



CITY OF NOVI
Administrative ePacket
July 31, 2025

Council Action/Attention

[Plante Moran Realpoint Update](#)

[Public Safety Bond Proposal Education Update - Walsh-Molloy](#)

Departmental Updates

[The Buzz Report](#)

For Your Information

[2025 Candidate Information](#)

[Transformational Brownfield Plan Incentive Update - Crain's Detroit Business](#)



City of Novi - Project Status Overview

Status Summary

Novi City Council Weekly Update #25

As of:

7/30/2025

Overall
Status

In progress

PMR Previous Activities (October 2024 – July 2025)

PMR FS #4 Tour (4/1/25)

- FS 4 needs to be assessed later in the program once priority items from PSB/FS3/FS4/Road Construction are addressed.

Royal Oak PD / W. Bloomfield FS Tour to be rescheduled

Procurement

~~A/E virtual pre-proposal meeting occurred 7/17/25.~~

Upcoming Activities

Education Plan

~~2025 Bond Informational Meeting scheduled for 7/24 at FS #3~~

Site Selection

- Agreement executed and Assignment of Agreement **approved** at the July 28 City Council meeting.
- City to handle closing. City to send \$15,000 check to title company; title company will then reimburse PMR for its \$15,000 deposit.

PMR Procurement Activities

- A/E proposals due on 8/12; PMR/City team meeting to discuss proposals and interviews is tentatively scheduled for 8/18.
- PMR currently collecting questions from firms; answers will be provided in a future addenda
- City Manager will determine what city staff and City Council members will participate in interviews with A/E firms on August 26 and 27, 2025, with final A/E recommendation to be made at the 9/22/25 CC Meeting. PMR has requested the best time of day for these interviews from the city manager.
- CMc proposals are due on 9/2, with interviews to take place 9/16 and 9/17, with final award recommendation to be made at the 10/20/25 CC meeting.

Areas for Discussion

Site Due Diligence / Budget Items Checklist:

- City / PMR to review Due Care Plan and strategize path forward.
- City / PMR to review any outstanding due diligence items for PSB site (Cardenas sent an ALTA survey to PMR for its review and a topo is underway).
- City provided survey for FS 3 site.
- City provided soil boring reports for the Venture Dr and 13 Mile properties.

Site Selection – Alt FS # 2 Site

Note: We will need reimbursement language so land purchase can be funded from bond proceeds.

- On 5/5/25, PMR and CON discussed test fits for alt FS #2 site and the probable need for an adjusted front yard setback.
- Phase 1 environmental report issued by G2 recommending further investigation/assessment. City is moving forward with a Phase 2.
- PMR reviewed Due Diligence checklist with City on 7/14/25 and confirmed Geotech. ALTA survey complete on 7/15/25.

Procurement and Contracts

- Intent is to award A/E in September and CM in October, with one year of design leading to a package for bid in Fall 2026 and construction in 2027.

Next PMR/City Administration meeting is 8/11/25

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: SHERYL WALSH-MOLLOY, DIRECTOR OF COMMUNICATIONS
SUBJECT: JULY UPDATE: BOND INITIATIVE COMMUNITY OUTREACH
DATE: JULY 31, 2025

With the election just days away on Tuesday, August 5, the community education campaign is winding down. Over the past several months, we've worked diligently to ensure Novi residents have clear, accessible information about the Public Safety Bond Initiative—and that effort continued strong through July. Below is a brief overview of July's activities, with the attached infographic offering a visual snapshot of our efforts this past month.

Printed Materials & In-Person Engagement

- Educational banners and brochures remain available at the Civic Center, Police Department, and Library.
- Wallet-sized info cards continue to be shared by police officers and firefighters during their daily community interactions.
- Pole banners highlighting the initiative are hung across the city.

Digital Outreach

- The bond webpage (cityofnovi.org/2025bond) remains the central hub for accurate and up-to-date information.
- Targeted email newsletters and weekly social media content continue to engage residents and address frequently asked questions.

