

## Northville DDA Economic Development Committee

Monday, December 17, 2018 – 8:00 am

Meeting Room A – City Hall

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### Meeting Agenda

1. November Meeting Notes
2. EDC Role in the Planning Process
3. Northville Downs Update
  - A. December Planning Commission Meeting - PUD Eligibility (Attachment 3.A)
  - B. Public Act 210 (Attachment 3.B)
4. Project Updates (Attachment 4)
  - A. 335 E. Main Street (Attachment 4.A)
  - B. River Park
  - B. Main Street School
  - C. E. Cady Street Project
5. Next meeting of the Economic Development Committee – Discuss January date

Downtown Development Authorities (DDA) Economic Development Committee (EDC)  
Comments in response to “The Downs” PUD Eligibility Application  
December 18, 2018

The EDC is designed to be a resource for the Planning Commission, City, Developers, Residents, etc. The purpose of the Economic Development Committee is to advise the City Council on matters related to promoting vital and inviting business areas and advancing economic development within the City. The Committee shall assess the current and ongoing business climate in the City and submit recommendations to the City Council intended to maintain a strong economic base in the City. In an effort to support each of those entities, the EDC has prepared comments on The Downs PUD Eligibility Application. The EDC was pleased to hear that the developer was working towards a development that meets the needs of the community such as daylighting the river, providing a Farmers’ Market location, etc.. In reviewing the PUD Eligibility Application, there were several issues that repeatedly received comments. Those issues include traffic, green / public space, Commercial / Retail Space, design of the residential products and density. Below are the EDC’s comments on each of the issues.

**1. Traffic / Parking:**

- a. The proposed project will have a significant impact on the whole Northville Community. With the new residential and commercial space, will come new cars and the EDC wants to ensure that they are properly accounted for and do not provide an increased burden on the parking and circulation system in Northville. If the congestion increases, motorist may bypass the downtown, finding another route to avoid the congestion. This would have a negative financial impact on the downtown.
- b. Traffic and congestion is still major concern and the EDC members did not feel it has been properly addressed in the new proposal.
- c. The project needs another North to South through-road to dissipate the traffic generated from the development. The best option is an extended Hutton Street down to the mouth of East Hines Drive, where there could be a roundabout.
- d. The EDC is pleased that the developer is providing additional parking.
- e. Parking: If two North to South streets are created (N-S Street south of Town Square and N-S Street between Hutton and Griswold) there will be more on-street parallel parking North of the extended Beal Street and within walking distance of the Town Square. More parking could provide more visitors to the downtown.

**2. Green / Public Space:**

- a. The EDC is pleased that the developer has chosen to daylight the river, as well as remove the Residential lots on the East side of the River to make it a more welcoming and usable park. Providing a daylighted river and linear park will create a recreational draw for the entire area and bring more visitors to town as well as providing a passive recreational space for residents of Northville.

- b. The bridge location is not ideal for public access. The optimal location of the bridge should be investigated as well as a second bridge connecting the neighborhood with the park, perhaps at the western end of Johnson Street. Daylighting the river will need to be included in the first phase to ensure completion.
- c. The EDC prefers that the project include retention ponds rather than dry detention ponds. It should look like an attractive water feature, not a depression.
- d. Proper maintenance of the area should be further vetted but concerns with the HOA being in charge of the upkeep of a publicly used space. The proper maintenance and upkeep of these public areas needs to be up to City Standards.
- e. The retention of the Farmers' Market in the downtown area is a substantial benefit to the community. The Market is a regional draw and many visitors stay in downtown after their visit to the market to shop, dine, or conduct business. The developer has recently met with the Northville Chamber of Commerce to discuss location and requirements for the Farmers' Market to stay downtown. The Chamber believes that the parking lot will work well for the Farmers Market if they can utilize the full lot. Also, the site north of the daylighted river would be a good location for public events that could entice visitors to the community.
- f. The creation of berms was listed as a public benefit. The EDC feels that the use of berms in this project is a suburban solution and not in keeping with urban residential development.

