

# AGENDA

Special Joint Meeting of the

**CITY COUNCIL  
OF THE CITY OF TROY  
AND  
PLANNING COMMISSION**

**SEPTEMBER 28, 2009**

**CONVENING AT 6:00 P.M.**

**PERMITTED BY COUNCIL RESOLUTION #2009-08-259**

**Submitted By  
The City Manager**

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***NOTICE: Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at (248) 524-3316 or via e-mail at [clerk@ci.troy.mi.us](mailto:clerk@ci.troy.mi.us) at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.***

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TO: The Honorable Mayor and City Council  
Troy, Michigan

FROM: John Szerlag, City Manager

SUBJECT: Background Information and Reports

Ladies and Gentlemen:

This booklet provides a summary of the many reports, communications and recommendations that accompany your Agenda. Also included are suggested or requested resolutions and/or ordinances for your consideration and possible amendment and adoption.

Supporting materials transmitted with this Agenda have been prepared by department directors and staff members. I am indebted to them for their efforts to provide insight and professional advice for your consideration.

As always, we are happy to provide such added information as your deliberations may require.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Szerlag". The signature is written in a cursive, flowing style.

John Szerlag, City Manager

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**CITY COUNCIL AGENDA  
SPECIAL JOINT MEETING with the  
TROY PLANNING COMMISSION**  
September 28, 2009 – 6:00 PM to 7:15 PM  
Troy Police Department  
Emergency Operations Center  
500 West Big Beaver  
Troy, Michigan 48084  
(248) 524-3317

**CALL TO ORDER:** \_\_\_\_\_ **1**

**ROLL CALL:** \_\_\_\_\_ **1**

**DISCUSSION ITEM:** \_\_\_\_\_ **1**

1. The Pavilions of Troy Planned Unit Development (PUD 9) \_\_\_\_\_ **1**

**PUBLIC COMMENT** \_\_\_\_\_ **1**

**ADJOURNMENT** \_\_\_\_\_ **1**

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**CALL TO ORDER:**

**ROLL CALL:**

**Troy City Council**

Mayor Louise E. Schilling  
Robin Beltramini  
Cristina Broomfield  
David Eisenbacher  
Wade Fleming  
Mayor Pro Tem Martin Howrylak  
Mary Kerwin

**Troy Planning Commission**

Donald Edmunds  
Michael Hutson  
Mark Maxwell  
Adrienne Milner (student)  
Philip Sanzica  
Robert Schultz  
Thomas Strat  
John Tagle  
Lon Ullmann  
Mark Vleck

**DISCUSSION ITEM:**

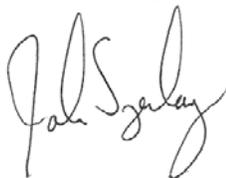
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1. The Pavilions of Troy Planned Unit Development (PUD 9)

**PUBLIC COMMENT**

**ADJOURNMENT**

Respectfully submitted,



John Szerlag, City Manager



## CITY COUNCIL REPORT

DATE: September 24, 2009

TO: John Szerlag, City Manager

FROM: Mark F. Miller, Acting Assistant City Manager/Economic Development Services  
R. Brent Savidant, Acting Planning Director

SUBJECT: The Pavilions of Troy Planned Unit Development (PUD 9)

### Concept Development Plan and Preliminary Development Plan

PUD's in Troy are approved using a three (3) step approval process:

Step One involves the approval of the Concept Development Plan (CDP), which occurs concurrently with approval of the PUD Agreement and rezoning of the property.

Step Two is approval of the Preliminary Development Plan (PDP). The detailed Preliminary Development Plan must be consistent with the Concept Development Plan.

Step Three is Final Development Plan Approval, which involves the administrative approval of technical documents such as engineering design and easements.

City Council granted CDP approval and approved the PUD Agreement on October 15, 2007 for The Pavilions of Troy Planned Unit Development (PUD 9), a phased mixed-use project. The applicant did not apply for PDP Approval and subsequently put the property on the market for sale. The CDP is valid for a period of five (5) years; therefore, it will expire October 2012.

Grand Sakwa Properties, LLC (to be referred to herein as "Grand Sakwa" or "applicant") has executed a purchase agreement for the property and anticipates a closing date in December 2009. Grand Sakwa indicated that they intend to amend the approved CDP. At this time, Grand Sakwa submitted an application and required fees but has not submitted any plans.

Although we do not have official plans, Grand Sakwa has stated intent to amend the Concept Development Plan to permit a different mix and intensity of uses than was originally approved. The applicant maintains that the approved CDP mandates the development of a project that would not be economically feasible at this time.

The subject property is controlled by a Consent Agreement which limits the development potential of the northern parcel of the PUD. The applicant also intends to amend the Consent Agreement for their proposed development.

