

- G. Approval of adoption by City Council of form agreement to provide police traffic enforcement service on private property.
- H. Approval of entry into sanitary sewer system connection agreement between the Charter Township of Commerce, City of Novi, Speedway Super America, LLC, and the Oakland County Drain Commissioner for property located on the southwest corner of the intersection of Fourteen Mile Road and Haggerty Road, for an existing gas station.
- I. Approval of Claims and Accounts – Warrant No. 762

MATTERS FOR COUNCIL ACTION – Part I

- 1. **Consideration of a Completion Agreement for SP#03-46 Provincial Glades RUD in accordance with the requirements of Chapter 26.5.**

Ms. Antil said this item came to Council several months ago and there had been a change in ownership and Ms. McBeth was present if there were questions.

CM-08-02-022 Moved by Crawford, seconded by Capello; CARRIED UNANIMOUSLY: To approve Resolution to authorize Budget Amendment #2008-2

**Roll call vote on CM-08-02-022 Yeas: Mutch, Staudt, Landry, Capello, Crawford
Nays: None
Absent: Gatt, Margolis**

- 2. **Approval of Resolution to authorize Budget Amendment #2008-2**

CM-08-02-023 Moved by Capello, seconded by Mutch; CARRIED UNANIMOUSLY: To approve Resolution to authorize Budget Amendment #2008-2

**Roll call vote on CM-08-02-023 Yeas: Staudt, Landry, Capello, Crawford, Mutch
Nays: None
Absent: Gatt, Margolis**

- 3. **Consideration of Zoning Map Amendment 18.673 with Planned Rezoning Overlay (PRO) SP07-59 from the applicant, Basilian Fathers of Milford, Michigan, to rezone property located north of Eleven Mile Road, and west of Taft Road from R-1, One-Family Residential, to RT, Two-Family Residential or RM-1, Low-Density, Low-Rise Multiple-Family Residential District, and favorable consideration of the PRO Concept Plan. The applicant proposes a 14 unit residence for Basilian priests. The subject property is 4.15 acres.**

John Argenta, CDPA Architects, was present representing the applicant. He said the proposed residence was for the Basilian Priests who taught at Catholic Central. The facility would be a two story wing with 14 living units for the 14 priests, community room dining room, kitchen and small chapel as the one story area. The proposed site would be 4.15 acres at the corner of Taft and Eleven Mile Road with duplexes on one side, vacant property on the other side, and across Eleven Mile was the Novi Schools and bus garage. The Planning Commission

recommended R-T zoning because there was no use mentioned for a religious order or monastery. Mr. Argenta said after they made the filing for R-T more study was done and they found that in the R-M zoning there was a use for congregate elderly living, which was just about exactly what they were asking for. The Planning Commission was now recommending R-M, which they had no problem with. The proposed density was 3.37 units and for R-M it was 5.4 to 10.9. He said the building would be within the zoning requirement of 35 feet, and they met the setbacks for parking and all of the setbacks for the building except for a few carports. They were 55 feet from the property line instead of 75 feet, and there was one parking space that reduced the front yard setback by ten feet. However, the entire site was very densely wooded and shielded in all directions from view. Mr. Argenta said, as part of the PRO, they had volunteered to extend the sidewalk beyond their property all the way to Taft Road, along Eleven Mile and then along Taft Road up to Eleven Mile Road. In addition, there were requirements for future right-of-ways on Eleven Mile and on Taft Road and the owner said he would deed them over to the City. He said there had not been a tree plan yet, but there had been a project several years ago and they were given that site plan by the people who did it. He said they looked at the trees and there were 217 regulated trees, and it looked like 55 would be removed but 25 of those had been identified as dead. He said the rest would all be replaced according to the tree ordinance and they would have it updated to see what it was presently. Mr. Argenta said they were asking for rezoning to RM-1.

Mayor Landry said this was a proposed PRO. Mr. Schultz said he was correct, and if Council chose to go this route, he knew the form of the motion was on the motion sheet. However, he would like to add the comment that as with the last PRO they had discussed the process and gave a tentative recommendation and directed his office, if interested, to work with the proponent on the agreement and then it would be brought back for an actual recommendation.

Mayor Pro Tem Capello asked if they were getting water off of Eleven Mile Road. Mr. Hayes said yes, they would tap into the main off of Eleven Mile. Mayor Pro Tem Capello thought it was a wonderful use of the property, woodlands were being preserved, it was very low impact, and it was nice to have this in Novi.

**CM-08-02-024 Moved by Capello, seconded by Staudt; CARRIED UNANIMOUSLY:
To tentatively approve the PRO SP07-59 with rezoning from the
Existing R-1 to RM-1. Public benefits to the City are sidewalks in
Two areas along Eleven Mile Road and along Taft Road, and
preserving a lot of the natural features and woodlands, which
otherwise, in a previous residential development, would all be taken
down. In addition, there were some requirements for future right-of-
ways on Eleven Mile and on Taft Road and the owner agreed to deed
them over to the City including the Conservation Easement.**

DISCUSSION

Mayor Landry asked if the Conservation Easement was included in this. Mr. Schultz said if it was part of the general approval, it would be part of the PRO Agreement. Mayor Landry asked if it was a part of the motion, and Mayor Pro Tem Capello assumed it was. Mayor Landry said he assumed it was not a problem.