Video and Visual Content

- An "Update Novi" segment aired this month to further support community understanding.
- Infographics continue to be shared across digital platforms and at events.

Community Outreach & Events

- The final Public Information Meeting was held at Fire Station #3 on July 24.
- City representatives continued to visit HOA meetings and speak directly with residents.
- A dedicated e-newsletter was distributed to residents, reinforcing key facts and dates ahead of Election Day.

Regional Media Attention

- The proposal continues to generate media interest, with coverage again in the **Novi Note** and **the Detroit News**.

As we approach the final days before the election, our focus remains on transparency, accessibility, and community engagement.

JULY BOND EDUCATION SUMMARY

IN THE MEDIA & IN PERSON



HOA Meetings



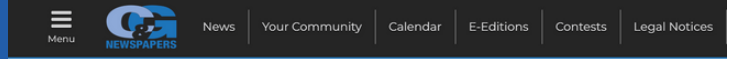
Public Meeting

Information Session at
Fire Station #3

2

Interviews with local media outlets

Novi Note, Detroit News



Voters to determine fate of Novi public safety buildings

By: Charity Meier | Novi Note | Published July 23, 2025

NOVI — The Aug. 5 primary election will determine the fate of Novi's public safety buildings. The city is seeking a \$120 million bond to build and relocate three of four fire stations along with the Police

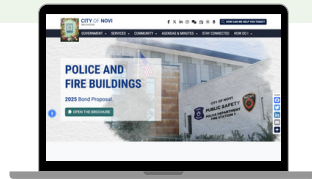


DIGITAL MARKETING



1,448 visits

cityofnovi.org/2025Bond



3

Social Media Posts



9,854 views

6,170 reach

44 interactions

1



E-newsletter

8,801 sends

5,049 opens

210 link clicks

Update Novi Episode



192 views on YouTube



PRINT MARKETING

75

Postcards Mailed

Inviting residents near Fire Station #3 to the public meeting



Buzz Report

July 31, 2025



Hot Topics:

- **Meadowbrook Commons Pickleball Courts**

Repairs have been fully completed under warranty. Courts re-opened for play on Wednesday, July 30.

- **Ice Arena HVAC**

The ice arena has been experiencing high humidity issues related to the install of the new HVAC equipment. Suburban staff and Director Muck have been working diligently with OHM Advisors and the contractors to resolve the issue.

- **Lot 12 Issue on East Lake Drive**

The City owns two lots on East Lake Drive, one of which has a culvert that leads to Walled Lake, and the other is an empty lot. Many years ago, a lawsuit was filed to establish access for "back lot" owners west of the lake. A resident has come forward who is a back lot owner, taking exception to the "buffer" between the lake and the rest of the lot. The buffer is best practice for natural shoreline preservation. We have provided a pathway for owners to have access to the lake. However, this individual disagrees and believes the buffer should be removed. There are some other issues with the neighbor to the north cutting the two lots. Staff will connect with that individual and encourage them to stop any mowing and allow city crews to maintain the parcels properly.



- **Novi Water Tower**

Staff have identified the following issue with the Novi Water Tower. The standpipe is not affixed correctly. PRCS has reached out to multiple contacts to find a contractor to inspect and repair. PRCS is planning to proceed with removal of the standpipe at a cost of \$13,500. This option has been picked as the pipe serves no functional purpose and could be a potential maintenance/safety hazard in the future if not removed. Also, T-Mobile has equipment within the fall zone of the pipe that could be damaged if another issue with the covering arose. The timeline for the removal is still to be determined with our contractor.