Grand Sakwa intends to present two (2) concept options for the site at the September 28 meeting, for discussion and input. Option 1 is to include a build-out for the site assuming all parking is to be provided on surface parking lots. Option 2 is to include a build-out for the site assuming a parking deck(s) is constructed on site. Grand Sakwa is interested in entering into a public/private partnership with the City to fund the parking deck(s) proposed in Option 2.

**Project Schedule**

Grand Sakwa is a motivated developer that intends to develop the site in an expedited manner. The applicant requested the following aggressive approval schedule:

| <b>Date</b>        | <b>Meeting/Task</b>                            | <b>Intent Of Meeting/Task</b>   |
|--------------------|--|---|
| September 28, 2009 | Joint City Council/Planning Commission meeting | Introduction of project and team; discussion of concept and feedback            |
| October 6, 2009    | Planning Commission Special/Study meeting      | Discussion of Concept Development Plan and feedback                             |
| October 13, 2009   | Planning Commission Public Hearing             | Planning Commission Public Hearing and recommendation on proposed CDP amendment |
| October 19, 2009   | City Council Public Hearing                    | City Council Public Hearing and amendment of CDP and PUD Agreement              |
| November, 2009 +/- | Preliminary Development Plan submittal         | Preliminary Development Plan approval   |

**Points of Interest for the September 28, 2009 Special Meeting**

With the information provided above, the two discussion points for Special Meeting are as follows:

1. Elimination of the formula in the PUD Agreement that requires one residential unit for every 3,600 square feet of retail use, 1,500 square feet of office use and every 4 hotel rooms on the site. Grand Sakwa stated that due to market conditions, this requirement makes it impossible to develop an economically viable project. Grand Sakwa seeks to eliminate this provision. This requirement is tied to the project phasing in the approved CDP, which the applicant intends to amend.
2. Potential for a Public/Private Partnership with the City. The project provides opportunities for partnerships; for example, construction of a public parking deck to benefit property owners in the area. Grand Sakwa seeks feedback on this issue.

## Economic Development Update

### Brownfield Redevelopment Authority

The development is eligible to capture \$13,200,000 of tax increment financing through the approved Brownfield Plan for costs of demolition of the Kmart Headquarters Building, lead and asbestos abatement, and other eligible activities. Additionally, the approved Brownfield Plan allows for capture of up to \$10,000 per year to reimburse the Brownfield Redevelopment Authority for the costs it may incur in the administration of the Brownfield Plan. Only new increment tax revenues created by the redevelopment project will be captured to reimburse the developer for the identified eligible activities. No other tax revenues are being committed for this reimbursement other than those new tax revenues generated by The Pavilions of Troy Planned Unit Development.

The Brownfield Plan also permits the developer to seek a Michigan Education Tax Credit and Michigan Business Tax Credit. The Michigan Senate approved SB 323, which creates a "major development project" and would potentially qualify for the Michigan Business Tax Credit. The Michigan House has yet to approve this bill.

### Downtown Development Authority

The development is also eligible to capture incremental taxes by the Troy Downtown Development Authority (DDA). New tax increments can be used to reimburse the developer for eligible expenses related to demolition, in an amount not to exceed \$ 5,098,406. This is the maximum amount that the DDA can contribute for The Pavilions of Troy, based upon the eligible expenditures approved in the Brownfield Plan, even if the actual expenses plus interest exceed that amount. Included in the DDA Tax Increment Financing Agreement are restrictions and limitations regarding demolition of the KMart Headquarters Building.

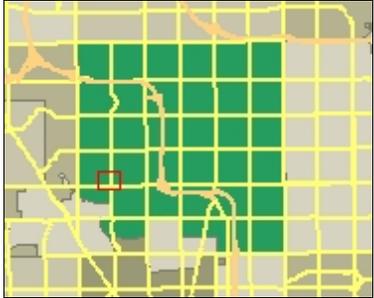
### Attachment:

1. Map.

Prepared by RBS/MFM

cc: Applicant  
File /PUD 9

G:\PUD's\PUD 009 Pavilions of Troy\Grand Sakwa\Memoranda\Joint CC PC Meeting Memo PUD 009 09 28 09.doc



- Legend**
- I-75
  - Road Centerline**
    - Major Road
    - Industrial Road
    - Local Road
  - Hydrography Poly
  - Hydrography Arc
  - Parcels
  - Aerial Photos - 2008**
    - Red:Band\_1
    - Green:Band\_2
    - Blue:Band\_3

1: 4,626



NAD\_1983\_StatePlane\_Michigan\_South\_FIPS\_2113\_IntlFeet  
 City of Troy Geographical Information Systems - Department of Information Technology

Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

**Notes**  
 The Pavilions of Troy PUD site