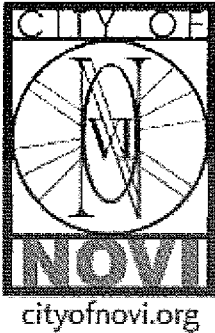


# MEMORANDUM



TO: Members of the Planning Commission

FROM: Barbara McBeth, *Barb* AICP, Community Development  
Mark Spencer, AICP, Planner *Mark*

SUBJECT: Response to April 21, 2010 letter regarding Master Plan  
Review of Special Planning Project Area 1

DATE: April 23, 2010

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This memo is sent to respond to some issues raised in the April 21, 2010 letter from Matthew Quinn, attorney for Novi Ten Associates, regarding Amendments to the Master Plan relating to Special Planning Project Area 1 (south of Ten Mile Road and east of Novi Road). This property was identified in the 2004 Master Plan for Land Use and in the 2008 Master Plan for Land Use as an area requiring further study. As a part of the work undertaken by staff and the Planning Commission for the current update, Special Planning Project Area 1 was studied and discussed in detail to determine the Planning Commission's vision for future land uses for this area.

There was extensive discussion by the Master Plan and Zoning Committee over several meetings related to this study area. The Committee reviewed historic plans and documents as well as current studies prepared to analyze retail uses and office/industrial uses planned and existing throughout the community. The Committee engaged land owners in discussion and reviewed feedback from community members about recommended land uses in this area.

Two land use alternatives and displays for Special Planning Project Area 1 were prepared based on comments from the Committee and the city's administrative staff:

- Alternative One proposed the area be split between office and light industrial uses (basically extending the line of the current Master Plan designation and matching the current zoning).
- Alternative Two proposed designating the study area for community commercial uses, which would include supermarkets and restaurants, but not drive-through restaurants.

The two land use alternatives were presented to the Master Plan and Zoning Committee, as well as the Planning Commission as a whole. Both bodies agreed these alternatives were acceptable for discussion purposes at events such as Fall for Novi, the Master Plan Open House and for display in the city hall atrium for viewing. At each opportunity, a questionnaire was supplied to solicit feedback from interested community members. Additionally, the alternatives were posted on the city's webpage, along with questionnaires to solicit comment.

At the December 16, 2009 Master Plan and Zoning Committee meeting, the Committee discussed the two alternatives, reviewed detailed plans, maps and studies, and engaged in a dialogue with the property owner regarding potential future uses of the property. The Committee reviewed a letter from the City's Economic Development Director which supported office and industrial land uses on the property instead of retail uses, noting in this present economy, he believes existing commercial property owners will suffer from additional tenant losses (with the additional land available for commercial use) and may not be able to make improvements to the many older shopping centers we have in the city. The Committee reached a consensus to recommend Alternative One to the Planning Commission as whole - the alternative that the area be planned for office and light industrial uses.

There had been an earlier recommendation from the Committee in March, 2009, in support of the suggested retail uses of the property, but that recommendation came before all of the public and staff input was received. Near the end of the Committee's review process, the Committee made a determination to look at each study area, one at a time, to make a final recommendation based on all of the submitted studies, public input, documents and the rezoning/PRO concept plans that had been submitted for several study areas.

At the March 24, 2010 meeting, the Planning Commission reviewed the Master Plan Review documents, during which the study area was again highlighted for discussion purposes. The Master Plan Review documents were approved by the Planning Commission at this meeting.

Some key information related the Committee's study and the final recommendations for Community Office future land uses on the west side of the study area and Industrial, Research Development and Technology future land uses on the east side of the study area are repeated here, for convenience:

- Adequate land is zoned or planned to meet retail floor space demand in Novi through 2018.
- Retail center vacancy rates of nearly 10% (measured at the end of 2008) indicate there is currently an oversupply of retail floor space available in Novi.
- Novi could exhaust its supply of land planned for office or industrial uses by 2028, with the possibility of sooner depletion if the city secures a few big office or industrial developments in the coming years.
- Multiple family residential uses are not compatible with the adjacent industrial or retail uses.
- The City's previously stated concerns to be careful about an allowing an oversupply of retail property and concerns about current high retail vacancy rates.