- **West Park Drive Rehabilitation (12 Mile to Pontiac Trail)**

The Department of Public Works received word from MDOT today that the contract for the West Park Drive Rehabilitation (12 Mile Road to Pontiac Trail) project, which was not previously definitively known to be moving forward this year, has been approved and awarded to Cadillac Asphalt, LLC. Unfortunately, this means we will need to get started very soon, with little notice, to complete the project this year. **The tentative starting schedule is setting up traffic control and message boards next week, before the first shovel hits the ground, the week of July 14th July 21st, due to contractor delay.**

- **Splashpad**

The park maintenance division has been dealing with an issue with the water pump drive shaft. A contractor for the mechanical components of the splashpad (all covered by warranty) was able to make some adjustments and get the water pressure up to 120 gallons per minute. It's supposed to be at 150 GPM or higher and has fallen as low as 85. The contractor believes the temporary measures will last over the weekend until they can get a replacement shaft from Vortex. (the supplier). Unfortunately, there is a chance it could still fail, which would result in complete loss of pressure and necessitate a shutdown of the splashpad. The main water pump and bypass valve were replaced this week. Gallons per minute is holding steady. Parks Maintenance and our contractor are continuing to monitor and make adjustments as necessary.

- **August 5th Northville Schools Special Election**

Northville Public Schools' Board of Education has approved an Authorizing Resolution to hold a special election on Tuesday, August 5, 2025. Northville Schools have 3 precincts in Novi that will have their proposal on their ballot: precincts 16, 24, and 25 (approx. 7,000 voters).

Their Ballot Proposal will allow the school district to continue to levy the building and site sinking fund millage that expires with the 2025 tax levy. More specifically, it proposes the renewal of the currently authorized millage rate of .9357 mill for a period of ten years (2026 – 2035) to continue to provide for a sinking fund for the construction or repair of school buildings; for school security improvements; for the acquisition or upgrading of instructional technology; etc.

- **Luna (east side of Main St.) Property Maintenance**

They were given a 90-day (07/03/2025) deadline. The scope of work to be performed:

1. Replace all bollards – currently on order
2. Remove all planter boxes and replace them with ground-level tree grates. The tree grate style was provided by Rick Meader. City of Novi to replace trees.
3. Repair all concrete.

As of 7/17 the original deadline has not been met though progress continues, staff is maintaining contact to ensure completion, an updated deadline may be issued soon.

Development Project Updates:

[Map of Development projects](#)

- **The Grove**

Staff has received updated plans from the proposed development on 12 Mile east of Meadowbrook. Per Council direction, the number of units has been scaled down. Council should see a revised plan presented in the near future.

<https://cityofnovi.org/media/qyrmlaxj/241216matter6.pdf>

- **Novi 10 (10 Mile and Novi Road)**

Similarly, the applicant for the proposed development at 10 Mile and Novi Road has also returned with a revised concept for their proposal. More information to come as details

<https://cityofnovi.org/media/y4nju5wq/241216matter5.pdf>

- **Station Flats**

The owners submitted a new plan, but it has not made its way to the website as staff await additional materials. We believe the new name is Novi Acres. The planned project in between Target and Sam's has been scuttled, and there are no proposals to continue with it in its current form

- **Camelot Parc/Avalon** by Village of Stonebrook

Townhomes for sale with garages, fewer units (currently zoned under a special land use, which council will have a decision)

- **El Car Wash # 2 will take over the Original \$6 Car Wash on Novi Road and 96**

- **Elm Creek PRO (Meadowbrook and 12 Mile development)**

The residential development [proposed by Toll Brothers](#) (two-phased 134-unit multiple-family townhome development) has been halted, and they will not be proceeding with construction. It would appear this is a result of a property dispute between the owners of the parcel.

- **El Car Wash** (Former PNC Bank) – Grand River Ave/12 Mile Rd

UPDATE – Permits have been issued, foundations are in, and the building shell is under construction. *Estimated Completion Date: Fall 2025*

- **Cantaritos Fiesta Mexican Restaurant** (Former Chili's Grill & Bar) – 8 Mile/Haggerty Road

The former Chili's location in the City's southeast corner is planned to soon become a new Mexican restaurant following necessary renovations and upgrades to the interior of the building.

