

Chairperson Brnabic stated for the record that the motion had passed unanimously.

DISCUSSION

2016-0236 Request to discuss 2860-2896 Crooks Rd. for possible mixed-use development, located on the west side of Crooks, between M-59 and Auburn, zoned O-1, Office Business, Parcel Nos. 15-29-477-043, -045, -049, Peter Stuhlreyer, Designhaus, Applicant

(Reference: Memo prepared by Sara Roediger, dated June 15, 2016, letter from P. Stuhlreyer and conceptual plans had been placed on file and by reference became part of the record thereof.)

Present for the applicant were Peter Stuhlreyer and Justin Roberts, Designhaus Architects, 301 Walnut Blvd., Rochester, MI 48307 and Arban Stafa, Sterling Construction, Inc. Homes.

Ms. Roediger advised that the applicants came to the City several weeks ago to ask how staff felt about the proposed development for the subject property. She thought it would be a good idea to run it by the Planning Commission to see if they might or might not be interested. She added that there had been no formal review of the plans by the City.

Mr. Stuhlreyer noted that the site totaled about 4 ½ acres on a commercial thoroughfare. The uses they were proposing were a mix of retail, medical office and a small hotel. He felt that the development was put together in a way that was cohesive with the context, and that it felt right in terms of the mass and scale. They pushed the buildings forward, observing that it was the direction of most commercial along similar corridors. They would break the parking up and even share it to the degree that they could operate the businesses efficiently but not have seas of asphalt. He realized that a hotel sounded like an intense use, but they would be preserving the wetlands as a buffer, and it would be about 500 feet away from the residential. In terms of line of sight and visual hazard, he felt it would be fairly minimal. The shared parking came from the fact that the office, the retail and the hotel would operate at different times/days. They felt that they could manage the site that way. He commented that they hoped to have a good conversation with the Commissioners.

Mr. Schroeder had looked over the drawings of the hotel, medical offices and retail, and it did not look like there would be sufficient parking. Mr.

Stuhldreger said that he understood, because if each of the uses had to park themselves, 240 spaces would be needed. They were providing 170. He maintained that the hotel was busiest in the evening and on weekends, but the opposite was true for a medical office. He offered that as the developers, they could also control the hours for the businesses. They thought that sharing would be quite feasible.

Mr. Schroeder asked how many beds would be in the hotel, and Mr. Stuhldreger said that they were targeting 100. Mr. Schroeder asked Ms. Roediger if she had reviewed the parking. Ms. Roediger said that there had been no official review, and Mr. Schroeder reiterated that it did not look sufficient, but he would leave it up to staff. He asked if the property to the west was all residential, which was confirmed.

Mr. Yukon asked the phasing plan of development for the site. Mr. Stuhldreger said that he had not given that thought. Mr. Yukon asked if it would be an extended stay hotel and was told no. Mr. Yukon asked Mr. Stuhldreger if he had developed this concept with a hotel in other areas. Mr. Stuhldreger advised that Mr. Stafa had relationships in the hotel industry that were interested in the location, but he had not personally developed the proposed concept.

Mr. Reece agreed with Mr. Schroeder, and stated that the site was overdeveloped and under parked. He thought that a four-story hotel in that location was inappropriate. The Commissioners had reviewed another proposal for a four-story hotel at Rochester and M-59, and they struggled with that. He indicated that the subject location would be an even greater struggle.

Mr. Hooper said that he liked the concept of complimentary parking. He liked the idea of opposite uses sharing the same parking, and he felt that it made sense. Regarding density, by the time they did the storm sewer analysis, and he was not sure if the wetland would be used for detention, he thought the intensity would be challenged.

Mr. Stuhldreger felt that the density would allow them to have the income to afford underground sewer systems. A reduction in density would allow open space. He considered that it would be a trade, where the static issue was the land value.