The final recommendation for Special Planning Project Area 1 as presented in the Master Plan Amendment for consideration at the April 28, 2010 Planning Commission meeting is as follows:

*Designating the western portion of Special Planning Project Area 1 Study Area for Community Office future land uses and designating the eastern portion for Industrial, Research Development and Technology future land uses to provide additional land available for office and industrial uses similar to those located in the neighborhood.*

This recommendation, along with the other recommendations in the Amendment documents, reflect the City's desire to provide a set of sustainable future land uses for each of the three study areas that promote the development, enhance the character of the City, and protect the environment and neighboring properties. Additionally, as a major part of the Committee's work, the amendments seek to enhance the office and industrial land use definitions to make these areas more attractive to developers.

With regard to Mr. Quinn's comment, "I guess the City staff believes that the residents in southeast and south central Novi should not be able to shop within the City of Novi for their groceries", staff offers the following comments. The retail study provided was intended to provide guidance on the available land zoned or planned for various types of commercial uses, and to indicate the retail vacancy rate at a point in time.

Staff notes that Novi is home to a variety of stores offering general and specialty groceries in a variety of retail settings (Kroger, Busch's, Target, Sam's Club, Better Health, One World Market, and a variety of specialty Asian and other markets). Some grocery stores in Novi have opened

and were successful for a time and then closed and re-opened under another name (Vic's/Better Health and Farmer Jack/Busch's). Other specialty grocery stores and retail stores that sell groceries as part of their product line have spoken with city staff about locating in Novi, noting that there is space available in existing retail centers or as a redevelopment possibility.

At next week's Planning Commission meeting, a public hearing is scheduled to receive further public comments prior to the Planning Commission's review and possible approval of the amendment documents. The Planning Commission may approve the Master Plan Amendment documents as presented, or determine whether changes to the documents are needed.

Please feel free to contact the department if there are any questions about this matter.

LAW OFFICES  
**GABE, QUINN & SEYMOUR**  
1026 WEST ELEVEN MILE ROAD -- ROYAL OAK -- MICHIGAN 48067-2451

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NOVI OFFICE  
26200 TOWN CENTER DRIVE  
SUITE 145  
NOVI, MICHIGAN 48375  
TELEPHONE (248) 349-8050

REPLY TO ROYAL OAK OFFICE

OF COUNSEL:  
CHARLES Y. COOPER  
ARNOLD J. SHIFMAN

April 21, 2010

City of Novi Planning Commission  
45175 West Ten Mile Road  
Novi, MI 48375

RE: Amendments to Master Plan  
Special Planning Project Area 1

Dear Members of the City of Novi Planning Commission:

Novi Ten Associates LLC and its principal partner, Dan Weiss, have lived in this area, continuously done business in Novi and have owned the area in discussion (Exhibit A) for approximately forty years. They are not newcomers to Novi. They have paid their taxes for about forty years. Dan Weiss has shown his generous nature by previously donating 18 acres of prime real estate to the City for the Novi Ice Arena and also the land surrounding the ice arena so that it could be used as a park for the benefit of the children of Novi. This donation had a value in excess of \$3 million. Later, at the City's request in 2001, Mr. Weiss modified the charitable use limitations on the donated property so that the City could allow the installation of a cellular tower and the resultant income could then be used to decrease the Novi Ice Arena debt and later to be used for ice arena operations and other on site recreational uses for the children. As a result of these charitable acts, Mr. Weiss was awarded a letter of condemnation from Mayor Richard Clark in January of 2000. The City is now, once again, coming back to Mr. Weiss to ask him to consent to an expansion of the cellular tower use. I recite this history because it demonstrates that Mr. Weiss is not the typical developer. He has shown a vested interest in the City and he desires to benefit the City.

Mr. Weiss is proposing to bring to the City an approximate \$20 million Commercial/Office project within Special Planning Project Area 1. The original PRO was submitted of July of 2004 under Site Plan No. 04-41. The resubmission in August of 2009 has been assigned Site Plan No. 09-26. After receiving the City staff comments, the PRO re-submittal was completed on March 29, 2010. The project is awaiting new comments from the City staff and consultants.