Estimated Completion Date: Late Spring or Summer 2025

- **Raising Cane's Chicken Fingers** (Former Wendy's) – Novi Rd/Grand River Ave

The Novi Wendy's location at 26245 Novi Rd recently closed as part of a company plan to shutter 140 locations nationwide. The Louisiana-based fast food chain Raising Cane's is planning to take over the space in the near future. **UPDATE** – A preliminary site plan has been submitted for review as of late May.

Estimated Completion Date: Currently Unknown (no submittals to date, project scope unclear)

- **Primrose School** (Former Whitehall nursing home) – 10 Mile/Novi Road
The former Whitehall nursing home at 43455 Ten Mile Rd has been demolished and Primrose School, a 13,586 square feet private preschool and daycare center, is currently being built on the former site. When completed, is estimated to be able to have 202 children during its peak hours.

Estimated Completion Date: Summer 2025

Frequently Asked Questions:

None at current

CANDIDATE INFORMATION 2025

Election Day is fast approaching, and we wanted to provide all candidates with election information and updates.

Mayor and Council –

FYI on the information candidates for City Council will receive in the coming weeks in preparation for the November election.

- Victor

ABSENTEE BALLOTS

The initial mass-mailing of absentee ballots will be delivered to the post office on September 25th. Voters can request absentee ballots be mailed to them through October 31st. If you are interested in obtaining a list of absentee voters, please email City Clerk, Cortney Hanson at chanson@cityofnovi.org.

SIGNAGE

Election Sign Guidelines

The City of Novi encourages active participation in the electoral process. Campaign signage supporting political candidates, and campaign signage supporting or opposing are part of the democratic process. It is our goal to support all participants with easy-to-follow guidelines for the placement of political signs in the great City of Novi during the weeks preceding an election. *(For more information, please contact the Ordinance Division of the Community Development Department at 248.735.5678)*

Helpful Election Sign Information

1. Sign may **not** be placed in the Right-of-Way or on City-owned property.
2. Sign placed on private owned property require landowner's approval.
3. Right-of -Way may increase in width or include triangular proportions behind sidewalks at street corners.
4. Any signs placed on private property require the permission of the property owner.

Size and Number of Signs Allowed

1. In the 60-day period prior to an election, accumulative sign areas for all parcels of land are 64 sq. ft. No sign may be larger than 20 sq. ft. in area. No sign may exceed six (6) feet in height for commercial parcels and four (4) feet in height for residential parcels.

Sign Posting Timeframes

1. Temporary signs are allowed on all parcels of land according to the table in Chapter 28-6 of the City Code.
2. Temporary sign area increases in a residential district 60 days prior to a scheduled election and shall revert to the regulation in the table three (3) days after an election.

CANDIDATE INFORMATION 2025

Right-of-Way Verification

1. To verify Right-of-Way sign placement, please visit cityofnovi.org and click on the Community tab and select Map Gallery. Please click on the Community Development tab and select the Right-of-Way Lookup map. The orange shaded areas on the map indicate public rights-of-way and no signs may be posted in those areas.

Election Day Polling Location Signage

1. Signs must be placed at least one hundred (100) feet away for the polling locations.
2. Personally attended signs are permitted outside of the one hundred (100) foot boundary.
3. Signs may be placed on the ground of the public property as long as they are continually personally attended and not in the Right-of-Way.
4. All election signs shall be immediately removed from public property at the conclusion of the election on voting day.

Enforcement

1. Ordinance Enforcement Officers will remove illegally place signs. As a courtesy, signs will be place in a designated area at the DPW facility located at 26300 Lee Begole Drive.

City Ordinance Sec. 28-6. – Temporary Signs

Temporary signs may be erected in accordance with the use, area, height, and placement regulations of this section. No permit shall be required except as specifically provided in this section.

Permitted type of temporary signs, maximum size, and height (freestanding).

