

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, JUNE 21, 2021 AT 7:00 P.M.**

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

In accordance with the provisions of the Open Meeting Act this meeting was held remotely.

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Gatt, Mayor Pro Tem Staudt, Council Members Casey, Crawford, Fischer, Maday, Mutch

Mayor Gatt, present from City of Novi, Oakland County, State of Michigan
Mayor Pro Tem Staudt, present from the City of Novi, Oakland County, State of Michigan
Member Casey, present from the City of Novi, Oakland County, State of Michigan
Member Crawford, present from City of Novi, Oakland County, State of Michigan
Member Fischer, present from City of Novi, Oakland County, State of Michigan
Member Maday, present from Plymouth, Wayne County, State of Michigan
Member Mutch, present from City of Novi, Oakland County, State of Michigan

ALSO PRESENT: Victor Cardenas, Assistant City Manager
Tom Schultz, City Attorney

APPROVAL OF AGENDA:

CM 21-06-086 Moved by Casey, seconded by Crawford; CARRIED UNANIMOUSLY

To approve the Agenda as presented.

Roll call vote on CM 21-06-086 **Yeas: Staudt, Casey, Crawford, Fischer,
Maday, Mutch, Gatt**
Nays: None

PUBLIC HEARINGS: None

PRESENTATIONS: None

MANAGER/STAFF REPORT: None

ATTORNEY REPORT: None

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 21-06-087 Moved by Crawford, seconded by Casey; CARRIED UNANIMOUSLY

To approve the Consent Agenda as presented.

A. Approve Minutes of:

1. June 7, 2021 - Regular Meeting

- B. Approval to renew the City's 2021-2022 property and liability insurance coverage with the Stevenson Company in the amount of \$406,444.45.
- C. Consideration of a successor labor agreement between the City of Novi and the Michigan Association of Public Employees (MAPE) for a contract term of July 1, 2021 through June 30, 2025.
- D. Approval of a resolution to request the State Tax Commission revoke an Industrial Facilities Exemption Certificate for Bluewater Technologies.
- E. Approval of a Resolution to close Ten Mile Road from the Civic Center to Taft Road for the Festival of Chariots from 11:30AM to 1:00PM on Sunday, August 15th 2021.
- F. Acceptance of two donated storm sewer easements as part of the Cranbrooke Road Reconstruction project from Nine Mile Road to Village Wood Road.
- G. Approval to award the Department of Public Works three mechanic bay doors widening and replacement project to the sole bidder Altech Doors, LLC in the amount of \$63,364.23.
- H. Adoption of a resolution authorizing approval of a contract with the Michigan Department of Transportation to agree to the rights and obligations associated with the construction of the Safe Routes to School project, with the City of Novi's estimated responsibility of the construction contract in the amount of \$0.
- I. Approval of an annually renewing contract for Global Payments Integrated – Open Edge to provide merchant services for the Parks, Recreation and Cultural Services Department commencing on or after July 1, 2021 with the final form of the agreement to be approved by the City Manager and City Attorney's office.
- J. Approval of claims and warrants – Warrant No. 1086.

Roll call vote on CM 21-06-087 Yeas: Casey, Crawford, Fischer, Maday, Mutch, Gatt, Staudt
Nays: None

MATTERS FOR COUNCIL ACTION

- 1. **Consideration of approval to award a unit price contract to Scodeller Construction, Inc., the lowest qualified bidder, for the Joint and Crack Seal Program in the estimated annual amount of \$250,000.00. The contract term is one year with two one-year renewal options.**

CM 21-06-088 Moved by Staudt, seconded by Maday; CARRIED UNANIMOUSLY

Approval to award a unit price contract to Scodeller Construction, Inc., the lowest qualified bidder, for the Joint and Crack Seal Program in the estimated annual amount of \$250,000.00. The contract term is one year with two one-year renewal options.

Roll call vote on CM 21-06-088 **Yeas: Crawford, Fischer, Maday, Mutch, Gatt, Staudt, Casey**
Nays: None

2. Consideration of amendments to City of Novi Ordinance Chapter 2, Division 3, Board of Review pertaining to poverty exemptions. FIRST READING

City Manager Auger reported that this is some cleanup administrative language that we must do for the Assessor's office.