Tom Ryan, attorney for the Basilian Fathers, said they didn't have a problem and would work with the City. However, they were not certain what the nature of the trees were out there. He said they might not be very good trees and they might have to do some supplemental planting. He said they would be cooperative and work on that.

Mr. Schultz said that could be dealt with in the text as long as they were directed to work with Mr. Ryan.

Member Mutch asked if the sewer would come from Eleven Mile or would it come down Taft Road. Mr. Hayes said it would have to come down Taft Road from Grand River; it was a separate sanitary district. Member Mutch asked how far south the sewer currently came down Taft Road. Mr. Hayes estimated 1,200 feet. Member Mutch asked if it was to Andes Hills, and Mr. Hayes said yes. Member Mutch asked if the applicant would be responsible for the entire cost of bringing the sewer down, because between them and Andes Hills there were at least two or three different parcels including one discussed for another development. Mr. Hayes replied it would be their expectation that the applicant would have to extend the sewer from that location to their site. Member Mutch said regarding the sidewalk extensions on the property that they don't own, it didn't look like there was any dedicated right-of-way. He said it seemed where they were putting the sidewalk within the statutory right-of-way that it was really close to the existing curbs on Eleven Mile. He asked if there would be enough clearance, with the widening for the intersection, for the sidewalks to fit. Mr. Hayes said he was not familiar enough with the details of where the sidewalk would be placed, but they would work with them. Member Mutch asked if it was a site plan issue, and Mr. Hayes said yes. Member Mutch stated he would like that looked at before the PRO was approved. He thought that would impact the public benefit, if there was a problem putting that in or if they had to get an easement from the property. He commented that they didn't show the intersection improvements where the ramps would be on the concept plan, and assumed that would be required. Mr. Hayes said it would.

Member Mutch said Chief Smith had a question about the secondary fire access. He said when reading the minutes it sounded like they didn't have a secondary access and the Fire Department required it out to Taft Road. He asked why that was required because if the secondary access going out to Taft Road wasn't there, they would have an opportunity to save more of the natural features on the site. Chief Smith said the reason for the secondary access was a different part of the building that they might have to perform rescue or in an emergency situation. A secondary access was required in case there was a delivery to the building, a stalled car in the drive, a fire at the building, etc. they would need another way to get in there. A single drive would not be sufficient, especially with retired Fathers there, they would want access.

Member Mutch said the use seemed to fit pretty well into the area and public benefits were being offered with this. He said his problem with this went back to how the PRO worked. He was struggling with this because RM-1 made sense from a use viewpoint, but RM-1 as a zoning district didn't make sense from a density viewpoint in terms of this area. He said his concern was they would have future applicants or a judge, look at the map and say they saw RM-1, which meant the City wanted to allow multiples there and not get into the details, not for this piece, but maybe in an adjoining piece. He said he had a real problem with how the PRO was working in terms of introducing inconsistent zoning designations into the Master Plan and Zoning Map. He said he would support this because they had gone through the process and

followed the Zoning Ordinances, but he had a real problem with the PRO and didn't think it was the right vehicle to accomplish what Council wanted to accomplish. He said they had talked about having a PUD that got them away from trying to fit these round pegs into square holes in the Zoning Ordinance. He said it got rid of that whole concept and allowed the Council to look at unique projects, to talk about density, setbacks and public benefits as most communities did. He thought it would be better long term for the City and over time, if they kept going this route, eventually someone would raise a flag on the consistency of the application of the Zoning Ordinance.

Member Crawford commented she lived on Eleven Mile Road and had no problem with the project. She said it would be next to duplexes, across from the bus garage, and she thought it would be a good fit. She said there were many residences on that road, they were single family and were about as big as their building. She stated she would support the project.

Roll call vote on CM-08-02-024 **Yeas: Landry, Capello, Crawford, Mutch, Staudt**
Nays: None
Absent: Gatt, Margolis

4. **Consideration of a one-year contract extension to Brien's Services, Inc., to perform the City's 2008 Lawn Maintenance Services, for an estimated annual amount of \$223,000.**

CM-08-02-025 **Moved by Mutch, seconded by Capello; CARRIED UNANIMOUSLY:**
To approve a one year contract extension to Brien's Services, Inc., to perform the City's 2008 Lawn Maintenance Services, for an estimated annual amount of \$223,000.

Roll call vote on CM-08-02-025 **Yeas: Capello, Crawford, Mutch, Staudt, Landry**
Nays: None
Absent: Gatt, Margolis

AUDIENCE COMMENTS

Gwen Markham, 45540 Violet Lane, President of the Friends of the Novi Theatres, was present to thank all the sponsors of their recent Mardi Gras Cabaret, it was a fantastic event and they raised a lot of money. Also, she was present to ask Council to consider, as they look at the budget process, a permanent kind of sign for the front of the building that could be changed so they could tell people they were here and what was going on in this building. She said every time they had a show people came in late because they didn't know where it was, and it happened at every show. She said a changeable sign or electric sign would help many departments. She commented many communities had these signs and she felt something similar was definitely needed in Novi.