- The permitted type for a single-family residential property is freestanding or wall; the maximum area of all temporary signs being; freestanding- 10 square feet/ wall- 6 square feet; the maximum area of an individual sign being 6 square feet; the maximum height 4 feet.
- The permitted type for a multiple-family residential property is freestanding; the maximum area of all temporary signs being 32square feet; the maximum area of an individual sign being 16 square feet; the maximum height 6 feet.
- The permitted type for nonresidential use in RA, R-1 through R-4, RT and MH districts is freestanding or wall; the maximum area of all temporary signs being; freestanding- 40 square feet/wall- 20 square feet; the maximum area of an individual sign being 20 square feet; the maximum height 6 feet.
- The permitted type for nonresidential uses in all other districts is freestanding or wall; the maximum area of all temporary signs being 64 square feet; the maximum area of an individual sign being; freestanding-20 square feet/wall- 20 square feet; the maximum height 6 feet.

CANDIDATE INFORMATION 2025

- a) In recognition that there is a need for additional expression of speech prior to a scheduled election, the following applies for a period of sixty (60) days prior to until three (3) days after a city-designated election day on which there is at least one (1) ballot item: the maximum allowable area of temporary signs shall be increased to sixty-four (64) square feet in all districts. The maximum area of an individual sign remains as stated in the table above during this period.
- b) Temporary signs shall be constructed of durable, all-weather materials and designed to remain in place and in good repair so long as they remain on display.
- c) Display of temporary banners shall be limited to a total of twenty-eight (28) days per calendar year. Such signs shall not be displayed for any continuous period greater than fourteen (14) days. A permit for a temporary banner shall be required (provided, however, that no fee shall be required). No more than three (3) permits for any one (1) parcel of land shall be permitted per year.
- d) Temporary signs shall be subject to the maintenance standards of this section.
- e) The maximum display time of freestanding temporary signs is sixty-four (64) days. After this time expires, the sign shall be removed. Once the temporary sign is removed, there shall be a gap of at least thirty (30) days between display of the same temporary sign on the same zoning lot.
- f) When all or a portion of a building or land area on a zoning lot is listed for lease, the maximum display time of freestanding temporary signs shall be ninety (90) days and temporary signs mounted on building walls shall also be permitted for up to ninety (90) days. When all or a portion of a building or land area on a zoning lot is listed for sale, the maximum display time of freestanding temporary signs shall be for the duration of the time the building or land area is listed for sale. The sign area limits in the table above apply.
- g) In addition to any other temporary sign allowed in this section, the city council may, by resolution, allow temporary sign in connection with an event or promotion, and may as part of the resolution impose such limitations as to size and duration as it deems appropriate. Application for such additional sign must be made to the city, on a form provided by the city, which shall include an acknowledgement and permission for the city to enter upon the property to remove the sign if it is not removed by the applicant within the time specified in the resolution.
- h) A residential subdivision, site condominium, or condominium that required and obtained site plan approval under appendix A of this Code, the zoning ordinance, shall be considered a nonresidential use until eighty (80) percent of the lots or units are issued certificates of occupancy.

CANDIDATE INFORMATION 2025

CAMPAIGNING

Campaigning is an integral part of the election process and is allowable in most settings, however there are some rules that must be followed.

City Facilities

Campaigning is not permissible inside City-owned facilities. This includes wearing a shirt, button, hat, etc. that bears a candidate's name. However, anyone is welcome to stand outside of a City-owned building to campaign, provided it does not interfere with traffic or entrance into the building or its surrounding areas.

Individuals and/or groups reserving a City facility for the purpose of political activity must complete the Parks, Recreation & Cultural Services facility rental application. The deposit must be paid in full at the time the application is submitted. The renter is subject to all the rules and regulations as stated in the application.

City Sponsored Events

Organized political activity at City functions, like the Memorial Day Parade, Spring Palooza, etc. is not permitted. Current elected officials that are invited to city sponsored events are asked to refrain from distributing merchandise (buttons, t-shirts, mugs, etc.) that are politically charged or represents an organization that is affiliated with a political party. Candidates are also asked to refrain from campaigning, distributing merchandise or wearing any materials at city sponsored events.

