

LGK

AGENDA

SPECIAL MEETING

7:30 P.M.

TROY CITY PLANNING COMMISSION

July 6, 1989

- 1. ROLL CALL
- 2. MINUTES - Regular Meeting of June 13, 1989

REGULAR BUSINESS ITEMS

- 3. (TABLED ITEM) PROPOSED REZONING - West Side of Livernois, Between Lange and Wattles - Section 16 - R-1B to B-1

STUDY ITEMS

- 1. BOARD OF ZONING APPEALS REPORT
- 2. CURRENT DEVELOPMENT REPORT
- 3. SOMERSET AREA CONSENT JUDGMENT PROPOSAL
- 4. MODIFIED SITE PLAN - Proposed Industrial/Research Center - West Side of Crooks Road South of Maple - Section 32

POTENTIAL REGULAR MEETING AGENDA ITEMS
(July 11, 1989 and Beyond)

- 1. SITE PLAN REVIEW - Proposed Industrial Buildings - North Side of Elmwood, East of Livernois - Section 34
- 2. SITE PLAN REVIEW - Proposed Industrial Building - Northwest Corner of John R and Woodslee - Section 26
- 3. SITE PLAN REVIEW - Proposed Industrial Building (John R Spring) - Southwest Corner of John R and Larchwood - Section 26
- 4. SITE PLAN REVIEW - Proposed Church Expansion - South Side of Trombley, West of Rochester - Section 22
- 5. SPECIAL USE REQUEST - Seating in B-1 Food Sales Establishment - West Side of Livernois, North of Long Lake - Section 9
- 6. SPECIAL USE REQUEST - Proposed Auto Service Use - Troy Court, South of Park Street - Section 34
- 7. PROPOSED STREET AND ALLEY VACATION - Arthur Street, West of John R, and Alley South of Larchwood - Southeast 1/4 of Section 26
- 8. PROPOSED STREET VACATIONS AND OPENINGS - Redevelopment of Sussex Park Subdivision - East Side of John R, North of Maple - Section 25
- 9. REVISED TENTATIVE PRELIMINARY PLAT - Parkview Estates Subdivision - Northeast 1/4 of Section 23
- 10. PRELIMINARY PLAT - TENTATIVE APPROVAL - Walnut Creek Subdivision - South of Long Lake, East of I-75 - Section 16

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****APPROVAL REQUIREMENTS**

A) The Plan Commission has final authority on the following types of matters. A minimum of five (5) affirmative votes are required for approval.

- 1) Site Plan Review
- 2) Special Use Requests
- 3) Master Plan Amendments [six (6) votes required]

B) The Plan Commission acts in an advisory capacity on the following types of matters. Their action constitutes a recommendation to the City Council. Such recommending actions require a majority vote of those Commission members present.

- 1) Rezoning Proposals and Ordinance Text Amendments
- 2) Subdivision Plats
- 3) Street and Alley Vacations or Extensions
- 4) Historic District Designations

Reports covering the Plan Commission's recommendations on these matters are directed to the City Manager's Office. The City Manager's Office is responsible for preparation of City Council Agendas. Inquiries as to when a matter will appear on a City Council Agenda should be directed to the City Manager's Office (524-3330).

When the City Council receives reports regarding Rezoning, Ordinance Text Amendments, and Street and Alley Vacations, they have the option of denying the proposals without a Public Hearing, or establishing a Public Hearing for a future date. The City Council will typically establish a Public Hearing, when requested by the petitioner, although they are not compelled to do so.

