



CITY of NOVI CITY COUNCIL

Agenda Item J
December 19, 2016

SUBJECT: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of a street light within The Oberlin Phase 1 development on 11 Mile Road; and approval of an agreement with Pulte Homes of Michigan, a Michigan Limited Liability Company for the of installation and ongoing operation costs per the City's Street Lighting Policy.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division *Gom*

CITY MANAGER APPROVAL: 

| | |
|-----------------------------|---|
| EXPENDITURE REQUIRED | \$ 48,847.01 (Installation paid by Developer) \$ 2,985.58 (Annual Operating Costs paid by Developer) |
| AMOUNT BUDGETED | \$\$ 48,847.01 (Installation paid by Developer) \$ 2,985.58 (Annual Operating Costs paid by Developer) |
| LINE ITEM NUMBER | 701-000.00-924.000 (Developer Paid Costs) 101-442.00-924.050 (Street Light Installations) |

BACKGROUND INFORMATION:

The developer of Oberlin Phase 1, Pulte Homes of Michigan, is requesting 9 decorative street lights along Oberlin Boulevard. The payment for the additional street light installation will be the developer's responsibility. The ongoing operation and energy costs for the street light will be paid for by the developer and the Oberlin Phase 1 Home-Owners Association.

Engineering staff worked with Detroit Edison to determine the appropriate locations for street lights and to obtain estimated installation and ongoing operation costs. The new street light will be underground fed Dual Acorn style LED fixture on a 14' black fiberglass pole.

In order to facilitate installation of the street lights, Detroit Edison Company is requesting approval and execution of the attached Purchase Agreement. The Detroit Edison agreement requires the City to pay the total installation cost of \$48,847.01 and an ongoing annual lamp charge of \$2,985.58 for operation and maintenance of the street light. As with all other street light installations, the City requires payment by the applicant for all reimbursable charges and the City pays Detroit Edison directly.

A second agreement between the City and Pulte Homes of Michigan is also provided for consideration to formalize the payment of the installation at Oberlin Phase 1. The developer has requested 9 decorative lights, which under the Street Light Policy requires them to pay the total installation cost of \$48,847.01. The developer and the Oberlin Phase 1 Home-Owners Association will pay for ongoing energy costs of the lights along Oberlin Boulevard. Pulte has paid for the cost of the installation costs. The following table summarizes the costs for the requested streetlight:

| Description | City Share | Developer/Association Share | Total |
|------------------------|------------|-----------------------------|-------------|
| Installation Costs | \$0 | \$48,847.01 | \$48,847.01 |
| Annual Operating Costs | \$0 | \$2,985.58 | \$2,985.58 |

The proposed agreement has been reviewed and recommended for approval by Engineering staff and the City Attorney.

RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of a street light within The Oberlin Phase 1 development on 11 Mile Road; and approval of an agreement with Pulte Homes of Michigan, a Michigan Limited Liability Company for the of installation and ongoing operation costs per the City's Street Lighting Policy and the Planned Rezoning Overlay agreement.

| | 1 | 2 | Y | N |
|-----------------------------|---|---|---|---|
| Mayor Gatt | | | | |
| Mayor Pro Tem Staudt | | | | |
| Council Member Burke | | | | |
| Council Member Casey | | | | |

| | 1 | 2 | Y | N |
|-------------------------------|---|---|---|---|
| Council Member Markham | | | | |
| Council Member Mutch | | | | |
| Council Member Wrobel | | | | |

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI

STREET LIGHTING AGREEMENT
FOR NEW SUBDIVISIONS

This Agreement is entered into this 29th day of November, 2016, by and between the CITY OF NOVI, a Michigan municipal corporation, whose address is 45175 Ten Mile Road, Novi, Michigan 48375 (the "City"), and PULTE HOMES OF MICHIGAN, LLC, a Michigan LLC, ("Developer") whose address is 100 Bloomfield Hills Parkway, Suite 140, Bloomfield Hills, Michigan 48304 and the Association to be created in accordance with the Master Deed for the Oberlin Condominium, ("Association").

RECITATIONS:

The Developer on behalf of the Association to be created in accordance with the Master Deed for the Oberlin, Condominium, pursuant to the Master Deed recorded at Liber 49511, Page 694, Oakland County Condominium Subdivision Plan No. 2144, is the entity designated to administer the affairs of said subdivision at this time.

