



**CITY OF NOVI CITY COUNCIL**  
**MAY 20, 2024**

**SUBJECT:** Consideration of approval of a cost participation agreement with the Road Commission for Oakland County for the preliminary engineering associated with the widening of Twelve Mile Road between Beck Road and Dixon Road in the estimated amount of \$937,680.

**SUBMITTING DEPARTMENT:** Department of Public Works, Engineering Division

<b>EXPENDITURE REQUIRED</b>	<b>\$ 937,680.00</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 692,085.00 FY 2023-24 Budget</b> <b>\$ 245,595.00 FY 2024-25 Budget</b> <b>\$ 937,680.00 TOTAL</b>
<b>APPROPRIATION REQUIRED</b>	<b>\$ 0</b>
<b>LINE ITEM NUMBER</b>	<b>204-446.00-975.034 Municipal Street Fund</b>

**BACKGROUND INFORMATION:**

The City and the Road Commission for Oakland County (RCOC) have been in discussions regarding expanding 12 Mile Road between Beck and Dixon since 2011. When the project was initially brought to the City back in 2011 the costs were around \$15 million with the City's cost share of \$1.2 million. Unfortunately, due to the complex nature of the reconstruction of the rail crossing, multiple wetland mitigations, and inflation, the project has now jumped to \$35 million. Federal dollars have been secured by RCOC to offset local contributions. The City's current anticipated construction cost share will be around \$3.5 million (see table below).

As this project progresses, RCOC is now in the design phase for the new layout, which will transform a two-lane roadway into a four-lane boulevard. Not only is RCOC cooperating with Novi, but they are also working with the City of Wixom on the design. As noted previously, communities have been requested to participate in a cost-share agreement for the preliminary engineering. Per the agreement, Novi's cost share is \$937,680, approximately 36.5% of the total preliminary engineering cost of \$2,571,192. Typically design share is 50/50 between RCOC and the City; however, using tri-party

funding reduces the City's share. Federal and state funds are covering 80% of right-of-way and RCOC and the City will split the remaining 20% with a 50/50 split.

The City Attorney reviewed the contract and resolution favorably (Beth Saarela, May 6, 2024). The RCOC is receiving federal funding for the project through the Oakland County Federal Aid Committee which will be obligated in 2026. The project will include filling sidewalk gaps and drainage improvements, including a culvert replacement east of the railroad crossing.

Since the project is utilizing federal funding, RCOC and the communities need secure the funds starting in FY 2026. Therefore, Novi is required to advance ~\$10.5M in FY 2026 to initiate construction (highlighted below). The advanced construction costs are recommended to be included in the road bond proposed by staff earlier this year. The federal payback of ~7M will come back to Novi in FY 2027-28.

<b>CON Estimate</b>	\$35,000,000			
<b>Funds Identified</b>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
Federal "C"	\$4,694,000	\$4,694,000	\$4,694,000	\$14,082,000
State "C"	\$9,863,660	\$3,228,000	\$1,200,000	\$14,291,660
Local	\$3,639,415	\$1,980,500	\$1,473,500	\$7,093,415
Total	\$18,197,075	\$9,902,500	\$7,367,500	\$35,467,075
<b>JobNet/TIP</b>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
Federal "C"	\$4,694,000	Convert Above	Convert Above	\$4,694,000
State "C"	\$9,863,660	Convert Above	Convert Above	\$9,863,660
Local	\$20,909,415	\$0	\$0	\$20,909,415
Total	\$35,467,075	\$0	\$0	\$35,467,075
City Front Costs	\$10,454,708			
City Reimbursement		-\$3,961,000	-\$2,947,000	
City NET Costs				\$3,546,708

Upon completion of the design for this project, a participation agreement with RCOC will come before the City Council at a later date (closer to construction) outlining and committing to the construction and outlining the cost share listed above. This project was included in the bonding discussions initially introduced at the Council's budget session and is currently being discussed by the Finance and Administration Committee. Finally, the construction costs for the City's share are not currently budgeted in the out years and, again, is a part of conversations with the Finance and Administration Committee about potential bonding opportunities to assist with funding advancement and increased construction costs.

**RECOMMENDED ACTION:** Approval of a cost participation agreement with the Road Commission for Oakland County for the preliminary engineering associated with the widening of Twelve Mile Road between Beck Road and Dixon Road in the estimated amount of \$937,680.

# Twelve Mile Road Widening Location Map





Map Author: Runkel  
Date: 5-7-24  
Version #: 1.0

#### 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.

#### Map Legend

 Capital Improvement Program Projects     Open Drain



**City of Novi**  
Engineering Division  
Department of Public Works  
26300 Lee BeGole Drive  
Novi, MI 48375  
cityofnovi.org

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ROSATI | SCHULTZ  
JOPPICH | AMTSBUECHLER

May 6, 2024

Rebecca Runkel, Project Engineer  
City of Novi  
Field Services Complex  
26300 Lee BeGole Drive  
Novi, MI 48375

**Re: RCOC Cost Participation Agreement – 12 Mile Widening  
Board Project No. 50631**

Dear Ms. Runkel:

We have received and reviewed the Cost Participation Agreement prepared by the Board of County Road Commissioners (Board) for the performance of preliminary engineering, including preparation of reports and studies, environmental assessments, data, notes, tracings, drawings, soil borings, traffic engineering, drainage investigations, including preliminary plans, specifications, and estimate preparation, necessary to widen 12 Mile Road from Beck Road to Novi Road. The City's total share of the cost of preliminary engineering is \$860,142, with the remaining costs coming from Tri-Party Funds (\$350,310), the City of Wixom (\$75,144) and RCOC (\$1,285,596). RCOC will complete the engineering and invoice the parties for each one's share of the costs.

