



Rochester Hills

Minutes

Planning Commission / City Council Joint Meeting

PLANNING COMMISSION

*Susan Bowyer Ph.D., Deborah Brnabic, Gerard Dettloff, John Gaber,
Greg Hooper, Nicholas O. Kaltsounis, Marvie Neubauer, Scott Struzik,
and Ben Weaver*

CITY COUNCIL

*David J. Blair, Susan Bowyer Ph.D., Ryan Deel, Dale A. Hetrick,
Carol Morlan, Theresa Mungiolli, and David Walker*

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Monday, January 31, 2022

7:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

Chairperson Deborah Brnabic called the meeting to order at 7:00 p.m., and welcomed Mayor Barnett, President Deel and City Council members to the Joint Meeting of the Rochester Hills Planning Commission and City Council. She congratulated our newest City Council Member, Carol Morlan, serving District 1. She also congratulated Ryan Deel and David Walker for their re-election to serve our community for another four years. She welcomed members of the City's consultant team, Giffels Webster, and City department staff. She thanked Ms. Roediger for organizing this meeting. She directed any member from the public wishing to speak to fill out a speakers card to make public comments.

ROLL CALL

Present 15 - David Blair, Susan M. Bowyer, Deborah Brnabic, Ryan Deel, Gerard Dettloff, John Gaber, Dale Hetrick, Greg Hooper, Nicholas Kaltsounis, Carol Morlan, Theresa Mungiolli, Marvie Neubauer, Scott Struzik, David Walker and Ben Weaver

Also present:

*Bryan Barnett, Mayor
Sara Roediger, Planning and Economic Development Director
Ken Elwert, Parks and Natural Resources Director
Kristen Kapelanski, Planning Manager
Pamela Valentik, Economic Development Manager
Jennifer MacDonald, Recording Secretary*

PUBLIC COMMENT

Chairperson Brnabic opened Public Comment at 7:10 p.m.

Jeff Gabrielson, 201 Cloverport Avenue, Rochester Hills, MI - Mr. Gabrielson stated that he was chosen to come to this meeting to represent his

neighborhood's concerns, to discuss the Flex Business Overlay District with regard to a particular property, and he said he appreciates the discussion as to whether the district is working as it was intended. He said that one of the R4 Single Family Residential parcels in his neighborhood was designated with the FB overlay, this property had been residential for 100 years, and this was done unbeknownst to adjoining neighbors in 2009. He said the property was sold over a year ago, around Christmas time, and then they were approached by a developer with the sole purpose of being able to construct a road through this property. He said this could be destructive to their neighborhood, which is the oldest platted neighborhood in Oakland County. He said this is an example of what would happen elsewhere in the City if the appropriateness of this zoning is not meaningfully revised. He said he is not sure why this property was designated with the FB overlay. He said that he is not here to resolve this issue but just to bring to light some of the unintended outcomes of this zoning. He said they have been doing a deep dive of the City Council and Planning Commission historical meetings and hopes these minutes will be a part of the review process. He said the conversation at the time was to allow a wider range of commercial uses for properties that were already commercial, and to allow some flexibility of setbacks. He said the overlay did not intend to be adding commercial traffic on a 100 yr. old residential street, and to communicate traffic to an industrial property. He said that if this were to happen it would be contradictory to the purpose of the residential district. He said that he appreciates the meaningful review of the FB overlay district, with the goal of achieving best planning outcomes. He said that he would love to provide input to this review, and thanked commissioners and Council members for the opportunity to speak.

Chairperson Brnabic closed Public Comment at 7:15 p.m.

NEW BUSINESS

Ms. Roediger stated that Staff looks forward to this meeting every year. She commented that it is an annual meeting that is important because City Council sets policies and the Planning Commission has the job of implementation. She said that the pace of development needs to be discussed. She explained that for this meeting we would be utilizing the Menti online instant polling service, to be able to present interactive questions throughout the meeting.

Ms. Roediger introduced Ms. MacDonald, who handles intake of plans, and board and commission meetings. She explained that Pam Valentik, Economic Development Manager, will discuss evaluating land uses from an economic impact standpoint for the discussion of the bulk of the meeting. She noted that in attendance from Giffels Webster are Jill Bahm and Joe Tangari, who are the consultants that assisted with this review. She introduced Ken Elwert, Parks and Natural Resources Director, and noted that he will provide an update of what is happening in his department.