The Developer has requested the City to assist it in making a certain local public improvement consisting of the installation of 10 decorative street lightlights within Phase 1 of the Oberlin, Condominium, as described and depicted on the attached Exhibit A hereto. This Agreement includes one (1) single street light at a major road entrance and nine (9) additional street lights.

In accordance with the City's Amended Street Light Policy, dated September 24, 2012, the City will contract directly with DTE for the installation and operation of the type and number of poles and fixtures requested by the Association.

For all requests for installation of a single standard street light at a major road entrance, the City will contract with DTE for the installation of the requested street light. The City will pay the non-DTE share of the installation cost and the annual cost of operating the street light, in accordance with the City's policy. For all requests other than installation of a single standard street light at a major road entrance, including a non-standard decorative street light, the City will contract with DTE for the installation of the requested street lights, the Developer/Association shall reimburse the City for the non-DTE share of the installation cost.

For all requests for street lights in addition to a single street light at a major road entrance, the Association shall reimburse the City on an annual basis for ongoing operating costs of the additional street lights.

The Developer on behalf of the Association created in accordance with the Master Deed for the Oberlin Condominium is authorized to execute this Agreement which shall be binding on the Association.

The City has obtained from the Detroit Edison Company ("DTE") an estimate for the installation and annual operation of said streetlight, requiring a charge for installation of the street lights of \$53,547.01 and an operating cost for the first year in the amount of \$2,985.58 ("Annual Operating Cost").

The City has agreed to assist the Developer/Association in facilitating the installation and operation of said street lights with DTE.

The parties desire to enter into this Agreement to provide for the payment to the City by the Developer/Association of the cost of installation for nine (9) street lights in the amount of \$48,847.01, and an Annual Operating Cost, in the amount of \$2,820.27 for which the City will be billed by DTE directly, and the Developer/Association shall reimburse the City in accordance with the Street Light Policy.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. To the extent that DTE may require, the City shall contract with DTE for the installation and operation of the proposed decorative streetlights.
2. Upon execution of this Agreement, the Developer/Association shall pay their portion of the installation cost of \$48,847.01, or such other amount as DTE shall require for installation of the proposed street lights. This amount shall be paid to the City.
3. Upon execution of this Agreement, or when requested by the City, the Association shall pay to the City the amount of \$2,820.27, representing the estimated Annual Operating Cost for the additional streetlights beyond the first streetlight allowed under the Street Light Policy for the first year, plus an administrative fee in the amount of 10%. If the Association fails to pay such costs within thirty (30) days of the Due Date, the City shall have a lien for the amount due and owing, plus 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 property taxes.
4. The parties acknowledge that the payments are based upon estimates of charges imposed by DTE for the lighting service provided, and that the charges imposed by DTE may increase due to unforeseen circumstances and due to the increase of energy costs over time. The Association hereby agrees to pay the Annual Operating Cost as it may be revised due to such increases. The Developer/Association agrees that the Annual Operating Cost shall be a debt to the City from the Association. The Annual Operating Cost shall increase a minimum of \$10.00 per year for each year of the existence of the Agreement.
5. The execution of this Agreement by the Developer constitutes affirmative representation of the members of the Board of the Association that he has been granted the

power by the by-laws of the Association to act on behalf of the co-owners of the condominium to enter into this Agreement.

6. This Agreement contains the entire agreement between the parties, and to statement, promises, or inducement made by either party or agent of either party that is not contained in this written contract shall be valid or binding; and this contract may not be enlarged, modified or altered except in writing signed by both parties and endorsed hereon.

7. The term of this Agreement shall be for twenty (20) years, and shall automatically renew for additional five (5) years periods thereafter, until such time as either party shall notify the other in writing of its intent not to renew. Such notice of intent not to renew shall be given not less than one year prior to the expiration of the original and any renewal terms.

8. This Agreement shall be binding on all heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first written above.

[SIGNATURES BEGIN ON THE NEXT PAGE]

CITY OF NOVI, a Michigan municipal Corporation

By: Robert J. Gatt
Its: Mayor

By: Cortney Hanson
Its: Clerk

PULTE HOMES OF MICHIGAN LLC, a Michigan LLC, on behalf of itself and the Association to be created in accordance with the Master Deed for the Oberlin Condominium



By:

Its: *DANSON* DIRECTOR OF
LAND DEVELOPMENT


Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of October 18, 2016 between The Detroit Edison Company ("Company") and City of Novi ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated March 4, 2013 (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

| | | |
|--|---|--------------------|
| 1. DTE Work Order Number: | 45736886 If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: N/A | |
| 2. Location where Equipment will be installed: | Oberlin Subdivision near 11 Mile Rd & Beck Rd, as more fully described on the map attached hereto as <u>Attachment 1</u> . | |
| 3. Total number of lights to be installed: | 10 | |
| 4. Description of Equipment to be installed (the " <u>Equipment</u> "): | Install (10) stock 60 watt Granville LED acorn fixtures with black housings mounted on stock black fluted fiberglass Mainstreet posts with concrete foundations. (9) of the locations will be single fixtures and (1) location at the entrance will be a double fixture. | |
| 5. Estimated Total Annual Lamp Charges | \$2,985.58 | |
| 6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ") | Total estimated construction cost, including labor, materials, and overhead: | \$62,503.75 |
| | Credit for 3 years of lamp charges: | \$8,956.74 |
| | CIAC Amount (cost minus revenue) | \$53,547.01 |
| 7. Payment of CIAC Amount: | Due promptly upon execution of this Agreement | |
| 8. Term of Agreement | 5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party. | |
| 9. Does the requested Customer lighting design meet IESNA recommended practices? | (Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices Signature:  | |
| 10. Customer Address for Notices: | City of Novi 26300 Lee Begole Dr Novi, MI 48375 Attn: Jeremy Miller | |

11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least 0 posts and 0 luminaires and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at _____.
Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: _____ Title: _____

Phone Number: _____ Email: _____

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warranties, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment. .

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph B replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:

Customer:

The Detroit Edison Company

City of Novi

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Attachment 1 to Purchase Agreement

Map of Location

[To be attached]



September 22, 2016

City of Novi
 Attn: Jeremy Miller
 26300 Lee BeGole Drive
 Novi, MI 48375

Re: Proposed Street Lighting – Oberlin Subdivision near W 11 Mile Rd & Beck Rd

We have completed our review of your request for street lighting and have prepared a cost estimate for the installation of 10 new street lights on 9 new posts at Oberlin Subdivision near W 11 Mile Rd & Beck Rd. The proposed equipment is an underground fed stock Acorn style 60 watt LED Granville fixture with black housing mounted on a stock black 12' Wadsworth fluted post with a concrete foundation.

The costs are based on the Option 1 Municipal Street Light rate, where DTE Energy installs, owns, and maintains the lighting system. The rate requires a portion of the construction cost be paid by the customer, which is determined by the following formula.

10 New Street Lights Mounted on 9 New Posts

| | |
|---------------------------------------|--------------------|
| Annual Operating Cost | \$2,985.58 |
| Cost to construct | \$62,503.75 |
| Three year revenue credit | (\$8,956.74) |
| Contribution from City of Novi | \$53,547.01 |

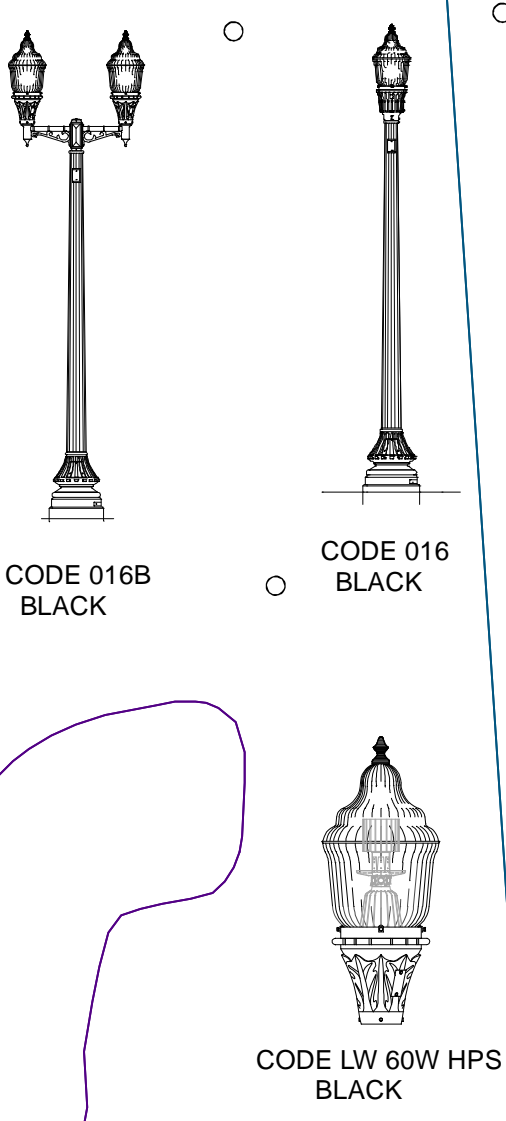
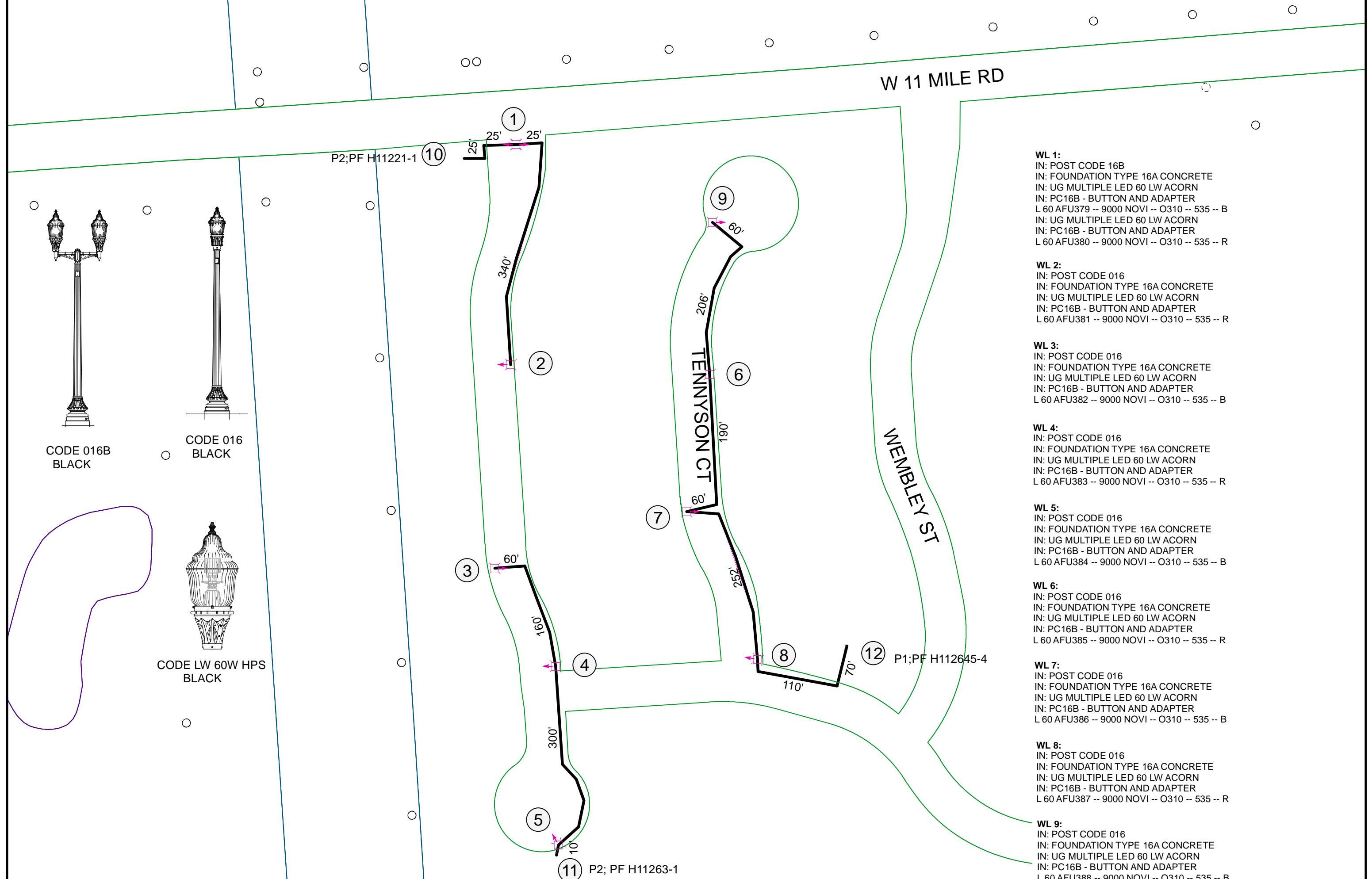
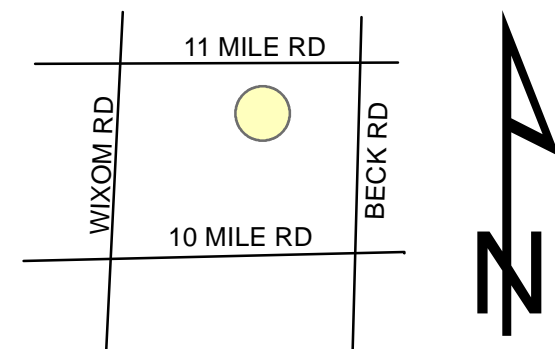
The price quoted shall be in effect for a period of six months from the date of this letter, after which these costs will no longer be valid. After installation the total cost for additional modification, relocation or removal will be the responsibility of the requesting party. Payment for the customer contribution must be made prior to the actual start of construction.

Please contact me for a Street Lighting Purchase Agreement if you would like to proceed with the above installation. If you have questions please call me at 734-397-4188.

Regards,

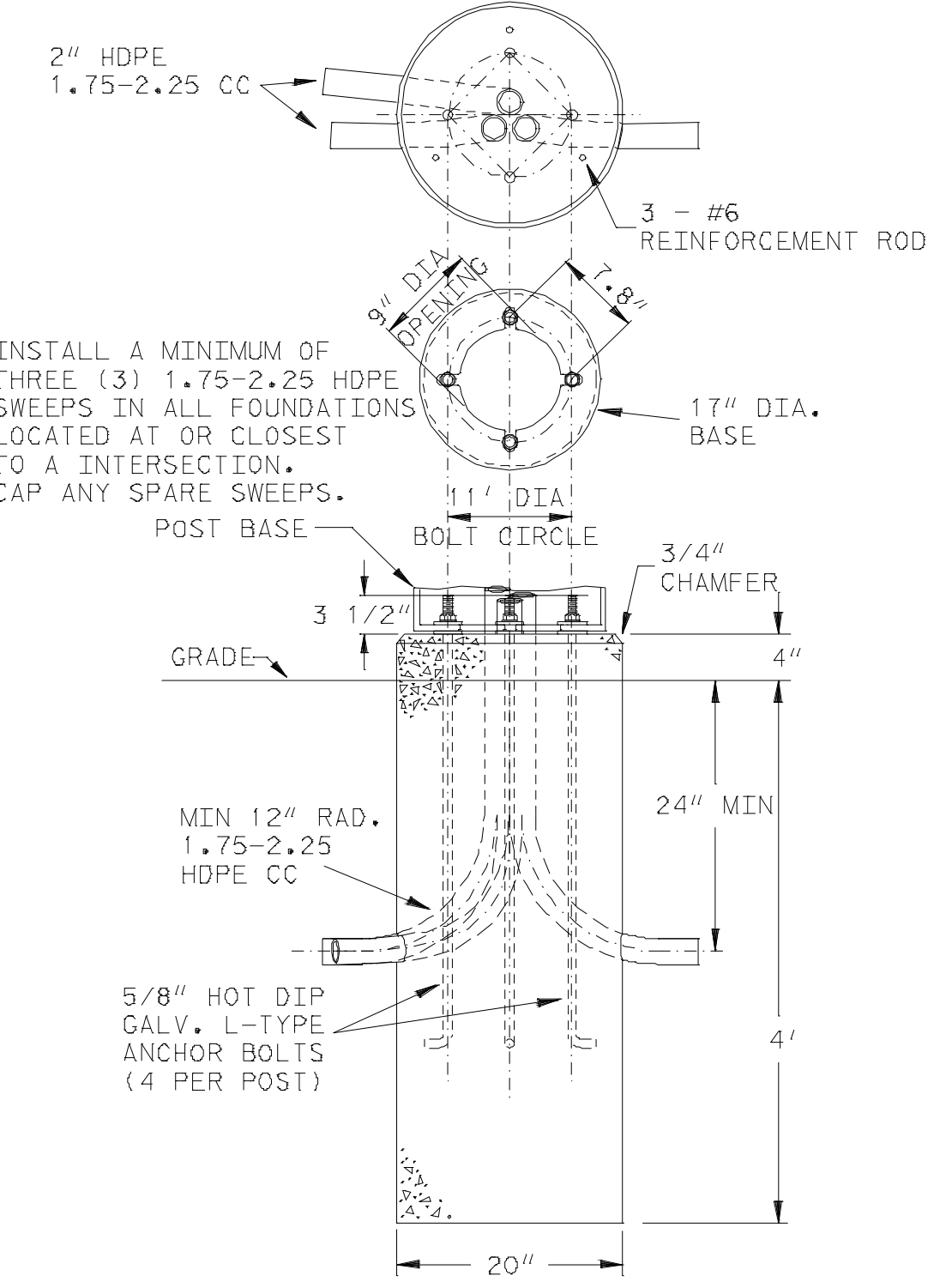
Lance Alley

Lance Alley
 Account Manager
 DTE Energy - Community Lighting



- WL 1:**
IN: POST CODE 16B
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU379 -- 9000 NOVI -- O310 -- 535 -- B
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU380 -- 9000 NOVI -- O310 -- 535 -- R
- WL 2:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU381 -- 9000 NOVI -- O310 -- 535 -- R
- WL 3:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU382 -- 9000 NOVI -- O310 -- 535 -- B
- WL 4:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU383 -- 9000 NOVI -- O310 -- 535 -- R
- WL 5:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU384 -- 9000 NOVI -- O310 -- 535 -- B
- WL 6:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU385 -- 9000 NOVI -- O310 -- 535 -- R
- WL 7:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU386 -- 9000 NOVI -- O310 -- 535 -- B
- WL 8:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU387 -- 9000 NOVI -- O310 -- 535 -- R
- WL 9:**
IN: POST CODE 016
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU388 -- 9000 NOVI -- O310 -- 535 -- B
- WL 10:**
IN: DET 23227F
- WL 11:**
IN: DET 23227F
- WL 12:**
IN: DET 23227F

CODE 16A FOUNDATION



NOTES: ALL LOCATIONS STAKED A MINIMUM 3' BACK OF CURB. CITY OF NOVI PERMIT REQUIRED.