### **3. Commercial / Retail Space:**

- a. Current design only includes 18,700 sq/ft of commercial space in the project. The EDC is concerned that the proposed commercial development will only include private apartment amenities and sales office. Cady Street becomes a transition area between the historic downtown and the single family and townhouses to the south. The Cady corridor, with proposed first floor commercial and upper floor apartments, is the area that connects the historic downtown with the proposed new residential development to the south. It is important from an economic development standpoint, to have a strong first floor use that activates the street front and draws residents from the south up and to the historic downtown.
- b. As part of the DDA's 2017 Strategic Plan for Downtown Northville, a retail marketing analysis was completed by LandUSA. The results of the marketing analysis show that the Northville trade area can support at least 35,000 square feet of new retail space plus a boutique hotel.

### **4. Design of the Residential Products:**

- a. The EDC is pleased to hear the developer heard the concerns with the Residential developer and the designs included in the previous PUD Eligibility application. We are curious who the new developer would be and what the product would look like. The committee has reviewed the residential products

proposed within this application but will provide more feedback later in the development and approval process as this document is focusing on the PUD Eligibility application. That being said, we hope future designs are less suburban and generic options.

In addition to the feedback listed above, the committee is concerned with the timeline of the two phases of the project. Several amenities presented in this application are not part of the first phase of the project making those amenities at risk if the development is delayed or later phases are not completed. This needs to be addressed in this application to ensure that these are completed as part of the project.

The developer has indicated that they will be seeking public funding to assist with the public amenities included in the PUD Eligibility. It is the EDC's opinion that these areas of funding should be presented to the Planning Commission as part of this application. It is necessary to include which amenities are intended to be funded by the public and those amenities should not be included as criteria for PUD eligibility as they are not being provided by the developer, rather they would be funded by the public.

The intent of this feedback is to specifically address only items in reference to the PUD Application Eligibility currently being discussed. The Economic Development Committee has additional feedback on the overall project which will be shared at later phases of the project approval process.

## COMMERCIAL REHABILITATION ACT

Public Act 210 of 2005 encourages the rehabilitation of commercial property by abating the property taxes generated from new investment for a period up to 10 years. As defined, commercial property is a qualified facility that includes a building or group of contiguous buildings of commercial property that is 15 years or older, of which the primary purpose is the operation of a commercial business enterprise or multifamily residential use. A qualified facility may also include vacant property or other commercial property which, within the immediately preceding 15 years, was commercial property. Types of commercial business enterprises include office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Multifamily residential is housing that consists of five or more units. Commercial properties allocated new market tax credits are also considered a qualified facility.

Qualified retail food establishments are considered a qualified facility for purposes of granting the tax abatement. These establishments include a retail supermarket, grocery store, produce market, or delicatessen that offer unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic seal, fresh fruits and vegetables, and dairy products for sale to the public. The qualified retail food establishment must be located in a “core community” as defined in the Obsolete Property Rehabilitation Act (PA 146 of 2000) or in an area designated as rural as defined by the United States Census Bureau and is located in an underserved area.

Commercial property does not include property that is to be used as a professional sports stadium or a casino. Land and personal property are not eligible for abatement under this act.

### WHO IS ELIGIBLE?

“Qualified local government units” mean any city, village or township.

### WHAT IS REHABILITATION?

Rehabilitation is defined as changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. The new investment in the rehabbed property must result in improvements aggregating to more than 10 percent of the true cash value of the property at commencement of the rehabilitation of the qualified facility. Rehabilitation includes

the following: improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment including heating, ventilation, and lighting, reducing multistory facilities to one or two stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition.

Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit.

Rehabilitation for a qualified retail food establishment also includes new construction.

### WHAT IS THE PROCESS?

Before the Commercial Rehabilitation Exemption Certificate (i.e., property tax abatement) can be granted to the commercial property owner, the city, village or township by resolution of its legislative body, must establish a Commercial Rehabilitation District. The establishment of the district may be initiated by the local government unit or by owners of property comprising 50 percent of all taxable value of the property in the proposed district. The district must be at least three acres in size unless it is located in a downtown or business area or contains a qualified retail food establishment.

