

**CITY OF WIXOM  
49045 PONTIAC TRAIL  
CITY COUNCIL STUDY SESSION MEETING MINUTES  
TUESDAY, AUGUST 8, 2023**

Mayor Beagle called the meeting to order at 6:01 p.m.

**Present:**

**Mayor:** P. Beagle  
**Deputy Mayor:** T. Rzeznik  
**Councilmembers:** P. Behrmann  
K. Gottschall  
T. Gronlund-Fox  
P. Sharpe  
R. Smiley

**AGENDA CHANGES:** (None)

**CALL TO THE PUBLIC:**

There were no comments by the public.

**NEW BUSINESS:**

**1.) Discussion Regarding Renton Street Redevelopment Request for Qualifications Process**

Mr. Benson stated that the purpose of this Study Session was to talk about the progress that we've made with the Renton Street redevelopment and to give the Council an opportunity to provide their thoughts and expectations. The Joint Meeting held on May 31, 2023 provided broad feedback but he thought it was important to hone in on the City Council's thoughts to make sure we are on the right track.

Mr. Carlisle said they learned a lot after the May 31st Joint Meeting. He thought it would be good to follow up with additional information since we are starting to move forward. He thought it would be helpful to show the Council some examples of projects that have occurred in other communities. He wanted the Council to think about how a potential developer will determine if it was an attractive project or not. He also wanted to wrap up the RFQ process.

He showed the Council some examples of similar projects in Ferndale and Royal Oak with a variety of different designs.

Councilmember Gottschall asked about the parking for both examples. Mr. Carlisle thought in both of these cases, they were provided with some parking on site but would not satisfy all of their needs. Councilmember Gottschall asked about the timeline of these projects. Mr. Carlisle did not know.

He continued showing more examples in Royal Oak, Northville, Plymouth, Birmingham and Auburn Hills, explaining the different parking options for all. He stated that all of these types of projects come in all different forms.

Of the examples he showed, Mayor Beagle wondered how many were apartments or condos. Mr. Carlisle said he would find that out.

Councilmember Gronlund-Fox asked about the occupancy rate of the mixed-use retails. Mr. Carlisle thought it was more of a challenge. It was the upper floors of these types of projects that support the ground floor. The retail is always the most challenging part

because the size of these spaces is designed to attract small businesses. They are a little riskier and it takes longer to rent the space. You rely on the financial stability of the small business to stay in business. The stability of the upper floors, particularly residential, allows you to cover the cost of what is on the ground floor.

Councilmember Behrmann commented that in looking through the packet, his number one concern was parking. The one he was proposing was a 60,000 square foot development and the other was a little less with 110 parking spots. If you compare that to the Country Corners, they have about 20,000 square feet and 135 parking spots. That parking lot is full most of the time and they have the option to use the City lot across the street. He didn't think the City lot would work for this development. He didn't see how anything could work of this size if we can't deal with the parking issue.

Mr. Carlisle thought that was a good point. There are key decisions that the Council has to make regarding this property.

Councilmember Behrmann said that we do have a lot of land that is going to the Trail. He wondered if we had brainstormed the idea of bringing the Trail in front like it is along Pontiac Trail so we would at least have the back part of the property to add more parking. Mr. Benson said that we haven't talked significantly about realigning the Trail primarily because it was just put in. Councilmember Behrmann commented that we would be installing a sidewalk in front of the complex anyway. Mr. Brown added that the discussion of that was always a possibility. Oakland County and the City openly discussed this; however, it was never good to spend money on a sidewalk and then tear it up later. He did not think it would be a tremendous expense. Councilmember Behrmann suggested that we keep that on the table if that was the only way we could get more parking for this development. He couldn't see 100 parking spots for 60,000 square feet working.

Mr. Carlisle stated that mixed-use buildings do have different parking characteristics and this was a decision point for the City. He said he was showing the Council these design concepts for comparison purposes. He was not making those recommendations to the Council. These were comparable scenarios that he wanted the Council to have to make the best decisions.

Deputy Mayor Rzeznik asked if he knew if the more recent development along the railroad tracks in Milford were rented or owned. Mr. Carlisle said he would find out. Mayor Beagle thought they were condos.

Mr. Nordstrom said that the last time this was discussed, it was suggested we pull it forward a little bit for open space outside. There would be plenty of space for patios and gathering spaces. He noted that this was the same footprint as the one he showed before with the difference of the finer details. When the developer takes this, it will not look anything like this. It had all of the different façade treatments that we put in the VCA ordinance. It has a lot of finer details to make this easier to digest what this might look like.

Mr. Carlisle added that we could have that type of look with two, three or four-story buildings. Council has to make a decision of what they would like to see.

Councilmember Gottschall asked if we had to have a rear setback. Mr. Benson replied that it was written to call for that, but the VCA ordinance was designed to allow for flexibility.

Mr. Benson added that we could put this concept on example 6 and 7 that was included in the packet. It could be done as a single-story project, just like Country Corners. Parking would not be an issue. It would still be mixed-use, but probably just retail use. One of the things we got out of the Joint Meeting was that there was a desire to see multiple stories.

