



**CITY OF NOVI CITY COUNCIL  
NOVEMBER 8, 2021**

**SUBJECT:** Approval of an Agreement between the City of Novi and City Center Office Plaza (CCOP), LLC, a commercial development, located west of Flint Street and south of Grand River Avenue (parcel 50-22-15-477-011) with respect to the construction of and development of the Bond Street – Phase 2, subject to review by the City Manager and City Attorney's office as to the final form and attachments and any required minor amendments.

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

**BACKGROUND INFORMATION:**

Since the early to mid 1990s, the City had intended to complete an entire "ring-road" network around the Novi Road and Grand River Avenue intersection, to increase economic growth around the area and to lessen the traffic volumes to this already stressed intersection.

In the late 1990s, the City completed the southeast ring-road (Market/Main Street) and in 2021, the City also completed the northwest leg of the ring-road (Crescent Boulevard). For this final segment of the ring-road or Flint/Bond Streets, construction was planned in two separate phases (see attached Phasing Map): Phase 1 was the construction of "Bond Street" from Novi Road west to Flint Street, and Phase 2 is to finish constructing Bond Street from Flint Street to Grand River Avenue (see attached map).

Until recently, the City has been unable to proceed with Phase 2 of the Bond Street extension because it needed to first reach an agreement with the neighboring property owner, City Center Office Plaza (CCOP). The planned extension involves some of the former Lee Begole property that the City recently acquired and also impacts land currently owned by CCOP. CCOP and the City have now reached an agreement for a "land swap" under which the City gives some of BeGole parcel to CCOP in exchange for a portion of CCOP's land needed for the Bond Street construction, with the expectation that CCOP will be able to develop its reconfigured parcel as a commercial development.

The enclosed agreement has been favorably reviewed by the City Attorney and the City Engineering Division, and also signed by CCOP's representative, Mr. George Keros. The

agreement does not involve the payment of any funds by either party, although it is contingent on CCOP receiving site plan approval for the development of its land at the corner of Grand River and the City's completion of certain storm water improvements.

**RECOMMENDED ACTION:** Approval of an Agreement between the City of Novi and City Center Office Plaza (CCOP), LLC, a commercial development, located west of Flint Street and south of Grand River Avenue (parcel 50-22-15-477-011) with respect to the construction of and development of the Bond Street – Phase 2, subject to review by the City Manager and City Attorney's office as to the final form and attachments and any required minor amendments.



# Bond/Flint Street Construction (Southwest Ring Road)

## Location Map





Map Author: Rebecca Runkel  
 Date: 4/7/2021  
 Project: Bond St  
 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.

### Legend

-  Phase I Construction - Completed
-  Phase II Construction - Planned



### City of Novi

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



1 inch = 184 feet





# Bond Street - Proposed Right-Of-Way

Keros v. Begole Property Swap Agreement

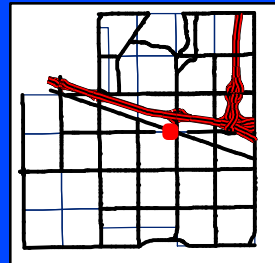


Map Author: Aaron J. Staup  
Date: November 1, 2021  
Project: Bond Street - Phase 2  
Version #: 1

Amended By:  
Date:  
Department:

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## City of Novi

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1 inch = 92 feet





# Bond Street Phase 2 - Novi/Keros Property Swap Agreement

Newly Created City and Keros Parcels

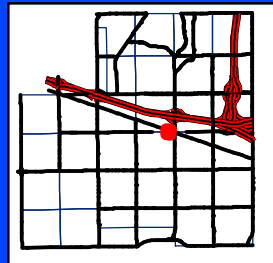


Map Author: Aaron J. Staup  
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## City of Novi

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1 inch = 92 feet



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rsjalaw.com



ROSATI | SCHULTZ  
JOPPICH | AMTSBUECHLER

November 2, 2021

Jeffrey Herczeg, Director of Public Works  
City of Novi  
Field Services Complex  
26300 Lee BeGole Drive  
Novi, MI 48375

**Re: Bond Street Agreement**

Dear Mr. Herczeg:

We have reviewed and approve the format and content of the Agreement between the City of Novi and City Center Office Plaza, LLC, for a property exchange for its property located west of Flint Street and south of Grand River Avenue (parcel 50-22-15-477-011, in exchange for the Lee BeGole Parcel recently acquired by the City. The City Center parcel will be used for future road right-of-way needed for the Bond Street construction. The Agreement does not involve the payment of any funds by either party, although it is contingent on CCOP receiving site plan approval for the development of its land at the corner of Grand River and the City's completion of certain storm water improvements.

