



CITY OF NOVI CITY COUNCIL JULY 27, 2026

SUBJECT: Approval of Resolution Declaring Necessity and Tentative Intent to Proceed with Project and Setting Public Hearing for Main Street Area Streetlighting and Streetscape (Resolution No. 2)

SUBMITTING DEPARTMENT: City Manager's Office

BACKGROUND INFORMATION:

City Council is aware of the conversations that the City Administration has been having with three property owners in the Main Street area who have a contractual obligation to maintain the streetlighting, streetscape, and amenities within the Main Street public road right-of-way. Those conversations began in 2025 and arose from the City's concern about the condition of the Main Street corridor. The cost of the improvements is substantial (approximately \$700K).

The discussions between the parties have included a concept under which the City would be paid back by the property owners through a Special Assessment District (SAD) over a period of 15 years with an anticipated interest rate of 4%. The City has discussed with the property owners the possibility of the City fronting the necessary funds (likely through the Corridor Improvement Authority) to replace the streetlighting and repair or rehabilitate the streetscape and amenities adjacent to the property owners' parcels as to which they bear the contractual obligation of maintenance.

A Special Assessment District takes five separate Resolutions to establish. On June 8, 2026, the Council adopted Resolution No. 1, by which the City directed that the preliminary plans be made more detailed and specific, with a more definitive cost estimate. That cost estimate information is attached. The Council is now being asked to consider adopting Resolution No. 2, in which—after reviewing the attached information—the Council tentatively indicates an intention to proceed and sets a public hearing for August 10, 2026.

If Resolution No. 2 is adopted, Resolution No. 3 would involve a determination whether to proceed with the project and have the City Assessor prepare a Special Assessment Roll. The City Council would then have a public hearing on the Special Assessment Roll, and if Council determined to proceed with the project, would approve the Roll in Resolution No. 4. The final Resolution (Resolution No. 5) would affirm the Special Assessment Roll.

It is the City's intention at the end of the process (contemporaneous with Resolution No. 5) to enter into a contract with the three property owners. That agreement would be recorded against the property to confirm the property owners' acceptance of the SAD.

RECOMMENDED ACTION: Approval of Resolution Declaring Necessity and Tentative Intent to Proceed with Project and Setting Public Hearing for Main Street Area Streetlighting and Streetscape (Resolution No. 2).

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

**MAIN STREET AREA STREETLIGHTING AND STREETSCAPE
SPECIAL ASSESSMENT DISTRICT 186**

**RESOLUTION DECLARING NECESSITY AND TENTATIVE INTENT TO PROCEED
WITH PROJECT AND SETTING PUBLIC HEARING**

(Resolution No. 2)

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on _____, 2026, at ____ o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

RECITALS

A. The City Council has received a Letter of Interest requesting construction of the proposed improvements described below and the establishment of a Special Assessment District (SAD) to defray the costs of such improvements by special assessment against the benefited properties; and

B. Plans, specifications, and cost estimates have been submitted to the City Council for construction of the Project, and the City is tentatively considering the establishment of an SAD to finance and defray the cost of the Project.

C. The proposed improvements (the “Project”) are for the replacement of 109 Detroit Edison lights in the public road right-of-way of main Street in the area east of Novi Road and South of Grand River Avenue, along with the repair and/or replacement and/or rehabilitation of certain streetscape improvements and/or amenities also within the same public road right-of-way; and

D. The Project is designed and intended to especially benefit all the properties in the proposed SAD by assisting the property owners in the carrying out of their respective obligations to maintain the streetlighting, streetscape, and amenities as described in Resolution No. 1 approved by the Council on June 8, 2026. This includes but is not limited to replacement of DTE street

lighting and repairs to sidewalk/pavement areas, replacement of street trees, and addressing other code enforcement/contractual issues.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The City Council determines that the Project is necessary and that it tentatively intends to proceed with the Project, and to establish a Special Assessment District to defray the entire (100%) cost of the Project as relates to the properties within the SAD.

2. Both DTE (for the streetlighting) and a registered professional engineer (as to streetscape and amenity issues) have prepared plans describing the Project and a preliminary estimate of the cost of the Project in the amount of \$700,000.00 for both the streetlighting and streetscape/amenities. Such plans and cost estimates have been filed with the City Clerk.

3. The City Council tentatively designates all the following properties as the Special Assessment District against which the cost of the Project is to be assessed, and which shall be identified as Special Assessment District No. 186 (the “**District**”):

- Parcel 22-23-176-030: Main Street Partnership, LLC, 710 E. Ogden Avenue, Suite 420, Naperville, IL 60563
- Parcels 22-23-176-011, 22-23-176-012, and 22-23-176-013: Luna Properties Novi, LLC, 42875 Grand River Avenue, Suite 201, Novi, MI 48375
- Parcel 22-23-176-033: Diversified Members Credit Union, 1480 E. Jefferson Avenue, Detroit, MI 48207

4. The Council recommends that the allocation of the costs of the Project, based upon special benefits, should be allocated on a frontage requirement along Main Street, in accordance with the Exchange Agreement originally entered into in 1995 and subsequently amended in 2012.

5. The City Clerk shall give notice in the manner provided below that the City Council shall conduct a public hearing on August 10, 2026, at 7:00 P.M. at the City Hall, 45175 Ten Mile Road, Novi, Michigan, for the purpose of hearing comments and objections to the proposed Project, and to the tentatively established District.

6. Notice of the public hearing shall be published once in a newspaper published or circulated in the City, and sent by certified mail, return receipt not requested, to the record owner or party in interest in whose name each property in the District is assessed as shown on the City’s last preceding tax assessment roll for *ad valorem* tax purposes. The notice shall be published at least seven (7) full days prior to the date of the hearing and the notice of hearing shall be mailed at least ten (10) days before the date of the hearing. The notice shall specify that appearance and protest at the hearing is required in order to appeal the matters to be considered at the hearing to the State Tax Tribunal and that an owner or party in interest or his or her agent may appear in person at the hearing to protest, or he or she may appear by filing his or her appearance or protest by letter, which shall then not require his or her personal appearance. The notice shall further specify the preliminary cost estimate for the Project and include a card to be completed by the

owner or party interest and returned to the City Clerk's office, indicating whether the owner or party in interest supports or disapproves of the project and special assessment district.

7. The Clerk shall retain a copy of the file in the Clerk's office for examination.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this _____ day of _____, 2026, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi