get a chance to focus on so that is a significant opportunity that both of those committees should be investigating as part of their work. Back in October, the Committee had a handful of recommendations to make to the City Council. Those were primarily around senior transportation. The first handful of recommendations have already been completed and that was moving away from the City run transportation into using one of the transportation providers from Oakland County. Underneath that there's still a couple of opportunities that might exist with PEX and making sure that there's information available for our residents about city services including a calendar of events, social services, brochures, et cetera. Those were some of the recommendations related to transportation as it relates to housing. In regards to housing, the Committee recommends to City Council that the City should promote Meadowbrook Commons as the city-owned and affordable, the City should add 'reason for moving to Meadowbrook Commons' to the intake form to gather data on why people outside Novi are moving in, the City should work with local realtors to find out why seniors are moving out of Novi, the City should review ordinances impacting auxiliary dwelling units & additions, the Committee also expressed an interest in finding ways to encourage Planning Commission and City Council to seek opportunities to encourage development of first-floor living units, the City should identify areas in the master plan for

older adult living near amenities, the City should maintain a current housing stock targeting older adults & senior living facilities, the City should continue to find new ways to reach out to older adults to deliver information on available programs and assistance to help them age in place, and the City should promote existing platforms for home repair/maintenance service sources & ratings. Another Committee suggestion is a senior center and recommends that the City should investigate if there is a protentional opportunity to have the City rent space in an existing building to develop an "interim" senior center until further plans for a community center can/will come to fruition. Also recommended is the City should investigate if there is a potential opportunity to enter into a partnership or partnerships with other local communities to create a joint senior center as well as the City Council should consider hiring a consultant to develop a proposal with a range of options for potential community/senior center designs and costs for Council to consider. In regard to advocacy, the Committee recommends that City Council establish a Commission on Older Adults with staff liaison being the serving Older Adults Services manager, the Commission should have seven members appointed by City Council, and the Committee discussed the "Blue Zone" solutions and the Netflix show "Live to 100" and suggest that the future Advocacy committee identify if there are aspects of the solutions that they should include in their planning. Lastly discussed was programs and communications. Under programs, the Committee recommended last October, which has been completed, to add an additional resource to the OAS team. There was a part-time position in Older Adult Services that transitioned to a full-time role. From a communications perspective, and thanks to Sheryl Walsh-Malloy and her team, the Community Relations department has already made a change to the enhanced section of Engage to make it more readable and more findable for our older adults. The font size was made larger and visual cues were done to make it easier for people to find. These changes have already been made and was launched two issues ago. There are still two further opportunities and the reason they're being brought forward is because there are staffing implications that Council will want to consider. First is seeing if an e-enhanced newsletter can be launched that is specific to older adults and the second is the idea of developing a citywide monthly activity calendar. The Committee has given a lot of recommendations and what they are suggesting is that City Council prioritize three things. The first is a senior center or lack of "third space". The City should focus on space needs for programs and socialization for seniors. The second is an Advocacy Commission that will advocate the senior needs in Novi. Mayor Pro Tem Casey wanted to recognize the Older Adult Advisory Board that has been operating under the Parks and Recs department since 2013 and emphasize that this recommendation has nothing to do with the service they have done. They have performed admirably, and the Committee is grateful but felt this commission needed to become a Council appointed commission that has visibility and will provide direct recommendations to City Council. The third prioritization is to continue dialogue about the need to focus on senior-friendly housing that is accessible for all manner of mobility and to review existing ordinance impacting auxiliary dwelling units. The Committee wished to thank Karen Adcock, Scott Baetens, Renee Cortright, Heather DeVos, Jim Ellison, Julie Farkas, Sand Fisher, Virginia (Ginny) Hallman, Jeanette Handy, Kit Kieser, Kim Konarski, John Martin, Barb McBeth, Melissa Morris, Jeff Muck, Brian Riley, and Sheryl Walsh-Molloy for giving the Committee the benefit of their time and wisdom.

Mayor Fischer thanked Mayor Pro Tem Casey for her leadership in this committee as well as other council members and staff who served the residents. He acknowledged it has been a long 18-month journey and it was a vague and broad topic that the committee was able to narrow down and dive into with some good recommendations.