As you can see, this is not a new project. It was first submitted in 2004 but had been actively worked on since the 1999 Master Plan designated all of the Ten Mile Road frontage between Novi Road easterly to the railroad tracks with a Commercial designation. (Exhibit B)

The only anticipated difficulty for the approval of this project in front of this honorable Planning Commission is the Planning staff's recommendation for the public hearing. The Planning staff of this body is recommending at the public hearing to be held on April 28, 2010 that Special Study Area 1 be divided with an Office designation on the westerly portion of the property and with a Light Industrial designation on the easterly portion of the property. They have conveniently omitted the Community Commercial designation that would coincide with the pending PRO Rezoning Application. They have erroneously ignored the last decade of prior analysis and progress made by the City itself that

Page two

Community Commercial is the proper designation. The question is why do they want to be so difficult at this time when, since the Master Plan of 1999, Ten Mile Road frontage has been considered for Commercial designation? It is acknowledged that the Special Planning Project Area designation was placed on the 2004 Master Plan. The purpose of that designation was to allow further study on the comprehensive plan between the Commercial portion and the Office portion. In other words, the City staff wanted to see a PRO Application for the entire area. Of course, Mr. Weiss accomplished that goal with his 2004 submission and continues with the resubmission today.

The current PRO further follows the previous City staff recommendations. The square footage proposed to be designated as B-2 has been decreased by 12% to 20.16 acres. The retail square footage of 130,871 square feet is a 24% reduction from the 2004 submission. Overall, the Office and Retail square footage of 148,671 has been decreased by 17% from the 2004 Application. Both Novi Ten Associates and Kroger have together spent hundreds of thousands of dollars in planning for and designing this development. I am once again submitting to you the letter from Rick Ragsdale of the Kroger Co. of Michigan dated March 24, 2010 (Exhibit C) which states that they are ready to begin construction of this project. I am also attaching a letter from Landmark Commercial Real Estate Services, Inc. dated November 5, 2009 (Exhibit D) which states that while there are many big box vacancies available in the regional centers in Novi, there is still a need for local type shops at a well located supermarket anchored neighborhood center. This project is ready to go and does not deserve to be delayed by a possible conflict with a new Master Plan.

It has been well documented in the City's planning documents that Novi needs additional grocery stores. Currently, Novi is served by the Kroger store on Grand River Avenue that was built in the year 2000. It was a prototype store at that time with 54,000 square feet. The only other grocery store in Novi is the old Farmer Jack/Busch store. This was built in 1970 and is undersized at only 30,000 square feet. When one mentions at a planning conference or other municipal conferences that a City, like Novi, that has approximately 54,000 residents, is only served by 84,000 square feet of grocery store, the response is merely a laugh and a "what happened to Novi?" I guess the City staff believes that the residents in southeast and south central Novi should not be able to shop within the City of Novi for their groceries. They should suffer the inconvenience of traveling out of the City and going to the Meijer store at Eight Mile and Haggerty or the undersized and expensive Hillers store in downtown Northville (30,000 square feet). The proposed Kroger store of 64,000 square feet with competitive prices meets the needs of this portion of the City's residents.

To justify leaving this property as Office and Industrial uses, the Planning staff reports at page 53 of the Appendices to the Master Plan Amendments, dated February 26, 2010, states that **"area available for office and industrial uses may be a 19 to 48 year supply"**. Query: as the subject property has been zoned light industrial from 1969 to 1999 without it being used for that purpose, why does the City staff believe that since we have already a 19 to 48 year supply of office and industrial Master Plan uses that somehow this property will ever be used for an industrial purpose? In other words, it will merely sit **vacant** and the City will receive **no tax base** benefit whatsoever. Mr. Weiss is presenting a current project with current construction availability by an owner/user that will benefit this City!

The documentation within the aforementioned Appendices states that regional commercial centers take up ½ of the land area and 2/3 of the floor area for all commercial centers in Novi. By comparison, at page 5, for a minor comparison community business center, of 10 to 20 acres and 100,000 to 200,000 square feet, which Mr. Weiss is proposing, there is only 6.2% of the commercial land area that is being used and only 8.3% of all commercial floor area. With this need for additional minor comparison community business centers, Mr. Weiss will bring a development that provides lower density than what could be built, improve landscaping aesthetics and other public benefits for the City which has incorporated the proposals of the City subcommittees and staff.