The Agreement is provided for the limited purpose of setting forth how the preliminary engineering costs will be paid by the named parties. Subject to Engineering review and approval of the cost breakdown of the project, we see no legal impediment to entering into the Cost Sharing Agreement.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

ROSATI SCHULTZ JOPPICH  
& AMTSBUECHLER PC

A handwritten signature in blue ink, appearing to read 'Elizabeth Kudla Saarela', is written over the typed name.

Elizabeth Kudla Saarela

Rebecca Runkel, Project Engineer  
City of Novi  
May 6, 2024  
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EKS

Enclosure

C: Cortney Hanson, Clerk (w/Enclosure)  
Megan Mikus, Deputy DPW Director (w/Enclosure)  
Ben Croy, City Engineer (w/Enclosure)  
Thomas R. Schultz, Esquire (w/Enclosure)

**AMENDED**  
**COST PARTICIPATION AGREEMENT**  
PRELIMINARY ENGINEERING

12 Mile Road  
Beck to Novi Road  
City of Novi  
Board Project No. 50631

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the Board of County Road Commissioners of the County of Oakland, Michigan, hereinafter referred to as the BOARD, and the City of Novi, hereinafter referred to as the COMMUNITY, provides as follows:

WHEREAS, the BOARD and the COMMUNITY have programmed the preliminary engineering, described in Exhibit "A", attached hereto and made a part hereof, which improvements involve roads under the jurisdiction of the BOARD and within the COMMUNITY, which improvements are hereinafter referred to as the DESIGN; and

WHEREAS, the estimated total cost of the DESIGN is \$2,571,192; and

WHEREAS, said DESIGN involves certain designated and approved Tri-Party Program funding in the amount of \$350,310, as well as local contributions in the amount of \$2,220,882 which shall be paid through contributions by the BOARD, the COMMUNITY, the City of Wixom, and the Oakland County Board of Commissioners, hereinafter referred to as the COUNTY; and

WHEREAS, the BOARD and the COMMUNITY have reached a mutual understanding regarding the cost sharing of the DESIGN and wish to commit that understanding to writing in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in conformity with applicable law, it is hereby agreed between the COMMUNITY and the BOARD that:

1. The COMMUNITY approves of the DESIGN, declares its public necessity, and authorizes the BOARD to perform or cause to be performed, and complete the PROJECT along with all administration in reference thereto.
2. The DESIGN may consist of the preparation of reports and studies, environmental assessments, data, notes, tracings, drawings, soil borings, traffic engineering, drainage investigations, including preliminary plans, specifications, and estimate preparation, necessary for the construction. Any costs incurred by the BOARD prior to this agreement date shall be allowable.
3. The estimated total DESIGN cost of \$2,571,192 shall be invoiced in the following order as follows:
  - a. Tri-Party Program in the amount of \$350,310 allocated simultaneously and proportionately.
  - b. Local contribution in the amount of \$935,286 allocated simultaneously and proportionately.
  - c. The BOARD shall contribute \$1,285,596 toward the DESIGN.
  - d. Any DESIGN costs above \$2,571,192 will be funded 100% by the BOARD.
4. Upon execution of this agreement, the BOARD shall submit two invoices:
  - a. The first invoice shall be payable by the COMMUNITY in the amount of \$507,609. This includes \$77,538 (being 100% of the COMMUNITY'S Tri-Party contribution) and \$430,071 (being 50% of the COMMUNITY'S local contribution).
  - b. The second invoice shall be payable by the COUNTY in the amount of \$77,538 (being 100% of the COUNTY'S Tri-Party contribution).

c. The invoices shall be sent to:

Manager of Fiscal Services  
Executive Office Building  
2100 Pontiac Lake Road, Building 41 West  
Waterford, MI 48328

5. As costs of the DESIGN are incurred, the BOARD shall invoice the COMMUNITY for the remaining 50% of the COMMUNITY'S total contribution.
6. Upon receipt of said invoices, the COMMUNITY and COUNTY shall pay to the BOARD the full amount thereof, within thirty (30) days of such receipt.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and date first written above.

BOARD OF ROAD COMMISSIONERS OF THE  
COUNTY OF OAKLAND  
A Public Body Corporate

By \_\_\_\_\_

Its \_\_\_\_\_

City of Novi

By \_\_\_\_\_

Its \_\_\_\_\_



**EXHIBIT A**  
**TRI-PARTY PROGRAM**  
12 Mile Road  
Beck Road to Novi Road  
City of Novi  
Board Project No. 50631

The performance of preliminary engineering may consist of the preparation of reports and studies, environmental assessments, data, notes, tracings, drawings, soil borings, traffic engineering, drainage investigations, including preliminary plans, specifications, and estimate preparation, necessary for the construction.

<b>ESTIMATED PROJECT COST</b>
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Preliminary Engineering	<u>\$2,571,192</u>
Total Estimated Project Cost	<u>\$2,571,192</u>

<b>COST PARTICIPATION BREAKDOWN</b>
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	WIXOM	COMMUNITY	COUNTY	BOARD	TOTAL
FY24 Tri-Party Program	\$39,232	\$77,538	\$116,770	\$116,770	\$350,310
Contribution	\$75,144	\$860,142	\$0	\$1,285,596	\$2,220,882
<b>TOTAL SHARES</b>	<b>\$114,376</b>	<b>\$937,680</b>	<b>\$116,770</b>	<b>\$1,402,366</b>	<b>\$2,571,192</b>