Election Day Campaigning

Per state law, no person is permitted to solicit voters or engage in any type of campaigning within 100 feet of any doorway used by voters to enter the building in which a polling place is located.

CANDIDATE SPOTLIGHT POLICIES & PROCEDURES

"Candidate' Spotlight" provides an avenue to educate voters. This program gives candidates the opportunity to present issues in a "staged" address via cable television.

Recording/Taping schedule is as follows:

Monday, September 8th, 4 – 7 p.m.

Tuesday, September 9th, 1 – 4 p.m.

Wednesday, September 10th, 8 – 10 a.m.

CANDIDATE INFORMATION 2025

Candidate Address

- Candidate is to arrive at least 15 minutes early prepared to practice before taping.
- Candidates will receive a maximum of three (3) minutes to speak on camera. At the end of the three (3) minutes, the director will fade to black and cut the audio. Candidates may use less than the maximum allotted time. If less time is used the director fades to black at the conclusion of the presentation.
- Candidates will have only one (1) retake option. If the candidate is unsatisfied with the first "take", the candidate may retake his/her address, however the first taping will be taped over (erased) and the second "take" will be used without further changes.
- Candidates have sole discretion over the content of the address. Studio 6 will not edit the taping for content. Studio 6 will only edit to compile all the candidates' addresses for a complete show.
- The use of obscenity, profanity or derogatory statements about others is not allowed.
- If the Candidate stops or pauses and does not continue, this will be considered a 'take'.
- If there is a technical error, Studio 6 will allow a 'redo' and not count it as a 'take'.

Production Procedures

The shot composition (framing) of the camera will be a medium shot (head and shoulders) with the candidate looking directly into the camera. The camera will NOT move during the production.

- Candidates may stand or sit on a stool utilizing a podium.
- Each candidate will have a title graphic across the bottom of the screen throughout the entire address consisting of the candidate's name as spelled on the official ballot and the office for which the candidate is running.
- Candidates may use visual aids in the taping, but the camera shot will not be changed to accommodate these.
- Jewelry including buttons, pins, or broaches may be removed at the director's discretion, due to studio lights and glare.
- Candidates may use note cards during their address.
- Studio 6 will provide TIME CUES to each candidate: (3 min., 2, 1, 30 second, 10 second countdown). After the ten second countdown the director will fade immediately to black. No exceptions.
- Candidates will have a maximum of ten (10) minutes prior to the taping to rehearse the presentation in the studio.
- Candidates must sign a Talent Release Form, provided prior to taping, allowing Studio 6 to run this on the Novi access channels and post to the Video On Demand section of cityofnovi.org.

CANDIDATE INFORMATION 2025

- Candidates are not allowed to use audio or visual reproductions of the Spotlights after the program is taped for campaign or commercial advertising.
- If a candidate is late or a no-show, the opportunity to participate in the Candidate Spotlight may be forfeited. Production deadlines may prevent rescheduling.
- Candidate addresses will run back-to-back by office alphabetically (by candidate's last name) on the final program.

Teleprompter Usage

- Candidates will have 10 practice minutes. Studio 6 Staff will operate teleprompter.
- Candidate must email their three (3) minute speech in advance. Studio 6 will not review or edit copy. Format must be a Word Doc. Please email it to: swalsh@cityofnovi.org at least two (2) hours prior to taping.
- There will be no editing content once imported. If the speech is not prompter ready the prompter will not be used and the Candidate will need to refer to hard copy.

ICMA CODE OF ETHICS

The City Manager is a member of the International City/County Manager's Association and is beholden to their code of ethics. One of the tenets is to remain politically neutral, i.e., will not be able to participate in any campaign related activities or appear in any materials. The full code of ethics is listed below:

- 1) The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:
- 2) We believe professional management is essential to effective, efficient, equitable, and democratic local government.
- 3) Affirm the dignity and worth of local government services and maintain a deep sense of social responsibility as a trusted public servant.
- 4) Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
- 5) Serve the best interests of all community members.
- 6) Submit policy proposals to elected officials; provide them with facts, and technical and professional advice about policy options; and collaborate with them in setting goals for the community and organization.
- 7) Recognize that elected representatives are accountable to their community for the decisions they make; members are responsible for implementing those decisions.
- 8) Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

