



CITY of NOVI CITY COUNCIL

Agenda Item F
November 14, 2011

SUBJECT: Approval of a Completion Agreement for SP04-56 Stoneridge Office Park located north of Twelve Mile Road and west of Novi Road, in accordance with the requirements of Chapter 26.5.

SUBMITTING DEPARTMENT: Community Development Department *UM*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

City Council is being asked to consider a request from Stoneridge Investment Group, LLC to approve a Completion Agreement for the Stoneridge Office Park, SP04-56.

Chapter 26.5 of the Novi City Code specifies procedures and required financial guarantees that must be in place if development of a project extends beyond a period of 2 years. A formal Completion Agreement document outlining the remaining work and timeline for completion is required to be submitted for approval by the City Council. Posting of financial guarantees typically equal to 200% of the value of the outstanding work is also required. The Completion Agreement and financial guarantees protect the residents of Novi from the possible expense were the City have to complete an unfinished project due to developer default or nonperformance.

The Stoneridge development is an 8.1 acre, office condominium planned for a total of 7 detached buildings located north of 12 Mile Road and west of Novi Road. Three of the seven buildings have been constructed, one building is occupied and the remaining two buildings are complete through the shell stage.

This project is subject to the provisions of Chapter 26.5 of the Novi City Code, and required a Completion Agreement because Shannon Development, the original developer, had not completed the site improvements shown on the approved site plan within (2) years of issuance of the initial permit for any improvements (June 23, 2006).

The original Completion Agreement extended the time period allowed for completion of the development and was approved by City Council on February 22, 2010. That agreement expired on October 1, 2011.

Currently, Shannon Development has negotiated a sale of the property to Stoneridge Investment Group, LLC. The buyer desires to purchase the property and assume the position of the developer but cannot immediately complete all buildings and improvements due to current economic conditions. It is the buyers' intent to immediately complete and occupy one of the existing shell buildings for business offices. The approval of this Completion Agreement executed by Stoneridge Investment Group, LLC, amends the time frames for completion of remaining site improvements in conjunction with the construction of the remaining buildings and will allow the project development to continue

accordingly. The Agreement will not become effective until Stoneridge Investment Group, LLC closes on the purchase of the development.

As a condition of the Completion Agreement, Stoneridge Investment Group, LLC, the developer, has agreed to provide assurances including provision of a performance guarantee in the amount of no less than 200% of the cost of the work to be completed. The existing performance guarantee will be in part released to Fifth Third Bank, with Fifth Third Bank and Shannon Development assigning the remaining amount to guarantee completion of improvements in accordance with this Completion Agreement. The developer will also provide a schedule for completion and maintenance of the improvements for this development.

The Completion Agreement requires a minimum Performance Guarantee of \$225,698.00 and contemplates completion of:

- Drainage improvements for buildings A thru E as well as paving, curb, and curb repairs for the entire site on or before November 14, 2013
- All Site Landscaping on or before November 14, 2013
- Restoration of the municipal right of way on or before November 14, 2013
- Ongoing required installation and maintenance of soil erosion and sedimentation controls
- Replacement and installation of certain traffic control signs on or before November 14, 2013

Staff supports the approval of the request.

RECOMMENDED ACTION: : Approval of a Completion Agreement for SP04-56 Stoneridge Office Park located north of Twelve Mile Road and west of Novi Road, in accordance with the requirements of Chapter 26.5.

	1	2	Y	N
Mayor Gatt				
Council Member Casey				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI

STONERIDGE OFFICE PARK

**AGREEMENT FOR COMPLETION
AND MAINTENANCE OF IMPROVEMENTS**

AGREEMENT, dated _____, 2011 by and between the City of Novi, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, Michigan 48375 (“City”), and Stoneridge Investment Group, LLC, a Michigan limited liability company whose address is 29000 Inkster Road, Suite 100, Southfield, MI, 48034, (“Developer”). Developer is the successor developer of the Stoneridge Office Park Development (“Development”). Developer has entered into a contract to purchase the Development. Upon closing of the sale between Shannon Development, LLC and Stoneridge Investment Group, LLC, Stoneridge Investment Group, LLC represents itself as the successor owner of the Property described in Exhibit 1 which includes the Development (the “Property”) and will provide proof to the City as such (except with respect to those Units and the undivided rights in General Common Elements appurtenant to those Units that have been conveyed to Co-owners). As successor developer of the Development, Developer and the City agree that the Developer acknowledges and accepts reserved rights and obligations pursuant to the Master Deed of the Development, and the approved site plan number 04-56, approved by Planning Commission on July 13, 2005, with final stamping sets dated June 21, 2006 (the “Site Plan”), (the foregoing being collectively referred to as, the “Development Documents”) and as otherwise provided by applicable law to complete and maintain the improvements as set forth in this Agreement. This Agreement (“Agreement”) shall become effective upon closing of the sale of the Property and the Development to Stoneridge Investment Group, LLC.

R E C I T A T I O N S :

The Property has been approved for development as a seven building office condominium development pursuant to the provisions of the City of Novi Zoning Ordinance and Consent Judgment as amended in Oakland County Circuit Court Case No. 01-030302 CC (“Consent Judgment”) which has been incorporated into the final approved Site Plan, known as the Stoneridge Office Park (the “Property” or “Development”). Three buildings of the seven building development have been constructed. Of the three buildings constructed, one building is occupied, and two buildings are shells. Certain site improvements as more specifically referenced in this Agreement which included drainage improvements, site landscaping, right-of-way restoration, and traffic control signs have not been completed or maintained for the overall development site.

Developer intends to complete the Development in accordance with the approved Site Plan subject to the Consent Judgment and as otherwise provided by applicable law including all applicable approvals and ordinances and this Agreement.

Chapter 26.5 of the City of Novi Code of Ordinances, Section 26.5-5 (b) requires completion of

actual construction and installation of all required site improvements within two (2) years after the issuance of the initial permit for any improvements, or within six (6) months after a temporary occupancy permit has been issued for any structure on the Property, whichever is shorter or occurs first. The initial permit for the Development was issued on June 23, 2006. Because more than two (2) years has elapsed since the initial permit, the site improvements were to have been completed prior to the date of this Agreement. Accordingly, Developer must either complete the improvements immediately, or obtain an extension of time. Section 26.5-5 (b) requires that extension of such time periods may only be granted by City Council when such extensions are requested for a period greater than six (6) months for reasons including but not limited to delays resulting from weather conditions and/or delays in securing required approvals/permits from outside regulatory agencies, and unforeseen economic events or conditions.

The initial term of the Agreement for Completion and Maintenance of Improvements for the Stoneridge Office Park Development expired October 1, 2011, prior to the sale of the Development. Though certain improvements set forth in the original Agreement for Completion and Maintenance of Improvements have been completed, Developer as successor developer is unable to immediately complete all remaining site improvements upon purchase of the Development due to continuing economic conditions and un-sold condominium units within the office buildings. As such, Developer is requesting an extension of the timeframes with respect to the completion of improvements, therefore, Developer must request an extension from City Council and must provide a written completion agreement, together with a revised performance guarantee, pursuant to Section 26.5-12 of the City of Novi Code of Ordinances.

Consistent with all applicable laws and ordinances, more particularly Chapter 26.5 of the City of Novi Code of Ordinances, to obtain an extension with respect to completion of improvements, Developer has offered to provide, and the City is willing to accept, certain assurances to the City that such improvements relating to the Development will be properly completed and maintained pursuant to a schedule. Such assurances include providing a performance guarantee in an amount no less than two hundred (200) percent of the cost of the work to be completed, and a schedule, for completion and maintenance of the improvements for the Development.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Purpose of Agreement

The City and the Developer enter into this Agreement inclusive of the above Recitations for the purpose of ensuring that certain improvements for the Development will be completed and maintained pursuant to all approvals granted by the City and the Consent Judgment, all applicable laws and ordinances, and that such completion and maintenance occur on a timely basis, in accordance with a schedule approved by City Council.

2. Performance Guarantee Posted

The City is in receipt of \$274,899.00 in cash from Developer’s predecessor in title in the form of a performance guarantee (“Original Performance Guarantee”) pursuant to an agreement between the City and Shannon Development, LLC dated February 22, 2010 (“Prior Agreement”). Upon Developer’s submission of proof that it is the owner of the Property, the Prior Agreement will terminate and the City will remit the sum of \$49,201.00 from the Original Performance Guarantee to Fifth Third Bank as authorized and approved by Shannon Development, LLC and Fifth Third Bank as set forth below to this Agreement and the remaining sum of \$ **225,698.00** shall be deemed to have been irrevocably released by Shannon Development, LLC and Fifth Third Bank and assigned by Shannon Development, LLC to the Developer (as approved and acknowledged by Shannon Development, LLC and Fifth Third Bank as set forth below in Exhibit 6) as a performance guarantee completion and maintenance of improvements for the Development, as estimated and itemized in Paragraph 3, below. Said **\$225,698.00** shall be known as (the “Performance Guarantee”) and shall be remitted and shall be deemed to be the funds of the Developer subject to the rights of the City to the Performance Guarantee as provided by this Agreement.

3. Items of Improvement and Maintenance

Subject to changes or damages to the improvements that may occur as a result of continuing construction, the items of improvements and maintenance included within this Agreement, and the estimated cost of completion and ongoing maintenance, are set forth below:

- a. Incomplete Sitework
(Drainage and Paving Improvements) \$ **51,225.00** as described in Exhibit.
2 attached hereto.
- b. Site Landscape: \$ **55,623.50** as described in Exhibit
3 attached hereto.
- c. Right-of Way Restoration \$ **3,333.50** as described in Exhibit
4 attached hereto.
- d. Traffic Control Signs \$ **2,667.00** as described in Exhibit
5 attached hereto.

Subtotal:	\$ <u>112,849.00</u>
200% Multiplier:	x 2
Total Performance Guarantee:	\$ 225,698.00

4. Completion and Maintenance of Improvements; Schedule and Requirements

Each of the Improvement Items listed in Paragraph 3, above, shall be completed and maintained by the Developer, at its expense, pursuant to all final approvals granted by the City and all applicable laws and ordinances, according to the following schedule:

- a) Improvement Item 3a contemplates and includes installation of drainage improvements for buildings A through E. Improvement Item 3a shall be completed prior to the issuance of the final certificate of occupancy within

the Development, and in all events, before November 14, 2013. Though the asphalt wearing course has been installed, the installation was completed without notification to city inspectors. It is unknown whether the base course asphalt repairs that were noted on the November 10, 2009 and November 14, 2009 inspection reports issued by Spalding DeDecker Associates have been made. As a result, the structural integrity of the paved areas is unknown. Therefore, Developer shall be responsible under this Agreement for the expense and continuing maintenance and future repairs of all internal paved areas, whether as a result of existing unknown conditions or future construction damage. For purposes of this Agreement “maintenance and repairs” of such areas shall mean and include, without limitation, removing of debris and obstacles, repairing pot holes and cracks, adding new materials, providing for proper drainage, constructing all needed structures (e.g., without limitation, lateral support, drainage, etc.), resurfacing and such other action as shall be necessary or expedient to provide structural integrity and substantially continuous, unobstructed and safe vehicular passage to and through the Development, and providing unobstructed drainage as necessary or required.

- b) Improvement Item 3b contemplates and includes the installation of all site landscaping for the Development. Site Landscaping shall be completed prior to the issuance of the final certificate of occupancy within the Development, and in all events on or before November 14, 2013. For two (2) years from the date of completion of the installation of all such landscape plantings installed as part of the Development, Developer shall, under this Agreement, maintain the landscape plantings that were so installed, which maintenance shall include the replacement of any dead, substantially dead, diseased or removed landscape during such two (2) year period. All dead or diseased landscape material shall be replaced prior to release of any Site Landscape Maintenance Bond.
- c) Improvement Item 3c contemplates and includes, without limitation, security for restoration for any work proposed within the right-of-way of the arterial system of the City, including, 1) removal and replacement of broken concrete approach flags; 2) routing and epoxy sealing of cracks; 3) removal of soil from west side of driveway approach; 4) stabilization of the west side bank at the end of the sidewalk with seed and mulch blankets; and, 5) installation and establishment of green mowable sod/grass on the east side of the driveway approach. The improvement items within this Section may change over time based on wear and tear. Improvements Item 3c shall be completed in all events on or before prior to the issuance of the final certificate of occupancy within the Development, and in all events on or before November 14, 2013.
- d) Improvement Item 3d contemplates and includes installation of traffic control signage and pavement markings. Improvement Item 3d, above, shall be completed in all events on or before November 14, 2013.

5. City Authority to Complete and/or Maintain.

In the event Developer has failed to complete and/or maintain the improvements itemized in Paragraph 3, above, within the time periods and in the manner specified in this Agreement, and, provided the City has given the Developer 30 days notice of the failure to timely complete and/or maintain and Developer has not completed and/or maintained all of such improvements within said 30 days after such notice and provided that the City is not in default of any material obligations in this Agreement and as required by applicable law the City shall have the authority, but shall not have the legal obligation, to take one or more of the following actions:

(a) The City may draw the Performance Guarantee and enter upon the Development through its officials, employees, agents, and/or contractors and complete and/or maintain the improvements, or restore the Property or areas disturbed in the Development. In such event, all costs and expenses incurred shall be paid from the Performance Guarantee. Any amounts of unused Performance Guarantee shall be returned to Developer, or otherwise be credited, as the case may be. Developer, and those person and/or entities acting on behalf of the Developer, shall be obligated to act and work in cooperation with the City to bring about completion and/or maintenance of the improvements as contemplated in this Agreement, or restoration, and shall provide the City with all drawings, contracts, documentation, public and private correspondence, agreements and other materials relating to any such improvements, restoration and/or maintenance.

(b) The City may, but is not required to, initiate a lawsuit for purposes of enforcing and achieving full compliance with the terms and provisions of this Agreement. In the event that the City is awarded relief in such suit, the Developer shall pay all court costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.

(c) The City may, in its discretion, in accordance with the provisions of Chapter 26.5, grant Developer additional time beyond the time periods referenced in Paragraph 4, in accordance with the provisions of Chapter 26.5 of the City of Novi Code of Ordinances, which provisions may be amended from time to time.

6. Additional Liability

Developer shall also be liable for any costs and expenses incurred by the City in excess of the Performance Guarantee provided under this Agreement as well as any costs and expenses, including reasonable attorney fees, incurred by the City in any action and/or litigation to enforce or collect such funds and/or to otherwise restore the property and/or secure completion and/or maintenance of the improvements itemized in Paragraph 3, above, pursuant to the terms of this Agreement, in the event the City obtains any relief as a result of such lawsuit. The liability of Developer in such regard, if unpaid after 30 days of a billing sent to Developer at its last known address, may be secured by the City recording a lien on the Property as to those units still owned

by the Developer, effective as of the date the City is authorized to proceed with the completion and/or maintenance of improvements, or restoration, as provided in this Agreement, and all such unpaid amounts may be placed on the delinquent tax roll of the City as to the Property, and shall accrue interest and penalties, and shall be collected as, and shall be deemed delinquent real property taxes according to the laws made and provided for the collection of delinquent real property taxes. In the discretion of the City, such costs and expenses may also be collected by suit initiated against the Developer, and in the event the City is awarded relief in such suit, the Developer shall pay all court costs, expenses and reasonable attorney fees incurred by the City in connection with such suit.

7. Rebate or reduction of Performance Guarantee

- (a) Full Release. The City shall not release Performance Guarantees associated with the completion of the items of improvement and maintenance referenced herein until (1) all fees that are due to the City have been paid; (2) a maintenance guarantee has been posted, if applicable; (3) inspection of the development site has been performed when required (4) expired permits have been renewed; and (5) the City has determined that the conditions and requirements of the permit/approval otherwise specified in this Agreement have been met and final approval of same has been granted.
- (b) Partial Release. The City may, after performing a site inspection at the written request of the Developer, rebate or reduce portions of the Performance Guarantees upon determination by the City, in its sole discretion, that the improvements and/or actions for which that Performance Guarantee was posted as itemized above in paragraph 3a through d. have been satisfactorily completed in accordance with the approved plans, any temporary certificate of occupancy, and all other applicable laws, regulations, and ordinances. At no point shall the amount of the Performance Guarantee held by the City be less than two hundred (200) percent of the cost to complete the remaining required improvements on the Property. The Developer is responsible for the actual cost of inspections requested pursuant to this section.

8. Pre-Construction

Upon closing of the purchase of the Property, and prior to initiation of construction, Developer shall obtain a new soil erosion control permit for the Development. Developer shall schedule a pre-construction meeting with the City in order to become familiar with the construction and inspection procedures required pursuant to City ordinance and regulation. Additional fees may be required to be posted pursuant to applicable lawful ordinances and regulations.

9. Binding Effect

This Agreement shall run with the land constituting the Property described on Exhibit 1 and shall be binding upon and inure to the benefit of the City and Developer and to their respective heirs, successors, assigns and transferees.

10. Owner's Warranty on Ownership

Upon Developers purchase of the Property, the Developer hereby warrants that it is the owner of the Property described on attached Exhibit 1 (except for those Units and the undivided rights in General Common Elements appurtenant to those Units that have been conveyed to Co-owners), and that it, and Developer has the full authority to execute this Agreement as to Unit still owned by Developer.

11. Delay in Enforcement

A delay in enforcement of any provision of this Agreement shall not be construed as a waiver or estoppel of the City's or the Developer's respective rights to eventually enforce, or take action to enforce, the terms of this Agreement.

12. Severability

Each covenant, requirement, obligation and provision contained herein shall be considered to be an independent and separate covenant and agreement, and, in the event one or more of the covenants, requirements, obligations or provisions shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, all remaining covenants, requirements, obligations and provisions shall nevertheless remain in full force and effect.

13. Lawful Document

Developer and City agree that this Agreement and its terms, conditions, and requirements are lawful and consistent with the intent and provisions of local ordinances, state and federal law, and the Constitutions of Michigan and the United States of America. Developer has offered and agreed to complete the on-site and off-site improvements, at their cost and expense, as specified in this Agreement. Developer has offered and agreed to complete such improvements, and to proceed with other undertakings and obligations as set forth in this Agreement in order to protect the public health, safety and welfare and provide material advantages and development options for the Developer, all of which improvements and obligations Developer and the City agreed were roughly proportional to the burden imposed and necessary in order to ensure that public services and facilities necessary for or affected by the Development will be capable of accommodating the development on the Property and the increased service and facility loads caused by the Development, to protect the natural environment and conserve natural resources, to ensure compatibility with adjacent uses of land, to promote use of the Property in a socially, environmentally and economically desirable manner, and to achieve other reasonable and legitimate objectives of the City and Developer, as authorized under applicable City ordinances and the Home Rule City Act, MCL 117.1, et seq. Furthermore, Developer fully accepts and agrees to the final terms, conditions, requirements, and obligations of this Agreement, and Developer shall not be permitted in the future to claim that the effect of this Agreement results in an unreasonable limitation upon use of all or any portion of the Property, or claim that enforcement of this Agreement causes an inverse condemnation or taking of all or any portion of such property. It is further agreed and acknowledged that the terms, condition, obligations, and requirements of this Agreement are clearly and substantially related to the burdens to be created by the development of the Property, and are, without

exception, clearly and substantially related to the City's legitimate interests in protecting the public health, safety, and general welfare. It is further agreed, that this Agreement shall not prohibit the Developer from seeking and obtaining amendments to the Consent Judgment and/or Site Plan as provided by applicable law, and/or from Amending the Master Deed and/or the Development Documents as provided applicable law and from otherwise rezoning, developing and using the Property as provided by applicable law.

14. Applicable Law

This Agreement shall be interpreted and construed in accordance with Michigan law, and shall be subject to enforcement only in Michigan courts.

15. Current and Future Owners and Developers.

As used in this Agreement, the term "Developer" shall mean and include the undersigned party designated herein as developer of the Property, as well as all future and successor persons and entities that become successor developers of all or any portion of the Development property in the future until such time as all phases of the Development have been completed and approved.

16. Headings.

The headings contained herein are for the convenience of the parties and are not to be used in construing or interpreting this Agreement.

17. Effective Date.

This Agreement is deemed effective as of the date first written above.

18. Recording.

This Agreement is not intended to be recorded with Oakland County Records.

“DEVELOPER”

STONERIDGE INVESTMENT GROUP, LLC,
a Michigan limited liability company

By:
Its:

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this _____ day of _____,
2011, by _____, as the _____ of
_____.

Notary Public
Oakland County, Michigan
My Commission Expires: _____

“CITY”:
CITY OF NOVI
a Michigan municipal corporation

BY: _____

BY: _____

STATE OF MICHIGAN)
) SS
COUNTY OF OAKLAND)

The foregoing Agreement was acknowledged, signed and sworn to before me on this _____ day
_____, 2011, by _____, Mayor and _____, Clerk of the City of
Novi.

Notary Public
_____ County, Michigan
My Commission Expires: _____

EXHIBIT 1

Stoneridge Office Park Condominium of Novi, according to the Master Deed recorded in Liber 37091, Pages 092 through 136, inclusive, Oakland County Records, and designated as Oakland County Condominium Subdivision Plan No. 1852, except Unit __, together with rights in common elements and limited common elements, as set forth In the above Master Deed (and amendments thereto) and as described in Act 59 of the Public Acts of 1978, as amended.

EXHIBIT 2



November 1, 2011

Mr. Aaron Staup
Construction Engineering Coordinator
Department of Public Services
Field Services Complex
26300 Delwal Drive
Novi, MI 48375

Re: **Stoneridge Office Park**
Incomplete Site Work Status
Novi SP No.: 04-0056
SDA Job No.: NV06-212

Dear Mr. Staup:

Please be advised that our field personnel visited the above referenced site on October 20th, 2011 to verify the status of the site as requested by the October 18th, 2011 Request for Private Development Inspection form. As a result of the walkthrough, we noted the wearing course of asphalt has been placed. This placement of the asphalt wearing course has been done without any notification to SDA, therefore we are unaware of whether any base course asphalt repairs that were noted on the November 10th and 14th 2009 inspections have been made. Please be advised, any asphalt repairs that arise in the future whether due to existing conditions or construction will be at the expense of the current owner.

At this time, we recommend that the Incomplete Site Work Financial Guarantee remain \$102,450. This is based on any possible deterioration of asphalt wearing course and the summary of remaining civil site improvement items, listed below, to be completed prior to substantial completion of the project and includes the City of Novi 2.0 multiplier.

Incomplete Site Work Items

As a response to the aforementioned walk-through, there are some items that have yet to be addressed and are delineated below with corresponding dollar amounts:

- | | | |
|----|--|-----------|
| 1. | Drainage Improvements for Buildings A, B, C, D & E: | \$20,000 |
| | • Construct drainage improvements per plan with revised date of 9/2/08 to accommodate positive drainage away from building and sidewalk as well as from roof downspouts to rear yard catch basins. | |
| 2. | Projected Pavement and Curb Repairs | \$31,225 |
| | Total (Subtotal*2.0) | \$102,450 |

As a consequence, SDA recommends the City withhold an amount of **\$102,450** for the incomplete site work.

Engineering Consultants

Infrastructure • Land Development • Surveying

Mr. Aaron Staup
City of Novi Engineering Division
Page 2

If you have any questions, please do not hesitate to contact us at our office.

Sincerely,

SPALDING DeDECKER ASSOCIATES, INC.



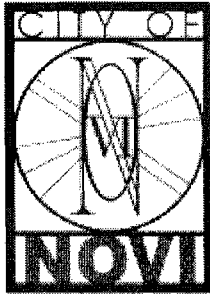
Ted Meadows
Construction Administrator

cc: Sarah Marchioni, City of Novi – Building Department Clerk (e-mail)
Marina Neumaier, City of Novi – Assistant Finance Director (e-mail)
Sheila Weber, City of Novi – Bond Coordinator (e-mail)
Robert West, City of Novi – Water & Sewer Manager (e-mail)
Mike Evans, City of Novi – Fire Marshall (e-mail)
Tina Glenn, City of Novi – Water and Sewer Financial Services Manager (e-mail)
Christopher Robbins, PE, SDA (e-mail)
Taylor Reynolds, PE, SDA (e-mail)
Pat Cavanaugh, Shannon Development (e-mail)
Tim Stoecker, Dickinson Wright (e-mail)
SDA CE Job File

Engineering Consultants

Infrastructure • Land Development • Surveying

EXHIBIT 3



cityofnovi.org

Community Development Department

45175 West Ten Mile

Novi, MI 48375

LANDSCAPE STATUS INSPECTION REPORT

TO: Sarah Marchioni, Building Permit Coordinator
 FROM: David R. Beschke, RLA
 DATE: November 2, 2011
 SUBJECT: Stoneridge – SP#04-56

A landscape inspection was performed on October 21, 2011. No additional landscape has been installed since the previous inspection. It is apparent that some replacement plantings for previously noted failed material have been installed. **As a condition of the granting of the Temporary Certificate of Occupancy for those buildings erected the Applicant must provide a Landscape Performance Guarantee in the amount of \$ 111,247 (Landscape materials x 200%) in order to cover those landscape plantings, seed and lawn area not yet installed or that have failed.** The Applicant should request a Revised Landscape Inspection once all outstanding items have been rectified.

City of Novi Fee Calculation Chart

Perennials	\$15.00	Ornamental trees	\$250.00	Deciduous trees	\$400.00
Shrubs	\$50.00	Evergreen trees	\$325.00	Labor hr	\$50.00
Seed sq/yd	\$per plan	Sod sq/yd	\$4.00		

Current site conditions include the following:

1. It appears that some parking lot islands are not receiving proper irrigation. The irrigation system cannot be reviewed at this time due to the season. This should be reviewed in spring of 2012.
2. Weeds can be found throughout the site and are particularly heavy in the landscape beds. All site weeds must be removed. Mulch should be replaced in all beds.
3. Building A has not been erected. None of the landscape associated with the building foundations has been installed. These plantings include:
 - a. Forty three (43) Euonymus.
 - b. Sixteen (16) Hydrangea.
 - c. Thirty four (34) Potentilla.
 - d. Twenty six (26) Taxus.
 - e. Thirty seven (37) Achemilla.
 - f. Forty four (44) Astilbe.

Building
 248.347.0415
 248.735.5600 fax

Ordinance Enforcement
 248.735.5678
 248.735.5682 fax

Planning
 248.347.0475
 248.735.5633 fax

- g. Seven (7) Hosta.
- h. Twenty (20) Miscanthus.

4. Building B has not been erected. None of the landscape associated with the building foundations has been installed. These plantings include:

- a. Twenty one (21) Hydrangea.
- b. Thirty three (33) Potentilla.
- c. Thirty (30) Taxus.
- d. Twenty five (25) Thuja.
- e. Fourteen (14) Achemilla.
- f. Forty six (46) Astilbe.
- g. Fourteen (14) Hosta.

5. Building D has not been erected. None of the landscape associated with the building foundations has been installed. These plantings include:

- a. Seven (7) Euonymus.
- b. Seven (7) Hydrangea.
- c. Thirty four (34) Taxus.
- d. Seven (7) Achemilla.
- e. Twelve (12) Hosta.
- f. Five (5) Miscanthus.

6. Building E has not been erected. None of the landscape associated with the building foundations has been installed. These plantings include:

- a. Fifteen (15) Euonymus.
- b. Twenty six (26) Taxus.
- c. Seventy four (74) Achemilla.
- d. Fifteen (15) Calamagrostis.
- e. Ninety two (92) Hemerocallis.
- f. Three (3) Panicum.

7. Five (5) Parking Lot Canopy Trees associated with Building E have not been installed.

8. One (1) Parking Lot Canopy Tree located west of the entry drive has not been installed.

9. One (1) Parking Lot Canopy Tree located east of the entry drive has not been installed.

10. Two (2) Parking Lot Canopy Trees associated with Building D have not been installed.

11. None of the plantings associated with either of two proposed dumpsters have been installed.

12. Four (4) Potentilla, Fourteen (14) Daylilies and Four (4) Miscanthus located near the entry drive have not been installed.

13. One hundred twenty eight (128) Taxus densiformis located at the foundations of Buildings D, F and G previously failed and have been removed. These have been replaced with an alternate species. However, for each building only 14 shrubs were used

to replace the originally approved 30 shrubs, leaving a total deficit of 48 shrubs. Additional shrubs should be added in order to correct the deficiency.

14. Fifty two (estimated 52) Hostas located at the foundations of Buildings D, F and G are failing or missing and must be replaced. An alternate species is recommended.

15. Turf areas on the site have been installed, but have suffered from a lack of maintenance over time. All turf areas should be weed treated and fertilized as necessary to restore to original condition. Verify that irrigation is functional.

16. A total of thirty (estimated 30) Astilbe located in front of Buildings D, F and G have failed and must be replaced.

If there are any further questions, please direct the applicant to contact staff at the address or phone number below.

David R. Beschke, RLA
City of Novi Landscape Architect
45175 W. Ten Mile Road
Novi, Michigan 48375-3024
Phone (248) 735-5621 Fax (248) 735-5600

Cc:/ S. Weber

EXHIBIT 4

A

SPALDING DEDECKER ASSOCIATES, INC.
905 South Boulevard East
Rochester Hills, MI 48307
Phone: (248) 844-5400 Fax: (248) 844-5404



PUNCH LIST

Day & Date	Thursday, October 21, 2011	Project #	NV06-212	Sheet	1	of	1
Client	CITY OF NOVI	Design Engineer					
Project Name	Stoneridge SP No.: 04-0056, ROW05-0152						
Contractor		Technician	Ted Meadows				

Item	Non-Conformance Issues	Date Corrected
1.	Remove and replace broken concrete approach flags. For the two tight cracks, have them routed to be able to apply an epoxy seal.	
2.	Remove soil from west side of approach.	7/15/09
3.	Stabilize the west side bank at the end of the sidewalk with seed and mulch blankets.	7/15/09
4.	Establish green mowable sod/grass on east side of approach.	7/15/09

Although every effort has been made to prepare a complete punch list for this project, we reserve the right to revise and amend this punch list as work is completed and other items come to our attention. Any revisions or additions will result in an updated and reissued punch list.

EXHIBIT 5

Marchioni, Sarah

From: Bouvy, Nathan
Sent: Thursday, October 20, 2011 11:04 AM
To: Marchioni, Sarah; Weber, Sheila; phc@shannondevelopment.net; tstoepker@dickinsonwright.com
Cc: Coburn, Brian
Subject: Traffic Control Inspection; Stone Ridge Office Park, SP04-56
Attachments: TRAFFIC CONTROL INSPECTION--City.pdf

Good Morning:

I was on site to inspect the traffic control devises. No changes were made since the last inspection letter that is attached in this e-mail. According, to the final site review letter, the City is holding a \$4,000 financial guarantee on the signs to ensure that signs are properly installed, meeting the MMUTCD standards.

Thanks,

Nathan



Nathan J. Bouvy | Staff Engineer
City of Novi | Department of Public Services
Field Services Complex | 26300 Delwal Drive | Novi, MI 48375
t: 248.735.5648 f: 248.735.5659

cityofnovi.org | InvestNovi.org

To receive monthly e-news from Novi or follow us on Facebook, [click here](#).



TRAFFIC CONTROL DEVICE INSPECTION REPORT

Inspection Date: 07-10-09 Site Plan No.: 04-56
 Project: Stoneridge Office Park
 Requestor: _____

INSPECTION CHECKLIST:

(mark boxes below with an "X" if item is satisfactorily completed, or "NA" if not applicable)

	All signage and pavement markings have been installed in the locations shown on the stamping set.
	All signage meets MMUTCD standards for color, shape, size and wording.
	All signage is installed on standard u channel posts at the proper height (7' in areas near pedestrians, 5' others). Non-standard posts within the right-of-way must be crashworthy and must have a license agreement in place.
	All pavement markings meet MMUTCD standards for color, width, location.
	All signage and pavement markings are reflective.
	Street name signs meet the requirements of Section 31-55. minimum size of six (6) inches by twenty-four (24) inches with four-inch white letters on green background, intersections of streets with thoroughfares designated as arterial or major arterial such street signs shall be a minimum size of nine (9) inches in height with six-inch letters. Otherwise a license agreement is required.
	Regulatory signs have traffic control order on file. (If not, notify DPW that a traffic control order is required).
**** ****	Photos must be attached to depict the field conditions at the time of inspection.

INSPECTION RECOMMENDATION:

APPROVED
 REJECTED (see attach list of deficiencies)

Name of Inspector: Brian Coburn
 Phone: 248-735-5632



TRAFFIC CONTROL DEVICE INSPECTION REPORT

Inspection Date: 07-10-09

Site Plan No.: 04-56

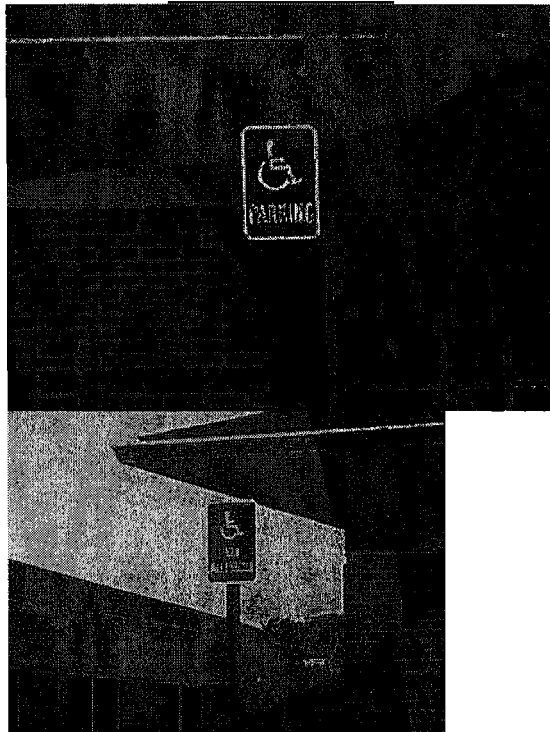
Project: Stoneridge Office Park

Requestor: _____

PUNCHLIST:

1. Please review the traffic control plan, attached, and install the signs as required by the approved plan. During the site inspection, it was noted that only two signs (see #2 below) were installed, the final lift of asphalt was not installed and the pavement markings are worn and need to be reestablished.
2. The following signs were installed incorrectly in the field and need to be corrected prior to reinspection:

Incorrect as installed



Correct per manual



R7-8 The proper sign in an R7-8 as shown above.

The proper installation is an R7-8 installed above a R7-8a as shown to the left.



When the above deficiencies have been addressed, please contact the Engineering Department (248-347-0454) for a reinspection.

EXHIBIT 6

AGREEMENT FOR RELEASE BY FIFTH THIRD BANK AND SHANNON DEVELOPMENT, LLC AS TO PAYMENT AND RELEASE OF PERFORMANCE GUARANTEE

Shannon Development, LLC and Fifth Third Bank individually acknowledge and agree as follows:

1. That pursuant to an Agreement between Shannon Development, LLC and the City of Novi For Completion and Maintenance of Improvements entered into February 22, 2010 (“Shannon Agreement”), that Fifth Third Bank provided a letter of credit on behalf of Shannon Development, LLC in the amount of \$274,899.00.
2. That Shannon Development, LLC defaulted under the terms of the Shannon Agreement and Novi exercised its rights under the Shannon Agreement and demanded and received payment from Fifth Third Bank pursuant to the letter of credit in the amount of \$274,899.00 (“Cash Proceeds”).
3. That Shannon Development, LLC contemplates a sale of the Property described in Shannon Agreement to Stoneridge Investment Group, LLC as described in the above Agreement.
4. That as a part of the consideration for the purchase of the Property described above and in the Shannon Agreement, Fifth Third Bank and Shannon Development, LLC have irrevocably agreed that upon the sale of the Property to Stoneridge Investment Group, LLC that the City of Novi shall remit from the Cash Proceeds the sum of \$49,201.00 to Fifth Third Bank and the balance of the Cash Proceeds (“Balance of Cash Proceeds”) shall be retained by the City of Novi as provided in the above Agreement. Upon the closing of the sale of the Property to Stoneridge Investment Group, LLC and the payment of the sum of \$49,201.00 to Fifth Third Bank as provided herein, Fifth Third Bank and Shannon Development, LLC hereby assign the Balance of the Cash Proceeds to Stoneridge Investment Group, LLC subject to the terms of above the Agreement and hereby irrevocably waive and release any and all claims and demands, cause of action whether known or unknown as the Cash Proceeds and the letter of credit from which the Cash Proceeds were paid and as to the agreement between the City of Novi and Shannon Development, LLC dated February 22, 2010 as to the City of Novi and Stoneridge Investment Group, LLC and their respective employees, agents, elected officials, boards, commissions, attorneys, members shareholders, directors, trustees, successors and the like.
5. Fifth Third Bank and Shannon Development, LLC individually represent and warrant and agree that they have the authority to grant this release and agree that they are individually bound by the same.

Shannon Development, LLC

By: _____

Its: _____

Date: _____

Fifth Third Bank

By: _____

Its: _____

Date: _____

1748593_3.doc