



**CITY OF NOVI CITY COUNCIL
DECEMBER 21, 2020**

SUBJECT: Consideration of a Completion Agreement with M/I Homes of Michigan, LLC for SP 17-0034, the Bolingbrooke residential development located north of 12-1/2 Mile Road and West of Old Novi Road, in accordance with the requirements of Chapter 26.5 and subject to final approval by the City Attorney and City Manager

SUBMITTING DEPARTMENT: Community Development

BACKGROUND INFORMATION: City Council is being asked to consider a request from M/I Homes of Michigan to approve a Completion Agreement for the Bolingbrooke residential development, SP17-0034 until July 1, 2022.

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 150% 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 if the City has to complete an unfinished project due to developer default or nonperformance.

The Bolingbrooke development is comprised of (46) single family home sites established as part of a site condominium. The project is located north of 12-1/2 Mile Road and west of Old Novi Road. The project was initially developed by Singh Development and was recently sold to M/I Homes. Singh retains ownership of several lots and is completing build out of residences currently permitted and under construction. M/I Homes has purchased the balance of the project and has assumed responsibility as the Successor Developer. There are nine (9) completed homes in the development, thirteen (13) units are under construction with twenty-four(24) units vacant.

This project is subject to the provisions of Chapter 26.5 of the Novi City Code and requires a completion agreement because the original developer did not complete the site improvements shown on the approved site plan within two (2) years of issuance of the initial permit for any improvements (September 15, 2019).

As a condition of the completion agreement, the developer, has agreed to provide assurances including provision of a performance guarantee in the amount of no less than 150% of the cost of the work to be completed.

The City holds a performance guarantee of \$717,275.15 with reduction awaiting approval of this document. The agreement requires a new total amount of \$488,953.95 to protect the current residents, future residents, and the City of Novi from potential deterioration and escalation of material and installation costs during the requested duration of the agreement which contemplates completion of:

- Maintenance of Soil Erosion and Sedimentation Control permit and measures including stabilization for the duration of the project.
- Installation of the remaining (125) street trees within the development prior to issuance of the final (3) Certificates of Occupancy for homes and in all events by July 1, 2022.
- Replacement of 10 woodland replacement trees and removal of tree protection fencing prior to issuance of the final (2) Certificates of Occupancy for homes and in all events by July 1, 2021.
- Replacement of missing or compromised site landscaping prior to issuance of the final (3) Certificates of Occupancy for homes and in all events by July 1, 2021
- Repairs and completion of all outstanding utility, pavement, curb, installation of final pavement wearing course and other incomplete site work prior to issuance of the final Certificate of Occupancy for homes and in all events by July 1, 2022
- Completion of all work and Right of Way restoration prior to issuance of the final Certificate of Occupancy for homes and in all events by July 1, 2022.

RECOMMENDED ACTION: Approval of a Completion Agreement with M/I Homes of Michigan, LLC for SP 17-0034, the Bolingbrooke residential development located north of 12-1/2 Mile Road and West of Old Novi Road, in accordance with the requirements of Chapter 26.5 and subject to final approval by the City Attorney and City Manager

October 2, 2020

Ms. Kate Richardson
Project Engineer
Department of Public Works
Field Services Complex – Engineering Division
26300 Lee BeGole Drive
Novi, MI 48375

**Re: Bolingbrooke
Completion Agreement Inspection**
Novi SP No.: JSP17-0034
SDA Job No.: NV17-235

Dear Ms. Richardson:

Please be advised that our field personnel visited the above referenced site on October 1, 2020 to verify completion of the site utilities and pavement from our July 20, 2018 Acceptable for Service Declaration. As a result of the walkthrough, we recommend the Incomplete Site Work Financial Guarantee be increased from \$240,120 to \$300,150. This increase is based on 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 1.5 multiplier.

Pavement Financial Guarantee

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:

Pavement Items

1. Wearing course placement	\$119,800
2. Potential leveling course and base repairs	\$33,700
3. Potential curb repairs	\$46,600
Total (Subtotal*1.5)	\$300,150

As a consequence, SDA recommends the City withhold an amount of **\$300,150** for the incomplete site work.

This inspection does not warrant approval toward issuance of any Building Permits or Temporary Certificate of Occupancy. This letter serves only as an estimate for fees necessary to complete the site utilities and pavement for the site. Upon further inspection the fees may increase or decrease depending on the work necessary to complete the project.

October 7, 2020

Ms. Kate Richardson
Project Engineer
Department of Public Works
Field Services Complex – Engineering Division
26300 Lee BeGole Drive
Novi, MI 48375

**Re: Bolingbrooke
Storm Water Detention System Inspection**
Novi SP No.: JSP17-0034
SDA Job No.: NV17-235

Dear Ms. Richardson:

This letter serves to officially notify you that we have reviewed the status of the storm water detention systems including storm sewer piping, detention basin and outlet control structure for the above mentioned project. As a result of this review, we have determined the storm water detention system to be in general conformance with the approved construction plans and recommend a full release of this financial guarantee.

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

Sincerely,

SPALDING DeDECKER



Ted Meadows
Vice President

cc: Sarah Marchioni, City of Novi – Building Project Coordinator (e-mail)
Angela Sosnowski, City of Novi – Bond Coordinator (e-mail)
Scott Roselle, City of Novi – Water and Sewer Asset Manager (e-mail)
SDA CE Job File

Boulard, Charles

From: Meader, Rick
Sent: Monday, November 2, 2020 12:08 PM
To: Boulard, Charles; Marchioni, Sarah
Subject: Bolingbrook Completion Agreement
Attachments: Completion Agreement letter - 11-3-2020.pdf; Landscape Cost Calculations - Bolingbrook Completion Agreement.xlsx

Attached are the calculations and a letter describing the recommended amounts for the Bolingbrook completion agreement. My letter of October 2 did not include the amounts that should be included for maintenance of the approved landscaping, although the calculation details on the spreadsheet did include them. Anyway, the attached letter is a revision of the original letter I sent to Sarah, and includes a total for both street trees and landscaping that still need to be planted (at 150%) and maintenance bond funds for the approved street trees and landscaping.

Let me know if you have any questions.

Rick



Community Development Department

45175 Ten Mile Road
Novi, MI 48375

LANDSCAPE INSPECTION REPORT

TO: Sarah Marchioni, Charles Boulard
FROM: Rick Meader, Landscape Architect
DATE: November 3, 2020
SUBJECT: Bolingbrook Landscaping – Completion Agreement

This is a correction of my letter dated October 2.

A landscape inspection of the site landscaping was performed on July 28, 2020. There was a good deal of landscaping that was missing or in poor condition and will need to be brought up to the standard of the approved landscape plan before it can enter the two-year maintenance period. The details of the inspection can be found on my punch list dated July 28, 2020. For the purpose of the completion agreement, here are the relevant figures:

Street Trees:

Most of the required street trees along Novi Road and Old Novi Road were planted satisfactorily, but there were three that needed replacing. No street trees were required or planted along 12.5 Mile Road as it is heavily forested. Only a few street trees were planted in the interior roads and none of them were in acceptable condition. The completion agreement should include \$76,400 for all of the unapproved street trees (125 trees * \$400 per tree * 1.5) plus the maintenance bond for the 14 approved trees (14 * \$400 * 25%).

Site Landscaping:

While some of the required landscaping was installed correctly, and is in good condition, there were a great number of weak, dead or missing trees, shrubs and perennials on the site. The completion agreement should include a total of \$77,250, the total of the financial guarantee for the unaccepted site landscaping \$71,130 (\$47,420 * 1.5) and the maintenance bond for the approved landscaping (\$61,200*10%).

Detailed calculations of the calculations used to arrive at these figures are attached. The woodland completion agreement calculations will be provided by ECT.

If there are any further questions, please contact me at rmeader@cityofnovi.org or (248) 735-5621.

Rick Meader
Landscape Architect

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

LANDSCAPE COST CALCULATIONS - COMPLETION AGREEMENT

Title Bolingbrook **Job #** JSP17-0003
 Project: Bolingbrook
 Date: 8/31/2020

PLAN - SS DATED 9/6/2017 - DO NOT INCLUDE UNAPPROVED CURVED WALL & PLANTS

STREET TREES

Species	Qty	Unit cost	Extended
Canopy & Subcanopy (Trees all subcanopy trees)	139 ea	\$ 400.00	\$ 55,600.00
Financial Guarantee	100%		\$ 55,600.00

WOODLAND TREES

Species	Qty	Unit cost	Extended
Deciduous	12 ea	\$ 400.00	\$ 4,800.00
Evergreen	58 ea	\$ 325.00	\$ 18,850.00

OTHER LANDSCAPING

Species	Qty	Unit cost	Extended
Trees			
Canopy	21 ea	\$ 400.00	\$ 8,400.00
Evergreens	15 ea	\$ 325.00	\$ 4,875.00
Subcanopy	32 ea	\$ 250.00	\$ 8,000.00
Shrubs	535 ea	\$ 50.00	\$ 26,750.00
Perennials	177 ea	\$ 15.00	\$ 2,655.00
Seed/sod			
Seed	6580 sy	\$ 3.00	\$ 19,740.00
Sod	5200 sy	\$ 6.00	\$ 31,200.00
Mulch	200.0 cy	\$ 35.00	\$ 7,000.00

Total **\$ 108,620.00**

Financial Guarantee 150% of Material cost \$ 162,930.00
 Maintenance Fund 10% of Material cost \$ 10,862.00

TO: Sarah Marchioni, City of Novi, Building Project Coordinator

FROM: Peter Hill, P.E. P.H.

DATE: September 22, 2020

RE: Bolingbrooke (JSP17-0034)
Letter of Credit (LOC) Expiration Inspection
Inspection Request #3 Dated August 31, 2020
Woodland & Woodland Fence
Woodland Permit – PWD17-0012

Environmental Consulting & Technology, Inc. (ECT) completed a site inspection at the Bolingbrooke project site on September 2, 2020 for the following inspection:

- (PWD17-0012) Woodland Inspection
- (PWD17-0012) Woodland Fence Inspection

Woodland and Woodland Fence Comments

Woodland Replacement trees have been provided on-site, generally in the locations indicated on the *Landscape Planting Detail Plans* (Sheet LS-2 of 7). Because the species of Woodland Replacement Trees provided on site differs from the Final Approved site plan, ECT requests that the applicant provide a revised Woodland As-Built plan. As an example the landscape plans call for Swamp White Oak trees (2) to be planted in the Greenbelt area between Lot 16 and Lot 36. Hackberry trees appear to have been substituted in this area. The locations of some species planted around the Detention Basin area as well as in the Right-of-Way along the east side of the project differ from the Plan as well.

Per the City of Novi Woodland Permit (PWD17-0012), the applicant was responsible for a total of 588 Woodland Replacement trees. A total of 50 Woodland Replacement Trees were to be planted on this development site in the following areas:

- Greenbelt area between Lot 16 and Lot 36;
- Detention basin area; and
- Right-of-Way adjacent to Novi Road/Old Novi Road on the east side of the development.

While the applicant has initially provided a sufficient number of on-site Woodland Replacement trees, generally in the correct locations per the plan, there are a significant number of these trees that are in poor condition. These trees shall be replaced prior to the release of the initial Woodland Performance Guarantee. This Woodland Performance Guarantee was to be \$20,000 (50 Woodland Replacement Credits Required x \$400/Credit). The following trees were in poor condition at the time of our inspection (see Site Photos):

- Greenbelt area between Lot 16 & Lot 36:
 - 1 spruce
 - 3 deciduous (hackberry)
- Detention basin area:
 - 1 spruce

- o 5 deciduous (hackberry and redbud)

The Plan proposed to plant the remaining required 538 Woodland Replacement Credits offsite, at the proposed Ballantyne development to be located at the northwest corner of Eight Mile Road and Garfield Road. The Ballantyne development has not moved forward and this payment to the Tree Fund of \$215,200 (538 Woodland Replacement Credits x \$400/Credit) was previously made by Singh Development Company.

Based on a successful inspection of all required on-site Woodland Replacement trees on the site, the Woodland Replacement financial guarantee will be returned to the Applicant. A Woodland Maintenance financial guarantee in the amount of twenty-five percent (25%) of the original Woodland Replacement financial guarantee will then be provided by the applicant. The Woodland Financial Guarantee will be \$5,000 (50 Woodland Credits x \$400/Credit x 0.25). This Woodland Maintenance financial guarantee will be kept for a period of 2-years after the successful inspection of all on-site woodland replacement trees installed.

A Tree Protection Fence Maintenance Guarantee of \$6,000 was to be collected to ensure that the Woodland Protection Fencing installed at the onset of construction remains in place and in good condition to protect the existing trees to remain onsite until construction is complete in these areas. In general, the Woodland Protection Fence remains in place on the site, however there are various areas (especially on the northern edge of the development) where this protection fencing appears to be in disrepair. The applicant shall inspect the fencing and correct it where necessary.

The following items need to be addressed before the Woodland Performance Guarantee is released and the 2-Year Woodland Maintenance Guarantee Period can commence. Please address the following comments:

1. Woodland Replacement trees have been provided on-site, generally in the locations indicated on the Landscape Planting Detail Plans (Sheet LS-2 of 7). Because the species of Woodland Replacement Trees provided on site differs from the Final Approved site plan, ECT requests that the applicant provide a **revised Woodland As-Built plan**.
2. While the applicant has initially provided a sufficient number of on-site Woodland Replacement trees, generally in the correct locations per the plan, there are a significant number of these trees that are in poor condition. The applicant shall complete all of the required Woodland Replacement plantings with trees in acceptable condition before the Woodland Performance Guarantee is released and the 2-Year Maintenance Guarantee Period can commence.