CANDIDATE INFORMATION 2025

- 9) Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.
- 10) Keep the community informed on local government affairs. Encourage and facilitate active engagement and constructive communication between community members and all local government officials.
- 11) Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.
- 12) Manage all personnel matters with fairness and impartiality.
- 13) Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

Adopted by the ICMA Executive Board in 1924, and most recently revised by the membership in April 2023

Key incentive for RenCen, other 'transformational' developments in legislative limbo

By David Eggert

Gift Article



Credit: Bedrock/Gensler/Rossetti

Plans by General Motors Co. and Dan Gilbert's Bedrock LLC for the Renaissance Center includes demolishing two towers and creating an entertainment district on riverfront land to the east.

[Reprints](#) [Share](#)

July 21, 2025 08:01 AM

LANSG — The future of a key tax incentive that has been used to spur some of Michigan's most prominent redevelopments is in legislative limbo and, as a result, so are would-be projects in the pipeline.

The highest-profile plan, to [partially tear down and renovate General Motors' Renaissance Center](#) in Detroit, hinges on whether lawmakers raise a \$1.6 billion cap so new Transformational Brownfield Plans can be authorized beyond the 13 that have been approved or invited to apply since the program was enacted in 2017. But it is not just GM and its partner, Bedrock, that are watching closely following a half-year of inaction on many issues in the state Capitol,

CRAIN'S DETROIT BUSINESS

Morning 10 Newsletter: The essential local business news you need to know to start your day.

SIGN UP

Changes in 'transformational' incentives shift focus from offices to housing, retail projects

A year after GM picked a new HQ, what's next for the RenCen?

Massive \$270M development planned next to Novi convention center

Developers who want to [tear down much of the closed Lakeside Mall](#) in Sterling Heights and replace it with a mix of uses are waiting. So is the owner of the Suburban Collection Showplace in Novi, who [plans a new hotel](#), among other things, near the convention center.

Also in the wings are Muskegon and Holland, where officials hope to re-envision waterfront sites where a paper mill and power plant were demolished in recent years. In Traverse City, the subsidy could assist in finishing what has been a successful redevelopment of an old, massive state psychiatric hospital complex.

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Supporters of expanding the program so more projects qualify beyond three for which funding is being held aside, like the Fulton & Market development in Grand Rapids backed by the DeVos and Van Andel families, are cautiously optimistic despite no bill having been introduced yet. They are working behind the scenes to build support so when budget negotiations conclude — possibly not until Sept. 30, the 11th hour — the Legislature can take up the pending legislation, which will be proposed in the House.

"The reality is we are kind of in a posture of patience," said Jared Fleisher, vice president of Dan Gilbert's Rock Family of Companies, which includes Bedrock.

He pointed to the budget situation, which is tied in part to friction over road funding.

"I think all of us remain cautiously optimistic that there will be an opportunity for this legislation to be considered after (the) budget," Fleisher said, saying there is "broad support for transformational brownfields" among lawmakers. "Folks have seen the record of the program. They support brownfield redevelopment. And, most

CRAIN'S DETROIT BUSINESS

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SIGN UP

people who live and work at the sites they redevelop for mixed use, along with sales taxes on construction materials and income taxes paid by construction workers. There are minimum capital investment levels.

The future reimbursement of taxes, proponents say, makes the math work on projects that otherwise would not be financially feasible because of how much they cost.

"You cannot do large projects without it," said Joe Agostinelli, founder of Michigan Growth Advisors, a Miller Johnson law firm subsidiary that helps clients bridge the gap between a project's costs and financial viability. "Michigan's traditional incentives, particularly with the proposed cuts to (Michigan Economic Development Corp.) incentive budgets that are being discussed right now, you just can't do anything. The math doesn't work. So this is really, really important that the Legislature gets this done if we want to keep doing big transformational real estate investment in our communities."