The staff states at page 21 of the Appendices: **“without an adequate supply of land for retail space, some retail services that the public wants may not be provided and, if not provided, the public will need to travel outside of the local community to get these services.”** It is interesting that nowhere within the Appendices, including the Retail Center Reports does the staff ever mention a grocery store. They merely lump all retail uses together and conclude that we currently have enough supply but we will definitely need more by the year 2018 as the population increases. **They merely conclude that this property should remain industrial even though we have up to a 48 year unused, oversupply of industrial property destined to remain vacant.**

It should be noted that the Retail Vacancy Rate Review, which begins on page 43, and drafted by the staff, specifically is limited by the authors comment which states: “since many factors affect the success of retail centers, the retail center vacancy rates depicted in this review should be **viewed for general consideration only.**” That limiting statement is there because only 58% of property managers responded and the balance of the retail centers were estimated by staff! And again, lumping together all commercial centers blatantly disregards the huge differences between a power center, a regional center and a local center. This does the City a great disservice and ignores the fundamental differences noted in sound urban planning as well as Novi’s own zoning regulations and prior analysis.

I also ask you to please direct your attention to Exhibit E. This Alternative 3 for the Master Plan designation to Office and Local Commercial. This comes from page 64 of the Appendices. In order to meet the requirements of the property owner and the project, the following motion could be made:

“I make a motion to adopt Alternative 3: Master Plan designation to Office and Local Commercial, for Special Planning Project Area 1 so that the frontage along Ten Mile Road, as described in Alternative 3, is designated as Local Commercial.”

With the adoption of this motion and with the Ten Mile frontage being designated as Planned Local Commercial, there will not be any conflicts posed when the PRO comes to the Planning Commission for approval and recommendation to the City Council.

Thank you for your cooperation and consideration in this matter.

Very truly yours,

GABE, QUINN & SEYMOUR



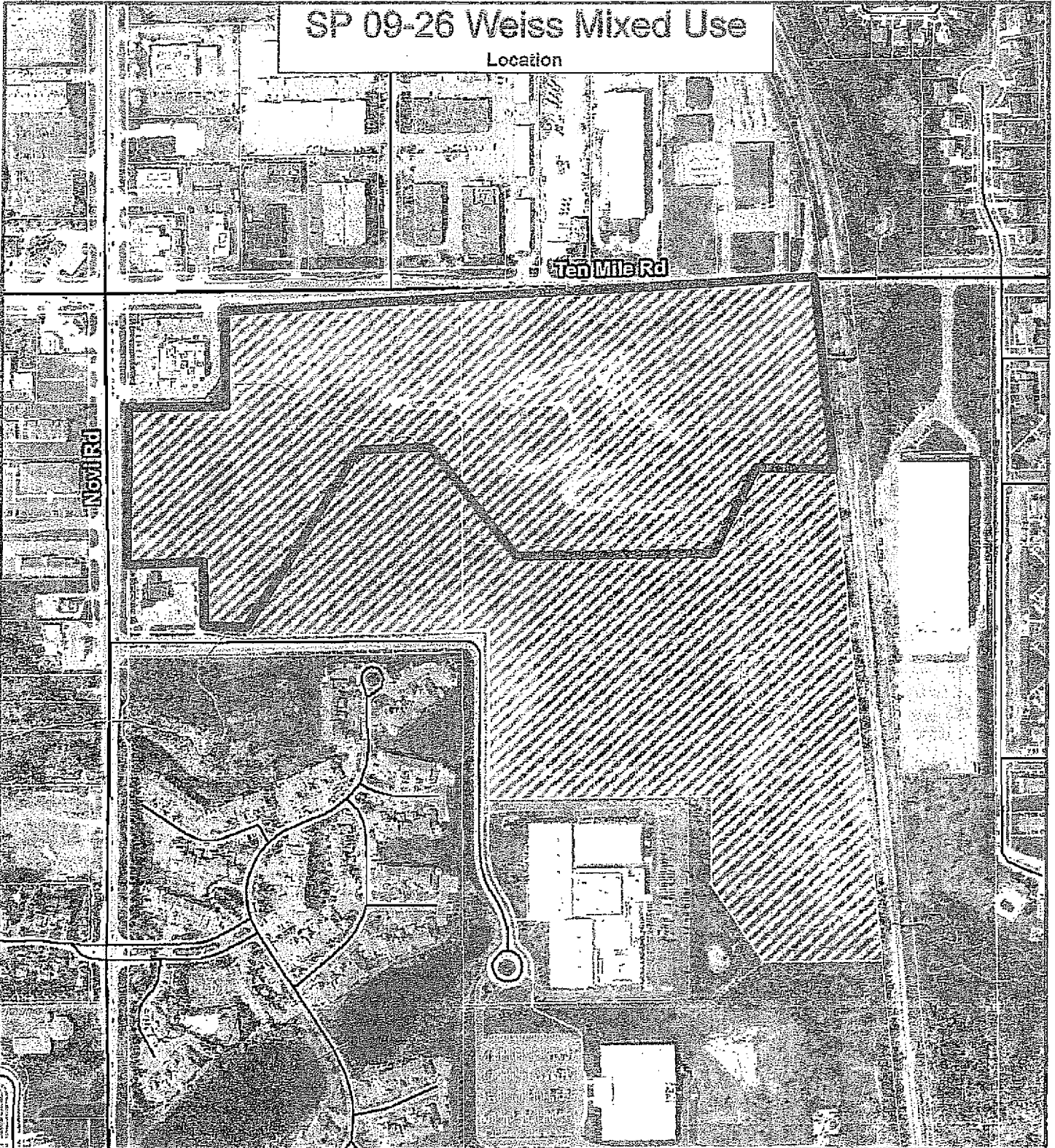
Matthew C. Quinn  
Attorney for Novi Ten Associates, LLC