2022-0037

Parks & Natural Resources Update

Ken Elwert, Parks and Natural Resources Director, explained that Parks and Natural Resources is beginning a significant five year long planning process.

He commented that they are excited about undertaking this process and will be looking for input from Council, the Planning Commission and the public. He explained that they are looking for suggestions regarding where to put a possible dog park, which is the number one request from residents in the City. He explained they will be evaluating whether the beach at Spencer Park should be turned more into a water park instead. He said they are also preparing a 10 year comprehensive plan, sort of a mini business plan where they will look at benchmarks, staffing, and making comparisons with comparable communities of similar size and density.

He added that there have been some significant legal challenges relative to area tree conservation ordinances. He explained that there was a challenge in the City of Canton which changed the landscape of these ordinances; and mentioned that there is a case in Ann Arbor Township which might provide some direction as to how the City's ordinance could be tightened.

Mr. Elwert said that the regional arts commission known as the Create Collective just received approval for their nonprofit status two weeks ago; and he explained that this was his project from his Leadership Rochester class. He stated that this nonprofit will ignite connections for art and culture in the community, will help engage the community on how to connect to art and how to get funding, and will help to build placemaking and support artists. He mentioned a number of individuals who will be part of the Create Collective.

He suggested that any comments about the Master Plan should be emailed to him as soon as possible.

Mr. Blair asked for the timing on the Parks Master Plan.

Mr. Elwert responded that it would be completed by the end of the year or January 2023.

Mr. Dettloff asked who were the chosen consultants.

Mr. Elwert responded that the possible consultants were going to be presented to Council next Monday.

Mr. Struzik said that he likes the idea of people getting into Spencer Park at no charge, and also recommended it would be nice to have a second body of water to put his kayak in at Spencer Park.

Mr. Kaltsounis asked if they would be looking for input from other bodies or boards.

Mr. Elwert responded that they have asked 15 to 18 other groups for input, including the Rochester-Avon Recreation Authority (RARA) and Older Person's Commission (OPC).

Ms. Mungioli suggested that any Council Members or Commissioners that would like to get more exposure to the parks and some of the challenges, reach out to Mr. Elwert to set up a tour, as it was very helpful for her.

Discussed

2022-0040

Discussion Regarding Murals

Present for the discussion were Jill Bahm and Joe Tangari, Giffels Webster, the City's Planning Consultants.

Ms. Roediger noted that the first Planning topic for discussion is murals. She said this topic has been discussed at the Planning Commission. Staff would like to capture the momentum of the art initiatives, and have spoken with Amanda Harrison regarding installing a mural in the City in conjunction with the Detroit Institute of Arts (DIA). She explained that the idea is to build on the momentum from the Art on Auburn project, and by the City controlling the program it can control the message, as it is a challenge as to how to do this without a true arts council or having a Downtown Development Authority (DDA). She said that staff would like to pursue this initiative this year.

Ms. Bahm stated that it is good to have the Planning Commission and City Council together to discuss bigger issues. She said that in Planning the idea of placemaking is discussed extensively, and such ideas were included in the 2018 Master Plan. She noted that the City has big supporters of public art, and public art is beneficial because it contributes to a sense of place, can improve wellbeing and mental health, can spark creativity and conversation, and it can contribute to the local economy by providing jobs. In the State of Michigan it has contributed over 100,000 jobs. She explained there can be a blurred line in distinguishing art and advertising, and showed examples of public murals in Clare, Michigan and in Detroit. She said that in some cities the murals are permitted on a case by case basis, and there can be concerns if the murals contain advertising as then they can be considered to be signs. She said that in looking at a mural program, the City can regulate time, place and manner, including requiring ongoing maintenance. She explained that the idea is to have a pilot program to encourage more art in the community, which would start with coming up with a theme, identifying funding, possibly providing matchmaking services between artists and property owners, selecting designs, seeing that they are installed, and then promoting them.

Ms. Bahm explained the interactive questions being presented electronically to Commissioners and Council Members, and noted there are no right or wrong answers. The questions presented included asking the benefits of art, and whether the City should consider a theme or a geographic area.