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 below.

Elizabeth Kudla Saarela

Enclosure

C: Cortney Hanson, Clerk (w/ Enclosure)  
Aaron Staup, Construction Engineer (w/Enclosure)  
Thomas R. Schultz, Esquire (w/Enclosure)



## AGREEMENT REGARDING BOND STREET

This Agreement Regarding Bond Street (this "**Agreement**") is entered into as of the 19th day of October, 2021 (the "**Effective Date**") by City Center Office Plaza, LLC, a Michigan limited liability company, whose address is 200 Renaissance Center, Suite 3145, Detroit, MI 48243 ("**CCOP**"), and the City of Novi, a Michigan municipal corporation, whose address is 45175 Ten Mile Road, Novi, MI 48375-3024 (the "**City**"). CCOP and the City are sometimes collectively referred to as the "**Parties**" and individually as a "**Party**".

### RECITALS:

A. The City intends to construct in two phases a new bypass road connecting Novi Road and Grand River Avenue ("**Bond Street**"). The first phase, which is complete and open to traffic as of the date hereof, consists of the portion of Bond Street from Novi Road to the portion of Flint Street that connects to Grand River Avenue ("**Phase 1**"). The second phase consists of the extension of Bond Street from Flint Street to Grand River ("**Phase 2**") and provides the context for this Agreement. The location and plan for both Phase I and Phase II are depicted on Exhibit A hereto.

B. CCOP owns certain vacant property located along and south of Grand River Avenue, Novi, Michigan (tax parcel 50-22-15-477-011) as more particularly described on Exhibit B hereto (the "**CCOP Property**"), on which CCOP contemplates constructing a real estate development consistent with the Proposed Site Plan (defined below) (the "**CCOP Development**"). While there is already a site plan that has been approved for development on the CCOP Property (the "Existing Site Plan"), CCOP has proposed some changes to that plan, and the site plan as currently proposed for the CCOP Development, together with any subsequent modifications made by CCOP and approved by the City, is referred to herein as the "**Proposed Site Plan**". A copy of the Proposed Site Plan (with the understanding that it has not been submitted to the City or reviewed or approved by the City and that it remains subject to further modifications before or after its eventual submission to the City) is attached as Exhibit C hereto. Among other things, the Proposed Site Plan reflects the anticipated reconfiguration of the CCOP Property following the conveyances of the Outbound Parcels and Inbound Parcel described in Recital C below, including among other things, (i) the discontinuance and filling of the Existing Detention Pond, (ii) a curb cut on Grand River Avenue (the "**Grand River Curb Cut**") and (iii) a curb cut on Phase II of Bond Street (the "**Bond Street Curb Cut**"), allowing vehicular access for the CCOP Property to and from Grand River Avenue and Bond Street, respectively, as each is depicted in the Proposed Site Plan.

C. In connection with the construction of Bond Street, the City has requested that (i) CCOP convey to the City title to two parcels comprising a part of the CCOP Property, namely, the "**Primary Conveyance Parcel**" and the "**Triangle Parcel**", as each is identified and described on Exhibit D hereto (collectively, the "**Outbound Parcels**"); and (ii) that the City convey to CCOP, and CCOP take ownership of, that parcel also described on Exhibit D hereto (the "**Inbound Parcel**"). The Outbound Parcels are occupied in part by the Existing Detention Pond (defined in Section 5(a) below), and upon conveyance of the Outbound Parcels to the City and their redevelopment as part of Bond Street Phase 2, the use of the Existing Detention Pond for storm

water management will be lost. The Inbound Parcel constitutes part of a greater parcel (tax parcel 50-22-22-477-012) (the "**Begole Parcel**"), which is adjacent to the western boundary of the CCOP Property and is owned by the City. Following its conveyance to CCOP, the Inbound Parcel will be consolidated with the CCOP Property for property tax and land use regulatory purposes.

D. Concurrently with the construction of Phase 1 of Bond Street, the City, at its sole cost and expense, has designed and constructed an underground storm water detention facility (the "**New Detention Facility**") that will have adequate capacity to accommodate all storm drainage from the CCOP Property (inclusive of the Inbound Parcel), if developed generally in accordance with the Proposed Site Plan, and, to the extent needed for any excess, from those developments commonly known as City Center Plaza Phases III and IV. The New Detention Basin is depicted on Exhibit E hereto.

E. CCOP is willing to convey the Outbound Parcels to the City and to accept conveyance of the Inbound Parcel provided that all provisions set forth below relating to the preconditions and timing for such conveyances, the related cost and task allocations, requisite development approvals, certain post-conveyance obligations and other matters are fully satisfied.