Member Staudt inquired if there had been any discussion about promoting mental health services for seniors. For aging in place, one of the biggest problems is isolation. During covid, there was a program created where it was as simple as somebody reaching out and making a telephone call and he didn't see any focus on that during the presentation. Mayor Pro Tem Casey responded that it had not been specifically discussed but it was part of larger conversations about the type of programs that should be offered. She said that would be a great first place for the Advocacy Commission to start. Member Staudt stated that it was important that seniors don't stop learning and being provided education beyond for just staying busy and asked if there were any discussions about providing educational services that weren't coming as part of the Parks and Rec department. Mayor Pro Tem Casey replied that it was not discussed but was also something that the Advocacy Commission could focus on as well. Member Staudt commented that one of the primary reasons people move out of Novi is they can no longer afford their house because it's become too valuable and the taxes are high or the alternatives, other than Meadowbrook Commons, are relatively expensive. One thing he saw missing from the discussion is expanding City owned facilities. He doesn't know if people can afford to build affordable senior housing here. One thing that the City has as a taxable entity is the ability to do revenue bonds like when Meadowbrook Commons was built. The other thing the City has is some land and that could be used for the proper type of housing as land is a major impediment. More than one of the developers he's spoken to over the years has been interested in having a partnership with the City where perhaps the City has land the developers could build on. He asked what is stopping the Committee from taking the next step into expanding community owned housing. Mayor Pro Tem Casey responded that what was uncovered in the Committee's learning journey was of the current Meadowbrook Commons residents, about a third of those came from Novi and the remainder came from outside the City. From the City's perspective, the Committee wondered if there is a need to continue to build City owned housing when the City is not getting its current resident today to look at moving into Meadowbrook. This is why the Committee is suggesting trying to amp up some of the communication about the fact that Meadowbrook is City owned and it is affordable. The Mayor Pro Tem agrees with Member Staudt's reasons he noted why people are leaving the City but said there is also the component of seniors moving for weather or to be closer to family. Member Staudt said that it doesn't bother him as much that people from outside Novi are moving into our senior housing because everyone in Novi has the opportunity to put their name on the list and if they choose not to, the question is why. The City has taken the first step with the development on Novi Road, for example, to have some buildings built up and part of that are single floor but \$3,000 plus month apartments are not affordable unless someone is retired with a nice nest egg. What the City is concerned about are the folks living on social security and having limited options. He has heard the argument that Meadowbrook Commons is only a portion of Novi residents and in his mind, that is not a

good reason to stop, and the more options provided, the more Novi residents will look at them and want to stay. He is always concerned about adding boards and commission because they have a significant staff requirement and doesn't want to impose more staff because some additional committees were created.

Member Thomas, also a member the Committee, mentioned that although they didn't specifically discuss mental health, they did talk about the isolation that some seniors go into and that's part of that third space recommendation as they wanted to make sure there was a space in the community to be able to allow people to get together. She knows a lot of library programming focuses on learning. There is LinkedIn learning available through the library website. There are a lot of learning opportunities that exist within the City today and she wanted to mention that in case anyone who is listening is not aware of them so they can feel free to check the library website and check the programs. In regard to expanding city owned facilities, there are city owned facilities and only 30% of Novi residents live there. As a note to the public, if a Novi resident needs affordable housing, you can sign up to live in Meadowbrook Commons and you will be put at the front of the list as Novi residents take precedence over people coming from outside the City. She didn't think that today warrants looking at new city owned facilities if Novi residents are choosing not to move into what already exists. If the number of Novi residents were outgrowing the city owned facility, then she would support moving forward.

Member Heintz said he was curious if it was discussed for older adults who were empty nesters about the possibility of having another older adult stay with them in order to better utilize the excess of space. Mayor Pro Tem Casey responded that the Committee did not talk about a "cohabitation" specifically but did discuss the challenges of empty nesters who live in larger houses who want to downsize but stay in Novi. The missing middle, a smaller residence like a condo, is what the City doesn't have a lot of in inventory. There is no interim step between a family home to living in a senior facility. Most people consider living in a senior facility in their seventies, not their fifties or sixties. Member Heintz concluded by saying that he noticed the pickleball courts at Meadowbrook Commons get incredible usage and is well utilized by people across different age demographics and it was awesome to see.

Member Gurumurthy thanked the members of the Committee for providing an extensive detailed report and to everyone for taking the time to meet with the diverse community and for getting their feedback as well. She was thinking about some of the communities the City has and there are seniors that come here for six months and then they go back and wanted to know if the Committee kept that in mind. Mayor Pro Tem Casey replied that there was not a specific conversation by the Committee about temporary or interim housing but that ADU's might be a good solution where family members come, and they get their own space but they're able to help support the family. Member Gurumurthy requests that the Commission look at programs from a diverse perspective and she thinks it's good thing to have a list of people who can come and help seniors with things such as snow or anything else they wanted.