Mr. Hooper agreed that the intensity of uses might be the breaking point as to whether it was viable for the applicant and whether it worked for the City. He liked the idea of sharing parking with the neighbor to the south

and the concept of traversing back and forth. He questioned whether the landscaping shown behind the hotel would be feasible. The trees were depicted as very large, but he thought it would take about 15 years to reach the height as shown. Mr. Stuhlreyer said that the trees shown existed. Mr. Hooper said that the question would be what type of hotel they would develop. He remarked that the last thing the City needed was another Days Inn, and he would not support something like that. Mr. Stuhlreyer did not think they were big enough to attract that franchise, and Mr. Hooper said he would not want it - he would want something more higher class such as a boutique style hotel.

Mr. Stafa asked how the Commissioners felt about the Hilton chain. Mr. Hooper said that it would have to be three star or above. Mr. Stuhlreyer felt that the biggest issue looming for the development was that it was zoned and master planned office, and they did not have any desire to develop 100% office. He was not sure if that was market driven or data driven. They could generate different densities, looks, heights, blends and arrangements of the hotel. He asked how they should thread a needle with a mixed use site that felt like it was financially feasible on a site zoned office. If they moved forward, they could develop traffic studies, hotel analyses and come to the table with franchisees. Mr. Hooper noted that the City had done a number of Planned Unit Developments (PUDs), and that would be how the City would control the development. They could control the look, the feel, colors, textures, height, how it fit in, and the shared parking arrangements, for example. Mr. Stuhlreyer remarked that he could not bring something that would not work. Mr. Hooper indicated that most people tried to pack in as much as they could at first and then went from there. At the end of the day, the applicant would need to come up with something financially viable that really worked for the site.

Mr. Kaltsounis noted that he lived in the area, and he drove by the site every day. As a Planning Commission member, the first thing he looked at was the proposed density of a project compared with what surrounded it. There was a dense center across Crooks, and he thought that the proposed project was a little denser. He looked at the hotel, and it would be the tallest one in Rochester Hills, and the tallest hotel next to a residential community. The Holiday Inn at Marketplace Circle had three stories; the Red Roof Inn had two and Concorde Inn had two. He would have a very hard time approving a four-story hotel next to a residential area, regardless of the tree sizes. He recalled that the CVS across the street had wonderful trees and bushes originally planted, but today it was sparse. He said that he could see the front two buildings happening, but they lost him at the hotel. He might consider two stories. He realized

there was a business case for what they wanted to do. Regarding threading the needle, there were many options they could discuss with staff. He thanked the applicants for considering Rochester Hills.

Mr. Dettloff asked Mr. Stafa if he had done any other development in the City. Mr. Stafa said he had not in Rochester Hills; he worked mostly in the Troy area. Mr. Dettloff asked if the client owned the land, but Mr. Stafa was not sure about the ownership. Mr. Dettloff asked what was previously on the site, and Mr. Anzek advised that it was a greenhouse. Mr. Dettloff clarified that there were no environmental issues. He said that Mr. Stuhlreyer talked about the market feasibility, but he did not believe anything had been studied. Mr. Dettloff understood that it was very conceptual. Mr. Stuhlreyer remarked that he was ready to spend thousands of dollars of his client's money, but the meeting came first. Mr. Dettloff asked where the City stood with regards to office space and if there was a void in the office market.

Mr. Anzek said that there was. There were a lot of vacancies, but that was because they were obsolete buildings. They did not meet today's current medical needs. The big elephant in the room had been the former Volkswagen building on Hamlin. It had been purchased and was soon to be occupied. The vacancy rate for office was dropping considerably. He believed the rate was 7 to 8%. He added that Rochester Hills was a strong medical office community.

Mr. Stuhlreyer said that in his experience, medical was still reasonably strong, but he had not designed an office building in the last 15 years. He maintained that it was all multi-family, retail, restaurant and mixed-used, and office got built in the early 2000s like crazy. Mr. Dettloff agreed that a four-story hotel in that location backing up to residential would be an issue. Mr. Stuhlreyer said that he would not have brought the project forward had it not been legitimately buffered and 500 feet from the homes. He believed that when he cut sections and took pictures from the homes and brought in that evidence that the Commissioners might look at it a little differently. He said that he could, however, understand the height issue.

