



Rochester Hills

Minutes

Planning Commission

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Chairperson Deborah Brnabic, Vice Chairperson Greg Hooper
Members: Susan Bowyer, Sheila Denstaedt, Gerard Dettloff, Anthony Gallina, Marvie Neubauer, Scott Struzik and Ben Weaver
Youth Representative: Siddh Sheth

Tuesday, October 18, 2022

5:30 PM

1000 Rochester Hills Drive

WORKSESSION

CALL TO ORDER

Chairperson Brnabic said "Good Evening" and welcomed attendees to the October 18th Planning Commission Work Session. She said that our discussion tonight will focus on reconfiguration and consolidation of certain zoning districts. She said that she'd like to welcome Jill and Joe from Giffels Webster who will be guiding the conversation tonight, along with Sara and Chris.

ROLL CALL

Present 7 - Deborah Brnabic, Sheila Denstaedt, Gerard Dettloff, Anthony Gallina, Greg Hooper, Marvie Neubauer and Scott Struzik
Excused 2 - Susan M. Bowyer and Ben Weaver

Others Present:

Sara Roediger, Planning and Economic Development Director
Kristen Kapelanski, Planning Manager
Jennifer MacDonald, Recording Secretary
Siddh Sheth, Rochester Hills Government Youth Council Representative
Also in attendance from Giffels Webster were Jill Bahm and Joe Tangari, and student representative Siddh Sheth.

PUBLIC COMMENT

There was no public comment regarding non-agenda items.

DISCUSSION

[2022-0447](#) Zoning Ordinance Amendments - District Consolidation

Ms. Roediger explained that staff has talked about proposed district consolidations, and during an earlier meeting the topic of the B-3 and B-5 district consolidations were discussed. She said there are a number of other items to discuss including the REC districts now that the FB district amendments and

rezonings are complete; and staff is looking at cleaning up some of the other districts, so that the uses make sense in today's world and post Covid. She said the zoning ordinance needs to provide options and allow for the best possible uses that make sense today.

Ms. Bahm stated that back in January when the idea of reviewing the different districts was first brought up, consolidations were part of the original discussion which also included the FB overlays. She said these ordinance revisions would be a cleaning up, taking a look at the uses in each district, making sure the ordinance offers property owners flexibility when the future of offices and retail uses is unsure, making sure there is enough opportunity for economic development, and offsetting any issues that may arise. She said that it initially sounded fairly simple, however there is a lot there. She said the topic started with discussions on consolidating the B-3 and B-5 districts, and what to do with gas stations and it seems pretty straightforward. Then there was the discussion about the REC districts, and some of the confusion that people have with the naming of those districts as well as reviewing the uses that are permitted there. She noted that simplifying the O-1 and B-1 districts also will be discussed. She pointed out that some recommendations are provided in the packet and provided an overview of those recommendations, and noted that a use matrix was included for all of those districts so that they can be compared side by side. The final item is the map which notes existing uses, future land use, zoning and then provides a recommendation.

Chairperson Brnabic introduced student representative, Siddh Sheth, who joined the meeting.

Mr. Tangari explained that the general idea was to collapse the B-5 district into the B-3 district, and explained that there are only two uses that are permitted in the B-5 that are not permitted in the B-3, auto gasoline service stations with associated retail uses and car washes. He noted that there are 26 properties in the city that have B-5 zoning, and of those, most are located at corners. He said that in order to bring those uses into the B-3 there will be some use standards for gas stations suggested, to require a corner location for example, and there is some reconciliation that needs to be done between the setbacks of the two districts and the lot sizes. He said that their memo addresses some of those issues.

Ms. Roediger showed the map where the B-5 properties are highlighted, she said they are very small properties and are scattered across the city. She said that with more electric vehicles coming, the B-5 district will be outdated and more flexibility is needed.

Mr. Hooper said the devil is in the details, and a couple of the B-5 properties are not at intersections.

Mr. Tangari said that has been considered.

Ms. Bahm asked the commissioners if they have suggestions for what to be mindful of as this consolidation is reviewed, for instance to pay attention to the locations that are not at intersections.

Mr. Hooper pointed to the table of uses in the packet, and noted that staff has suggested going with the most restrictive use. He mentioned a gas station that is located not at an intersection and asked how that would be addressed.

Ms. Roediger responded that the parcels that are not at intersections are generally not gas stations, they are more likely to be car washes, a tire store, etc. She responded that such locations would be grandfathered and would be considered legal nonconforming.