Christina Roy, owner of Hands on Health Therapeutic Massage and Novi resident, was present and had received the letter in December that the license renewal fee would go up 1000% and was due on December 31st with a grace period of 30 days.. She said she was quite surprised, and thought any increase to any one of them didn't settle well, but thought as a

small business in Novi there should have been some kind of awareness for them that this was going to happen. This was approved in March 2007 and the letter was received in December that this would be happening. She said the increase to the license fee was unsettling but then the permits were also a little more than doubled. Ms. Roy said she had lost a great staff member, which affected her business tremendously because she could not afford the double fee increase for her permit. She asked that there be some meeting in the middle for 2009 and possibly 2008.

Sarah DeMar, Ivy Garden Massage, was present and said what they were being investigated for on a yearly basis to protect the public from she could understand to an extent, and was aware of how it went through with the line items increase. However, Ms. DeMar asked that Council consider respecting and protecting the massage therapists from the unmitigated abuse of power from the City Clerk's office. She said they had power over her fees, the decisions and the communicable disease test, which was not defined in the ordinance. She said she couldn't get a physician to touch it with a ten foot pole implying that they had to be tested for every communicable disease from HIV, to STD's, etc.

MATTERS FOR COUNCIL ACTION – Part II - None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

MAYOR AND COUNCIL ISSUES

1. Request for considering renewal rate tier for Massage License for 2009 - Mayor Landry

Mayor Landry said they have had some inquiries, some respectful and some not so respectful, regarding this issue. He said he wanted to clear the air, state something publicly and open it for discussion by Council. Mayor Landry said two years ago, City Council decided to review all of the licensing requirements across the board, and obviously with State Shared Revenue going down, cities were asked to do more with less. He said those at the table in 2005 decided to comprehensively look at all of the permitting, some of which the cost had not changed for years, and some that the City was not even recovering the cost of the hours it took the staff to do the inspections. He said the City tried to operate by the money and time it had incurred to inspect and process applications, and decided to look at this because they thought they were losing money on these issues. They started off with several ordinances, and the massage ordinance just came up. He said no one was being targeted and this was not a business being targeted by the City, it just happened that the massage business came up next as Council was looking globally at every one of their reviews. He said Council members got the memo of January 28th and Farmington Hills was \$550, Northville was \$516, and West Bloomfield was \$475. He said everyone could see they were way behind in the cost of these permits. The memo also contained how many person hours it took to process the permits and he thought the increase was absolutely supported by the hours and cost to do these. Mayor Landry commented he understood it was a large increase and might be hard to swallow but the City had to be in a cost neutral position. He said no one was being targeted; it just happened to be the next ordinance that came up. However, in all of this discussion, there was a suggestion that instead of \$500 every year, go to a renewal application of \$100 every other year. Mayor

Landry said he would be in support of that. He said the Police Department suggested that inspections and health certifications be done. So, personally, if the Police Department suggested that they be done, and the Police Chief's memo was adamant about having the inspections done, he would go with the Police Department recommendation and have the inspections and health certification annually. Mayor Landry said he would consider leaving the application as it was for this year and still have the inspections, and then every other year have a renewal fee of \$100. Mayor Landry said if Council was willing to consider that, he would suggest directing the City Attorney to draft a resolution that would come back on a Consent Agenda. Mayor Landry said he was proposing to leave the fees as they were according to the memo that went into effect February 1, but every other year would have a renewal of \$100.

Mayor Landry said there was a statement tonight about abuse of power by the City Clerk's Office. This ordinance change did not start with the City Clerk's Office; it started with the City Council. The City Clerk was not abusing anybody's power, and the City Clerk did not arbitrarily set these fees; the fees were set by City Council. Mayor Landry said if anyone had any comments to be directed, address them at Council do not address them at the City Clerk's Office. Mayor Landry said they were not responsible for this; they had to administer it because it's their job to administer the ordinances; they don't create the ordinances. He said it was unfair to level that kind of criticism at the people behind the desk at the City Clerk's office.

Mayor Pro Tem Capello said he saw two levels here. One level was the amount of inspections that were required each year. He said he didn't think the ordinance had changed at all in the last 8 to 10 years regarding what was required of the inspections. He said it was a question of what was being charged that brought this forward, so he would only address the cost of the fees for the permits for both the establishments and the massage therapists. He said those businesses that had been operating in the City had not come to him objecting to the inspections. He said they were fine with the inspections and felt it kept the City clean, kept unwanted businesses out of the City and it did a good job of that. However, he was concerned over the inspection fees. He said he paid \$20 a year for his business permit when he was in the City, and the Fire Department came in every year and inspect his business, and it was still a \$20 fee. Mayor Pro Tem Capello said he didn't understand why a different inspection for a different type of business was being charged a higher fee than he was being charged. He said certainly with a massage business they would want to do inspections but he thought most of that fell on the Police Department, and he thought they did a fine job. He said then he looked at the Building Department where there's a plumbing, electrical and heating inspections and asked why it was any different for a salon that had a couple rooms dedicated to massages. He said he didn't think they did all of those inspections for every single business.

Mr. Rumble said these come due at the beginning of each year and he and the new building official were not here last year, so they were seeing these come due for the first time. He said they had done some investigation by looking at the language of the ordinance and it specifically called out things that needed to be reviewed that call into account an electrical, plumbing and a building inspector. He believed those fees came forward because there was an hour assigned for each of those inspectors because if taken into account the travel time and 30 minutes on site for each of those, he could see where they came up with an hour for each of the inspectors. Mr. Rumble said some might not have plumbing fixtures, or elaborate

electrical systems or new ones that needed to be inspected, and he didn't know that the ordinance was set up to pick and choose which inspectors went out to the site overall. Mayor Pro Tem Capello said he was asking about the types of inspections themselves, and it might be something that Mr. Rumple needed to look at and come back to them. He said he couldn't see that for every business in the City, every year, that a plumbing, electrical, and a building inspector and two members of the Fire Department went to every business to do these inspections. He said he couldn't see it happening. He didn't think it occurred and if it did he didn't think it had to; they already had a building permit, it's been inspected, they have a C of O and it's approved. Mayor Pro Tem Capello said if there's a change to it, why were they charging residents \$150 to \$180 for the Building Department to go out there and look at what's existing every year. He said that was something they needed to look at. Mayor Pro Tem Capello said he somewhat agreed with the Mayor. He said if they looked at just the Police Department and the Clerk's Office, they might be at \$150 to \$180. He said if they could do something annually, or average out over three years to come up somewhere between \$180 and \$200, he thought that would be fair to charge the owner of the building. Mayor Pro Tem Capello said in regard to the massage therapist themselves, the majority of the inspection was through the Police Department, and he agreed with some of the salons who called saying \$100 was a lot of money for an employee to do business in the City. He said he kind of looked to reduce that to the individual employee, but he did agree that it had to be done every year.

Member Mutch said he wanted to address the process question because it was an important part of the discussion they haven't had. He said as a City Council and Administration they had to focus on making sure that the processes that they make people go through made sense, and didn't unnecessarily burden people. He said he had to apologize to these business owners because they raised a legitimate concern. He said when an ordinance or fee schedule change was made that affected only 15 businesses, and the only communication they had with them was after it was approved and two weeks before it was due, he thought something broke down in the process. He thought there should have been discussion with the businesses in advance; the City did that with other businesses in the community. He said when they had discussions about how they were going to change ordinances to affect the development community, they give them a heads up and they had a chance to have input into the process. Member Mutch said it would be another issue if this was a general ordinance that affected everyone across the board, but to have this significant impact on these particular businesses was something that process wise they needed to do it right next time. He said he didn't feel they did it right this time. He said this was not a criticism of the Clerk's Office, as they were carrying out a policy that was adopted by Council. He said ultimately the buck stops at the Council table, whether the fee was too high or not, or covered the areas it should or not was the responsibility of the City Council.

Member Mutch said Mayor Pro Tem Capello make a good point, and he was sure that all of these businesses didn't want the massage parlor kind of operations that caused problems in other communities and making a bad public impression coming to Novi. Member Mutch said he met with a couple of the business owners and it was kind of embarrassing to sit down with residents, business owners, and professional women who were educated, took pride in their business and were very articulate, and talk about what kind of communicable diseases they might have and that a background check had to be done on them. He said it presented their operation like a bordello or something. He said it really didn't feel right and he thought they needed to have a discussion about the extent of that. In terms of the fees, he was looking in

the same direction as Mayor Pro Tem Capello. He said first off he didn't have as much of a problem with the initial application fee because he felt they had documented what needed to be done for a new business coming into Novi. However, to have a renewal fee that cost as much for an existing business that had not had problems, no violations, where background checks had been done, he could not support those fees being equal. Member Mutch said the same with the therapist fees. Unless people have a problem that needed to be reviewed, it didn't make sense to charge people the same amount for renewal because there isn't as much work to do and if there was, then he thought they were doing too much work in the inspection process. He said Mayor Pro Tem Capello also raised some good points about consistency. He said based on conversations with City staff, unless running one of these licensed businesses like massage therapy, pawn brokers, arcades, they were not required to pay for the full range of building inspection services every year. He said they paid their \$20 business fee and his understanding was that those inspections weren't done except for that very defined group of businesses. He said if running a restaurant or bar serving food to the public, or a medical office where they were conducting things more invasive than anything done in these businesses, they weren't required to go through that inspection process, background checks or tested for communicable diseases. Member Mutch said he would worry more about what someone was cooking in the kitchen at a restaurant than the women who were running and operating these businesses. He thought Mr. Rumble made a good point that a lot of this was coming from the ordinance, so he thought if they were going to talk about reducing the number of inspections, which he thought they should, then they needed to revisit the ordinance and make changes. He said he would like to see background checks stay because the Police Chief felt strongly about that and he would support that. He asked Chief Molloy to address the communicable disease requirement.

Lt. Lauria said that was not a part of their investigation but was a document provided to the City Clerk's office. Member Mutch felt that was something they needed to look at as the message and perception it sent wasn't appropriate, and he was having a hard time seeing the public safety justification for that. He said he wanted to see a reduction in the renewal costs, in inspections that were not necessary, but would continue to support the background check from the Police Department who had said if there were no reports, violations or incidents filed they would look at that also. He said he wanted to revisit the ordinance to look at some of the provisions and wanted to do it this year. He didn't feel they could say it needed to change, but thanks for their money, and that it would be made up next year. He would support a reduction and a refund this year for the existing businesses and their therapists. He said it wouldn't happen immediately as they had to work through some of these issues to get some detail to it, but that was the direction he would support going.

Member Staudt said he supported many of the same things of the previous speaker and Mayor Pro Tem Capello but also strongly supported what Mayor Landry suggested and that was a tiered spread out system. He said he spent a lot of time looking at this and reading the correspondence from the business owners, and he would like to see the application process remain at the level that it's at. However, somebody who had been here for six years and complied with every regulation put on them and suddenly to ask them for a \$500 renewal fee he thought was patently unfair. He would like to see some level of reduction this year because every single person was a renewal and not a new application. He would be in full support of maintaining the stringent guidelines for a new application, and consider potentially higher fees if that was necessary, however he would like to see a scaled fee structure this year.

Mr. Schultz said his office looked at the materials and he wanted to remind the Council that in 2004 or 2005 they went through a review of the entire ordinance and looked at a number of these issues that were coming up regarding inspections, certificates and what they had to provide apart from the fees. He said one of the things they had advised Council that it was similar because they looked, regarding fees and inspections, because it was old and they updated it. He said if they were going to look at it again he would ask for the opportunity to kind of supplement why some of these things were in the ordinance. He said some of the experiences that they had had with regard to, if you have the luxury or having 15 very well run businesses by well respectable people, not everyone had that same luxury. He said they would like an opportunity if they were going down this road, to talk about how much inspection, and to give some background as to why the ordinance was set up the way it was. He said fees were the Council's issue and the substance of the ordinance, and Council could submit something, if it was somewhere they wanted to go or something they wanted to talk about.

Member Crawford said the information submitted to Council by the businesses and the Clerk's office was very helpful. She said she talked with other businesses that didn't submit information and tried to come to a wise decision about how she felt about this. However, it was difficult because many of the comments made by fellow members were the same concerns she had. Member Crawford believed that inspections should not be subsidized because they were a cost to the City and whatever inspections were necessary should be a part of the licensing fees. She said the question was whether all the inspections were necessary and that was what she wasn't confident about, at this point. She said generally renewals of any kind of license were less than the first application, and that was something she wanted to look at as well. She said she was a supporter of massage as a health benefit and wrote Novi's very first massage ordinance so she could have massage as a health benefit in the Senior Citizen Center. Member Crawford said she saw the immediate results of the health benefit of massage and noted she was a real believer in it. She said there were many men and women involved in massage and it was becoming more and more prevalent. She applauded the massage business owners and was very happy they were in Novi, and knew many of them had been doing business in Novi for a long time and she was appreciative of what they did. She agreed with the police inspections and felt that should continue and she was more in favor of what Mayor Landry and Mayor Pro Tem Capello suggested as far as the reduction went.

Mayor Landry said he was here when the City Attorney talked about what they did when they went through the ordinances and all the needs for the inspection. He said those members present at the time were convinced of the need to do all the inspections. He said he didn't want to offend anyone by accusing anyone that Council thought these businesses were somehow illegal or something was going on that shouldn't go on; that's not the point. Mayor Landry said, as the City Attorney said, a lot of other municipalities have problems and Novi didn't because the annual inspections were done. He said they welcomed their businesses and he wasn't suggesting they were illegal and when someone said "I'm offended that you asked me that question", he could understand that. However, for those who have to protect the public, it didn't mean they wouldn't ask the question. He said they had to ask the questions and make the requirements in the interest of protecting the public as a whole. He noted no one was accusing anyone but it was their job to make sure that everything was on the up and up for the sake of public health, safety and welfare. Mayor Landry said Council had to do that and unfortunately it was their job to do that. Mayor Landry commented he began this by suggesting that they leave the application the same and change the renewal amount, and that

the renewal amount be \$100 every other year. He said they could leave this as is or attempt to change it tonight.

Mayor Pro Tem Capello said the Police Department and Clerk's office inspections come up to about \$170, and he thought that amount of time was put into it whether reviewing the owner of a business establishment or a massage therapist themselves. He said they had increased the massage therapist license from \$50 to \$100, which was \$70 lower than the City's cost. He said he would suggest leaving that at \$100. In regard to the building owner, he still had problems with the building inspections, and particularly if they were happening every year. He thought tonight was not the time to go into the ordinance itself, but perhaps as Mayor Landry suggested if they charged \$500 for the owner's renewal application every three years, and \$100 the second and third year, it would relieve some of the burden. He said with that the Building Department and Police Department could figure out the types of inspections they were looking for under the ordinance.

**CM-08-02- Moved by Capello, seconded by Landry; WITHDRAWN
To approve fees for renewal inspections for business establishments to stay firm at \$510 for 2008, \$100 for 2009, \$100 for 2010, \$510 for 2011, \$100 for 2012 and \$100 for 2013 until further change from Council.**

DISCUSSION

Member Mutch commented he appreciated Mayor Pro Tem Capello trying to move Council in a direction that he thought made sense. However, he thought the overall cost for the business was too high. He agreed with Member Crawford that the City didn't want to subsidize inspection costs, but they had to be clear that with the exception of a handful of businesses in this community, no one else had to jump through these hoops in terms of building inspections every year. Member Mutch said it was simply not done and the City didn't require people to pay for it. Likewise with the fire inspections, with the exception of the handful of businesses that were licensed, no one had to pay for a fire inspection whether done every year, biannually or on some other basis. He said to look at those costs and say only this handful of businesses should be subjected to these inspections and inspection costs didn't seem fair to him. Member Mutch said they had not gotten around that by saying it's a hundred for the second and third year because then they were hit again on the third year out, and he couldn't support that. Member Mutch said if they looked at the other communities that were listed in the memo regarding therapist fees dated the 28th from Ms. Uglow, \$50, \$26, \$25, \$25, and Northville had a higher renewal fee, but \$50 was the highest with that one exception, and then Novi was \$110. He said it didn't make sense to him that people who had gone through the initial background check and had gotten the sign off from the Police Department and had not had any problems over the year would then be asked to pay the same amount. He thought a smaller amount would be reasonable so he couldn't support the motion. However, he would support a motion that would reduce the renewal fee for the business and the therapist, and would look at eliminating some of those inspections. He said the fire inspections should be done for all businesses and should either be paid for or not paid for by all businesses because he felt they needed to have some consistency.

Member Staudt said the \$500 really concerned him. He said these were all businesses that had been in the community, paid taxes, and that the City had zero issues with, and Council was going to impose on them a ten fold increase this year for an arbitrary reason. He said he would consider this if the renewal rate for this year could be reduced to some reasonable number, not taking into consideration the fact that it probably cost the City \$510, but they had gone beyond that already. He said they had already decided that perhaps that inspection process was excessive or that Council was willing to subsidize it in future years. Member Staudt said he would support it, for example if it was \$100, \$200, \$500, as he wasn't sure why they wanted to go \$500, \$100, \$100 at this point. He said he would consider a lower renewal for this first year and then subsequently have some other renewal number. He said, personally, he would like to see \$100 or \$150 renewal across the board. He felt uncomfortable with the \$500 as these were businesses, residents, and taxpayers and he was not happy with a ten fold increase. He thought it was an oversight that should be remedied right now. Member Staudt said if they could come up with a fee that was more reflective of not a full \$510 for this first year, he would support that.

Member Crawford said she couldn't support the motion on the floor, but did like what Member Mutch said and much of what Member Staudt had to say. She agreed with a reduction in the renewal fee, but didn't know if they would ever all agree on the magic number. She thought the renewal fee was something that everyone seemed to agree could be reduced, and she suggested they look at the inspection fee for the renewal and look at whether the inspection for the renewal needed to be the same as the first inspection. Member Crawford stated she wanted to keep the Police inspection but didn't know about the building inspection.

Mayor Pro Tem Capello suggested that he withdraw the motion and send both the inspections and the fees to the Ordinance Review Committee.

**CM-08-02-026 Moved by Capello, seconded by Landry; CARRIED UNANIMOUSLY:
To approve sending both the issue of inspections and fees related to
massage business and massage therapists to the Ordinance Review
Committee.**

DISCUSSION

Member Mutch stated he would support the motion with an understanding that the majority consensus of Council was to look at a reduction in fees, and he would expect that what came back from Ordinance Review would reflect that, at least in terms of the renewal.

Mayor Landry asked if there was consensus to send this to Ordinance Review, and there was consensus of Council.

Voice vote

2. Green Building Standards for Residential Homes and Development - Member Mutch

Member Mutch said last year when they discussed and adopted Green Building Standards for the City, those standards applied to non-residential development, so they applied to commercial, office and industrial developments. He commented that at the time of the

discussion of those standards, they specifically did not include single family residential development because there wasn't an existing standard they could look to that made sense for the community. He said he recently attended a presentation at Oakland County by a developer in Troy who was following a program called the Green Built Michigan Program. He said this was a program sponsored by the Michigan Association of Home Builders and was the association umbrella organization for residential developers in Michigan. Member Mutch said they had put together this program specifically for Michigan but it relied on national guidelines created by the National Association of Home Builders. He said the benefit he saw for the City looking at adopting these as voluntary standards was that it would provide a goal for residential home builders to shoot for when they did residential development. The other benefit of utilizing the Home Builders Association guidelines was they would know that it had been reviewed and adopted by people who build homes in Michigan. Member Mutch said there was a benefit there that Council would not have to worry whether the guidelines were impractical or standards they wouldn't be able to meet. He said the intent would be to have a voluntary standard and that would allow Council to look at the ordinances to see if there were areas in the ordinances where they could make changes to help the residential developers achieve these standards, if they chose to pursue them. Member Mutch asked for Council's direction to ask Administration to look at those standards to see if they would be appropriate standards for single family residential development. He asked that they recognize it was an area that had not been covered with green building standards and had been a Council goal to put standards in place for the development community to follow.