We continue to talk about the parking concerns and he thought the four-story was probably difficult to do. A developer will ask how far they can stretch this. Working this out in this kind of forum was helpful in understanding the view of Council.

Mr. Carlisle commented that the key is attracting someone that wants to develop this property. He thought the Council had been in the public life long enough to know that the bottom line is relative risk and return on investment. What is my relative risk of investing in this project versus something else. The risk can be the process, the site itself, traffic, environmental reasons, dealing with outside agencies, etc. If all those things check out fine, it comes down to the return on investment. He indicated that the more square footage that you get, the more potential there is for a positive return on investment. He noted that if you build a one-story building, the one thing you don't have is accessibility issues. The minute you have a second floor, now you have to put in an elevator. He added that it takes longer to rent ground floor retail because you are marketing toward small businesses. It will take a lot longer for due diligence to make sure you have viable businesses to go in there. When lenders look at a mixed-use project, they look at what is on the upper floors that will carry that project while trying to rent out the ground floor, which is the riskier part of the development. Once you have a successful mixed-use building, the economics become more feasible and viable because now you have the synergy in place. There is an attraction. He said that management of a mixed-use building is different. There are different goals of the residents and tenants. These types of projects should not be done by inexperienced developers. You should strive to have an experienced mixed-use developer because they understand the management issues associated with needs, objectives and characteristics. This all factors in to a successful mixed-use project. He said that it wasn't a surprise that as you start from a two-story project, it is really marginal. It is barely a 3-4% return on investment. A three-story improves that picture and a four-story becomes much more attractive because over a five-year period you are approaching a 10% return on investment. He wanted the Council to have a good sense of how a potential suiter was going to look at this. There are decisions that the Council can make to incentivize whatever type of project that they want. Not only does the private sector have considerations on return on investment, so does the City. The City is in a different position because we are not private land owners. The tricky part for the City is that we are the owner of the property and we have people approving it. Having a concept where the Council and the Planning Commission are all on the same page will allow someone to look at their relative risk to see that this community has it together and this was something they would like to do. Ultimately, it was the Council who will make this decision and he will help us get to that point.

Deputy Mayor Rzeznik thanked him for the presentation. He wondered about lot 229, which was adjacent to the school. On PTA nights, there are probably 50-60 cars there. He wondered who owned lot 216 across the street. Ms. Cloutier replied that Mr. Rizzo owned that property.

Mr. Benson explained that the Schools would probably love to buy that piece of property in front of the elementary school. That would be a decision the Council might have to make at some point. Generally speaking, he added, we aren't supposed to have parking on the street side.

Councilmember Behrmann wondered if we were to include that lot and realign the trail, how many parking spaces would we get. If we could get 150-160 parking spaces by moving the Trail, he may think that the four-story building was a possibility. With 110 parking spaces, he just didn't see how it would be successful. Mr. Nordstrom thought he was on the right track regarding realigning the Trail. It would certainly make a difference. Councilmember Behrmann thought by doing that, it would make this building tie in to the way it looks on Pontiac Trail if the Trail stayed on both main roads.

Mr. Carlisle said his point was well taken. The developer may look at it the same way. He noted that many of the examples that he showed the Council had an abundance of public parking and Wixom does not have that. Consequently, that does create some constraints.

Councilmember Gronlund-Fox commented that as much as she liked the idea of mixed-use, she didn't want to see it here. She looks around and sees vacant buildings. If we take out the retail, we don't need as many parking spaces. She wasn't opposed to a four-story building, but we wouldn't be able to do that with only 110 parking spaces.

Councilmember Gottschall said that when we talk about mixed-use for residential or commercial, he didn't think that was necessarily the City's place to decide or even discuss. He thought we should be giving them a blank canvass, forget the Trail was even there, throw in the lot in front of the school and then we see what developers bring to us. Residents are saying no more apartments and that seems to be the way to make this feasible. It was also complicated by the fact that he didn't see too many owner/occupants wanting to look at the train or listen to it. That will never be a silent intersection. From a residential perspective, he thought it posed a number of challenges. You are going to have to discount a little bit to account for the noise. His head was mainly at a nice single line of boutique offices, retail and restaurants. He would rather keep this more manageable rather than seeing a bunch of empty rental units because no one wants to deal with the train. This needs to be more conservative to make it more feasible or practical. He felt that we were getting too bogged down with what we want rather than having the developer tell us what he wants to do there.

Mr. Benson thought there was more openness to single-story concept from the Council and he shared those thoughts as to why it made more sense. There were things you could do to make it look taller or more like a two-story project. In conversations with the Planning Commission and seeing what their expectations were, especially with design guidelines, it seemed that there was a little disagreement in the willingness of a single-story product. We are trying to reconcile so it was helpful to hear if that was something the Council would consider so we can look at different ways of marketing this. If we say the only way the Council would agree to part with this property was if they do this in an exact certain way. Councilmember Gottschall thought it was great that the Planning Commission wanted to have a say, but the hierarchy of government is this was the Council's idea and we will get them onboard, not we will argue with them about what we want. He wasn't sure if anyone had been in Zerbos or any other two-story restaurants. They have tables and banquet rooms upstairs. There is also dining on the main floor and a tiny room in the basement. If we want to modify to a two-story but still leave that option, you can definitely do a two-story restaurant. He feared a lot of vacancy issues if it was residential.