Based on the above Recitals and in consideration of the mutual covenants of the Parties set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Incorporation of Recitals.** The above Recitals are incorporated into this Agreement.

**2. Preconditions to Conveyance of the Outbound Parcels and Acceptance of the Inbound Parcel.** CCOP's obligation to convey the Outbound Parcels to the City and to take title to the Inbound Parcel is conditioned upon the full satisfaction prior to such conveyances of all of the following conditions (collectively, the "**CCOP Conveyance Conditions**"), any one or more of which may be waived in CCOP's sole discretion):

- (a) Final site plan approval as contemplated by City ordinances of the Proposed Site Plan, including, among other things, the Bond Street Curb Cut, the Grand River Curb Cut (for which permit number 62415 was issued by the Oakland County Board of Road Commissions on August 5, 2021), and all needed zoning variances, if any. CCOP agrees to submit a full and complete application to the Novi Planning Commission for preliminary site plan approval in accordance with the applicable ordinances and regulations of the City by no later than October 30, 2021.
- (b) The City's ability to convey good and marketable title to the Inbound Parcel to CCOP as required by Section 6 below.
- (c) Satisfaction of the Flood Plain Map Modification Condition referred to in Section 4 below.
- (d) Full completion and operational status of the New Detention Facility in accordance with the City's representation set forth in Section 5(b) below.

**3. Terms Governing Conveyance of Outbound Parcels.** Promptly following the



Effective Date, the City shall (i) cause to be prepared and delivered to CCOP an ALTA survey that identifies and describes both the Outbound Parcels and the remainder of the CCOP Property after conveyance of the Outbound Parcels, which shall be subject to CCOP's approval. The legal description of the Outbound Parcels set forth in the survey shall be used in the deed (described below), and (ii) at the City's sole option, obtain a commitment for an owner's title insurance policy from a title insurance company of the City's choice. Subject to, and only upon full and timely satisfaction of all of the CCOP Conveyance Conditions, CCOP shall convey to the City title to the Outbound Parcels by covenant deed, reciting nominal consideration, in a form approved by CCOP and the City, and subject to existing easements and building and use restrictions and other matters of record but free from any mortgages or other monetary encumbrances, if any, resulting from CCOP's action or inaction. The City shall be responsible for the cost of recording the deed, any state and county transfer taxes that may be due upon the recordation of the deed, preparation of the survey and any title insurance premiums. The Outbound Parcels shall be conveyed in "as-is" condition, without representations or warranties of any kind or nature other than the limited covenant of title set forth in the deed. At CCOP's request, the City shall reasonably cooperate with CCOP should CCOP wish to obtain charitable contribution donation credit in respect of its conveyance of the Outbound Parcels for nominal consideration pursuant to the terms hereof; provided, however, that the parties acknowledge that such favorable tax treatment is not guaranteed, and the inability of the CCOP to secure such treatment shall not be a basis for CCOP failing or refusing to comply with the conveyance requirements of this Agreement.

**4. Flood Plain Map Modification.** CCOP's obligations to convey the Outbound Parcels to the City and accept conveyance of the Inbound Parcel are conditioned on the City's first, at its cost, obtaining from FEMA a Conditional Letter of Map Revision (the "**CLOMR**"), or Letter of Map Revision ("**LOMR**") having the effect of permanently removing the existing detention basin from FEMA's flood plain designation according to the City of Novi's Floodplain Study (HEC-RAS Analysis, by AECOM). The CLOMR/LOMR shall take into account the Proposed Site Plan so as to accommodate development of the CCOP Property as generally reflected in the Proposed Site Plan (which includes the Inbound Parcel but excludes the Outbound Parcels being conveyed to the City) and reflects the discontinuance and fill of the Existing Detention Pond, and also takes into account the installation and contemplated operation of the New Detention Facility for the benefit of the CCP Property, (the "**Flood Plain Map Modification Condition**").

**5. Storm Water Detention Pond Replacement.**

- (a) The Parties acknowledge that CCOP has previously constructed on the CCOP Property at its sole cost and expense a detention pond designed to serve the future development of the CCOP Property, as shown on the Existing Site Plan referred to in Section 8 below (the "**Existing Detention Pond**"). Inasmuch as the Existing Detention Pond is located in substantial part on the Outbound Parcels, the conveyance of such parcels to the City and the ensuing construction of Bond Street will necessarily require complete discontinuance of the Existing Detention Pond and its replacement for all functional purposes by the New Detention Facility. In connection therewith, the Parties agree as follows.
- (b) The City represents and warrants that the New Detention Facility has been designed, and is currently fully completed and is ready to use so as to fully

accommodate storm water drainage from (i) the CCOP Property, as fully developed in accordance with the Proposed Site Plan and (ii) although not currently connected, to accommodate if necessary in the future any excess drainage from City Center Plaza Phases III and IV at the currently-constructed invert elevations, which have been provided by the City to CCOP previously. The City hereby covenants for the benefit of CCOP and on a continuing basis to keep the New Detention Facility in good repair and fully usable condition at the City's full cost and expense

- (c) In addition to the aforesaid, the City shall, contribute a maximum of \$10,000 towards the purchase of a sediment control device to be selected and installed by CCOP, as more particularly described on Exhibit F hereto and referred to thereon as the "**Sediment Control Facility**", which is adequate and appropriate for the operation of CCOP's storm water management system in conjunction with utilization of the New Detention Facility in accordance with all legal and engineering requirements. Such work shall be carried out in accordance with plans prepared by CCOP and timing consistent with the construction of the CCOP Development, Reimbursement shall be made within thirty (30) days following delivery by CCOP to the City of reasonable evidence of the work done and payment therefor.
- (d) The City shall be responsible, at its sole cost and expense, for commencing promptly following conveyance of the Outbound Parcels to the City, carrying out and completing the following work regarding that section of the Existing Detention Pond that will remain as part of the CCOP Property following conveyance of the Outbound Parcels: (i) fill the Existing Detention Basin with clean fill; (ii) compact the fill to 95% compaction level; (iii) stabilize the affected area with grass seed and (iv) install and maintain all soil erosion measures within or adjacent to the CCOP Property that are required for the foregoing work (all of the aforesaid, collectively, the "**Existing Detention Pond Restoration**"). At CCOP' request, the City shall promptly provide CCP with compaction reports prepared at the City's sole cost and expense regarding the compaction of the fill added to the Existing Detention Basin. CCOP hereby grants the City a revocable license to enter and perform such work on the affected portions of the CCOP Property in order to carry out the Existing Detention Pond Restoration, provided that (x) the City shall be responsible for repairing all damage to any of the CCOP Property or improvements thereon caused by such work, and (y) the City shall cause all of its contractors and subcontractors performing work within the CCOP Property to provide CCOP with a certificate of insurance evidencing that such contractor has obtained occurrence based public liability and property damage insurance with a coverage amount of not less than \$2,000,000 aggregate coverage and \$1,000,000 per occurrence and naming CCOP as an insured.

**6. Conveyance of the Inbound Parcel.** CCOP's obligation to accept conveyance of the Inbound Parcel is conditioned on the following:

- (a) Prior to conveyance of the Inbound Parcel, the City shall provide CCOP with an



ALTA survey of such parcel and a commitment for an owner's policy covering such parcel, without standard exceptions and with gap coverage, for an amount determined in accordance with the latest assessed value for property tax purposes, provided that the stated consideration for the conveyance shall be One Dollar (\$1.00). The City shall be responsible for the cost of recording the deed, any State and County transfer taxes that may be due upon the recordation of the deed and for any title insurance that CCOP desires to obtain regarding the conveyed parcel. The conveyance shall be subject to existing easements and building and use restrictions and other matters of record, but free from any mortgages or other monetary encumbrances.

- (b) Prior to conveying the Inbound Parcel to CCOP, the City, at its cost, shall: (i) demolish and remove all existing above and below ground improvements, structures and fixtures within the Inbound Parcel that will be conveyed to CCOP and remove all related debris, and (ii) perform any environmental remediation necessary for the Inbound Parcel to meet residential cleanup standards.
- (c) Conveyance of the Inbound Parcel to CCOP shall be by covenant deed, in form approved by CCOP counsel, setting forth nominal consideration, and subject only to the exceptions to title set forth on schedule B of the final title insurance proforma title insurance policy approved by CCOP prior to conveyance.

**7. Modification of the CCOP Property Tax Parcel.** Following completion of the property conveyances contemplated by this Agreement, the City will, at its sole cost and expense, revise the tax parcel description of the CCOP Property to exclude the Outbound Parcels and to include the Inbound Parcel.