MCQ/kw  
Enc.

EXHIBIT A

SP 09-26 Weiss Mixed Use


Location



Map Author: Kristen Kapelanski  
 Date: 11/23/09  
 Project: SP 09-26 Weiss Mixed Use  
 Version #: 1.0

Map Legend

Subject Properties

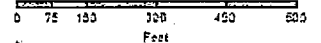
 Proposed Area of PRO

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate as-were available to the public of the City of Novi. Boundary measurements and site particulars are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 137 of 1976 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



City of Novi  
 Department Division  
 Department Name  
 45175 W Ten Mile Rd  
 Novi, MI 48375  
 cityofnovi.org



1 inch = 300 feet

— Appendix E Special Planning Project Area 1 Study Area —

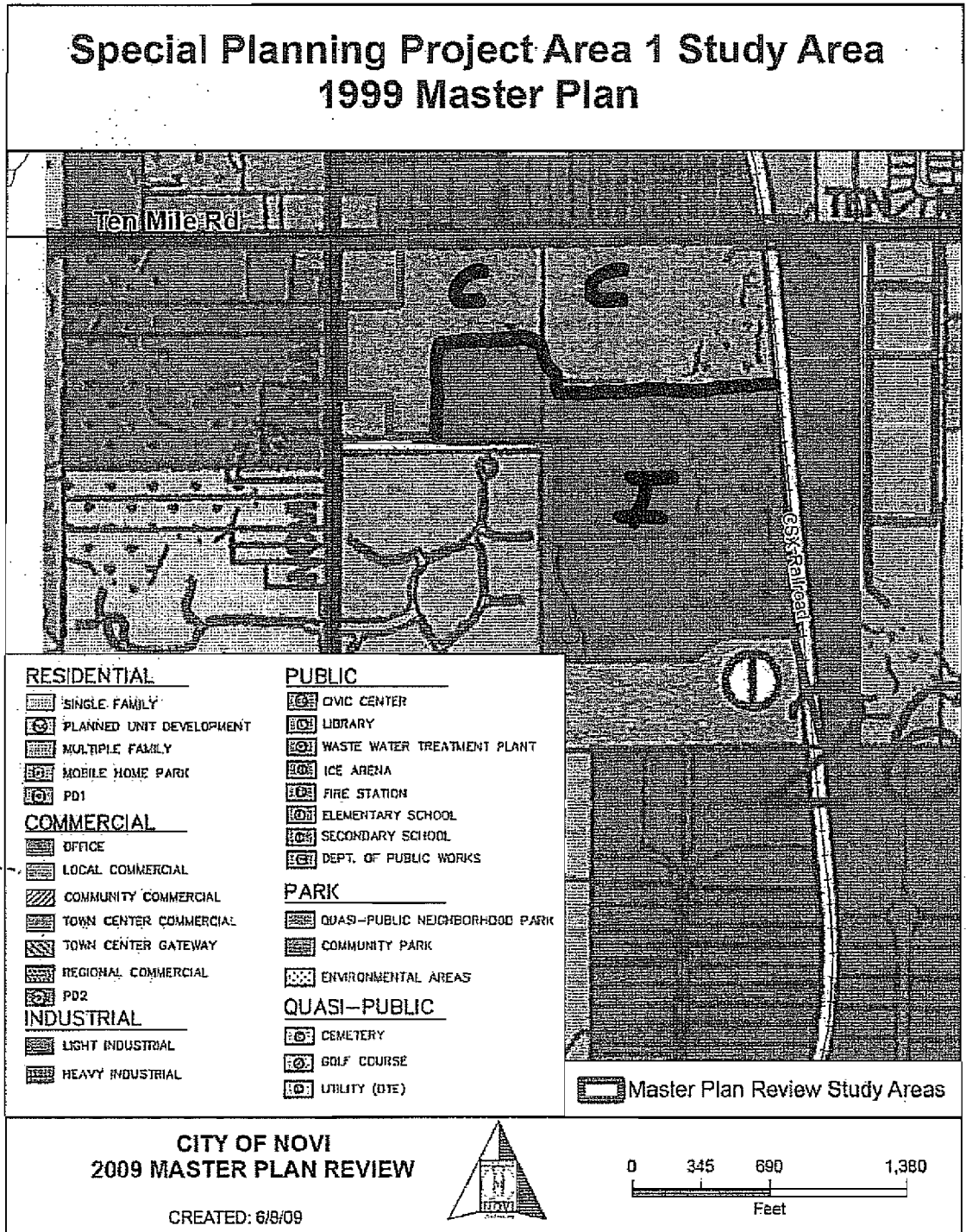




EXHIBIT C



The Kroger Co. of Michigan

39810 GRAND RIVER AVENUE - SUITE C-150 - NOVI, MICHIGAN 48375

March 24, 2010

City of Novi  
45175 W. Ten Mile Road  
Novi, Michigan 48375

Re: Proposed Kroger Store  
Southeast corner of Ten Mile and Novi Roads  
Novi, Michigan

Dear Sir or Madam:

The Kroger Company looks forward to having its second Full Service grocery store located in the City of Novi. The Kroger Company has been working with Novi Ten Associates for a number of years to develop a retail site along the frontage of Ten Mile Road east of Novi Road. This has included preliminary engineered design drawings as well as extensive interior fixture plans of a state of the art Kroger store. We are now under contract for the purchase and development of this site with Novi Ten Associates. With our having received preliminary approvals from various City of Novi subcommittees for this particular project we are only waiting final approvals from the City before we begin construction. Please note that market studies by the City and our own market research have repeatedly shown a need for an additional Neighborhood type Commercial such as this project. This fact was also specifically recognized in