

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, JANUARY 9, 2017 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 TEN MILE ROAD**

Mayor Gatt called the meeting to order at 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Gatt, Mayor Pro Tem Staudt, Council Members Burke, Casey, Markham, Mutch, Wrobel

ALSO PRESENT: Peter Auger, City Manager
Victor Cardenas, Assistant City Manager
Thomas Schultz, City Attorney

APPROVAL OF AGENDA:

CM 17-01-001 Moved by Wrobel, seconded by Casey; UNANIMOUSLY CARRIED:

To approve the Agenda as presented.

Roll call vote on CM 17-01-001 **Yeas: Staudt, Burke, Casey, Markham, Mutch, Wrobel, Gatt**
Nays: None

PUBLIC HEARING

PRESENTATIONS

1. Recognition of 2016 Employee of the Year – Greg Morris

City Manager, Pete Auger recognized Greg Morris as the 2016 Employee of the Year. He said there were 30 employees nominated this year, which they narrowed down to 12. He said any of the 12 could have won it, but Greg was nominated by 4 different employees, from different departments. City Manager Auger said that Mr. Morris consistently goes above and beyond in what he does. This year he was the leader in obtaining CAPRA Certification, which makes us one of only 4 recreation departments in the State of Michigan with this national accreditation and only one in 115 in the nation. Mr. Morris took this challenge and worked with every department in the city and got us through the process and on our first time applying, we got accredited. Mr. Morris thanked administration and all of the Novi staff. He said it was truly an honor to be on a terrific team. He said it was a great to have 4 different employees, from different departments nominate him. He said he was blessed to be part of a great Parks and Recreation team and he thanked everyone for having him there that evening.

2. 2017 Property Tax Base Projections – Micheal Lohmeier, City Assessor

Mayor Gatt introduced City Assessor, Micheal Lohmeier. Mr. Lohmeier thanked everyone and said he would give a brief presentation on the estimated projections for 2017-2018 and answer any questions. He said the 2017 Property Tax Base Projections

would be helpful in providing staff and City Council with information to assist them in developing the 2017-2018 Budget.

Mr. Lohmeier said the assessment increases for 2017 will be similar to the increases experienced prior to the recent recession. Residential assessments will increase approximately 5% on average, while Commercial and Industrial property assessments will average 8% and 5% respectively. Overall real and personal property assessments should increase almost 6%. He also noted that the true cash value of property in Novi is expected to continue to recover during 2017, although the overall average Inflation Rate Multiplier (IRM) has decreased significantly. He said Novi is expected to benefit from new construction as well as ownership changes. It will be similar to the last couple of years. He estimated that the taxable value may increase around 3% to 4% given the personal property which should remain.

Mr. Lohmeier said that Legislative changes made during 2012 affected the City's tax base beginning in 2014 and continuing in 2016. In 2014, personal property parcels having less than \$40,000 taxable value could apply for exemption. For 2016, the phasing out, or elimination of industrial personal property started. Novi is expected to experience approximately \$6 million taxable value loss.

Mr. Lohmeier said taxable value changes from one year to the next come from three sources whether you're addressing individual properties or Headlee Amendment. The sources include Additions, Losses and the taxable value adjustment. The purpose of Headlee is to measure adjustment. Positive adjustment in excess of IRM will trigger a millage rollback. Negative taxable value adjustment also has two main sources which are personal property depreciation and Michigan Tax Tribunal reductions. These negative adjustments will offset all or part of the positive adjustment from uncappings. The Assessing Department is currently still developing 2017 assessments. Our projections at this point indicated a Headlee rollback of approximately 0.991.

He mentioned the Assessing Department takes professional pride in developing fair and uniform assessments. They handle any appeal with the utmost care. Reductions in the past couple years have been about 15%. In light of the City's recovering economy he didn't anticipate as many cases as the City experienced during the recessionary years, particularly with a lower than average IRM.

He said we came out in very good light with the audit. The audit was based on the 2015 Assessment Roll and said they will audit us every 5 years and we are already in good shape there. Mayor Gatt thanked Mr. Lohmeier for a positive report.