CM 21-06-089 **Moved by Casey, seconded by Gatt; CARRIED UNANIMOUSLY**

Approval of amendments to City of Novi Ordinance Chapter 2, Division 3, Board of Review pertaining to poverty exemptions. First Reading.

Roll call vote on CM 21-06-089 **Yeas: Fischer, Maday, Mutch, Gatt, Staudt, Casey, Crawford**
Nays: None

3. Approval of a resolution to authorize Budget Amendment #2021-7.

Member Casey said she had a question for the City Manager. She loved that we set up a new Fund for the American Rescue Fund plans that are coming through. She wondered if we have had conversations, or will have conversations scheduled soon for us, as a Council, to discuss how we want these funds to be used to the benefit of our City. City Manager Auger replied that we will be coming to Council soon with it. He said they just had another webinar last week with the feds and the state, and they are trying to figure out what the definite rules are going to be before we bring it to Council so that you can spend it appropriately. Member Casey thanked him for the explanation.

CM 21-06-090 **Moved by Staudt, seconded by Casey; CARRIED UNANIMOUSLY**

Approval of a resolution to authorize Budget Amendment #2021-7.

Roll call vote on CM 21-06-090 **Yeas: Maday, Mutch, Gatt, Staudt, Casey, Crawford, Fischer**
Nays: None

4. Consideration of Resolution to establish a Commercial Rehabilitation District at the northeast corner of Town Center and Grand River Roads, to be known as

Sakura Novi Commercial Rehabilitation District No 2, for an Asian-themed Development by Sakura Novi LLC.

City Manager Auger said this is not a new item in front of us. He stated the applicant was there and our legal team that has worked on this with the applicant. He explained this was the next step in a two-step process of creating the district.

Mayor Gatt asked the applicant, Mr. Aikens if he wanted to address City Council or stand by for questions. Mr. Aikens addressed City Council is stated the Sakura project is on the five-yard line. He said their team has done everything possible as fast as they could. He stated they have secured a wetland permit, rezoning is in place, the PRO Agreement has been negotiated. He said they provided the concept plan details and a modified phasing plan. He said we still need to get approvals ASAP on the Brownfield cleanup; we have reduced the cap on the cost by \$1.2 million dollars. He stated today as per the conditional purchase agreement, City Council is considering the creation of the commercial rehabilitation district. He said once that is created, we will immediately prepare our application for the abatement certificates. He explained that after the mandatory 28 days to hear from Oakland County, we will return to City Council with the application. He stated in the meantime, we have have worked with staff to provide you with supplemental materials so you can better understand the impacts. He said he and his team members were on hand to answer any questions that come up. Thank you once again. Mayor Gatt asked if there were any other team members that wanted to speak or just stand by for questions. Mr. Aikens said they would stand by for questions.

CM 21-06-091 Moved by Staudt, seconded by Maday; MOTION CARRIED: 5-2

Approval of Resolution to establish a Commercial Rehabilitation District at the northeast corner of Town Center and Grand River Roads, to be known as Sakura Novi Commercial Rehabilitation District No 2, for an Asian-themed Development by Sakura Novi LLC.

Member Fischer asked Mr. Aikens how we are progressing as far as closing on the deal on August 21. Mr. Aikens said they were working diligently to make their timelines. Member Fischer asked what the likelihood that we are going to close on August 21. Mr. Aikens replied that he was pushing as diligently to make the timelines. He said he would defer to their builder on the technical details.

Mr. Jim Clark, Robertson Brothers stated that everything we need to proceed forward has been submitted to the City and the municipal agencies, so we are waiting for approvals on everything. He explained there is nothing that anyone is waiting on them for apart from the Brownfield, which if tonight is a positive vote, the Brownfield application will be submitted this week. He said there is a 28-day waiting period that is per statue. He said other than that they are ready to move forward as fast as possible. Member Fischer said it sounded like they were trying, but it was not a real commitment. Mr. Clark replied that after a million-dollar in three years, they were very committed, this is the last step. Member Fisher asked if they were committed to the August 21 closing, we are moving