the many prior Master Plans for this location. Clearly, it is the ideal location for a new full service grocery store. It is where our company wants to be. I believe that the area residents in Novi look forward to the day we can open. We are anxious to commence construction as soon as possible so that the new store can be completed and open here.

We look forward to working with the City and Novi Ten Associates to making this project a reality.

Sincerely,

Rick Ragsdale  
Senior Real Estate Manager  
The Kroger Co. of Michigan

EXHIBIT D

**LANDMARK**  
COMMERCIAL & REAL ESTATE SERVICES



November 5, 2009

Mr. Dan Weiss  
Novi 10 Associates  
Renaissance Center  
Detroit, MI 48224

RE: Proposed Retail Center  
10 Mile Rd & Novi Rd  
Novi, Michigan

Dear Mr. Weiss:

It was a pleasure speaking to you about your proposed development at 10 Mile Rd and Novi Rd in Novi, MI. Our company represents approximately 50 national and local retailers who are looking for locations in the Michigan market. I have attached a copy of those retailers we currently represent.

While there are many big box vacancies available in the regional centers in Novi at I-96 and Novi Rd, there still is a need for shop space at a well located supermarket anchored neighborhood centers. While big box vacancies are plentiful in the Novi market, there are still the smaller neighborhood and service type retailers opening locations in these centers.

I look forward to talking with you as your proposed project moves forward.

Sincerely,

LANDMARK COMMERCIAL  
REAL ESTATE SERVICES, INC.

Bradley S. Rosenberg  
brosenberg@landmarkcres.com  
(248) 488-2620

BSR:eja

Enclosure

**LANDMARK COMMERCIAL REAL ESTATE SERVICES**

The following tenants are exclusively represented by  
Landmark Commercial Real Estate Services, Inc.



Archiver's



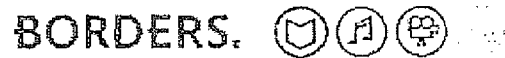
AutoZone

BANANA REPUBLIC  
Banana Republic

Bath & Body Works  
Bath & Body Works



Blockbuster Video



Borders Group, Inc.