Mayor Pro Tem Staudt wondered what was driving the increase in the loss provision for the Tax Tribunal. Mr. Lohmeier said anytime you take a reduction from the Tribunal that is going to be picked up as a loss of the assessed value which has an effect on the taxable value. If you go in and do either a stipulation, or get a reduction at the Tax Tribunal and rarely do you get an increase in value. Mayor Pro Tem Staudt noted we have been at 10 million the last 2 or 3 years and now we are going up to 15 million. Mr.

Lohmeier agreed and said he thought we still have some challenging properties that are coming into play to get them back to where they should fit in the assessed value and that is something they are looking at in 2017. He said it is getting a lot more challenging on some of those appeals which are the special use properties. Mayor Pro Tem Staudt said most of us were here when we had exciting years, 2010, 2011 and 2012 where we had thousands of cases. He said it looked like we have about 200 cases based on the projection that he saw. Mr. Lohmeier said in the projection of the cases there is a large number; a few of those are a subdivision and they several parcels in there. He said there are not as many docketed cases, but it is a couple of hundred parcels because we do have some tax agents that have appealed subdivisions with 40 or 50 parcels. We have less docketed cases, but we do have a large number of parcels because each one of those parcels represents a parcel count.

Member Mutch thanked Mr. Lohmeier for his presentation. He wanted to make sure he was clear on the numbers in the presentation. He said with the Headlee millage roll-back calculation, we can expect based on the numbers, all of our millage's that are capped out are going to see some kind of roll-back this year. Mr. Lohmeier said yes, if his estimates are close then he would say yes there would be a millage reduction based on that. Member Mutch wondered if personal property continues to decline if he expects that to become any larger. Mr. Lohmeier said if we continue to see assessed value increases in the real property to a traditional way we could have a compounding effect on the Headlee multiplier being reduced. The depreciation of personal property has offset some of our assessed value increases on real property. Member Mutch wanted to clarify what the Headlee calculations were on the addition side, and what are the things that are being factored into it. Mr. Lohmeier confirmed it was new construction, anytime properties are renovated, there is a small loss to the roll where they may take flooring, walls or electrical and the new which is a depreciated amount. You may have a \$20,000 loss, but may have a \$50,000 increase in new. Even though they have replacement items, the new will offset the losses. Member Mutch said that it was good to see the City continue to move forward in a positive direction with tax base growth and said we will have to deal with the Headlee roll-back as that impact the budget.

3. Upgrades to Lakeshore Park – NSA Architects, Engineers, Planners

City Manager, Pete Auger introduced Roy Baker, President of Design Services for NSA Architects, Engineers, and Planners. Mr. Baker thanked everyone for having him there to give a brief overview of Lakeshore Park. He went over the existing site plan and said with the updated design they wanted to be respectful of neighbors and they relocated the volleyball courts to the south end which is a more active use and is further away from the neighbors. The playground will remain on the south end. He said they have 3 zones of use to spread people out and get good usage of the park. He said there is a north zone, central zone and south zone. In the south zone, near the volleyball and soccer area they are thinking about expanding the rest rooms and a maintenance garage for the normal maintenance that is in that area. He said they have an open green area, which will be multi-purpose park area. He said the center zone will have

an area of storm water control and a pavilion adjacent to that. He said that will be a passive recreation area. He said on either side there will be a picnic area. The new Lakeshore Park building will be located to take advantage of the views of the lake. He said there will be terrace patios for passive use for the community. There will be a little extra parking next to that building and it will also be serving two precincts for voting. He said they have decentralized the parking in general. They are saving trees and will be planting more trees. Pedestrian movement will include sidewalks connecting the site so no matter what age you are you will not have to walk down the middle of the road. The Lakeshore Park building has water views, outdoor patios, and small, medium and large multi-purpose rooms.

Mayor Gatt thanked Mr. Baker and said he has been with the City a long time and said Lakeshore Park has always been one of our hidden jewels. He wished more people would take advantage of all of the amenities. Mayor Gatt confirmed with Mr. Baker that they will be removing the old pavilion and replacing it with a slightly larger one. Mr. Baker mentioned there will be an additional smaller pavilion in the center zone.