TO: Troy City Planning Commission
FROM: Laurence G. Keisling, Planning Director
SUBJECT: Special Meeting Agenda - July 6, 1989

1. ROLL CALL
2. MINUTES - Regular Meeting of June 13, 1989

REGULAR BUSINESS ITEMS

3. (TABLED ITEM) PROPOSED REZONING - West Side of Livernois, Between Lange and Wattles - Section 16 - R-1B to B-1

Action was tabled on this matter, following a Public Hearing at your June 13 Regular Meeting, in order to provide an opportunity for further study and consideration of alternative zoning and development approaches. The request is for the R-1B to B-1 rezoning of a parcel consisting of a series of lots having a total of 228.75 feet of frontage on the west side of Livernois extending south from Lange Street to the party store site at the immediate corner. The subject property has a net depth or frontage along Lange Street of just 103 feet, for a total site area of 23,561 square feet. Under the current R-1B zoning, which has a minimum lot size of 15,000 square feet, the site would support one single-family residential lot, most likely fronting on Lange Street. The area to the west is the C-F zoned Historic Museum and Village Green site.

At the Study Meeting we will assist you in a discussion of zoning and development alternatives for this parcel including those which have been discussed in conjunction with past rezoning proposals at this location. Consideration could be given to alternate residential classifications, as well as the O-1 classification.

STUDY ITEMS

1. BOARD OF ZONING APPEALS REPORT
2. CURRENT DEVELOPMENT REPORT
3. SOMERSET AREA CONSENT JUDGMENT PROPOSAL

1) Letter-Size O-1 &
R-2 Plans
2) Large Scale Commercial
& R-1 Plans

The City Council, at their Regular Meeting of June 26, 1989, set a Public Hearing for their Regular Meeting of July 17, 1989 in order to consider a proposed Consent Judgment which would resolve litigation between the City of Troy and various entities related to Frankel Associates, while also setting a direction for the ultimate development of the northeast and southeast quadrants of the Big Beaver-Coolidge intersection area. A draft copy of the proposed Consent Judgment text is enclosed for your review and information, along with some of the recent newspaper articles discussing this matter.

Mayor Doyle and City Manager Frank Gerstenecker will be attending this Study Meeting in order to review the background of this proposal and to discuss its' content with you. At this point the only plan available per se is a preliminary site plan for the proposed expansion of the present Somerset Mall. No plan has as yet been developed for the proposed commercial center in the northeast quadrant. The residential subdivision referred to would encompass the area included in the proposed Somerset North Subdivision Plat, which received Tentative Preliminary Approval in September of 1988. The open space/buffer area referred to is the approximate 16 acre residentially-zoned area which was at that time excepted from the subdivision plat.


4. MODIFIED SITE PLAN - Proposed Industrial/Research Center - West Side of Crooks, South of Maple - Section 32

In April of this year Site Plan Approval was granted for the building and site renovation and additional development which would bring about a five-building industrial/research center on the 46 acre M-1 zoned former Vickers' site on the west side of Crooks Road south of Maple Road. As indicated at that time, the developers cooperatively provided a plan whereby the interior buildings would be served by a private cul-de-sac access drive within an easement which would be constructed to public street standards. Modifications to the plan, in part related to the desire to provide more clear area in line with the Oakland-Troy Airport runway, brought about a situation whereby one of the four new buildings proposed, in the northwest corner of the site, would not have direct access to the private cul-de-sac street.

The plan has now been revised to propose five buildings rather than four, although the total building area for this development (including the existing buildings) would at the same time be reduced from 623,000 square feet to approximately 517,000 square feet. In conjunction with this revision, the proposed cul-de-sac street has been extended north in order to provide direct access for all proposed buildings. With this action, even though the splitting of this parcel has not been proposed by the developers, parcels have been defined which would enable each building and its' intended parking, landscaped area, etc., to stand alone in a full conforming manner.

The property owners have asked that we consider approving this improved version of the subject site plan on an administrative basis. I felt that the Planning Commission should at least be advised of the proposed improvements and modifications, and that you may wish to take action to formally approve this proposal as a Revised Site Plan. Such action could of course be taken at this meeting if necessary.