Mr. Kaltsounis said the Planning Commission has been concerned with how to address art in the past.

Ms. Mungioli asked if the ordinances prohibit doing a mural already. She expressed concerns regarding cost and maintenance of murals. She said that if a business doesn't want a mural, then the only place the City can control art is at a City owned property.

Ms. Roediger responded that under the current ordinances a mural would be considered a sign and therefore regulated as such.

Mr. Hetrick asked how the mural at Rochester University was approved.

Ms. Roediger responded that since that mural is not visible from the road it was not considered to be a sign, it is only visible from the trail. She said that mural has been very positively received.

Mr. Gaber expressed concerns that if you cannot regulate content, and you can't distinguish between commercial and noncommercial, how do you say no while not being discriminating on content which is exactly what you are doing. He said that you would have to be careful so that you are not regulating content.

Ms. Bahm responded that this is why the discussion is regarding a theme and developing a pilot program. With that program standards can be developed that state that the mural can't be pornographic, can't be obscene, and can't have a business name. She stated that it would be allowing for some public input, which will help to bring the artist and the public closer together.

Chairperson Brnabic stated another important consideration would be how many murals would be permitted in a surrounding area and if a mural would be permitted just on one side of a particular building.

Ms. Bahm said she thinks a lot of businesses would be excited to have a mural on their building. The content and location would be addressed by requiring an application to be submitted, along with designs, and then there would be conversations.

Ms. Mungioli expressed concern that someone might find the content of a mural to be triggering.

Ms. Bahm said that having the design available to the community to provide their input can help to reveal concerns that staff may not be thinking of.

President Deel said that his concern with public art is that it is so subjective and people will derive the meaning that they want. He recounted what happened last year in Sterling Heights with some public art that was installed, and then deemed to be offensive, and later the artist demanded it be removed and it was in the news. He said this created many issues with that city and with the DIA. He also referred to the golden ring in M-59 corridor in Sterling Heights which people make fun of. He said it is very difficult to control the narrative and perception.

Ms. Bahm said that the issues in that community have prompted conversations, and if the golden ring is still there in a few years everyone will not be aware of that sordid history. She said the artist took down that art work, however the art prompted conversations, which is what art is supposed to do.

President Deel asked if we want to bring this about in those kind of terms because we sparked a conversation, and said his concern is stepping into a public relations problem.

Mayor Barnett said that he has a different opinion on public art. He said that

Rochester Hills has a long history of being innovative with parks, programs, and the City's branding. He suggested that maybe the mural theme could be nature or natural beauty. He presented a picture of a mural installed in the park in downtown Rochester, and said we don't want to be handcuffed because of what could happen. He said that you can never foresee everything that could be triggering to someone. He said staff could craft some high level language to address such concerns, and put all of the bumpers in place to get a few murals and see the public's reaction. He stated that as the City looks at its neighbors with public art, that is what it should be doing and branding itself as a community.

Mr. Blair said that he supports the project but wanted to point out how it differs from Art on Auburn. He pointed out that the City didn't pay the artists for that art, so this would be different. He recounted that when he visited Nashville recently he did a bus tour and the tour guide pointed out some public art that cost taxpayers \$750,000, and the whole tour bus laughed when they said that. He said as a community the city is tremendously fiscally responsible, and noted that if we are going down that road to pay an artist it has to be well thought out, it has to add value for the taxpayer. He said there could have been a grant for the Nashville art, however that's still not fiscally responsible.

Mayor Barnett said the City would do everything possible to keep costs down, and no one is suggesting a six figure cost, it would be more like \$7-12,000. He suggested the City could pay half. He said that for Innovation Hills you could say how much any particular tree costs and people could be upset for that. He said that we could look for donors and partners, and require graffiti proof paint be used. He said that we could stay with nature themes so the art would not be objectionable.

Ms. Morlan asked when this fad passes ten years down the road, would we be left with chipping paint or would they be removed.

Ms. Bahm responded that we could decide on the time period 2-3 years, and the property owner or artist would put in some sort of warranty for the art. Then graffiti would be taken care of for that time period. She said the standards would recommend the time period to take it down and what happens to that wall after the art is removed. She noted that the standards would not allow for chipping paint or fading.

Vice Chairperson Bowyer asked if the murals would just be on walls, or whether they would be allowed on parking lots and other locations.