Mayor Pro Tem Staudt wondered if the pathway was going up to South Lake Drive. Mr. Baker said there was a bikeway along Lakeshore that is showing the concept of connectivity from the site to that bikeway and crosswalks. This is a preliminary plan and they are working out details as far as exact locations of sidewalks. Mr. Baker also noted there is an underpass at Lakeshore for the beach access.

Member Mutch asked Parks, Recreation and Cultural Center Director, Jeff Muck to come down to answer some questions. He wondered if the building was a single story building. Mr. Muck said that is what they are leaning towards. Member Mutch wondered what the front of the building would look like. Mr. Mutch said on the lakeside it would be mainly glass to captivate those views. The multi-purpose rooms would have those nice views also. Member Mutch said in regards to South Lake Drive there had been correspondence from residents about the possibility of that being lowered. He wondered if that was part of this. Mr. Muck replied that it wouldn't. That would be a whole different realm when you are talking roads and engineering. He said they are looking at taking advantage of the topography and utilizing the site where we are situating the new building. He said the original concept plans we came up with before had a different entrance way on the east side of the park. He said hearing from residents and looking at the topography they decided to stay with the existing entryway which made more sense. Member Mutch said he thought the front of the building would be a nice spot for people to sit and get a view of the lake without going to the beach area. He said he didn't see that incorporated into the plans. Mr. Muck said they had some talks about that and that is why they added the patio on the end and also some decking. He also said how they will have external restroom access for beach goers, so that you don't have them coming into the building. Member Mutch wondered how it will impact the residents to the east. Mr. Baker said it was a one story building and that was one of the considerations they looked at. Two stories take up more on the sight, but also cost more with elevators, stairs, etc. Member Mutch wondered if they would be taking down part of the hill in the parking area. Mr. Baker

said a portion of the parking lot will be at grade, and another portion will need a retaining wall. Member Mutch said he did not have any particular concerns from what he saw. He said maybe they should reevaluate the toll booth at the front of the park in which we charge a fee to non-residents to access, but we also have to pay someone to sit in a booth all day. He said we should explore that and maybe that element doesn't need to be there. There is also a lot of use of the mountain bike trails in the back and they ride the lake going down to Pavilion Shore Park and he said he wasn't sure if that mixes well with sidewalks. He said maybe we should dedicate a bike lane that would let those folks go in and out. He thought a lot of people use the mountain bike trails park at the north end. He thought maybe we could accommodate that better, separate from those going to the beach or building. Member Mutch wondered what the timeline would be. Mr. Muck said they are continuing to move forward and the next step is to bring the plan to the Parks Commission in two weeks and also invite some of the local residents so that can provide input on that. Mr. Mutch said after hearing Council's comments they are looking forward to dive into the building design and keep that process moving forward aggressively. He felt they would be looking to get started around spring.

Member Wrobel said he was excited about the changes. He had a few questions regarding the parking lot. He said it looks fairly close to some of the residents on the east side of the park and will that cause a problem with noise from cars. Mr. Muck said their intent is to screen those residents, follow our ordinances and attempt to be cognizant of any of the issues they may have with the parking. He said they will take that into full account. Member Wrobel said the other issue was looking at the location of the main parking lot right now; it seems to be further away from the beach access. He wondered if that would present a problem with people just coming to the beach. He said it seems like they will have to walk further than they do now. Mr. Muck said we may have to increase some parking a little closer up along the driveway behind that the welcome booth is on. He said right now we don't have accessibility or connectivity; we don't have pathways leading from the parking lot, so we will have a more clear and safer pedestrian pathway system even if it might be slightly longer. Member Wrobel questioned whether we know how many non-residents use the park. Mr. Muck said they have data from previous years on the toll required for non-residents vehicle parking. He said his understanding was when those fees were initially established, it was to cover the cost of lifeguarding staff because the booth was only attended from Memorial Day to Labor Day. He said they could get the statistics on how many vehicles enter the park each summer historically. Member Wrobel said he would be interested in seeing that.