Respectfully submitted,


Laurence G. Keisling
Planning Director

LGK/eb

Troy agreement smooths way for Neiman-Marcus

BY MELINDA WILSON

CRAIN'S DETROIT BUSINESS

Major obstacles to adding a third anchor store — probably Neiman-Marcus — and a second floor to Somerset Mall in Troy may be eliminated under an agreement the Troy City Council plans to review at a meeting tonight.

After 15 years of negotiations, the city and developer Sam Frankel reached an agreement last week on a number of issues involving Frankel-owned developments on the north and south sides of Big Beaver Road, a source involved in the negotiations said.

A public hearing must be held before the council votes on the agreement.

Under the agreement, Frankel also will be able to forge ahead with plans for another enclosed mall. To be called Somerset North, it will be located on 40 acres at the northeast corner of Big Beaver and Coolidge Highway, across from Somerset.

The Troy-Frankel deal sets the stage for a dazzling array of out-of-town retailers to enter this market, including Neiman-Marcus, Bloomingdale's, Macy's, and Nordstrom — all of whom have been talking to local developers for years about sites.

Somerset, which is now 380,000 square feet and anchored by Sak's Fifth Avenue and Bonwit Teller,

Frankel will be able to forge ahead with plans for another enclosed mall.

will be enlarged to 600,000 square feet. Plans for the addition call for a 150,000-square-foot anchor and a second floor that would make room for at least 60 new stores, said Douglas Glaza, a Somerset leasing agent.

Neiman-Marcus officials were in town last month, looking at the Somerset site.

Philip Nardoni, director of corporate communications for Neiman-Marcus, confirmed last week that the retail giant looked at a number of sites but preferred the Frankel location.

Frankel leasing agents, long stymied because of legal problems with the city of Troy, reportedly already have tentative commitments from dozens of specialty retailers interested in leasing space on the second floor of Somerset.

Frankel could not be reached for comment, but previously, he has named Macy's, Nordstrom and Bloomingdale's as the types of anchors he would seek for Somerset North.

Under the agreement with the city, the new mall would be about 750,000 square feet.

Frankel's concessions to the city included the donation of 15 acres of land and "millions of dollars" to widen 16 Mile Road and Coolidge Highway, the source involved with the negotiations said. The money also will be used to support infrastructure needed for the new retail development.

Frankel will begin construction next summer on a single-family residential development on an 86-acre parcel north of Somerset North along Coolidge Highway, under the terms of the agreement.

Between the shopping center and the residential development, the developer will add a 15-acre greenbelt.

Frankel had filed suit against the city in 1987 over parking variances that prevented expansion of Somerset Mall. The case was pending in U.S. District Court, and negotiators on both sides wanted to avoid a trial.

If the agreement is approved by the city council, the city also is expected to drop its pending lawsuits against Frankel.

The suits accused the developer of failing to perform according to site plans for the Somerset Place development, which includes the Somerset Park Apartments and a Vic Tanny's health club along Big Beaver. **CDS**

June 26, 1989

Crain's

Plan would triple size of Somerset

By Robert Ourlan
and Denise L. Smith
News Staff Writers

A plan that would more than triple the size of the Somerset shopping mall complex in Troy — and add new stores such as Neiman-Marcus, Bloomingdale's or Macy's — was unveiled Monday.

The plan includes adding a second story to the existing Somerset Mall, building a new Somerset North shopping center across the street, and providing space for up to four new department stores and more than 100 upscale shops.

The existing Somerset Mall would jump in size from 385,000 square feet to 667,000. The new Somerset North, on the northeast corner of Big Beaver and Coolidge, would be about

Please see Mall/5A

Mall Plan would triple the size of Somerset mall

From page 1A

850,000 square feet, according to city officials and developers.

Considered "the glitziest" building program in Troy by city officials, the project also would include 138 expensive homes to be built on Coolidge, north of the proposed Somerset North.

The building spurt would come as a result of a proposed agreement between Troy officials and developer Sam Frankel to end a bitter 15-year dispute over how land at the intersection of Big Beaver and Coolidge should be used.