Ms. Bahm said the next section is the reconfiguration of the REC districts. She said the REC stands for Regional Employment Center, and there are two paper districts, REC-C and REC-M that are not assigned to any physical properties in the city and they are suggested to be deleted since it does not seem that they will be used. Because most people think of REC to mean "recreation" it is suggested to consider changing the REC-W district to EC Employment Center; and REC-I which doesn't seem to be REC oriented, or highway commercial, to consider changing it to a business district to more closely align with the uses that are currently permitted. Ms. Bahm said the Employment Center district would focus more on office and industrial type of uses. Going back and forth between the map and the use matrix, she noted the uses that are different between ORT and EC. She explained that the ORT was originally intended as more of an industrial park type district, so the idea is to consolidate those two districts, to make it an all-purpose office and industrial district. It is the ORT + REC-W + REC-I. She noted that there are not an overwhelming number of these sites. She stated that this will also be helpful when the Master Plan is updated next year, with some districts consolidated as last time it got pretty bulky and all the categories are not necessarily worthwhile. She commented that there may be places where it makes sense to have those properties be EC, especially on the southwest side of the city and along the freeway. She referred to the REC-W in purple on the map and said it makes sense for the blue areas to also become EC.

Ms. Roediger pointed out that currently the zoning map is kind of misleading for some properties that are under consent judgment, for example for the Grand Sakwa property that is zoned Industrial but it is generally developed commercially. She stated that the map needs to be aligned to reflect what the uses allowed are, and pointed out that there would not be any changes made as to the uses permitted since the consent judgment governs the permitted uses.

Ms. Bahm said that there are some pet related uses that are permitted in what we are referring to as the EC that are not permitted in the ORT currently and suggested that the Commission might want to talk about those. Those are shown in the orange on the map. She said some of those uses are proposed to be consolidated also. She said this was discussed previously during the discussion of indoor recreation, exercise studios, and health clubs and that perhaps locational and size requirements could be considered, and allowing smaller uses to go in commercial business spaces.

Ms. Roediger said that at the January joint meeting it was discussed that in a lot of industrial parks there is very low vacancy rate. She said there are

businesses looking to come to Rochester Hills and there is no space for them. She said that businesses like health clubs, cross fits, volleyball groups and other such uses are taking over spaces that were intended for engineering jobs, and related high paying jobs that the city wants to attract. She commented that it has been discussed about the push and pull of having great places for kids to go to jump and dance and do all of the things that we want them to do, with consideration where the appropriate place for them to do that would be located. And there also needs to be consideration of the future of retail, and some empty retail spaces on Rochester Rd. She mentioned that there is the conundrum that the retail space costs more on Rochester Rd. than it does to locate on Technology Dr. for instance, where it is zoned Industrial. There needs to be a discussion about balancing allowing the recreational businesses, addressing the supply and demand shift for retail, and accommodating the existing uses. It was previously discussed to continue to allow for some of the private recreational uses, as long as they are not part of an established research or industrial park. She noted the city has a number of such parks that exist off of Crooks, and we would rather those jobs be available in the city rather than jobs as an attendant at a trampoline park. She said this was a hot button topic at the January joint meeting and asked for additional thoughts of the commissioners.

Ms. Bahm said that it was a really good point, and questioned if these are family friendly uses, does it make sense or is appropriate to have them mixed in with industrial users, noting drop-offs and pick-ups and managing conflicts with more traditional users.

Mr. Hooper suggested that such uses could be made conditional.

Ms. Roediger stated that there are very established companies in the research industrial parks, and it is challenging to their business because on the weekends there might be a volleyball tournament with parking spilling over onto other properties. She noted that the Commission should consider whether a distillery should be located next to the Robot Garage. She commented that there is discussion about the challenge of what to do with empty retail space moving forward post-Covid, and noted the increase in online shopping. She stated that the city has a significant amount of vacant retail space and not enough industrial space, so the industrial space needs to be valued, while still allowing some of the other uses on the periphery. She mentioned Hamlin and Livernois as an example, noting that there is a martial arts studio that is not in the heart of an industrial complex. She said that she likes allowing such uses in limited locations. She commented that there are multiple times that Pam Valentik, the city's Economic Development Manager, had been talking to an industrial business looking for space in the city, and then spoke with a broker who said they just rented the space to a CrossFit business. And then that industrial business must find space in another community, and the city has lost a valuable business.

Chairperson Brnabic said that the cost difference per square ft. for industrial and retail rates was the concern expressed at the January joint meeting because there are a number of groups occupying such buildings in industrial areas. She said that the main concern was, if those groups were pushed out, those groups would not be able to afford or would not choose to pay the current retail prices

for space. So they would move to other cities like Auburn Hills.

Ms. Roediger said that the compromise would be allowing them in some instances, on the periphery. It would be permitted but not in the heart of an established industrial park. She said there are lots of places that would still accommodate such uses. She said that eventually the price of retail space will have to decrease with all the vacancies.