Ms. Bahm said one of the example photos shown was in Madison Heights on one of their pathways which was part of their mural program.

Mr. Hetrick said that clearly the starting point would need to be a theme given this conversation. He said that the City would need to have some control so that it is not put into a bad situation. He said that public input would be vital and there should a wide array of public input. He said for the public to have ownership will be key.

Ms. Bahm said the community will have a sense of ownership if they are provided opportunities for input, as long as they are understanding they are not voting to approve it.

Mr. Kaltsounis provided prices that his relative who is a prominent mural painter in Virginia charges for murals.

Ms. Mungoli questioned why the City should get involved in this matter and instead could just set up an ordinance to allow it so there would be no financial outlay. She said that money could be spent in other ways such as updating parking lots and buildings at parks.

Ms. Roediger suggested that this may be the only way to control the message of a mural and ensure that it reflects upon the community's values.

Mr. Struzik said that any cost to the City needs to be reasonable. He explained that when this first came to the Planning Commission there were concerns that murals would be made containing divisive topics. He said that the way to avoid that issue would be to stick to a theme. He said one of the major positive benefits of murals would be people connecting to artwork in a certain place in the City. He said at Rochester University he had never noticed there was lake while on the trail, until the mural was installed.

Mr. Dettloff said the DDA is in his DNA, and it would bring the cool factor to the community. He stated that Rochester Hills is innovative. He said there are tons of examples out there that could be pulled from to set this up, the City could come up with an outstanding program, and it would be a great way to engage the community as a whole.

Ms. Neubauer explained that she thought that the mural language initially proposed to the Planning Commission was vague and subjective, and the theme would have to be such a low bar since many topics could be triggering to somebody. She said the topic could be considered to be discriminatory and not all conversation is good. She suggested that in order to bring art to the community maybe it could be done in another way, we could ask the high school orchestra to play on the street and thereby expose people to art.

Mayor Barnett said that we don't have to look far to see a community that has been able to figure this out, because we can look to the City of Rochester. He said that we could talk about a partnership with the private sector, and that no one is going to spend \$100,000 on public art. He said that it should not be that far out of reach, since our neighbors are getting it done. He said that our community deserves to have public art and we have enough money for roads and firefighters. He said that we can alleviate 97 percent of the concerns so that there would not be any stress like for the mural at Rochester University.

Ms. Bahm said that they will continue to research this topic with staff and there can be a discussion scheduled in the future.

Discussed

2022-0041

Discussion Regarding Non Residential Districts and Use Evaluation

Ms. Roediger stated that Ms. Valentik would be speaking from an economic development perspective about land uses in the City. She noted that staff have been having this conversation internally for a few years, in terms of which uses are allowed in the City's nonresidential districts, especially the Regional Employment Center (REC) districts. Ms. Roediger said that there has been a lot of internal confusion of what is allowed in each zoning district. Furthermore, there has been much staff discussion, on the heels of Covid, that the zoning districts could be simplified and clarifications provided regarding permitted uses and design requirements. She said that Ms. Valentik has put together a presentation which will help to frame that discussion from an economic development perspective. Ms. Roediger said that Ms. Valentik knows Rochester Hills businesses better than anyone else.

Ms. Valentik stated that a year ago she was before this joint group and shared a new economic development strategy. Staff sees that strategy as a living document. She commented that this strategy needs to be constantly reading the market and reacting to trends. She stated that right now there are a lot of disruptors in the market place. There has been a scarcity of labor which has impacted businesses. She said the biggest issue has been supply chain issues which have impacted sales and profitability. At the end of the day it's real estate and location as to why a business decides to come to Rochester Hills. She said she will review what she's seen regarding the industrial, retail and office markets. She noted that the industrial sector is the strongest sector by far, over retail and office. She mentioned that Kris Pawlowski is a local real estate broker who knows what is going on in the industrial market, and he has said that metro Detroit has a 4.4% vacancy rate. She sees uses trying to come to Rochester Hills including manufacturing, assembly and warehousing/distribution operations. Ms. Valentik said that the demand for warehousing and distribution operations will increase as e-commerce continues to increase. She mentioned that the City just had a Japanese company locate here need who was in need of a distribution center to get products to North American customers.