Frankel, one of Oakland County's largest and most ambitious developers, has battled the city over what to build, finally claiming in a 1987 Federal Court lawsuit that the city was unconstitutionally seizing his property.

The proposed agreement would resolve the litigation and end the dispute.

"This has been a long struggle," said Troy Mayor Richard Doyle. "This could bring to an end the long-standing feud."

The pact allows Frankel to expand the existing Somerset Mall by building a third department store, probably to be occupied by Neiman-Marcus. Frankel also would add a second story to the main mall and construct parking decks to make up for lost spaces.

Across the street, Frankel would

build the new mall, an 850,000-square-foot complex with up to three anchor stores. Those under consideration include Macy's, Bloomingdale's, Nordstrom, Camper "or better," according to the proposed agreement.

"It won't be a duplication of Somerset," said Doug Glaza, senior vice-president for Frankel Associates.

"We won't put in a mall to compete directly with Somerset. It will be somewhat down-scaled but it won't be a run-of-the-mill, regional mall, either."

"It should offer something new to the area."

Dozens of tenants already are waiting to locate in both the new mall and the existing mall's proposed second level, which would hold about 60 stores, Glaza said.

Currently, Saks Fifth Avenue and Bonwit Teller anchor the existing Somerset.

In return for the go-ahead on his expansion plans, Frankel would turn over to Troy about \$6 million worth of property — about 16 acres — which the city has long sought for needed road improvements in the Big Beaver-Coolidge area.

Those improvements would be part of a larger plan to widen and improve the notoriously congested 1½-mile length of Big Beaver between Coolidge and Interstate 75.

Frankel also would pay for new streets to form a "ring road" around Somerset North — and contribute another 16 acres of land for parks to serve as a buffer between the commercial and residential developments.

Troy Mayor Richard Doyle hailed the agreement, which would settle years of personal animosity and lawsuits between the city and developer.

"THERE'S some first-class op-

portunities here," Doyle said at a City Council meeting Monday. "This is a meaningful proposal and it didn't get there easy."

One council member, Randy Husk, recalled Monday the first closed-door meeting he attended as an elected official — after he was elected 1½ years ago — dealt with the controversy between Frankel and the city.

The agreement, which would be entered as a consent judgment in U.S. District Court and signed before Federal Judge Anna Diggs Taylor to settle a 1987 lawsuit, won't be approved by city officials until after a July 17 public hearing.

Frankel and various partners have been involved in stunning real estate deals in Oakland County over the past 30 years. He has been involved with the development of Great Oaks Mall in Rochester Hills, Troy's Somerset Inn, the Somerset Apartments in Troy and several large subdivisions.

But it was the 120-acre parcel at the northeast corner of Big Beaver and Coolidge which in 1986 he called "the best piece of real estate in the Midwest."

On that site, Frankel wanted to build his first vision of Somerset North, a ornate complex of offices, hotels, condominiums, a shopping center and an intricately designed performing arts center named for himself and his wife, Jean.

HOWEVER, city officials, produced by local residents who said development had overcrowded roads and threatened the city's quality of life, chiseled away at Frankel's dream proposal, finally killing the developer's last offer in 1987.

What had been a friendly relationship between city officials and one of Troy's chief builders disintegrated after that.

In 1987, city officials turned down the proposed expansion of the original Somerset Mall, saying the additions could not meet building codes and parking requirements.

To prevent Frankel from seeking a route around the adamant City Council, council members passed new ordinances that guaranteed only they could approve his plans.

Frankel sued and won a key early round of the court battle. But out of routine settlement talks emerged a consensus on a final agreement for all the disputes between Frankel and the city, a consensus city officials encouraged.

"Before there was progress, we wanted to make sure the city's concerns were met," said Peter Letzmann, city attorney.

THE CITY insisted that more than half of the Somerset North development be comprised of single-family houses and the proposed agreement sets aside 70 acres for 136 homes.