Member Markham also questioned the subject of parking. She said they've talked about this building being used for voting, but also weddings and other big events potentially. She wondered if there were enough parking spots near the building. She said she did a rough count and it was around 50 parking spaces and then maybe another 25. She said she would like him to take a look how they are really planning to use the building and how many parking spaces that really needs. Member Markham wondered how many square feet the building will be. Mr. Baker said it was around

9,500 to 10,000 square feet. He noted there was a parking tabulation which shows 118 paved spaces. Mr. Muck said they have been discussing the usage of the building and looking at what we would do if we had a large event or voting. He said the amount of parking in the preliminary plan would cover the appropriate building usage from Planning. She also had a question about the southern pavilion and said it looks smaller than the other pavilion. Mr. Muck said that is the pavilion Council previously approved in a budget and it is replacing the existing tent that they have been using which was 30 feet by 40 feet. The new pavilion that was being proposed is being designed to accommodate the same amount of people that are currently using the large shelter. We host a lot of corporate events, large parties and gatherings under that shelter. Member Markham wondered if that was enough pavilion space for this park. She felt the second pavilion was small. Mr. Muck said they have a third pavilion at the back, near the mountain bike trail. Typically the large pavilion was the one that sells out the most. Historically it has been enough to accommodate what these dimensions are.

Mayor Gatt wondered if there was any thought of building another large pavilion on the property. He said there is a waiting list for the large pavilion. He thought a second large pavilion would be a great use. Mr. Muck said the reason the large pavilion gets so much of its use is due to the proximity to the lake. He said when they've had corporate events, they want that pavilion because it is a short walk to the beach. He said they would have to go back to the drawing board to even consider putting another large pavilion in, which would also include additional parking. Mayor Gatt said he believes the residents of the City would enjoy a second pavilion. He then questioned if the one story building would be enough to handle weddings, and other activities. He said if it is a budget matter then maybe that would be something Council should talk about at the budget sessions coming up. Mr. Muck said when they initially started these discussions they were looking at a two story building. He said it was about half of this size in the original conception plan. Then the conversation started with a library presence and polling locations. So they have been really cognizant when talking about the design of this building and the initial talks that it could accommodate polling locations, we could accommodate that library presence, and they could accommodate all of the park and recreation programs. He said right now he is feeling confident of the size of building, that it would accommodate all of our needs. Mayor Gatt said he gets the feeling that some members of Council might prefer a larger building. Before they sign any papers to move forward it should be discussed at the Council table. Mr. Muck said he would be more than happy to talk to them about a larger building.

Mayor Pro Tem Staudt said today was the first time that he has heard this was going to be a one story building. He said he didn't think people would see the lake from a one story building with the proximity to the lake. He thought the point of having it be a two story building was that you would be able to get a view from the lake. He said he was under the impression that we would have a two story building so that we could get a view of the lake. He also wondered how you can see the lake from the patio area. He said these are a lot of good questions. He said it was discussed whether to spend money on elaborate parking or the building. He said they are spending a lot of money

on stuff that ultimately will make it look pretty, but the building is what their focus was when we went out for this CIP millage. If they are going to build a one story building, it should be a larger building with more parking. He said they have a lot of questions and it goes back to spending a huge amount of money on green spaces and reconfiguring parking lots, putting in retaining walls and ultimately they are worried about usage. They want maximum usage. He rented the pavilion about 8 times in the last 10 years and no one has ever used the beach. The proximity to the parking lot is why they wanted it. He said there needs to be some deep discussions that need to go into this yet.