Ms. Valentik said that in Rochester Hills, its strength is engineering, product development and testing centers with technical campuses, and those uses need industrial buildings with power and ceiling height. She commented that it comes down to jobs, if you look at Oakland County and the economic outlook from 2020, wages for these areas are strong. She said that industrial properties in Rochester Hills today are 55% of nonresidential space, the metrics for industrial properties have remained strong over the last ten years and even during Covid, and currently there is only a 1.5% vacancy rate and the sales price has doubled. She said there have been lots of wins, noting that the newest is the swapping of Prefix with the EEI Global property. Prefix will be moving in, they are swapping buildings, are therefore the City is retaining two companies. She mentioned other wins for the City, including 3 Dimensional Services, a plastic injection mold shop, and BOS Automotive, a German company who conducts new product manufacturing and who is picking up a third Rochester Hills building. She said that they selected Rochester Hills over moving to

Mexico. Losses include Webasto Roof Systems, who moved to Auburn Hills, Pari Robotics who's constructing an expansion building in Macomb County, and FANUC who just built a 400,000 sq. ft. warehouse in Auburn Hills because we didn't have the land in Rochester Hills.

Ms. Valentik said that what drives retail is demographics, proximity to customers and visibility. She stated that there is a trend in retail to downsize building footprints. She said metro Detroit has a 5% vacancy rate, and retail uses include entertainment, stores, personal services, fitness, and animal services. She said the challenges associated with retail include the fact that wages are not as high as for other sectors. She said that retail in Rochester Hills makes up 33% of nonresidential properties. She said that the months to lease for retail spaces is pretty high at 26 months, and it will probably increase as we have been seeing more vacancies in this sector. She said the City's retail wins include the Hampton Village Center and new construction such as Trio and the Zeenat Plaza. Losses include Adams Marketplace, as half of that property is vacant, and Lottie Mae, who decided to operate online instead of with a bricks and mortar store, and she commented that this will likely become a more common choice in the future and a problem for the City with more vacant retail spots.

Ms. Valentik noted that Covid is hitting the office sector hard. She said that she was with the City of Troy for five years and saw this also, even in the best of times office space may have double digit vacancies. She said that offices are not completely going away, but the future of offices will be a hybrid mix of office and home. Also the office properties that fare well are ones that offer amenities for employees. She said that neighboring Troy and Auburn Hills both have a lot of office space, and in Rochester Hills office space is only 12% of nonresidential space. She reviewed the wins and losses for office space in the City, a win including Hillside, and noted there have been a lot of new medical offices constructed. She said that the months to lease is concerning for this sector.

Ms. Valentik stated that the City needs to be strategic with the space that it has in order to ensure its future. When you look at lease rates between industrial, retail and office, it's not hard to understand why a business looking for space would look to industrial space if they can. She said that a business looking for space will often pick the cheapest location, and the cheapest rent is for industrial properties. She said that rent can't be the deciding factor, it needs to be customer driven and must benefit the community. She concluded that the ask was not to add more nonresidential properties but to look to the future and be strategic as to how we fill the commercial properties we have that bring a greater investment.

Ms. Roediger commented that with the way the zoning ordinance is written today many of these uses can go in industrial zoning or REC districts, and she noted staff very intentionally want to reevaluate that. She said that when spaces are filled with tenants such as dog care and similar businesses, the City is losing opportunities for what could be in its industrial spaces, and meanwhile there are a lot of vacancies in retail areas.

Mr. Tangari stated that the intention of the Office, Research and Technology (ORT) and REC districts is to be workplace focused, and he noted that those types of jobs generate good wages for a highly educated community. However, those districts currently permit many non-industrial uses, including medical offices, veterinary offices, indoor recreation and fitness related businesses, which bring the customers for all of those uses. We want to discuss the appropriateness of permitting these, especially in an industrial park. Such uses can be disruptive with the public coming and going. He stated that the conversation caused them to look at the B-1 Local Business District and O-1 Office Business districts as well. He explained that both the B-1 and O-1 districts contain small properties in the City, and there is no large concentrations of these zones. He said that given the trends discussed by Ms. Valentik, they thought it may make sense to consolidate these districts to allow more flexibility, and they may need to look at adding screening and transition standards.