Between the homes to the north and the new mall to the south, along Big Beaver, will be a parkland buffer.

If an agreement is reached, construction on Somerset's addition could start in fall or early spring.

Detroit News
6/26/89

Scaled-down expansion ends battle over Somerset

By David A. Markiewicz
News Staff Writer

The proposed agreement between real estate mogul Sam Frankel and the city of Troy over future development of the Somerset Mall complex requires both parties to give up something, but will allow both to get something in return.

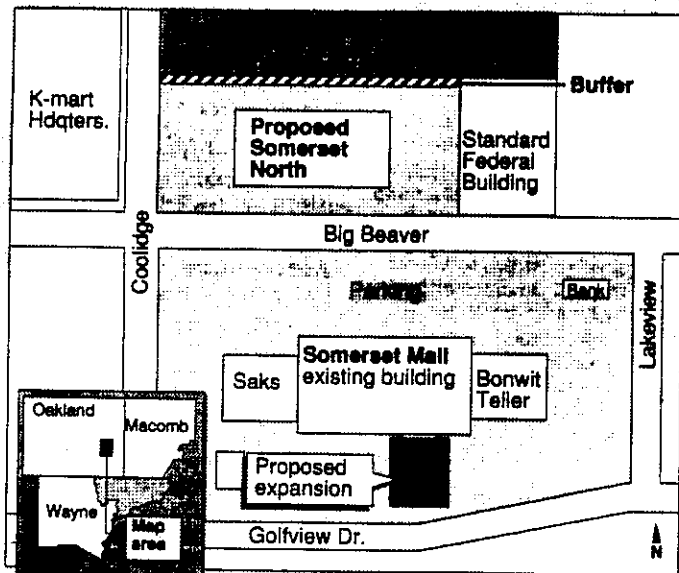
That's the interpretation by Troy officials, who with Frankel, reached a tentative settlement in a 15-year-old dispute over the fate of one of the most desirable pieces of undeveloped land in Metro Detroit.

For Frankel, it means he will finally be able to earn a profit off property that's been lying fallow. For the city, it represents acceptance of a scaled-down development, the kind that officials hope won't overwhelm and choke a community that years to preserve its residential feel.

According to the agreement, which was unveiled Monday, Frankel would expand his Somerset Mall from 385,000 square feet to 667,000 square feet. The expansion would include the addition of a second floor and, the developer hopes, the prestigious retailing chain Neiman Marcus as a third department store anchor.

Somerset plans

Developer Sam Frankel's plans for his Somerset complex in Troy call for an expansion of the existing Somerset Mall from 385,000 to 667,000 square feet, with the major addition being a third anchor department store, possibly Neiman Marcus. Across the street, Frankel plans to add Somerset North, an 850,000-square-foot mall with up to three anchor retailers. North of that site, 70 acres has been set aside for construction of 136 single-family homes.



ACROSS THE street at Somerset North, Frankel would build a new 850,000-square-foot mall with as many as three anchor stores of high quality, such as Bloomingdale's or Nordstrom.

In return for these developments, Frankel would agree to give the city 16 acres of land — valued at about \$6 million — for road improvements in the Big Beaver-Coolidge intersection area near Somerset.

He also would provide a 16-acre parkland buffer zone between Somerset North and a 70-acre, 136-home, single-family residential project to be built just north of the new mall.

There were concessions aplenty in the arrangement. Frankel had to reduce his vision for the Somerset North site. In 1986, Frankel announced "the most exciting, dramatic mixed-use development of any suburb in the United States."

That Somerset North project, a \$300-million development, was to include a 960,000-square-foot shopping center; twin nine-story office towers; an 18-story, 306-room hotel; an 800-seat performing arts center; 204 single-family homes; and 236 condominiums.

"Frankel will have a nice mall that will generate a tidy profit for him, and there will be an enhanced use of the property."