Member Smith thanked Mayor Pro Tem Casey for her work on this project and her good leadership. His parents were residents of Meadowbrook Commons for a while. They came from outside Novi and were on the wait list for a couple of months, so it is accessible to get in there if you want to get in. He is looking forward to seeing the data on the intake to find out why people are coming into Meadowbrook Commons and also, although harder to capture, data on why people are leaving. It's going to be interesting to see what the actual experience is and if the City can find a place to help that out.

Member Thomas wanted to mention that one thing the Committee talked about, knowing that downsizing happens, was not just about accessory dwelling units but maybe being able to have multi-generational homes where the parents have their own separate space and the children, and their family, can live and grow up in the house. They talked about some of those things, whether it's a separate unit or just some separate space, and if our ordinances allow for that.

Mayor Fischer wanted to clarify what the specific recommendation is in regard to the new commission, to elevate it like they did with the Parks and Rec Cultural Services Committee, and Mayor Pro Tem Casey responded yes. The Mayor followed that the goal wouldn't be to necessarily create new positions but to repurpose that and have it reporting into Council in which the Mayor Pro Tem replied yes with the difference that it's a current five-member board and the Committee's suggestion is seven, so two people would need to be added. Commenting on the senior center, the Mayor likes the thought of doing some sort of pilot. He and Member Staudt have had discussions about that, from a larger community center or finding additional recreation space. There may be vacant properties or vacant buildings that could be repurposed on a temporary basis and doing it in a pilot fashion, in a measured financial risk perspective is intriguing and a great way of thinking that he appreciated and looks forward to that further discussion. He does think it will have to be, as Mayor Pro Tem Casey alluded to, a grander discussion of recreation space, of community center.

**CITY MANAGER REPORT: None**

**ATTORNEY REPORT: None**

**AUDIENCE COMMENTS: None**

**CONSENT AGENDA REMOVALS AND APPROVALS:**

**CM 24-07-104            Moved by Casey, seconded by Thomas; MOTION CARRIED: 7-0**

**To approve the Consent Agenda as presented.**

- A.     Approve Minutes of:  
         July 8, 2024 - Regular Meeting

- B. Approval of amendment to the contract for the City Manager as prepared and approved as to form by the City Attorney.
- C. Approval of amendment to the contract for the City Clerk as prepared and approved as to form by the City Attorney.
- D. Approval of a Resolution to close the intersection of Ten Mile and Taft Roads for the 2024 Homecoming Parade from 4:45PM to 6:00PM on Friday, September 27, 2024.
- E. Approval of a Resolution to close the west bound lanes of Grand River Ave. between Taft Rd. and 46850 Grand River Ave for the 2024 "Moovin'thru the Midway 5K" from 7:30AM to 9:00AM on Saturday, August 31, 2024.
- F. Approval of a Warranty Deed to dedicate 43 feet of half-width right-of-way along the west side of Garfield Road and acceptance of a sidewalk easement from Pulte Homes of Michigan, LLC as part of the Ballantyne residential development (parcel 50-22-31-400-007).
- G. Approval of a Street Lighting Purchase Agreement with DTE Electric Company for the installation and ongoing operation cost of one (1) decorative streetlight located at the entrance of the Parc Vista Subdivision and approval of an agreement with Toll Northeast V Corp. for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.
- H. Approval of request by E & M, Inc. (Society Hill) for one-year extension, to October 9, 2025, 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.
- I. Approval of Text Amendment 18.301 to amend various sections of the Zoning Ordinance to fix inconsistencies, clarify ordinance language, remove the unused EXPO Zoning District and associated Sections, modify the requirements for Microbreweries and Brewpubs, update the photometric standards, and other items as deemed necessary. **SECOND READING**
- J. Approval of Zoning Ordinance Text Amendment 18.295 to include an option for stand-alone multiple-family residential use in the PD-2, Planned Development Option, subject to conditions. **SECOND READING**
- K. Approval to authorize vote for the 2024 Michigan Municipal League Workers' Compensation Fund Trustee Election Ballot.
- L. Approval of claims and warrants – Warrant 1160

**Roll call vote on CM 24-07-104**

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

**MATTERS FOR COUNCIL ACTION:**

- 1. Consideration of request for Fireworks Permit by Jason Trudeau to be operated by Gen-X Pyrotechnics, on Saturday, August 10, 2024, at dusk and Sunday, August 11, 2024, at 12:00pm on the campus of Catholic Central High School.**

City Manager Victor Cardenas said Catholic Central will be celebrating the opening of their new STEM building on Saturday the 10<sup>th</sup> and on Sunday the 11<sup>th</sup>. Fireworks will be held at dusk and their smoke machine will be operated during the day.

Mayor Pro Tem Casey asked for clarification that fireworks would be held on Saturday and pyrotechnics on Sunday. The City Manager responded yes that there's some kind of show of the smoke nature during the day to cut the ribbon for this new STEM facility. The Mayor Pro Tem stated she is thinking about the homeowners to the east and one firework show and then some pyrotechnics would be less disturbing.

**CM 24-07-105      Moved by Casey, seconded by Thomas: MOTION CARRIED: 7-0**

**Approval of request for Fireworks Permit by Jason Trudeau to be operated by Gen-X Pyrotechnics, on Saturday, August 10, 2024, at dusk and Sunday, August 11, 2024, at 12:00pm on the campus of Catholic Central High School.**

**Roll call vote on CM 24-07-105**

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

- 2. Approval of Proposed Water & Sewer Rate Resolutions for 2024-2025.**

City Manager Victor Cardenas said the staff is proposing increases that are passed along from the Great Lakes Water Authority and the Waters Resource Commissioner. Additionally, the City has several different projects to help improve and sustain infrastructure. The average increase to our users will be a 5% increase.

**CM 24-07-106      Moved by Casey, seconded by Thomas: MOTION CARRIED: 7-0**

**Approval of Proposed Water & Sewer Rate Resolutions for 2024-2025.**

**Roll call vote on CM 24-07-106**

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



- 3. Consideration of approval to award engineering design services to OHM Advisors for the rehabilitation of Thirteen Mile Road from M-5 to Haggerty Road, and of West Park Road from 12 Mile Road to Pontiac Trail, in the amount of \$336,528.00.**

**CM 24-07-107 Moved by Smith, seconded by Thomas: MOTION CARRIED: 7-0**

**Approval to award engineering design services to OHM Advisors for the rehabilitation of Thirteen Mile Road from M-5 to Haggerty Road, and of West Park Road from 12 Mile Road to Pontiac Trail, in the amount of \$336,528.00.**

Member Heintz wanted to say that he likes the dimension of the potential for bike lanes and recognize that it's not necessarily with the scope of this project, being more of a resurfacing, but looking forward to future opportunities that align with the active mobility plan.

**Roll call vote on CM 24-07-107**

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

- 4. Approval of the request of DTN Management/Tricap Holdings for JSP18-10 The Bond development for a Third Amendment of the Development Agreement, and revised Preliminary Site Plan, Storm Water Management Plan and Woodland Permit, to allow 69 additional units. The Subject Property is zoned Town Center One and is approximately 7.99 acres of vacant land in Section 22.**

City Manager Cardenas started by saying that the City approved the preliminary site plan, phasing plan, woodland permit, stormwater management plan for the bond back on July 23, 2018. The initial proposal was for two four-story multiple residential buildings with 253 units and a 5,578 square foot, single story commercial building on the 7.79 acres. Amendments of the plan had previously been approved twice. The developer is returning to Council requesting a third amendment to add 69 additional units and an extra floor for each of the two residential buildings and a third floor for the parking garage. By adding a third level to the garage, the development has a better overall parking ratio.

Applicant Albert Ludwig, with Trica Holdings, stated that they were partners with DTN Management to develop this orphan piece of property that is along the railroad tracks. They had great plans when they bought this parcel in 2017. Before coming to Council in 2018, we were ready to build this building and when going through the financing with HUD, it was required to get a sign off by FEMA. FEMA told the applicants that the parcel was close enough to the floodplain so the map would have to be redrawn. That process was handled by the engineering and building department. It took over a year to get FEMA to sign off on a new plan because every time the City's consultant would send something into FEMA, they would say that a new person was handling this, and they were going to start over. This happened over and over again so the applicants went to their congressional people, the governor and everybody they could think of to try to push the

process along. By the time that was done, covid hit and then the crazy inflation that occurred over the next couple of years and with the costs of construction skyrocketing, the project no longer made sense to build financially. They decided to wait it out and see if interest rates would come back down and if construction costs would stabilize. They then came to the realization that costs are not going backwards, and they don't see interest rates dropping much if at all. They were trying to make this project financially feasible. They came up with the idea of converting the building from a wood structure to a steel frame building. Steel frame is more economical, and it costs more or less the same in today's world. You can't get insurance anymore on a new wood framed building but it's not impossible to get on a steel framed building. We have lot of amenities on this project like co-workspaces, dog washes, pool area, and courtyards. This is an urban project designed in a suburban setting. We recently did a very similar project in Royal Oak and people loved it. We got full immediately and we've stayed full. People love having parking, they love the smaller units and all the wide space amenities. We tried to put a finger on how we can make this building affordable to build and somebody came up with the idea of putting a fifth floor on it and it still meets the ordinances in terms of height, and we still stay below the density maximum that Council is allowed to approve and by adding an extra floor to the parking structure, we keep the same parking ratio that we had before. The elevation of a four-story building compared to a five-story building side by side is almost undetectable. There's a little bit of change for the ramps for the parking structure but it's the same site plan, the same building, the same elements on the façade, and the same ratio. We are here to seek your approval so we can get this building going. We've been trying for seven years and we're ready to build it. We have to go back to the ZBA this week because all the variances that they previously awarded us have expired.

Member Heintz then asked Barb McBeth if she could clarify the difference between the usable open space for multiple dwelling units and open space and what the entails. What are the goals and needs these different spaces are trying to meet? Does usable open space include balconies, but the open spaces do not? Barb McBeth replied that usable open spaces could be places on the site that are usable by the residents of the site like green spaces on the ground or any space on the roof that was usable by people. Member Heintz wanted to know what the main goal was for these open spaces like are they private spaces or for socializing & interacting or basically those open spaces could be used in any form or fashion. Barb McBeth commented that she thinks it's generally allowing people to get together to socialize or be on their own outside but in this case, she thinks there are some spaces inside also for that purpose. Member Heintz said that he wasn't around previously when this had gone through Council before and what the applicants are requesting is different than the standard definition and was wondering was that something that was previously approved with prior council, the area between the fitness room and clubhouse, or is that a new request. Barb McBeth responded that previously the City Council did approve some of those interior spaces as part of the required open space calculations. In this review she wants it to be clear that maybe it doesn't exactly meet the terms of the open space requirements, but it had been approved previously as part of the open space standards. Member Heintz also wanted to know if the square footage of the clubhouse included everything like hallways, office

space, etc. or if that's the square footage within the clubhouse that's going to be the primary spaces only where people would be interacting. Barb McBeth replied that she thinks the intent would've been just the spaces where people are interacting and not the hallways or the offices and things like that.

Member Smith stated that in the packet, one of the first things noted said the increase does not cause any detrimental impact on the responsibility or capabilities of social public services including water service, sanitary, sewer, police, fire, et cetera. Reading through the report that was included, it looks like the determination of planning is that there isn't, and he was wondering how a 25% increase in capacity doesn't have a detrimental impact. Barb McBeth responded that they reached out to City engineer Ben Croix to find out whether there would be any significant impact on the existing water, sanitary or storm sewer for this particular area of the City and he said there's plenty of capacity in this area of the City and it wouldn't be a concern with regard to fire. They always have the fire marshal look at the plans and provide any comments that would be needed, and they didn't hear any concerns from the fire marshal either about the services. Member Smith inquired if an updated traffic study was done, and Barb replied yes, and it was anticipated that there would be less traffic generated from this development than back when it was first evaluated in 2018.

Mayor Pro Tem Casey said that relative to the conversation about open space and usable open space, she noticed that when looking at the planning review chart, both of those are marked as do not meet code and wanted to know if there is any way to get the open space to meet code as it exists today. Barb McBeth replied that the initial submittal has been modified over the years and there just does not seem to be way to get any additional actual open space opportunities. Albert Ludwig then stated that in order for the City to build Bond Street, they needed additional land. They had almost nine acres to start and gave an acre to the City. It was a skinny parcel, and it became skinnier. If they had maintained that acre, then they would've had more than was required but they gave that to the City so they could build the loop. They were happy to do so because it helps their project as well, but it made the entire project smaller, so they're retained within that. Mayor Pro Tem stated that this is the second time Council is seeing a request for a five-story multi-family or apartment style living and that's going to get people starting to be concerned that all of a sudden Novi's going to start putting in five-story buildings everywhere possible and that's not the position she holds and not a position she'll be taking.