Member Mutch said he heard some of the concerns, just looking at what is proposed. He said with the pavilion space, some of that would be met with the new building. Having that will add a large rentable space that we do not have currently. He said the caution that he would share is that the amount of space between the residential areas is not a huge space. If you expand the building, you have to expand the parking, and what you are trying to do is not encroach on the residential to the east and west. The question would be how do we fit this in and not get too big where it becomes a nuisance or people view it as no longer being an amenity to the area. Member Mutch asked if the current elevation would allow what Member Staudt was seeking. Mr. Muck said there are a few large multi-purpose areas. The prime objective is the water view. He said there can be a lot of glass on this elevation where you don't have to worry about the sun coming in, being on the north side. He said they are looking at taller than normal windows on the north side of the building overlooking the lake, with 3 raised patio areas. The building will be above grade a little bit so we can have a water view. Member Mutch said part of the challenge is that we get these plans and they look so nice, but we don't necessarily know how this will fit in the whole context of the current site. He said it may be helpful for some members to see that. He agreed the goal would be a high quality building that provides a view of the lake, a variety of functions that we've talked about at the park. If Council wants to go bigger to accommodate more of those functions he is not opposed to that. He said they have to be careful to realize how much space we really have to work with there.

Mayor Gatt thanked everyone and said they have done great work. He said he hoped that they would have expected some feedback. This is the first time they are seeing it. It is a lot of money and they want to make it right. He said there is a lot of talk about sitting there looking over the lake. We have built another park just down the road where you can really sit and overlook the lake. He said at Lakeshore, you have to look over a road and a fence to keep people away from the road. No matter what we do there, you will not be able to sit and overlook the lake and enjoy the water. He felt people come up to Lakeshore Park to enjoy the beach, or enjoy the amenities the park offered, rather than sitting there to enjoy the lake view. He said that was not the most important part of this park. We need to get it right so that people who rent it can enjoy a top class building and enjoy it for 50 years.

1. MANAGER/STAFF - None

2. ATTORNEY - None

AUDIENCE COMMENT – None

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 17-01-002 Moved by Burke, seconded by Mutch; UNANIMOUSLY CARRIED:

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 - 1. December 19, 2016 – Regular meeting
- B. Approval to purchase two (2) 2017 Ford Fusions from Gorno Ford in the amount of \$33,490 using the State of Michigan MiDeal cooperative purchasing contract.
- C. Reconsideration of votes for Zoning Board of Appeals members.
- D. Approval of the final one-year renewal option for prosecutorial legal services pursuant to agreement with Baker & Elowsky, PLLC through December 31, 2017.
- E. Approval to award civil engineering services to Spalding DeDecker Associates to proceed with preparation of plans, specifications and cost estimate for the pavement repair/rehabilitation Special Assessment District (SAD) within the Vistas of Novi Planned Unit Development for a fee of \$7,500 and amend the budget to reflect this new project.
- F. Acceptance of a sidewalk easement from Pinnacle-Novı 12, LLC, as part of the Andelina Ridge Phase 1 development located south of Twelve Mile Road and east of Napier Road (Parcel 22-18-100-007).
- G. Acceptance of a warranty deed from Pinnacle-12 Novi, LLC for the dedication of 10 additional feet of proposed right-of-way for a total of 43 foot half-width master planned right-of-way along the south side of Twelve Mile Road east of Napier Road as part of the Andelina Ridge Phase 1 subdivision development.
- H. Acceptance of a warranty deed from Grand Promenade, LLC for the dedication of 10 additional feet of right-of-way along the south side of Grand River Avenue east of 12 Mile Road for a total 60 foot master planned right-of-way half width as part of the Grand Promenade commercial development; and approval to execute a Quit Claim Deed conveying the dedicated Grand River Avenue right-of-way to the Road Commission for Oakland County.
- I. Acceptance of a sidewalk easement from Beck Ten Land, LLC, as part of the Valencia Estates development located north of Ten Mile Road and west of Beck Road (Parcels 22-20-402-042, 22-20-402-041, and 22-20-402-039).