Member Crawford said she appreciated Member Mutch's enthusiasm for anything to do with improving the environment. However, she had some concerns about Council requesting staff to research, especially when there were difficulties having enough staff as it was. She said she had a problem with Council dictating to staff and felt as though the staff was looking at all of the ways they could improve the green standards, and knew they had done this for commercial building. However, she said she couldn't support direction to ask staff, and this was a time when they didn't need to impede development in any way or dampen residential development. Member Crawford said she didn't believe in increased regulation and felt as though dictating that to staff would be a mistake.

Mayor Pro Tem Capello said he couldn't have said it better himself. He said he understood these were things they needed to look at but thought it was more on a personal level. He said he would rather, when staff was ready, that they come to Council. He was very concerned about over regulating the housing market, and particularly creating any additional costs in the construction of housing when it was in such a slump and a problem in this City. Mayor Pro Tem Capello said if staff came to Council that was one thing, but he didn't want to direct them at this time.

Mayor Landry asked if Member Mutch was anticipating staff coming to Council with potential ordinance changes for incentives or for requirements. Member Mutch said he would expect that this would take the same approach that staff adopted with the LEED Certification, which was that Council would adopt a resolution indicating that these particular standards were the voluntary standard for the City. Then if they found there were areas where the ordinance prevented that, that process was already ongoing for non-residential development. He thought it opened the opportunity up to make it easier for developers to come to Novi and build green without the ordinances impeding it. He said it would be voluntary, and Council didn't adopt incentives for the commercial side, so he wouldn't expect that to be the direction from Council

on the residential side. Mayor Landry asked if they adopted incentives or requirements. Member Mutch said no, not on the LEED Certification. He thought they had discussed that and the recommendation from Administration and direction from Council was that they would be willing to look at adjustments to the ordinance to allow things like low impact development, changing the storm water ordinances to allow more green systems, but there were no incentives offered. Those companies that build to LEED Certification in Novi should get a pat on the back but they weren't getting anything else from the City, and likewise if a developer built to these green building guidelines they should be recognized, but there wouldn't be any kind of reward.

Mayor Landry asked if the City Administration was already looking at these types of standards annually, and were they reviewing what's out there. Mr. Rumble said they were following the ever changing industry and the whole new idea of green from a development standpoint, and his department had been pretty active with that, and now it was getting into the construction side of things. He commented there was a seminar tomorrow at Rock Financial that one of his members would be at, following some of these techniques. He commented they had discussions about how they could encourage, recommend, or point out some of this as the Library project went forward. Mr. Rumble said it was in the forefront of their minds and they understood that potentially there was a long term benefit to that but there was also an upfront cost. So, they were compiling and trying to understand the information as it unfolded, as this was a very new portion of the industry. He said they were following that to the best of their ability.

3. Michigan Natural Resources Trust Fund Grant Applications - Member Mutch

Member Mutch said he brought this item forward for Council direction for staff. He said in the past couple of years the City had been fortunate enough to apply and receive some grant funds from the Michigan Natural Resources Trust Fund for land acquisition and parkland within the City. He commented that this year, as always, the Trust Fund was accepting applications for not only acquisition projects but development projects as well. He said if there had not been a particular project selected by staff to apply for the grant, he would like Council to support encouraging staff to do so. He said the challenge that they run into with the grant applications, particularly for development projects, was that an initial application had to be completed and submitted by April 1st. He said it was a ways off, however, public hearings had to be held at the Parks and Recreation Commission and the City Council before the application was submitted. Member Mutch said last year the trust fund awarded over \$9 million in grants for development projects, and was the only significant State fund resource for funding development projects. In Oakland County in 2007, the County itself, Oakland Township and West Bloomfield together received almost \$1 million in grants through the trust. He said the Council discussed at a Goal Setting Session in January one of the areas they wanted to focus on was trails. He said one of the things they talked about was how with ITC involved with their donation to the City, as well as their willingness to contribute easements, Council should start capitalizing on those opportunities this year. Member Mutch said any development project cost money, so to make an application they had to make a commitment that they wanted to see a development project completed and that Council was willing to fund it. He said he included the cost in the memo. He said he didn't come with a particular project but did include in the Council packet a suggestion based on what he knew about the trust fund requirements. However, he was looking for staff to find the project that made the most sense and make an application by April 1st. Member Mutch said the timeline on this was fairly long so they

wouldn't see a budget impact until 2009 at the earliest. He thought they would really be losing out on an opportunity if they didn't at least look to see if there was a potential project, because no one else was handing out \$9 million a year to local communities to fund projects. He said if they applied, he thought Novi, with its experience and resources to bring to these projects had a decent chance of getting funded. As a Council member he said he was looking for verification that this would happen, and that when the Trust Fund Board handed out \$9 million in December that they had made an effort to leverage their local funds and the ITC donation to bring forward park improvements that would benefit residents of our community.