Buffalo Wings & Rings  
(Macomb County)



Busch's Market



Casual Male XL



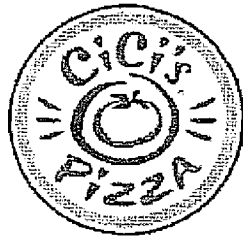
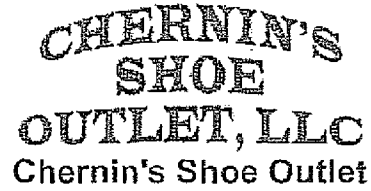
Charter Fitness



Check 'n Go



Cheeburger Cheeburger  
(National Representation)



CiCi's Pizza  
(licensee)



Discount Tire Company, Inc.



**Golfsmith**  
Golfsmith

**Great Clips®**  
Great Clips

**J. ALEXANDER'S**  
J. Alexander's

**JARED**  
The Galleria Of Jewelry  
Jared the Galleria of Jewelry

**Carino's**  
ITALIAN GRILL  
Johnny Carino's

**Justice**  
just for girls!  
Justice

**KAY**  
JEWELERS  
Kay Jewelers

**KOHL'S**  
Kohl's

**Krispy Kreme**  
DONUTS  
Krispy Kreme

**Mattress**  
**World** SUPERSTORE  
Mattress World Superstore

**maurices**  
Maurices

**OLD NAVY**  
Old Navy

**Olga's**  
KITCHEN  
Olga's Kitchen

**OshKosh**  
OshKosh

**PartyCity**

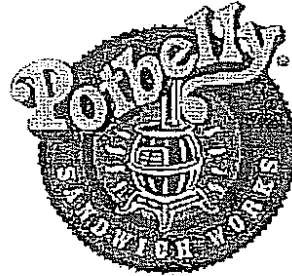
Party City

**PETSMART**

PETsMART

**POPEYES**  
CHICKEN & BISCUITS

Popeyes Chicken & Biscuits  
(franchisee)



Potbelly Sandwich Works

**Quiznos SUB**

WWW...TOASTY!

Quiznos Sub

**ROCHESTER**

Big & Tall

Rochester Big & Tall

rue21

rue21



SHERWIN-WILLIAMS.

Sherwin Williams

**SONIC**

America's  
Drive-In.

Sonic  
(franchisee)

**TARGET**

Target

**the industry source**

The Industry Source

**The Tile Shop**

The Tile Shop

**Tim Hortons**

Tim Hortons  
(Wayne County)

**Tuesday Morning**

Tuesday Morning

**ULTA**  
YOUR BEAUTY DESTINATION  
COSMETICS FRAGRANCE SALON  
**ULTA**

**VICTORIA'S SECRET**  
Victoria's Secret

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EXHIBIT E

— *Appendix E Special Planning Project Area 1 Study Area* —

Alternative 3: Master Plan Designation to Office and Local Commercial

Alternative 3 proposes designating the Study Area for Office and Local Commercial Uses. This would permit a rezoning to B-1 (Local Business District) or B-2 (Community Business District), as was proposed by the applicant in 2004. In this alternative, the Ten Mile Road frontage would be designated for commercial use with the rear of the property and the Novi Road frontage designated for office use. Local commercial uses permitted would include grocery stores, drug stores, personal service businesses (salons, barber shops, repair shops, etc.), banks, hotels, day care centers and instructional centers for dance, art, etc. If a portion of the Study Area were ultimately rezoned to the B-1 or B-2 District with the balance of the property remaining OS-1, a development of approximately 75,000 sq. ft. of office space and 125,000 sq. ft. of commercial space could be constructed. This scenario also leaves a large part of the southern section of the Study Area undeveloped in order to preserve the natural features on site. This office portion of Alternative 3 would complement the office designation on the western side of Novi Road. The commercial portion of Alternative 3 would provide local commercial services for nearby residents. However, it is important to note that a population of at least 10,000 people would be required to support 100,000 sq. ft. of retail space. There are presently some commercial services available on Ten Mile Road, mainly centered around the intersection of Ten Mile Road and Meadowbrook Road, approximately ¾ of a mile east of the Study Area. The properties on the northeastern, northwestern and southeastern corners of the intersection of Ten Mile Road and Novi Road are master planned for local commercial uses. Please see the updated retail analysis that was prepared by the Plan Review Center for more information about retail needs in the community.



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