- J. Acceptance of a warranty deed from Beck Ten Land, LLC for the dedication of a 60 foot master planned right-of-way half width along the north side of Ten Mile Road west of Beck Road as part of the Valencia Estates subdivision development; and approval to execute a Quit Claim Deed conveying the dedicated Ten Mile Road right-of-way to the Road Commission for Oakland County.
- K. Approval of resolution recognizing Celani Family Foundation as a nonprofit organization operating in the City of Novi for the purpose of obtaining a charitable gaming license from the State of Michigan.
- L. Approval of Claims and Accounts – Warrant No. 979

Roll call vote on CM 17-01-002

Yeas: Burke, Casey, Markham, Mutch, Wrobel,
Gatt, Staudt
Nays: None

MATTERS FOR COUNCIL ACTION

- 1. Approval of Zoning Ordinance Text Amendment 18.277 to amend the City of Novi Zoning Ordinance at Section 3.1.25 Town Center District, Special Land Uses, and Article IV, Use Standards, Section 4.40 Restaurants in the Character of a Fast Food Carryout, Drive-In, Fast Food Drive-Through, or Fast Food Sit-Down, specifically for the TC and TC-1 Town Center Districts, in order to permit Drive-Through Restaurants in the TC Town Center District. **First Reading**

CM 17-01-003 Moved by Wrobel, seconded by Casey; **UNANIMOUSLY CARRIED:**

To approve the Zoning Ordinance Text Amendment 18.277 to amend the City of Novi Zoning Ordinance at Section 3.1.25 Town Center District, Special Land Uses, and Article IV, Use Standards, Section 4.40 Restaurants in the Character of a Fast Food Carryout, Drive-In, Fast Food Drive-Through, or Fast Food Sit-Down, specifically for the TC and TC-1 Town Center Districts, in order to permit Drive-Through Restaurants in the TC Town Center District. FIRST READING

Member Mutch asked what particular use was going in at this location. Towne Center Manager, Jim Clear said it was for their building #2 that currently houses the Potbelly Restaurant. He said it will probably be a coffee use.

Roll call vote on CM 17-01-003

**Yeas: Casey, Markham, Mutch, Wrobel, Gatt,
Staudt, Burke**

Nays: None

2. Approval of Zoning Ordinance Text Amendment 18.279 to amend the City of Novi Zoning Ordinance in order to modify the TC, Town Center and TC-1, Town Center-1 Districts to better accommodate mixed-use and residential developments in the Main Street area. **First Reading**

CM 17-01-004 Moved by Mutch, seconded by Casey; UNANIMOUSLY CARRIED:

To approve the Zoning Ordinance Text Amendment 18.279 to amend the City of Novi Zoning Ordinance in order to modify the TC, Town Center and TC-1, Town Center-1 Districts to better accommodate mixed-use and residential developments in the Main Street area. FIRST READING

Member Mutch said he wanted to make a comment about the one provision that dealt with the number of rooms permitted in the residential district. He personally didn't feel the need for that provision, or keep it in the ordinance. He said we have to try to encourage more residential development in the Town Center District. He said we already control heights, and set backs, which effectively control how many units you can put in a particular area. He said obviously that is going to be driven by market demands. He said from his perspective it is just one more requirement in the ordinance that we could do without. He knows staff will probably not jump right on that idea, but before first and second reading at least explore the idea. He felt if we could encourage that kind of development in that district and streamline it would be helpful in that particular area.

Roll call vote on CM 17-01-004

**Yeas: Markham, Mutch, Wrobel, Gatt, Staudt,
Burke, Casey**

Nays: None

3. Approval to award the bid of \$174,994 to Truck & Trailer Specialties on chassis upgrades and two swap loader attachments (V-box spreader and Dump body).

CM 17-01-005 Moved by Burke, seconded by Casey; UNANIMOUSLY CARRIED

To approve the award for the bid of \$174,994 to Truck & Trailer Specialties on chassis upgrades and two swap loader attachments (V-box spreader & Dump body).

Roll call vote on CM 17-01-005

Yeas: Mutch, Wrobel, Gatt, Staudt, Casey,
Markham, Burke
Nays: None

AUDIENCE COMMENT – None

COMMITTEE REPORTS - None

MAYOR AND COUNCIL ISSUES - None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

COMMUNICATIONS - None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:52 P.M.

Cortney Hanson, City Clerk

Robert J. Gatt, Mayor

Transcribed by Deborah S. Aubry

Date approved: January 23, 2017