Councilmember Gronlund-Fox asked if there was concern about the vacancy we would have with retail or restaurants. Ms. Cloutier commented that she and Mr. Benson take calls from businesses that want to be in downtown Wixom but we just don't have the space for them. We are looking at projects where we can create space to get those businesses in town. A lot of them are current Wixom businesses that are outside of downtown that want to move here.

Councilmember Gottschall commented that if you are sitting outside eating and the train goes by, that is a little unique. He said he would not want to live that close to a train. He thought restaurants and boutiques would be a little less concerning than residential.

Councilmember Sharpe thought there were a lot of good comments tonight. He stated that we did have people at the Joint Meeting who live downtown and were very close to the tracks who said you do get used to the noise. He made a comment about downtown Royal Oak being the most expensive, desirable residential area in southeast Michigan and it has

tracks through the City. He felt Councilmember Gottschall's key point was that we have to have the developers tell us what they are going to do. The message we need to give them is that we are open to moving the Trail, taking the lot next to the school, being concerned about the railroad tracks, but that doesn't have to be a job stopper because he didn't think he could live next to the tracks. He thought they would be the experts.

Mr. Carlisle told the Council that there was also a consideration on the City's side for a return on investment. When you are less descriptive in terms of defining in an RFQ what you want, you would have a range of possibilities of what people may want to do with the property. If we structure this to be more open-ended from that standpoint and the process allows for consideration of the merits of the project itself, then it may open the range of interest in the property. If we limit it, it will narrow the interest.

Councilmember Behrmann agreed with going with what a developer was willing to risk to develop, but he thought we should concentrate on owner-occupied residential, if it is residential. This was imperative in making the residents of our City happy. He didn't think it should be rental-residential.

Mr. Brown wanted to get the consensus from all of the Council on exactly what they would be open to for this property. If we leave this open-ended, it will not be a bid process. It will be more of a creative-idea process. We might get five different proposals that don't have anything to do with one another. We have to be prepared on how we will handle that. He said he understood the concern about rentals, but he thought it was a little different. We are not talking about adding rentals next to a single-family subdivision. We are talking about adding rentals in a downtown area where you would expect to see that as a typical use.

Mayor Beagle asked what the timeframe would be if we had someone interested in that property today. He heard comments that we are getting calls all the time from people who were interested in moving their business to Wixom, but if it was going to take two years, they probably would go somewhere else. Ms. Cloutier replied that a lot of the businesses they have talked with are not ready to move just yet. Mr. Benson said that the best possible scenario was if they could get through the Planning Commission, they could break ground next spring if they got approval in December. He thought we would have to do a lot of legwork to get to the point where a developer could get through the Planning Commission in one meeting. They have high expectations as to what was going to happen there, so he thought there would be steps to work through.

Councilmember Smiley confirmed that Mr. Carlisle felt a single-story retail was one possibility and a four-story was a possibility as well. We shouldn't expect developers to gravitate to the second and third-story projects. Mr. Carlisle thought that generalization was correct. Councilmember Smiley agreed with Mr. Brown that rentals in the downtown was not as taboo as we have had with other types of discussions.

Councilmember Gottschall said the RFQ proposal indicates there are two structures that will be demolished and he thought there were three. Mr. Brown said that was correct and that will be updated. Councilmember Gottschall said that in relation to the park, it mentions that things range from a pocket park to a trailhead. He said he was in favor of a pocket park. If we are talking about consensus on limited possibilities, he appreciated the various designs, but he would leave those out. When someone was looking at the project, they won't see something and think that was not their style or what they would view. He didn't want them to get turned off and say Wixom was looking for a four-story mixed-use and they did two-story restaurants. If we are going to go that route of being open, we shouldn't put a design in there that may turn people off.

Mr. Benson said that was the Council's decision to make. He disagreed with him a little because he thought it was important for them to see a visual representation of the design guidelines.

Deputy Mayor Rzeznik commented that in the discussion about Mack Park, there was no reference to lot 113. We may want to add that. Also, he thought it would be important to show an accel/decel lane as it comes into Wixom Road. Mr. Brown said he would take a look at that.

Mr. Brown asked if there was a consensus on leaving this wide open and all replied yes.

Councilmember Behrmann was curious as to how many parking spaces would be included if the Trail was relocated. Mr. Brown said he would have that for them at the next meeting.

**CALL TO THE PUBLIC:**

There were no comments at this time.

**ADJOURNMENT:**

The meeting was adjourned at 6:58 p.m.

Catherine Buck  
City Clerk

Approved 8-22-2023
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