The city, village or township must hold a hearing to establish a Commercial Rehabilitation District. Notification of the hearing must be given to the county board of commissioners and all real property owners in the proposed district.

After the hearing is held and the local unit of government determines the district meets the requirements of the act, a copy of the resolution adopting the district shall be provided to the county where the district is established. Within 28 days, the county may accept or reject the establishment of the district. In a county with a county executive, the executive can write a letter rejecting the establishment of the district. In all other counties, the county board of commissioners can pass a resolution rejecting the establishment of the district.

Once the district is established, the property owners may file an application with the local clerk for a Commercial Rehabilitation Exemption Certificate. Applications are available from the Michigan Department of Treasury. The local clerk shall provide written notification to the assessor of the local unit of government and each taxing jurisdiction that levies ad valorem property taxes of the application hearing. The city, village or township has 60 days after receipt of the application to either approve or disapprove the application. If denied, a reason must be given in the resolution. The assessor and applicant shall be sent a copy of the unapproved resolution by certified mail. If approved, the application and resolution must be sent to the State Tax Commission, which will certify or deny the application within 60 days. A resolution is not effective unless approved by the State Tax Commission.

### COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE

Upon approval by the State Tax Commission, a Commercial Rehabilitation Certificate is issued. The property owner must pay a Commercial Rehabilitation Tax rather than the normal property tax. The certificate must be issued for a period of at least one year, but cannot exceed 10 years. Certificates initially issued for less than 10 years may be extended, but shall not exceed 10 years. The criteria for extensions must be included in the resolution approving the abatement.

The Commercial Rehabilitation Tax freezes the taxable value of the building and exempts the new investment from local taxes. The school operating tax and the State Education Tax (SET) are still levied on the new investment. Land and personal property cannot be abated under this act.

### DISCUSSION

In addition to the Commercial Rehabilitation Act (PA 210 of 2005), several other property tax abatements are available for the rehabilitation of commercial property in Michigan, including the *Commercial Redevelopment Act (PA 255 of 1978)* and the *Obsolete Property Rehabilitation Act (PA 146 of 2000)*. Each act has unique eligibility requirements, processes, and lengths and terms of the abatement. Please refer to the Michigan Economic Development Corporation (MEDC) fact sheet for more information on each program and consult the authorizing statute to determine the best fit for your project needs.

### CONTACT INFORMATION

For more information on the Commercial Rehabilitation Act, please contact the *CATeam specialist* assigned to your territory. For more general information, contact the MEDC customer contact center at 517.373.9808.

### SUPPORTING STATUTES

*PA 210 of 2005: Commercial Rehabilitation Act*

## Economic Development Committee Updates

### Northville Downs

The Economic Development Committee met with a Randy Wertheimer of Hunter Pasteur Homes (HPH) on November 19<sup>th</sup> to discuss the proposed mixed use project on the 48 acre Northville Downs site. The project is on the Planning Commission's December 19<sup>th</sup> agenda for PUD Eligibility consideration. The meeting will be held at Hillside Middle School in order to accommodate the number of participants.

### 335 E. Cady Street

The Planning Commission reviewed the commercial project at its December 4<sup>th</sup> meeting. The Planning Commission was overall supportive of the plan and urged the developer to go before the City Council to seek 8 parking credits for the project. The Planning Commission supports the application and has determined that there are adequate public parking spaces on-street and in the immediate area to accommodate the project. The Tipping Point Theatre for instance has most of its activities at night and the office during the day. In addition, the developer is meeting with the DPW Director to review the on-street parking on the west and south side of the building in order to maximize parking. In order to pick up a few on-street spaces, a fire hydrant may be relocated. The developer has received approval from the Historic District Commission and is planning to appear before the City Council on December 17<sup>th</sup>.