Mayor Fischer said he see the references to the issues of the floodplain and covid but there have been a lot of properties that have come back and build their site plan in the last couple of years, Townes at Main Street for example, where the developers didn't come back and ask for higher density. He asked the applicants for a better explanation as to why they waited until 2024 and why their market pricing won't make up for the construction costs and inflation increases. Albert Ludwig stated that they don't believe that rents have increased with the same level of inflation as the costs have. He thinks rents are more or less the same as what they thought they were going to be six, seven years

ago because we're looking at \$2,000 for one-bedroom apartments and as you get into the twos and threes, they get much more expensive. John Woods, on behalf of DTN, wanted to add to the conversation regarding capacity. In reconstructing the road profile, that dictated a change by HUD. HUD financing is challenging and in hindsight if they had known that this project didn't fit their perfect box, they would have gone a different route. That delayed them two and a half to three years. The first delay was in 2019 with the governmental shutdown. The second delay was they value engineered the building because it was overvalued. Covid hit and lumber went from \$300 per thousand board feet to \$1,200. Financing went from 3.15%, that they financed originally, to 5.5%. That caused a six-month delay and then they reengaged as lumber started to come down. In the meantime, HUD came back to and said they noticed in the review that they had changed the road profile, and it would now have to be a five-mile radius. That took another year. Then HUD came back and said there might be underground storage tanks on site that have to be remediated. That took seven to eight months and turned out the tanks didn't exist. There were massive delays and as those delays were occurring, costs were going up. Portland Cement is still on a national allocation so concrete is hard to get and it's about 50% more than it was two years ago. At any rate, these costs are increasing, and they are running into these challenges. At the same time inflation is pushing rents up. This deal now costs \$20 million more. Part of trying to make this deal work, they changed from wood frame to steel. It's not owner insurance but the builder's risk during construction that the reinsurance market will not insure in the State of Michigan. Steel is about the same cost and, from the City's perspective, there's an advantage as it's a non-combustible building. Keep in mind that 95% of all apartment fires are created by tenants in their kitchen and typically not by transformers exploding or cars burning. There was an agreement back in 2017 that would give an acre of land and that drove the 12 or 13 variances from the ZBA because it pushed public property deeper in their property. These encroachments created variance requirements so that's somewhat where the limited open space came from. There are four buildings, four – five stories, and each has a 130 x 60-foot donut in the middle of each. This is comparable to what you would see in downtown Austin, Texas. We call this a suburban urban building and is not your traditional garden style three-story walk up. There are big courtyards, each about 7,000 square feet in addition to 7,000 feet of common area. He challenges any other multifamily property owner in the city of Novi that has more than 7,000 square feet of common area. Between the 1,800 square foot clubhouse, the demo kitchen, a huge pool area, dog wash stations, and the WeWork stations, each courtyard is 7,000 square feet each so that is literally about 35,000 square feet each of open air and enclosed common area. Each courtyard has active passive programming and is programmed differently with pickleball courts in one, shuffle balls courts in another, there are also grilling stations, reflection areas and reading areas. The Mayor said he understands a lot of this but that his question was specific to rental prices increasing and how that is not taking care of the inflationary costs and why did they wait so long to get to this point when other developers in Novi have started years ago. Mr. Woods responded that he can't attest to what the numbers look like for other developers, but he can say that for them to commit and move forward on a \$95 million project, they had to make sure the numbers worked. It took this long will all those other factors for it to work. A lot of these delays weren't delays from us, they were from HUD and there were delays from other forces that they didn't have

control. Two and half to three years was lost just in dealing with their lender. Mayor Fischer stated that he didn't have an issue with the height because that is within the ordinance, the Council has discretion when it comes to room sizes. Even if the applicants had the extra acre, the Mayor's understanding is they would still only be allowed 490 and they are already at 641 which is above what they would have been entitled to under the nine acres. The Mayor feels the Council has been pretty gracious up until this point and 70 additional units at \$1,500 or \$2,000 a month is going to bring in another \$1.3 to \$1.7 million for the applicants so he can see why they would be interested in adding a floor and 70 units. He then asked Mr. Woods if financing had been secured at this point and Mr. Woods replied no, but that they have several options and they have the equity which is the important piece of a project this size. The Mayor asked if the project was approved and the applicants got zoning board approval, when would they start. Mr. Ludwig spoke up and said that they had to release this to the engineers to redesign it for steel. The timeline for that would probably be three to four months. They would hopefully get started late this year but guessing more likely in the spring. The Mayor expressed that part of his frustration is that the Council gets excited, they hear about projects, land gets tied up and then they go through amendment after amendment. If the applicants have followed any of the councils before, there was a project that went to six amendments and after three, the Mayor no longer supported the project. There is an element where everyone needs to come to the table, make agreements, negotiate, sign an agreement, and start to move forward. The Mayor then wanted to talk about the commercial building and as he understands under the current contract, the applicants have three years to start the commercial building after the commencement of the residential and then they can ask for a six-month extension and he wanted to know what the timing would be for the commercial portion. Mr. Ludwig responded that he wouldn't look to spec that building. There's enough vacant commercial space up and down Novi Road to where they would not want to put up a building with a "for rent" sign. They have turned down several offers from various users and they turned them all down as they didn't think it would be a valuable addition to their project. He would think that within three years they could aggressively market this property and find a good user for it. Not just from a zoning standpoint but something that enhances the entrance of their project. They want something nice, that's the gateway. The Mayor stated that with the right amount of aggressing marketing that someone could get in there and if this contract were to come back before Council, he would like to see that three years reduced down to two years and the language about the six months stricken from that. He is not concerned about the stories and the height as that is within the zoning and he can understand some of the difficulties and the construction piece going up and they've heard from staff that it's not detrimental to the capacities. He will be looking for some language changes in the commercial piece.