The following trees were in poor condition at the time of our inspection and shall be replaced
(see Site Photos):

- o Greenbelt area between Lot 16 & Lot 36 -
 - 1 spruce
 - 3 deciduous (hackberry)
- o Detention basin area -
 - 1 spruce
 - 5 deciduous (hackberry and redbud)

September 22, 2020

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3. Review the status/condition of the tree protection fence on-site and repair the areas that are in disrepair.
4. Once the items listed above have been addressed, please contact the City of Novi Landscape Architect (Rick Meader; rmeader@cityofnovi.org) as well as ECT (phill@ectinc.com) for a follow-up inspection.

Woodland Recommendations

1. The Woodland Replacement Performance Guarantee (**\$20,000**) shall be retained at this time. The applicant shall address the items listed above prior to release of the Woodland Performance Financial Guarantee and collection of the 2-Year Woodland Maintenance Guarantee.
2. The Woodland Protection Fence Maintenance Guarantees (**\$6,000**) shall be retained at this time. . In general, the Woodland Protection Fence remains in place on the site, however there are various areas where this protection fencing appears to be in disrepair. The applicant shall inspect the fencing and correct it where necessary.
3. Woodland replacements as installed must be maintained indefinitely.

If you have any questions, please feel free to contact me at (734) 272-0764.

Thank you,



Peter Hill, P.E.
Senior Associate Engineer

cc: Charles Boulard, City of Novi Community Development Director (cboulard@cityofnovi.org)
Rick Meader, City of Novi Landscape Architect (rmeader@cityofnovi.org)
Angela Sosnowski, Community Development Bond Coordinator (asosnowski@cityofnovi.org)

Attachments: Site Photos

Site Photos



Photo 1. Two (2) of the three (3) poor condition deciduous trees located in the Greenbelt Area between Lot 16 and Lot 26 (ECT, September 2, 2020). These trees shall be replaced.

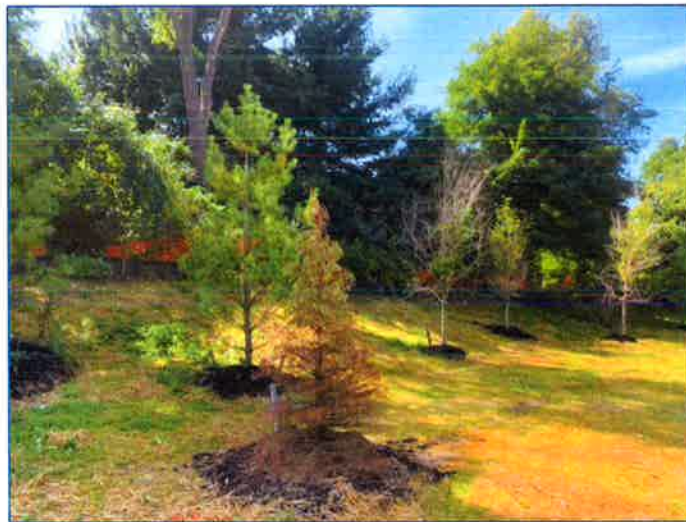


Photo 2. Poor condition evergreen (spruce) tree located in the Greenbelt Area between Lot 16 and Lot 26 (ECT, September 2, 2020). This tree shall be replaced.



Photo 3. Poor condition evergreen (spruce) tree located near the detention basin (ECT, September 2, 2020). This tree shall be replaced.



Photo 4. One (1) of several poor condition deciduous (both hackberry and redbud) trees located near the detention basin (ECT, September 2, 2020). This tree shall be replaced.

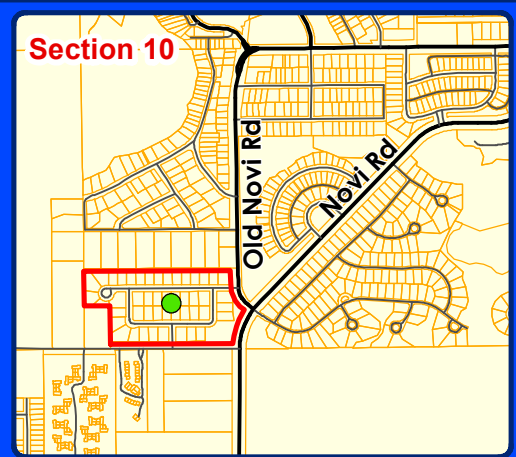
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Photo 5. One (1) of several poor condition deciduous (both hackberry and redbud) trees located near the detention basin (ECT, September 2, 2020). This tree shall be replaced.

BOLINGBROOKE LOCATION



LEGEND

 Subject Property



City of Novi

Dept. of Community Development
City Hall / Civic Center
45175 W Ten Mile Rd
Novi, MI 48375
cityofnovi.org

Map Author: Madeleine Daniels
Date: 12/17/2020
Project: Bolingbrooke
Version #: 1



1 inch = 278 feet



MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.