towards an August 21 closing. Mr. Clark said they are moving towards an August 21 closing; we are making very good progress from here. Member Fischer said that was very good to hear. Member Fischer asked for clarification that they were not approving the abatement that evening, they were just creating the district. City Manager Auger replied that was correct, the first step was to create the district. Member Fischer said then we go through the waiting period and then we will have the discussion on the technical details of the abatement in a month or so. He asked if we approve this district and this petitioner does not purchase the property, does the district run with the land at that point, and could we have other people file applications for abatements. City Manager Auger said that would be a better question for City Attorney Schultz, but to his knowledge, yes, it would. City Attorney Schultz said yes, once the district is created until it is somehow revoked or the city succeeds in getting it removed, someone can submit a request for an exemption certificate. Member Fischer said that was very good, he was inclined to go ahead and support the creation of the district. He thought this area is an area that is worthy of consideration for tax abatements, and he was not on City Council he believed back in 2011 when we looked at different areas of the city, they approved, 10 Mile Road and Meadowbrook Road for 210 and suggested that be considered and along with the Adell Center. He said he was not sure why we did not do that, this property, kind of consider this property at the time, and so as things move along, no matter what happens here he would consider an abatement in this area. He said abatements are something that he did support and very specific instances when we have special projects and a lot of capital investment. He thought it was worthy of allowing this to go forward and allowing the waiting period and seeing a full application from whoever decides to put one in. He thanked everyone for the discussion.

Member Mutch referred to one of the information items that was provided to Council, which was a breakdown of what he guessed was from the developer, unexpected costs, or cost increases that they are requesting the City to grant this exemption from paying taxes on the new development for eight years, one of the items did not have a lot of detail behind it. He understood these are probably estimates to some degree. He said the first item on that sheet that talks about mitigation studies cost to address the eastern city parcel related to wetlands, could the applicant or somebody from the applicants' team provide a little bit more explanation about what that reflects. Mr. Neubecker explained the first 150 feet of that eastern boundary of the property is wetland. He said they worked with EGLE to find the wetland boundary, and then ultimately came up with a solution where we are going to have to install a fence to not touch certain portions of that property, as well as do offsite mitigations of a certain amount to handle in that touch certain aspects in the wetland and in a certain amount is off site mitigation associated with that. Member Mutch said he was clear on that point, he thought Mr. Aikens mentioned earlier, Mr. Clark, that EGLE has granted a wetland permit. Is that for that property? Mr. Clark replied yes. Member Mutch asked if that was allowing them to encroach into the existing wetland to some degree because he knew Mr. Neubecker mentioned mitigation, how asked how much encroachment is happening there. Mr. Neubecker said he did not have the details. He thought it was somewhere in the range of 30% to 40% what was going to be an approach that we were going to preserve approximately 60% to 70%, it was somewhere in that range. Member Mutch said

approximate numbers were okay. He said in the past when they have had abatement requests even though he generally did not support those, he did feel like the creation of the district, the specific district, that is something that they can request based on that issue alone, he would not normally have in the past voted against those. He said this is different because it is tied to a specific set of circumstances in terms of not only the amount of money that is going to be exempted under the PA 210, but the reasons for that. He guessed from his perspective, when Council had discussed these previously with a couple other projects, from the viewpoint of developer costs, typically are spread out over the lifetime of the project, or at least the lifetime of, or a certain time. He did not think that it is generally appropriate for the City to be exempting taxes to justify those costs. He said in the case of that kind of development that is happening here, relative to what we have talked about in other locations, particularly with a residential component, whether you call it an exemption or abatement, the net effect is the same. He said you have a real hard time justifying the exemption or residential development in Novi, is it an integral part for this project that he was sure it is from the viewpoint of these developers off this property. Potentially, but he could not support that. He said he understood Member Fischer's point, and he has voted that way in the past, but he did not think it does not make sense to him with this very specific set of facts to open that door at this time. He said he will not be supporting the creation of the district. He said it sounds like there are enough votes to do that, to allow that to move forward, and he said that is fine. He said he could not feel comfortable supporting that based on those concerns. Thank you.

Roll call vote on CM 21-06-091

**Yeas: Gatt, Staudt, Crawford, Fischer, Maday
Nays: Mutch, Casey**

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION: None

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

MAYOR AND COUNCIL ISSUES: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:21 P.M.

Cortney Hanson, City Clerk

Robert J. Gatt, Mayor

Transcribed by Deborah S. Aubry

Date approved: July 12, 2021