Streetlight Billing Summary
O310 - NOVI CITY OF

| | | | |
|-----------|----|---|------|
| 9000 NOVI | IN | 9 | *535 |
| 9000 NOVI | IN | 1 | B535 |

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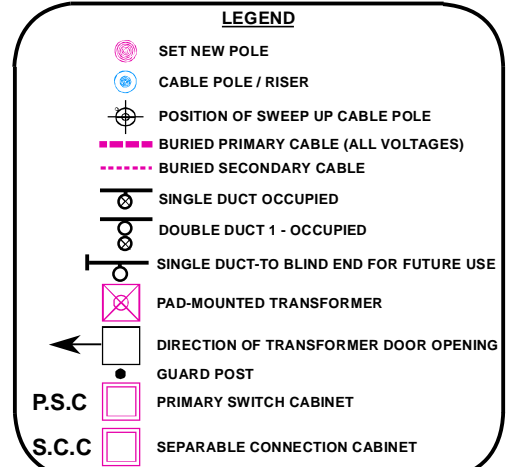
Trench-Bore Summary

| Type | Occupants | Length |
|-----------------------------|-----------|--------|
| ST LT - BORE - IN CONDUIT E | | 1893 |
| Total = | | 1893 |

Cable Summary

| Type | Legacy Stock # /SAP # | Length |
|----------------------|-----------------------|--------|
| IN #2 ALX2 - #4 ALX1 | 713-0878/100075024 | 1977 |

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PWO# 45736886 17 X 22

DTE Energy
DTE Electric - Distribution Engineering and Planning

| | | | |
|-------------------------|---|------------|-------------------|
| Service Planner | Work Order Description | | |
| O'Dea, Charlotte A | CWO SL - NBUS - Oberlin Sub - 11 Mile & Beck - Novi | | |
| Phone | 734.397.4307 | GIS-DSN | 45738494 45738495 |
| Supervisor | Mark A Slater | Circuit #1 | 45738504 45738505 |
| Service Center | WWS | Circuit #2 | PH |
| Worksite City | NOVI | PH | SCMAT |
| Worksite Twp | NOV | PH | 45738503 |
| JU Work to be Performed | | JU | RSD |
| Planning Engineer | 734.397.4055 | JU Company | Contact |
| Phone | | JU Company | Contact |
| CUE Number | 651126 | Ver | 1 |
| Plot Date | 9/16/2016 | Scale | NTS |
| Town | 01N | Range | 08E |
| Section | 17 | Qtr | |