### River View

Robertson Brothers has decided not to pursue the River View project located near Northville Road and 7 Mile Road. The decision was based, in part, to the requirement to provide commercial uses on a portion of the project. The overlay district recently created for that area requires a component of the project to be commercial.

### E. Main Street Project

The developer has returned to the Planning Commission for an extension to pull permits, to the City Council for an extension of the option to buy 24" of property for the project construction, and to the Historic District Commission for approval of the Design of the project. The HDC does not have a mechanism in their procedures to grant an extension, so the developer had to get new approval.

The developer has a new investor in the project and is looking at redesigning the interior layouts of the condo units to reduce the square footage of the units, increase the amenities and add some windows to the side elevations.

## Parking Deck Repairs

The City/DDA contracted with Carl Walker to assess the two parking decks and make a recommendation on needed repairs and to look at a long term maintenance issues. The two decks are in need of approximately \$750,000 of immediate repairs and approximately \$1.7 million dollars in ongoing maintenance over the next 20 years.

The City and DDA approved a contract with Carlisle Wortman to provide consulting services to assist the City/DDA in preparing a financing strategy to pay for the parking deck rehabilitation and ongoing maintenance costs. Sullivan and Ward met with Dick Carlisle on Tuesday, December 11<sup>th</sup> to get the project started.

Downtown Development Authorities (DDA) Economic Development Committee (EDC)  
Comments in response to Final Site Plan Review  
335 E. Cady Street, Northville, MI  
December 4, 2018

The EDC has had the opportunity to meet twice to review the project and has developed comments in response to the Final Site Plan Approval Application for 335 E. Cady Street dated November 13, 2018.

**1. Overall:**

- a. After many years of starts and stops, the EDC is pleased that the property has been purchased and is finally moving forward. The project should have a positive impact on the entire area.
- b. Pleased to see that the development team has responded to many of the suggestions made by the Consultants and by the Planning Commission at the last Planning Commission meeting.

**2. Parking:**

- a. The project is deficient by 8 spaces in meeting the Zoning Ordinance requirements. The EDC is pleased that the Consultant recent review did not provide credit for any existing on-street parking spaces and the EDC supports the option of meeting the total deficiency through either a shared parking agreement or by the purchase of parking credits.
- b. The DDA's Parking Committee, working with the DPW and NPD, conducts a twice monthly occupancy count of the downtown parking decks and lots. The counts consistently show the Tipping Point Theatre significantly under parked. In the period from December 2016 to March 2018 the average number of cars in the lot when the count took place was 3 or 15% of the lot. The high usage was 8 cars and 6 of the months there were no cars in the lot when the count took place. Roughly the same usage is recorded for the Margo lot and for the Cady Street surface parking lot. The EDC recognize, however that as development occurs to the south, the use of the lots will increase.
- c. As many on-street parallel parking spaces as possible should be retained on Griswold Street. The EDC has suggested that the relocating the fire hydrant on Cady Street be explored in order to maximize the number of on-street parallel parking spaces on Cady Street, and perhaps make up for the loss of the on-street space on Griswold.

**3. Green / Public Space:**

- a. The creation of the outdoor plaza at the corner of Cady and Griswold Streets is a positive element of the plan. The plaza could serve as an outdoor dining area in the future if the first floor commercial space is occupied by a restaurant.

- b. The sitting area to the west of the building is also a positive element of the project. Street furnishings should be consistent with the Secondary Streetscape Design Standards that have been compiled for the area. This would include bike racks, bollards, fencing, tree grates, sidewalks, and landscaping.

**4. Design:**

- a. The EDC had significant concerns regarding the lack of any windows in the east and west elevations. While there is significant glass in the front elevation of the building, there is minimal glass on the other facades. This gives an institutional appearance to the building.
- b. The EDC questioned what the “Decorative Concrete Paving” would look like that is being used in the Cady Street sitting area. In other areas of the downtown, standard concrete, black concrete and clay pavers have been utilized. The Secondary Streetscape Design Standards do not offer decorative concrete as a design option for sidewalk areas.