Member Staudt pulled up the April 15, 2019 meeting and read the notes from the applicants' presentation. This started as a \$35 to \$40 million project. It then evolved into a \$60 million project and now he's heard it's a \$95 million project. By the time the applicants start, it will be a \$125 million project. He stated that his vote is contingent on getting the parking lot done for the cemetery because he doesn't want to wait three years to get a commercial building in there. One of the primary reasons he was behind

this when it first came was the fact that the applicant was going to build public access to the cemetery. There are limited options to get in there and Council doesn't want people driving around as it's an old cemetery. Member Staudt wanted to know if the applicants were still committed to building the parking lot as they did five years ago. Applicant Albert Ludwig stated absolutely, as soon as they start the first apartment building and they'll put in the agreement. John Woods followed by saying that it's most efficient when they have equipment there as opposed to remobilizing it so it would be dumb for them not to do it. Mr. Ludwig said they will start on it day one when they start leveling the ground. Member Staudt said it was April 15<sup>th</sup>, 2019, when this was approved the first time. The applicants had come and wanted relief from the tree fund and asked if they were still asking for that. The applicants stated no, that they are \$8 million deep into this, out of pocket, and they're ready to keep going. Member Staudt asked if the applicants sat there when the train went through, and Mr. Woods replied that they'd done four studies at least and he himself has sat there at various times of the day. He said that they had put an offer in on that building as it was recently for sale. Member Staudt said that he recently drove by the area and noticed that the applicants had put a bridge over the creek to access the restaurants at the far end of the property. The applicants said it was a beautiful road project and Member Staudt said the City had made quite an investment in that project as well. He thought this project seemed like a cool idea five years ago and he still thinks that but said that five stories are a little frightful for the Council but that the applicants had found a good place for that kind of building.

**CM 24-07-108                      Moved by Staudt, seconded by Casey: MOTION CARRIED: 6-1**

**Tentative approval of the request of DTN Management/Tricap Holdings for JSP 18-10 The Bond Development for the revised Preliminary Site Plan, Woodland Permit, and Storm Water Management Plan and to direct the City Attorney to prepare the Third Amendment to the Development Agreement that will be brought back to Council for consideration and approval. The agreement shall be based on and subject to the following:**

- 1. All deviations and waivers that have been previously granted in the Development Agreement, except as modified below.**
- 2. City Council for allowing an increase in the number of rooms allowed (812 proposed) with the following findings per Section 4.82.2.b.:**
  - a. 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;***
  - b. 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.*