Ms. Neubauer said that she thought it was discussed that a certain amount of square footage would be required. She questioned if we are talking about allowing such uses in certain areas, how would the locations be determined and would it need to be a conditional use. She asked Ms. Valentik to refresh the board on the differences in price for industrial vs. retail space. She noted that in January the concern expressed was about the little guy not being able to afford space in the city any more.

Mr. Roediger responded that it could be made a conditional use.

Ms. Valentik said she could speak generally about the numbers, and the numbers went to why the businesses want to go into the industrial spaces. It's not necessarily that they need it for square footage or that they need the ceiling height. She said if she's an entrepreneur and she's looking for 5,000 square feet, she will be driven by price, which makes sense. However the city and especially the Planning Commission needs to ensure that they are thinking about where the trends are with tenant spaces and putting uses together where they make sense. She urged that we need to be mindful that we are not letting price drive where businesses go in the community, but that it is driven by the use. She commented that it is incredibly difficult to convince a community to rezone retail space to industrial, and nobody ever wants to do that. However if you have that industrial space, it needs to be preserved for industrial uses. In today's market, not just in Rochester Hills, but across the country, industrial space is in great demand, for example, 2,000 square feet for NS Tool, a Japanese company that just opened their first US office, and chose Rochester Hills. She stated that all they needed was that square footage and a little space to warehouse and to show off some of their tooling products. She mentioned also that there is Perry Robotics that needed 100,000 square feet to build automation lines. She commented that Industrial is hot right now, office is not going to go away, or retail. However she suggested that it should be considered whether some of those recreational uses where families are already going could be located in the retail areas.

Ms. Neubauer asked whether it is known why there are some many vacancies in the plaza on Adams Rd.

Ms. Valentik responded that her theory is that the property has gone to the bank a few times in 11 years, and when a bank is holding a building, a business does not want to sign the lease because they don't know who their landlord will be.

Mr. Tangari said that some proposed legislation is going to lead to increased demand for industrial properties, because some high tech manufacturing will be coming back to the US after moving overseas years ago. He said that a lot of

that supply chain is coming back, even if it won't mean huge facilities. He stated that a lot of it will be microchips, and it will drive up demand for industrial space even more.

Ms. Valentik commented that at the end of the day, it is not the city's role to get into anyone's business. They have to have a strong business model that takes into account all of their expenses with regard to the prices that they set as part of their business model. She said that the city needs to be mindful when there are not very many vacancies. She said that her comments are from the perspective of an economic developer and not a planner.

Mr. Dettloff asked for what the average rental price is for industrial space.

Ms. Valentik responded that it is around \$9-\$10/square foot.

Ms. Roediger said that retail space in the city is around \$25/square foot.

Ms. Bahm said that there is nothing about industrial properties that is needed for most of the recreational uses, they can really go anywhere. But the uses that are industrial in nature can only go in the industrial spaces.

Ms. Roediger noted that we are trying to accommodate the trend by allowing more flexible uses in the retail such as makerspaces and then also cleaning up the uses permitted in industrial zoning.

Ms. Valentik said that for the first time, some area communities are actually rezoning retail to industrial, and gave the example of an old TJ Maxx, Kroger or Kmart to allow industrial to go in that space because there is such a demand.

Mr. Struzik said that he likes the idea of the compromise to preserve the industrial areas while still allowing some limited recreational uses. He asked if there is a way to better understand what the industrial sacred areas would be. He suggested it would include Star Batt Dr. but asked about Rochester Industrial Dr.

Ms. Roediger and Ms. Valentik discussed how many tech parks there are in the city and said that can be presented at the next meeting.

Mr. Struzik asked for the off limits areas to be included.

Mr. Hooper noted that RARA went into an industrial area in Rochester.

Ms. Valentik said that what happens a lot of times is those businesses go into the industrial parks and then they don't have the visibility that they need, they have customers that can't find them, they want more signage, and they often don't have enough parking. It is challenging, and she noted that she was a business consultant previously and would look for locations and would look for the cheapest place to go. However they get into the spaces but then realize for a variety of reasons that the locations are not suitable.

Mr. Tangari said that many of the tech parks were designed long ago and do not

have sufficient parking for recreational uses.

Mr. Hooper said that would be a way to control it too, require conditional use approval and make sure that parking requirements are met.

Staff and the commissioners discussed the locations of some recreational businesses within industrial parks on the map.

Ms. Valentik said with regard to parking it is difficult for addressing the recreational businesses. She said even when there are class times, all the people don't necessarily leave before the next one starts, they overlap. The next group of parents then may have to go park offsite.

Ms. Neubauer said that there can be kids running through the parking lots in those type of businesses, there are no sidewalks and there is not adequate lighting.