Two clients, he said, want to pursue the incentive but "there's no money left."

The Republican-controlled House and Democratic-led Senate have sent Gov. Gretchen Whitmer just six bills in six months, the fewest in 20 years, following a return to a split Legislature for the first time since 2007-10. [Legislators missed a legally toothless July 1 deadline to pass the budget](#), a stalemate that will likely dominate their attention when both chambers fully return to session after Labor Day.

While the development subsidy is on the back burner for now — along with many other issues — it provides an opportunity for bipartisanship that has been largely elusive other than a February deal to [soften minimum wage and paid sick leave laws](#).

Legislation that [increased the main cap to \\$1.6 billion](#) from \$800 million sailed through on 25-12 and 90-19 votes in 2023 despite some criticism that projects should rise or fall on their own merits without tax subsidies.

Republican House Speaker Matt Hall, who was then the minority leader, voted yes. Democrat Whitmer, who signed the 2023 bill, has called for the program's expansion and has highlighted transformational brownfield projects awaiting the state's blessing.

Rep. Joe Aragona, R-Clinton Township, said he is aiming to introduce the bill around October and to get it out of the House by early next year. His district is across the street from Lakeside Mall, whose redevelopment would be boosted with the "great" economic development tool, he said.

"At this rate, it's tough because with everything that's going on in Lansing, especially with how the budget's going this year, it's really sucking a hell of a lot of oxygen out of the room," he said.

Details to be worked out, Aragona said, include whether to increase the cap or to lift it entirely and — if it were raised — by how much.

Also, until this past week, there had also been rumblings in and around the Capitol that the cap legislation could be bundled into or affected by any potential economic development incentives bills for a massive semiconductor plant near Flint. "Project Grit" [fell through](#), which might ease the way for separate movement on the forthcoming brownfield legislation.

The Michigan Strategic Fund to date has approved \$1.2 billion in post-construction income and withholding tax

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The state has authorized or held aside \$90 million in construction-period captures, roughly \$110 million below a \$200 million limit.

The proposed Novi City West mixed-used development, which would be near the Suburban Collection Showplace, is "somewhat of a poster child for this transformational brownfield programming," said Blair Bowman, who owns the conference center. "Taking an old ... post-industrial, languishing corridor and doing in large part what the city has envisioned for their City West master planning — reimagine and redevelop and reinvigorate an entire corridor."

Bowman, who met with lawmakers at the Detroit Regional Chamber's Mackinac Policy Conference in May, said they like the incentive because it is performance-based, is used to generate economic activity that would not occur "but for" the subsidy and has a track record. The first transformational brownfield plan, which was OK'd in 2018, covered four Gilbert projects in Detroit, including the [new Hudson's Detroit skyscraper](#).

"It's 100% performance-based, 100% accountable. You don't do what you say you're going to do and there's nothing generated, you don't receive reimbursement," said Fleisher, who is advocating for the RenCen renovation. "If your project is half as successful as you said it was going to be, it generates half the new tax revenue, you're going to get half of the reimbursement. ... This is not a blank check on the front end but rather 100% performance-based on the back end."

Bowman's \$270 million Novi project was announced in May. It could grow, potentially by up to \$200 million in investment, due to new interest from other developers, he said.

"We're hopeful that the process can move forward as soon as it's possible but understand that there is very important work being done on the larger-scale budget issues," Bowman said. "We're working on a timeframe that we would hopefully see something dealt with in the fall on the budget and perhaps the transformational brownfield and that we would pursue the application and approval process."

MEDC Chief Place Officer Michele Wildman said it is hard to quantify developers' interest in the program if not for the cap because some projects are more real than others and deals are complex and take a long time to put together.

The incentive is by no means the only financing option, she said, but is one of the better tools for projects that are "transformative in nature. You're talking about large sites, large impacts or both. ... It's one of the best fits for some of the more challenged sites that we've seen in the projects that have come through the portfolio."



By David Eggert

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