Peter Letzmann
Troy city attorney

BUT TROY officials rejected the plan as too urban for their community. Residents and officials worried about traffic congestion, particularly in the area along Big Beaver from Interstate 75 to Coolidge Road.

City officials demanded that at least one-half the Somerset North development be set aside for single-family homes. They also wanted buffers separating commercial and residential areas, and money and land for expanded roads to handle increased traffic.

Although Frankel gave up his grand plan as well as land and money, his new plan for Somerset North retains virtually the same size retail component.

The city, while getting a smaller-scale project, still would have what would be one of the metro area's largest retail projects. In area, the Somerset complex will rival that of some regional malls.

But city attorney Peter Letzmann said Troy won its battles for more parking spaces, attractive landscaping and general beautification.

"THE MAN owns the property," Letzmann said. "Parkland certainly would be the most desirable use (of Somerset North), but I'm not sure that would be the most reasonable."

Letzmann said Frankel's concession of land and money will allow the widening of Big Beaver so as to relieve some traffic problems, but he added, "There is a point of saying the roads are big enough. We're just going to have some congestion."

While the area in front of Somerset will be widened, the road west of Coolidge towards Birmingham won't be, so bottlenecks could form there. Officials are hoping that most traffic to Somerset comes off Interstate 75.

"Frankel will have a nice mall that will generate a tidy profit for him, and there will be an enhanced use of the property," Letzmann said.

Somerset Mall was begun in 1964 and completed in 1969. In 1971, Frankel proposed a complimentary development across the street but was turned down by the city. A series of court battles followed, the latest of which could be resolved with the proposed agreement.

New Somerset wins Troy nod

By Joy Bennett Josey
Staff Writer

TROY — After 20 years of often-heated wrangling, Sam Frankel may break ground this year on his plans to expand Somerset Mall and develop Somerset North, a \$300 million office-retail-residential development.

The Troy City Council on Monday scheduled July 17 for a public hearing on a consent judgment agreed to by Frankel Associates and the city.

Mayor Richard Doyle said the proposal will fulfill the interests of both parties and "will end a lot of anxiety on the part of folks who live in that area."

Specifically, the 20-page judgment allows:

- Somerset Mall's expansion by up to 282,000 square feet, including construction of an approximately 144,000-square-foot Neiman-Marcus retail store; plus construction of a parking deck or surface parking to contain no fewer than 3,382 spaces.
- Establishing an Arbitration Board to determine the need for additional parking.
- Conveying to the city for \$1 a series of right-of-ways and setbacks plus 16 acres to be dedicated for a park.

Commercial land in Troy is selling for between \$300,000 and \$500,000 per acre in Troy, according to City Attorney Peter Letzmann, making this park land worth between \$5 and \$8 million.

- Construction of a 850,000-square-foot shopping mall north of Big Beaver Road to include anchors of the quality of Nordstrom's, Campeau, Bloomingdale or Macy's.

- Development of 70 acres, north of Big Beaver to include 136 single-family residence lots during the 1990 construction season.

The agreement also stipulates terms for Frankel's participation in road improvements and construction, including the widening of

Big Beaver, Coolidge or other streets.

The complete agreement is on file with the city clerk, for citizen review prior to the July 17 public hearing.

The agreement must be approved by the City Council as well as the courts before taking effect.

Mayor Doyle said the agreement includes no additional commercial zoning provisions, a concern of citizens living north of Big Beaver Road. "They were concerned about (commercial) zoning encroaching on the residential areas."

The site for the new mall area is buffered by the 16-acre park, as well as the approximately 70 acres planned for residences.

The agreement took nearly nine months to hammer out. Both Frankel and City Attorney Letzmann predicted a 30-day settlement last fall.

Letzmann said he expects some citizen opposition to the plan. "There is always opposition. If citizens look at this objectively, the traffic needs have been accommodated, we're holding true to the zoning line and as a benefit to the city we will have some upscale retailing," he said.