Member Crawford believed that Council goals gave staff some direction, and having been a staff member who applied for staff, she commented there were a number of grants that came to the City on a regular basis and staff needed to decide what grants they feel they would have the best luck with. She agreed wholeheartedly with applying for grants but still felt uncomfortable, as a Council, giving direction to staff as to which grants to apply for and what should be a priority. Member Crawford felt like they had their fingers on the pulse of whatever the grant opportunities were. She said she had talked with Mr. Auler about the grant application process and they had already, as a staff, discussed this particular opportunity and were planning to work on an application. She said she felt very comfortable that they were going to go ahead and knew Council would like them to get grant opportunities whenever possible. She said she trusted they were doing that and didn't feel she should give them direction as to how to do it and how they should prioritize their day.

Member Staudt commented that having been on the Parks Commission for several years, it was always interesting to be encouraged by Council to do anything related to parks. He said they always looked at it as a clear message that they needed to move forward. However, one of his concerns was that they had a tremendous amount of things on their plate right now in Parks Recreation and Forestry, and he wanted to know if they had the available staff time, with the Fuerst Farm and everything else, to put together a thorough grant application.

Mr. Auler responded when this came about the discussions in his department were that they did want to apply for this grant. He said they had not identified what specific project it would be. He said it might be a greenway project, a development project within a park, etc. He said regarding strategy of how to get that work done, they were looking to outsource that project because of the work Mr. Staudt mentioned. He said they had a pretty full agenda but they did want to have an application in because they wanted to pursue as much grant funding as they could. Mr. Auler said they wanted to get proposals from outside sources to prepare the grant application, all the documentation that would go along with that and submit it in time.

Mr. Staudt asked how many grant applications had been submitted in the last five years. Mr. Auler replied his guess would be about 10 to 15. Mr. Staudt said then grant applications were a regular process of the department. He asked if he viewed encouragement from Council through these types of memos, as something that's detrimental to their efforts or did it give him some encouragement as staff to move forward on some of these things. He asked if Mr. Auler was literally reading these requests as something they needed to do, or did he look at them as recommendations. Mr. Auler replied they use City Council goals to guide their direction but as it related to grant funding they pursued grants as much as possible. He said there were some grants that didn't fit with particular goals of the Recreation plan or Council goals and they didn't apply for those. Then there were others that enhanced service or had the potential to bring significant dollars to the table, and they did pursue those. Member Staudt asked if they were

looking for grants right now. They were looking at the Roskelly property as a totally undeveloped, unfunded park that they would have to do something with down the road. He asked if in addition to trails, there were other grant opportunities they were looking at in the next two or three years. Mr. Auler said absolutely, some of the grants were annual projects and large opportunities and some of them were small. He said they had a program going this evening that was funded entirely through a grant program, the Start Smart Program, which was funded through the National Youth Sports Coaches Association. It taught three to five year olds how to get involved with sports as a fun experience, it was \$500 plus the equipment that they gave them. He said the grant opportunities had become a culture of their department but they couldn't apply for all of them because they didn't have enough time. However, the ones that rate high enough or give enough opportunity for potential return in investment as it related to Council goals, the recreation plan or strategic plan, if they couldn't do it internally, they would outsource it. Member Staudt said he supported applying for grants every year.

Mayor Landry asked Mr. Auler if his department would be coming back to Council with a request for proposal, to go out to bid for someone to write this grant. Mr. Auler replied that they were already in the process to receive some quotes on it. He said the estimates to prepare a grant like this was not a large amount of dollars and could be handled within their budget. He said they were scheduled to talk about it with the Park Commission at the next meeting and would bring it forward to Council to keep the process moving. Mayor Landry said then they would be coming to Council requesting that they take exactly the action that Member Mutch was suggesting. Mr. Auler responded yes, they were going to prepare or outsource the preparation of a grant application but had not yet identified which specific project it would be for.

Member Mutch said that was exactly the acknowledgment from the department that he was looking for, and that was the path they were pursuing. He said not having heard of any specific proposals coming forward he was concerned because of the timeline. Member Mutch said from a Council perspective, Mr. Auler raised a good point that not every grant application was the same; sometimes Council would have to put some resources behind applications to allow those to be completed in a timely manner and be competitive. He thought these discussions were healthy but understood Member Crawford's point that they didn't want to be micro-managing the department. He knew when Mr. Auler saw memos from him that they were recommendations and suggestions and that was why they came to Council for direction and input. He thought the discussions were useful because if Mr. Auler needed those resources, it would be a commitment the Council would have to make. Member Mutch said he would expect and hope that when it came forward Council would support the application, because he thought not only with the trust fund grants, but the range of grants Mr. Auler's department applied for that Council had done a good job with them.

AUDIENCE COMMENTS - None

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 8:31 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: February 25, 2008