Mr. Tangari offered that the B-5 zoning district basically contains only gas stations and car washes, as it was mapped onto existing locations, and suggested perhaps that this could be consolidated with another district and locational standards added that would have the same effect as having a separate district. He explained that we could consider regulating use by size of the space. He suggested that if fitness uses were removed from the REC districts, it may be appropriate to permit them in B-1, B-2 and B-3, perhaps allowing smaller spaces in B-1 and larger businesses in B-2 and B-3. He suggested this may be a good way to permit such uses without permitting them at an inappropriate scale at small locations. He suggested that there is a value in clustering manufacturing related users.

Mr. Tangari presented an electronic poll question regarding asking whether uses in industrial districts should be prioritized.

Mr. Hetrick said that he was surprised that warehousing and distribution wages are reported to be so high.

Ms. Valentik responded that those wages would include jobs within the whole company.

Ms. Mungioli asked what happens with zoning ordinance changes with regard to consent agreements. She said that our wishes to change zoning may not be possible if there is a consent judgment.

Ms. Roediger said that the consent judgment still rules over the zoning ordinance when there is a judgment on the property.

Ms. Bahm noted that the City and the property owner can consent to amend a consent judgment.

Ms. Valentik said that when Kostal acquired vacant land by Meijer, this was under consent judgment and some elements of the judgment were not clear. So therefore it was taken to City Council and the consent judgment adjusted.

Mr. Gaber questioned if recreational users pay higher rent than industrial, and asked why the City should regulate that. He said that they put users in there because can't find another user, and it seems like the market controls that. He said they are wanting to put the highest and best use in a space.

Ms. Valentik said that in today's market with the low vacancy rate, there is interest in traditional industrial users. She stated that for a broker, a done deal is a done deal, and she does not hear of recreational users paying more if they are allowed to go into an industrial building. She said that retail space costs a lot more.

Ms. Roediger that there are many examples in the City where industrial users can't find needed space because of all of the recreational users that are occupying those spaces.

Mr. Gaber commented that then recreational uses will be regulated out of existence.

Ms. Valentik commented that is not the request and that this is not just a Rochester Hills issue, as retail space always costs more. She said that the City is also trying to be mindful of the future of retail space, when it sees the trend of retail businesses condensing their space. She asked what we want to put in those empty spaces and commented that the City should consider how to get ahead of the trend. She said that a company like FANUC would not be appropriate to go into the Adams Marketplace shopping center. She asked how to get ahead of the trend of the vacant retail space.

Ms. Munglioli questioned why more retail space is being constructed if there are empty spaces and suggested that perhaps indoor recreational users can't afford a traditional retail space.

Ms. Valentik responded that Rochester Hills still has a strong community with great demographics, and therefore construction is still happening. Whether space gets filled right away or takes months to lease the space can be a challenge. She commented that she doesn't want to speak for the landlords but she believes that space is a lost opportunity when it could have been occupied by a traditional industrial user. She suggested that the recreational user could have gone into a retail space, which would be a more appropriate location because such users have higher parking requirements. She noted that when recreational users go into an industrial property where the rent is lower and then may often be not satisfied with insufficient parking and the lack of visibility for customers to find them.

Mr. Hetrick said maybe this is the direction we are going with this.

Mr. Gaber said there is a demand for those type of businesses also.

Ms. Bahm asked what happens if the dance school goes into an industrial park, and if that drives the existing industrial users out of business. She said that it is

a balance, as there is only so much land available for industrial uses. She asked with regard to the vacancies at Adams Marketplace, if business such as a bounce house went in there, whether it would take some of the pressure off industrial districts, and allow them to go back to what they were previously.

Mr. Hetrick asked for an explanation of the term "artisan manufacturing".

Ms. Bahm responded that this includes distilleries, furniture makers, and similar businesses with space for making the product and then for sales.

Ms. Mungoli asked if you would drive business out of the community if residents have to go to Auburn Hills and Troy for recreational services. She said that for entities like RARA we would make their space unattractive by regulating it.

Ms. Valentik said that we are not talking about taking commercial uses away and making them industrial, just whether it makes more sense to require industrial properties to be occupied by industrial users. She said that the City can't control rent prices.

Ms. Bahm said that by regulating some uses by size, it would allow some of smaller uses to go into other spaces.