City Manager Frank Gerstenecker seemed less than thrilled with the agreement — adding he is "relieved" rather than happy that the consent judgment was reached.

"It's a situation where the development has a balance with nature and the amount of density is within reason," he said.

On June 13 the city was scheduled to try the case in U.S. District Court if the two parties had not reached an agreement.

However, "a settlement agreeable to the parties is always better than a judgment imposed by the court that may be disagreeable to all of the parties," Letzmann said.

The threat of losing the case in court did not affect the city's decision to negotiate, Letzmann said. "The law department was very confident that ultimately we would prevail."

The City Council and Sam Frankel have had a fractious relationship for many years. In 1986, the council rejected his plans for Somerset North, at the northeast corner of Big Beaver Road and Coolidge Highway.

Frankel has labeled the city "contentious" and stated the only way to get things done in Troy was to file lawsuits. He filed the current lawsuit in 1987.

Frankel is president of Frankel & Associates.

Somerset Mall deal would allow expansion

BY WYLIE GERDES
Free Press Staff Writer

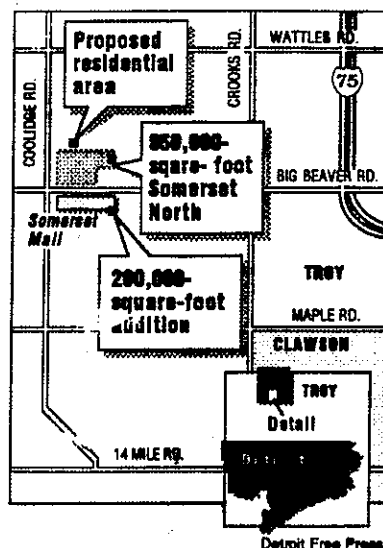
6/27/89
3A

By the 1991 holiday season, well-heeled shoppers may be charging for Troy, gold cards at the ready, for the exotic and expensive stocking-stuffers to be found in a Neiman-Marcus store.

The Troy City Council on Monday night was expected to unveil a negotiated settlement of a federal lawsuit that would permit the upscale department store to be added as part of a major expansion of Somerset Mall at Big Beaver Road and Coolidge.

The settlement calls for a mall addition that would include a 150,000-square-foot anchor store and 40 to 60 other shops, increasing the size of the mall from about 340,000 square feet to 600,000 square feet, said Eric McCann, lawyer for mall owner Sam Frankel.

The 20-page agreement also settles plans for Frankel's vacant 116-acre parcel directly north of the mall, across Big Beaver. That land, known as Somerset North, would be developed into an 850,000-square-foot shopping mall and a residential area, McCann said.



Neiman-Marcus spokesman Phil Nardoni said Monday the Dallas-based retailer is negotiating with Frankel, but said nothing is firm.

However, McCann said the prospect of a deal with Neiman-Marcus was what ended a deadlock between Frankel and the City of Troy over the Somerset Mall expansion and the future of Somerset North.

Frankel sued the city in 1987 over parking requirements at Somerset Mall, and the developer and the city have debated plans for Somerset North since the mid-1970s.

City officials could not be reached Monday before the council meeting. Frankel refused to confirm details until the settlement is approved, which he said could take until July.

However, Frankel said that if the settlement is approved, construction of the Neiman-Marcus addition would begin next year and the store would be open for the 1991 holiday season. He would not speculate when the Somerset North mall would be built.

The Neiman-Marcus store is a plus for Somerset Mall and southeast Michigan, said Fred Marx, a Bloomfield Hills marketing consultant.

R-1D

R-1E

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BIG BEAVER

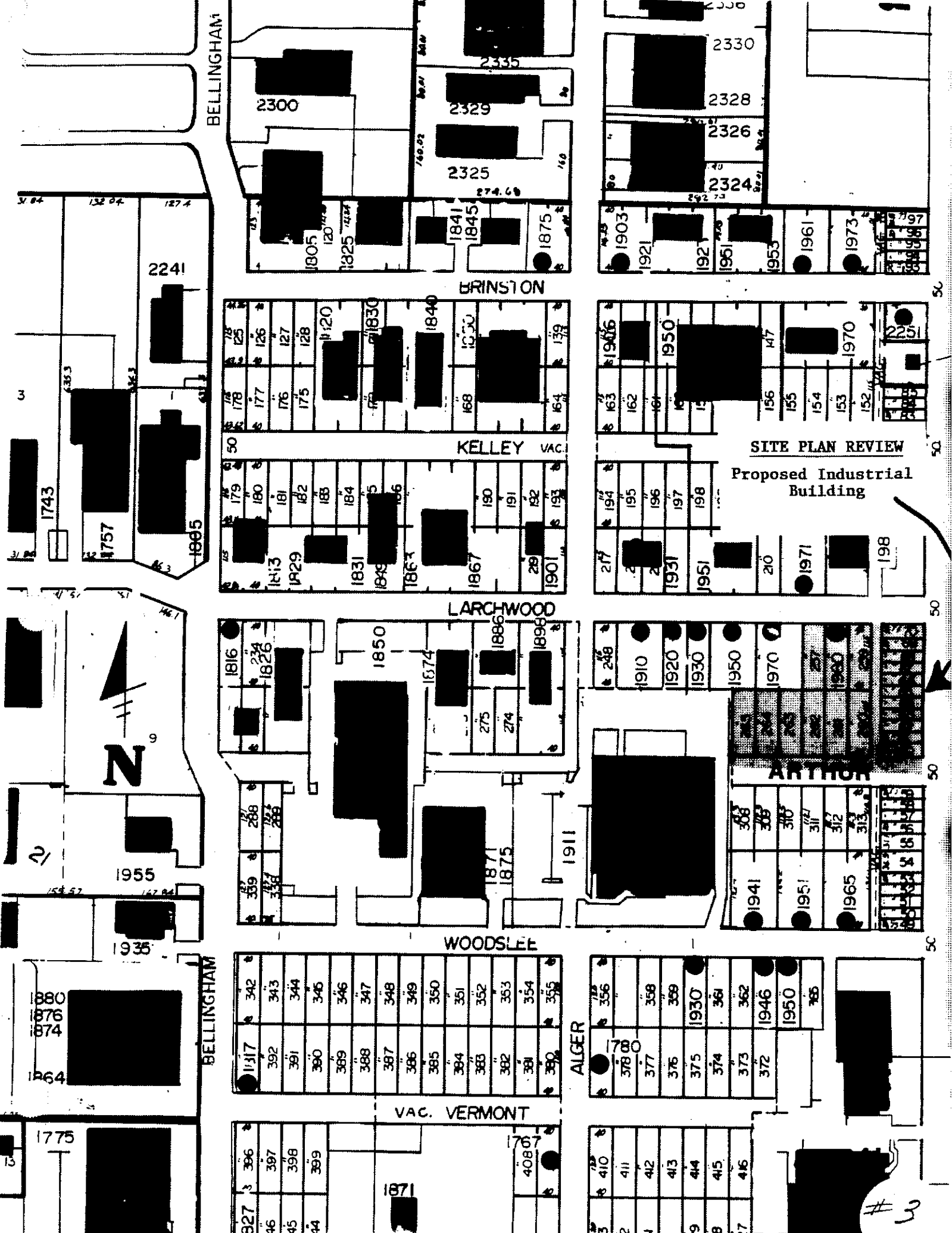
SITE PLAN REVIEW
Proposed Industrial
Building

JOHN B

STEPHENSON

MAPLE

#3



BELLINGHAM

BRINSTON

KELLEY

LARCHWOOD

WOODSLEE

ALGER

VAC. VERMONT

SITE PLAN REVIEW

Proposed Industrial Building

N

#3