**8. No Effect on Existing Site Plan.** CCOP 's immediate predecessor in title previously obtained approval for a site plan prepared by Atwell Hicks for the development of the CCOP Property in connection with the site plan for City Center Phase 5 (the Existing Site Plan). The City acknowledges and agrees that the Existing Site Plan as previously approved, together with any and all variances and engineering plan approvals issued by the City in connection with the Existing Site Plan, are fully vested in CCOP as of the date of this Agreement and not subject to termination or revocation by the City, and nothing in this Agreement shall be construed as modifying or terminating the Existing Plan approvals and the rights of CCOP with respect thereto, until (i) the Proposed Site Plan is approved by the City; and (ii) the conveyances of the Inbound and Outbound Parcels are completed as provided for in this Agreement.

**9. Notices.** Any notice to be given or served upon any party to this Agreement must be in writing and shall be deemed to have been given: (a) upon receipt in the event of personal service by actual delivery (including by telecopy or rapid delivery service); (b) the first business day after posting if deposited in the United States mail with proper postage and dispatched by certified mail, return receipt requested; or (c) upon receipt if notice is given other than by personal service or by certified mail. And all notices shall be given to the parties at the addresses below. Any party to this Agreement may at any time change the address for notices to that party by giving notice in this manner.

For CCOP:  
City Center Office Plaza  
att. George S. Keros  
200 Renaissance Center Suite 3145 Detroit MI 48243  
[gtmanagement@gmail.com](mailto:gtmanagement@gmail.com)  
(313) 259-6720

For the City:  
Pete Auger, City Manager  
45175 Ten Mile Road  
Novi, MI 48375  
(248) 347-0460

**10. Severability.** If one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained within the body of this Agreement.

**11. Entire Agreement.** This Agreement embodies the entire understanding between the parties with respect to the transaction contemplated herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded by and merged into this Agreement. Any amendment to this Agreement must be in writing and signed and delivered by the City and CCOP.

**12. Governing Law.** This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Michigan.

**13. Successors and Assigns.** This Agreement shall be binding upon, and its benefits shall inure to, the parties hereto and their respective heirs, personal representatives, successors and assigns.

**14. Counterparts; Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart. For purposes of this Agreement, a facsimile, electronic copy of a signature, or electronic signature shall have the same force and effect as an original signature.

**15. Authority.** Each Party represents that the execution of this Agreement and the performance of such Party's obligations under this Agreement are within the legal power and authority of such Party, have been authorized by all necessary action and constitute the valid and binding obligations of such Party and that the person who executes this Agreement on behalf of such Party has the necessary authority to do so as to bind such Party.

**16. Approvals.** All approvals referred to herein shall not be unreasonably withheld or delayed unless expressly provided otherwise.



**17. Termination.** In the event the CCOP Conveyance Conditions as set forth in Sections 2(a) – (d) have not been satisfied or waived by the Parties by June 1, 2022, this Agreement shall automatically terminate and be of no further force or effect unless extended by mutual agreement of the Parties.

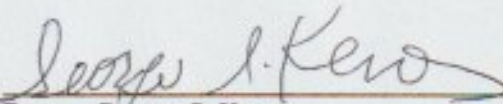
List of Exhibits:

- Exhibit A. Location and Plan for Phases I and II of the Bond Street Extension
- Exhibit B. Description of the CCOP Property
- Exhibit C. Current Proposed Site Plan
- Exhibit D. Description of Outbound and Inbound Parcels
- Exhibit E. Depiction of New Detention Basin
- Exhibit F. Sediment Control Facility Specifications

[Signatures on following pages]

This Agreement has been executed by the Parties as of the dates set forth below.

CCOP:



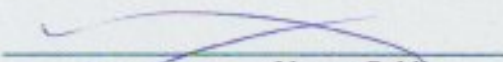
By: George S. Keros  
Its: President

STATE OF MICHIGAN

Oakland ) ss.  
COUNTY OF Wayne

The foregoing Agreement Regarding Bond Street was acknowledged before me this 19<sup>th</sup> day of October, 2021 by George S. Keros, known by me to be the President of City Center Office Plaza LLC, on behalf of said company.

**MARIA ESTEP**  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF WAYNE  
My Commission Expires July 03, 2025  
Acting in the County of Oakland

  
Wape, Notary Public  
Acting in the County of Oakland  
My Commission Expires: 7/3/2025

Signatures and Notaries continued on following page



**CITY OF NOVI:**

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By: Robert J. Gatt  
Its: Mayor

STATE OF MICHIGAN  
COUNTY OF OAKLAND ) ss.

The foregoing Agreement Regarding Bond Street was acknowledged before me this 8<sup>th</sup> day of November, 2021 by Robert J. Gatt, known by me to be the Mayor of City of Novi, on behalf of said City.

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\_\_\_\_\_, Notary Public  
Acting in the County of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_