Ms. Valentik said that the recreational businesses can also be a deterrent for industrial and engineering businesses because they see that activity and it is not what they want to be next to, especially if they have two shifts.

Mr. Dettloff asked if any of the recreational businesses are open 24-7.

Ms. Neubauer said at Oakland Fieldhouse, it is very dark at night. They were running a camp and the parking took up the whole multi-tenant parking lot. On a particular night she said kids were playing basketball in the parking lot, and some teenagers were dropping off younger kids, and they zip through the parking lot and it was really dark.

Mr. Gallina said that he drops his dog off at a vet/daycare, and noted that sometimes during the dropoff there are massive semi trucks blocking the exit while they are loading and unloading. They have to wait for them to load and unload.

Ms. Roediger responded that this is another instance where that business probably makes more sense on Rochester Rd. than in the middle of an industrial park.

Ms. Valentik pointed out the city's industrial/research/tech parks on the map and mentioned some of the recreational businesses occupying spaces there.

Ms. Bahm commented regarding some of the industrial uses permitted and by conditional use approval in the use table.

Ms. Roediger said for the next meeting staff would expand upon the use table, and point out some of the inconsistencies to be addressed, and discuss the proposed consolidations of some districts.

Mr. Struzik asked if staff could clarify the difference between a kennel and a pet boarding facility which he could not find in the ordinance.

Ms. Roediger said there are lot of uses that are similar or overlap and they are permitted in some districts and not in others, and this needs to be clarified.

Ms. Bahm said the final section for discussion is regarding the consolidation of the O-1 and B-1 districts. She referred to the map showing the parcels in these districts. She said staff reviewed the current uses and the future land use designations. She noted that the use matrix shows the differences between these two districts in green.

Chairperson Brnabic asked for clarification as to whether the two districts are proposed to be combined when they have totally different intentions.

Ms. Bahm responded that some of these office areas back up to residential, there are not a lot of heavy retail uses that are included in B-1 anyway, but there are retail uses which may not necessarily fit in those O-1 locations. So then it was discussed to flip it around, it is possible to consider it a move from B-1 to O-1.

Mr. Tangari suggested that all of the properties don't necessarily have to move to the same district.

Ms. Roediger said that staff would provide the property specific information as to each property to be rezoned, and provide the current use. Most of the B-1 is office today anyway. She noted that it would grant the property owners more flexibility to allow O-1/B-1. She mentioned that one of the areas staff discussed was the offices on South Blvd., and commented that this area should really become EC since they are mostly medical offices. That might also be a better designation for the ORT zoned doctor's office property on the north end of the city.

Chairperson Brnabic asked if the O-1 is intended for larger office complex developments.

Ms. Roediger said that is part of the discussion to have, that B-1 and O-1 are smaller parcels that are intended to serve the immediate neighborhood. There are so few B-1 parcels to begin with, the ordinance should provide those property owners with some flexibility, and consider if it matters if it is retail or a dentist's office.

Ms. Bahm said if the B-1 was moved to office, some of those retail uses maybe could be allowed if there was frontage on a main road.

Chairperson Brnabic listed some uses such as banquet halls or conference centers that are permitted in O-1 and questioned whether they should be permitted in B-1 districts.

Ms. Roediger said that there are uses in each district which don't make sense, and we are trying to align them. She said that there is another district that needs to be addressed, the SP Special Purpose district. She said that it essentially is OU, Rochester University, Providence Ascension Hospital, and a bunch of senior living facilities. She explained that senior living facilities are permitted

within residential districts, however with additional requirements. She suggested that if they took the senior living and made them residential and then had criteria to be met such as they must be located on main roads, that could address that issue. She said that OU is exempt from local zoning so that is not really relevant.

Staff and the commissioners discussed a property on Auburn Rd. at Crooks that is a dentist's office but the zoning would allow for a banquet hall as a conditional use.

Ms. Roediger noted that all of the properties would be reviewed to ensure the uses make sense. She said initially it was thought of to just combine B-1 and O-1, but as it was looked at closer some of the properties would make more sense to go from B-1 to B-2.

Mr. Hooper said that when Lino's was in business, that was a banquet hall and that was B-1.

Ms. Roediger said that there were probably banquet halls allowed in O-1 because of Rivercrest.

Ms. Neubauer asked what is going in at Rivercrest.

Ms. Roediger responded that it will be an interior decorator/construction/showroom type of business.

Staff and the commissioners discussed work session meetings in November and December.

Ms. Roediger said hopefully both work sessions could take place in anticipation of the joint meeting with Council in January. She explained staff is also working on some proposed standards for electric vehicle charging stations.

Discussed

ADJOURNMENT

The worksession ended at 6:37.

*Deborah Brnabic, Chairperson
Rochester Hills Planning Commission*