Mr. Schroeder said that when City Hall was built, the Ordinance did not allow buildings higher than two stories. When Danish Village was built, they put the third floor into the ground. Mr. Anzek said that Danish Village was four stories from Walton Blvd., and then it disappeared into the hill and became three. Mr. Schroeder agreed that they did a lot of manipulating. He asked if four stories was now allowed. Mr. Anzek said

that it was in certain cases. He reminded that City Apartments were approved for four stories. He noted that Mr. Stuhreyer was the designer. There was a hotel proposed next to the Holiday Inn that was coming back on line which was four stories. The Consent Judgment for that area permitted hotels up to eight stories.

Mr. Schroeder asked Mr. Stafa what he developed in Troy. Mr. Stafa said it was in the Crooks/Big Beaver areas, and one was Muir's Gardens. He also did luxury homes in the Charnwood area near Square Lake and Adams. Mr. Schroeder noted that it was a much older area. Mr. Stafa agreed, but he maintained that there were very large lots and large estates being redeveloped.

Ms. Morita thanked the applicants for bringing the project before the Planning Commission, and she appreciated the extra effort to get input from the Commissioners. She did agree with a lot of the comments that a transient hotel right next to residential was not appropriate. She indicated that there was a reason it was zoned Office. There would be a buffer between the residential uses and other commercial uses. She suggested that if they moved the office to the west (back) of the property and moved the hotel forward, she would find it more acceptable than having the hotel back right up to the residential properties. She did like the look of the proposal. She felt that it was very high end, and that it would be a nice asset to hopefully encourage some of the other property owners to invest in their properties. As proposed, she felt that it was too intense of a use right next to residential. Mr. Anzek had mentioned City Apartments, and she had struggled with that development. She was one of two no votes, because she thought it was too intense of a use next to residential. She stated that overall, she liked the proposal, but she thought it should be "re-arranged."

Chairperson Brnabic summarized that the feedback to the applicants was that there was a concern that there was not enough parking; the site was overdeveloped and too dense; and the majority of the Commissioners were not in favor of a four-story hotel for that location. She considered that there was the PUD option.

Mr. Stuhreyer responded that they had to start somewhere, and they appreciated the Commission's time. Mr. Stafa asked how the Commissioners felt about multi-family rather than a hotel to the west in order to create a better buffer than a hotel. He asked how they would feel about not having office at all because of demand and to lower the density in terms of parking. Mr. Kaltsounis asked what he would propose other

than office. Mr. Stafa suggested having retail on the first level and multi-family or the hotel in the back and lowering the density of the development overall.

Ms. Morita said that she understood what Mr. Stafa was trying to accomplish, but he had to keep in mind that it would still back up to people's homes, and what went in there would be in their backyards. She did not consider having multi-family above retail backing onto residential properties a less intense use. They had to be cognizant of the people who bought knowing what the zoning and potential uses of the properties were. They knew there was a greenhouse, but they knew it was zoned Office. The Commission had to balance what the owners wished to do with the people who were already there and their expectations based on the Ordinance. Mr. Stuhlreyer stated that it was a very good point.

Mr. Kaltsounis said that he agreed with Ms. Morita. He commented that there were a lot of shell games that could be played, but the bottom line was how to transition to the development and how to make it harmonious for the area. The pictures looked great, but he had to think about when the trees did not have leaves. It was like that for a long time in Michigan. If he was the neighbor 500 feet away, he would want to know what he would see or what the people on the fourth floor would see looking into the homes. If the applicants had brought just the first two buildings to them, he would probably say yes. The hotel was an issue, however. He suggested that when they went back and looked at the parking and the storm water, etc., the development would fall into place. He knew that there was a lot of potential for office, restaurants and other ideas, and he wished the applicants good luck.

Chairperson Brnabic thanked the applicants.

ANY OTHER BUSINESS

Mr. Anzek mentioned that the ZBA recently had a request for a front yard setback Variance for a parcel of land south of M-59 on Rochester Rd. It was an irregular shaped parcel, and if they built something within the setback guidelines, the building would have been hidden from traffic moving northbound by the building next to it. Staff recommended that they considered pursuing a Variance, but it was quickly established by the ZBA that there was no hardship. The ZBA had always been strict in that interpretation. He was asked by the ZBA if there was anything else that could be pursued, and he advised that the City had adopted Flexible