Mr. Hetrick asked if there is a recreation facility in an industrial building, what would prompt the owner of the property to develop the site. He said if there is a low vacancy rate perhaps tenants could expand building footprints.

Ms. Valentik responded that we haven't seen that happening, noting that users that need an industrial property find that ceiling height is the issue in many instances; so it is just not an issue of floor space. She said that you always want a use to complement its neighbors. Industrial users have trucks, and compatibility has been an issue on Technology Drive where we had a cheer camp go in right next to a manufacturing business, and the cheer camp was upset that the manufacturing business had trucks coming in and out and making it unsafe for the children. And when the cheer camp had competitions on the weekend their people parked on the manufacturing business' property; therefore, these are not compatible uses.

Ms. Roediger commented that we want to have those high paying jobs in the industrial parks, and preserve the integrity of the industrial parks for industrial uses. She suggested that recreational uses could be allowed on the periphery of industrial parks, on major roads. They would not be "zoned out".

President Deel said the Robot Garage is a great example, they started in the Village of Rochester Hills and moved to an industrial park. He said the retail rents are higher and we would be basically zoning recreational uses to a place where they will pay rent three times higher than in industrial parks. He said the yoga studios, dance studios, and Robot Garage service the residents. He said that he is not here to make someone else money, he is here to promote quality of life and he doesn't see this promotes quality of life. He said that the Robot

Garage will not pay three times more for rent, they will leave the City and that will inconvenience residents.

Mr. Gaber said there would be opportunity costs with not allowing the cheerleader facility in these zoning districts, and said it would be interesting to see an analysis what are the opportunities that we are missing out on.

Ms. Mungoli asked why more industrial spaces are not being constructed if there is a need.

Ms. Valentik said that we have discussed some of the losses including Envisics, an international company who is leading the charge with GM for engineering services. She mentioned that there is a CrossFit taking 8,000 sq. ft. on Austin and a basketball camp occupying 30,000 sq. ft., however she said that she is protective also of some of the smaller spaces, because international companies often need smaller industrial spaces before they can start manufacturing here, they can be incubator spaces until the companies grow. She mentioned a tooling company who opened their first location in the United States here, they don't have a strong enough customer base yet to do manufacturing here, so they only needed a small sales office and warehousing/distribution area. That is where a lot of international companies coming into our community start, in smaller tenant spaces. She said those smaller spaces can become incubator spaces while those companies grow.

Ms. Bahm said we should care about industrial users, we care about our daytime population, they eat in our restaurants and shop in our stores, and they can also be residents. If people can both live and work in the City then it will reduce traffic when people don't have to drive as far. She stated that the goal is to provide balance and get people who live here, work here and play here.

Discussed

[2022-0042](#)

Discussion Regarding Flex Business Overlay District Evaluation

Ms. Bahm reviewed the purpose of the Flex Business Overlay districts, which were originally instituted to allow for a mix of uses with horizontal or vertical mixed uses, and are generally located along arterial roads. The districts provide incentives for older parcels to be redeveloped, and allow for increased height. The districts encourage a mix of uses and then have form based design standards, and the intent was to create more walkable developments. She presented a table showing Flex Business overlay developments approved, and said that a lot of them received waivers from the Planning Commission with regard to the ordinance requirements, and staff would like to tighten these up a bit, specifically looking and the third and fourth floors that the district allows. She presented a poll question asking what conditions should be prioritized to allow third and fourth floors, and most said there should be additional public amenities provided.

Mr. Gaber stated that this district hasn't been used as it was intended, like what was done with the property located to the north of Bordines. He commented that

now developers are taking advantage of the FB district, which is what happened with Tienken Trillofts, where they fit 12 units on less than an acre of property. He said that the district should be used for larger mixed use developments and not individual parcels of land.

Mr. Kaltsounis agreed and said commissioners were on the board when with the FB overlay districts at the time they were approved, as they were looking at addressing properties that were too small for a Planned Unit Development (PUD). For Bebb Oak he said they have a lot of apartments and just a few stores in front, and for the Trio development they fought for no covered parking. He said covered parking for apartments should be a requirement.

Ms. Bahm presented a poll question asking what additional conditions could be applied.

Ms. Mungioli said that she does not want the FB overlay districts at all.

Ms. Bahm suggested we could assess where the districts should be applied.

Mr. Kaltsounis and Chairperson Brnabic suggested a reassessment of the four stories permitted on Rochester Road in the FB district, especially adjacent to residential homes. Mr. Kaltsounis said that people will look to maximize the value of their property.

Ms. Mungioli said the overlay shouldn't allow a road to go through a residential property. She also said that there shouldn't be multi-story buildings on Rochester Road when there are residential properties behind, since those homes were built long ago.

President Deel said that we shouldn't put an overlay on a residential property allowing for a commercial use, and he asked if the property referenced has a Cloverport address. He asked whether there is a public good to putting an overlay on existing residential properties.

Ms. Roediger suggested that the FB districts be reevaluated rather than merely getting rid of them, as there is a benefit to allowing for a mixture of uses and some flexibility.

Ms. Bahm noted that staff wanted to bring this issue to the attention of City Council for this discussion, since the Planning Commission has been discussing these issues in reviewing some of the projects on their agendas.

Mayor Barnett commented that back at the time the FB overlay districts were added, the Planning Commission and City Council cared just as much about residential properties. He said that at that time, there had been a massive recession, however people in the City didn't really want affordable housing. At that time, there were about 1,000 home foreclosures per year, and last year in the City there were six. That was a predominant thought at the time, and in addition they were trying to embrace creative development, and there were still concerns about overdevelopment. He asked if we achieved any affordable

housing, as residential prices are significantly higher now. He said that we have to look at balancing housing density with offering affordable housing. He said that now that we have ten years of a track record for this ordinance, it's perfectly fine to evaluate it.

Ms. Bahm stated that in 2018 when the Master Plan was updated, there was much talk about those issues. She asked Commissioners and Council Members to consider what about Tienken Traillofts that they don't like. She said when looking at the effects of an ordinance we should look at what are the negative impacts and then craft regulations to target those items, for example requiring adequate visitor parking.

Mr. Hetrick suggested the "harmonious" standard is important, and the example of the cheer camp and the manufacturing business not being able to coexist was the perfect example. The more FB can be consolidated and create better harmony between developments would be positive.

Mr. Blair said that construction and labor costs are high now, and commented that we have never seen a construction environment like this. He said that he is cognizant of the fact that this could change too. He said that we should not base decisions on these current high prices, since those could change in the future.

Ms. Roediger thanked the councilmembers and commissioners for the discussion and their honesty.

Discussed

2022-0043

2021 Planning and Economic Development Annual Report

Ms. Roediger noted that there was one more topic for discussion this evening, the annual Planning and Economic Development Report, which is required by the State of Michigan. She commented that Staff puts a lot of work into this report which summarizes development in the City and everything that goes before all of the boards.

She noted that the biggest area of development in the last year was for senior living facilities. She said that 2021 was a steady year for development but not overwhelming.

She said we are very proud of this report, and have highlighted the Auburn Road corridor project. Ms. Roediger provided an update regarding the City acquiring property for parking lots along the corridor as the Brooklands District continues to develop. She also noted that the City made the cover of the Michigan Municipal League (MML) magazine for the Auburn Road project. She said that the only requested action for the Planning Commission this evening is to accept this report.

A motion was made by Hooper, seconded by Neubauer, that this matter be Accepted. The motion carried by the following vote:

Aye 9 - Bowyer, Brnabic, Dettloff, Gaber, Hooper, Kaltsounis, Neubauer, Struzik and Weaver

Abstain 6 - Blair, Deel, Hetrick, Morlan, Mungioli and Walker

Resolved, that the Rochester Hills Planning Commission hereby accepts the 2021 Annual Report for the Planning and Economic Development Department.

ANY OTHER BUSINESS

None.

NEXT MEETING DATE

Chairperson Brnabic noted that the next Planning Commission meeting is scheduled for February 15, 2022, and the next City Council meeting is scheduled for February 7, 2022.

ADJOURNMENT

Hearing no business to come before the Planning Commission and City Council, and upon motion by Ms. Neubauer, seconded by Mr. Hooper, Chairperson Brnabic adjourned the Joint Meeting at 10:05 p.m.

*Deborah Brnabic, Chairperson
Rochester Hills Planning Commission*

Nicholas O. Kaltsounis, Secretary

*Ryan Deel, President
Rochester Hills City Council*