3. City Council finding the usable open spaces as shown on the site plan acceptable as the proposed spaces meet the intent of the Ordinance to provide active and passive recreational opportunities for future residents.
4. Section 9 waivers for:
  - a. Not providing the minimum required brick (30% minimum required) on the east (17% proposed), north (21-24% proposed), west (23% proposed), and south (21-24% proposed) facades for Building 1 and 2;
  - b. Exceeding the maximum allowed percentage of EIFS (25% maximum allowed) on all facades (proposed: East- 52%, North-51%, South- 51% and West- 77%) for Building 1 and 2;
  - c. Not providing the minimum required brick and stone (50% minimum required) for TC-1 district on all facades (23-34% proposed) for Building 1 and 2;
  - d. Not providing the minimum required brick (30% minimum required) on all facades (proposed: North -23%, -West 8%, South- 8% and East- 17%) for Commercial Building;
  - e. Exceeding the maximum allowed for Cast Stone (50% maximum allowed) on all facades (proposed: North-55%, West-76%, South- 76% and East- 64%) for Commercial Building;
  - f. Exceeding the maximum allowed percentage for Ribbed Metal (0% allowed) on all facades providing the ribbed metal (proposed: North-12%, West-6%, South- 6% and East- 9%) for Commercial Building;
  - g. Exceeding the maximum allowed concrete for west facade for parking structure (0% allowed, 100% proposed) in lieu of providing the minimum required brick (30% minimum required, 0% provided);
  - h. Exceeding the maximum allowed cast stone for north and south facades for parking structure (0% allowed, 100% proposed) in lieu of providing the minimum required brick (30% minimum required, 0% provided).
5. Zoning Board of Appeals variances previously granted will need to be reapproved as they have expired.
6. The findings of compliance with Ordinance standards in the staff and consultant review letters and the conditions and the items listed in those letters being addressed on the Final Site Plan.

**This motion is made because the plan is otherwise in compliance with Article 3, Article 4, and Article 5 of the Zoning Ordinance, Chapter 11 and Chapter 37 of the Code of Ordinances and all other applicable provisions of the Ordinance.**

Member Heintz commented that it was mentioned that apartments like these were built in Austin and Chicago. Austin's population is close to a million people and Chicago's is close to 2.5 million people so that's a difference compared to Novi which is 66,000 plus. That is unnerving for him as this is the second time in recent history where people have come up and asked for an additional increase in units, additional density and that makes him concerned about the direction they've had to come with this.

**Roll call vote on CM 24-07-108**

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

**Nays: Heintz**

**5. Approve recommendation from the Finance and Administration Committee to amend the Investment Policy for the Retiree Healthcare Fund to change the investment allocation guidelines.**

City Manager Victor Cardenas said that this item comes from the first Finance and Administration Committee meeting. The current investment policy has been in place for over 12 years and the investment allocations do not align with the fully funded other post-employment benefits, better known as OPEB. The change being offered results in a more conservative strategy and takes into account the 130% funding level of our OPEB, which doesn't require contributions from the City for the next two fiscal years.

Mayor Fischer noted that this came to the Finance and Administration Committee's review and there was a presentation from and discussions with Director Johnson. This comes with full approval and recommendation from the Committee.

**CM 24-07-109**

**Moved by Staudt, seconded by Casey: MOTION CARRIED: 7-0**

**Approve recommendation from the Finance and Administration Committee to amend the Investment Policy for the Retiree Healthcare Fund to change the investment allocation guidelines.**

**Roll call vote on CM 24-07-109**

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

**Nays: None**

**CONSENT AGENDA REMOVALS: None**

**AUDIENCE COMMENT: None**



**COMMITTEE REPORTS:**

1. Environmental Sustainability Committee

Member Smith said there have been two meetings since the last Council meeting on July 9<sup>th</sup>. They have discussed the Ann Arbor Solarized project which is a collaboration between residents, the City, and solar installers. There was also a meeting that they attended via Zoom, just to see how that worked in practice and it's something that they will want to be looking at for Novi. Part of that discussion was Michigan House Bill 5028 which impacts how HOA's can't control rooftop solar anymore. The Committee also met with the Novi SSLI, Steward's Sustainability Leadership Institute, which is a 4H program running through MSU Tollgate Farm where Novi students are involved with environmental activities, and we discussed how we can work together to support those activities. The Committee just had its second meeting and they met with the Royal Oak Sustainability Manager, Angela Fox, and discussed their journey and getting their project launched and are looking for ideas from that group going forward.

2. Finance & Administration Committee

Mayor Fischer said the crux of the conversation was the OPEB funding and investment policy. The Committee then had a regroup on some of the road funding and bonding initiatives and some of that discussion will come out in the future.

3. Mobility Committee

Member Smith said the Committee met on the 18<sup>th</sup> and discussed the sidewalk maintenance program and how to move forward with maintaining the sidewalks and how to work with the residents on paying for that. The Committee will be getting some information from staff to discuss at future meetings.

**MAYOR AND COUNCIL ISSUES: None**

**COMMUNICATIONS: None**

**ADJOURNMENT** – There being no further business to come before Council, the meeting was adjourned at 8:32 P.M.

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Cortney Hanson, City Clerk

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Justin Fischer, Mayor

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Transcribed by Becky Dockery,  
Account Clerk

Date approved: August 12, 2024