



## CITY of NOVI CITY COUNCIL

Agenda Item G  
May 9, 2016

**SUBJECT:** Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of a decorative street light at the intersection of Casa Loma Court and Beck Road; and approval of an agreement with Interphase Land Development, LLC for the sharing of installation costs per the City's Street Lighting Policy.

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

*BTC RJA*

**CITY MANAGER APPROVAL:**

*KJA*

<b>EXPENDITURE REQUIRED</b>	\$ 5,856.07 (Installation paid by Developer) \$ 529.54 (Annual Operating Costs paid by City) \$ 6,385.61 TOTAL
<b>AMOUNT BUDGETED</b>	\$ 140,122 (101-442.00-924.000)
<b>LINE ITEM NUMBER</b>	701-000.00-924.000 (Developer Paid Costs) 101-442.00-924.000 (Street Light Operations)

### BACKGROUND INFORMATION:

The developer of Casa Loma, Interphase Land Development, is requesting one decorative street light at the entrance to the new residential development off of Beck Road, south of Nine Mile Road. The Resolution for Amended Street Light Policy adopted September 24, 2012 states that the City will provide one standard overhead street in the public right-of-way at major road entrances of residential developments, such as Casa Loma, to enhance public safety. The policy also states that if the request is for a decorative street light, then the petitioner shall bear the cost of installation. Since the developer is requesting a decorative street light, the installation costs for the street light will be the developer's responsibility. The ongoing operation and energy costs for the street light will be paid for by the City.

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 \$5,858.07 and an ongoing annual lamp charge of \$529.54 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 Interphase Land Development, is also provided for consideration to formalize the payment of the installation at Casa Loma. The developer has requested one decorative light, which under the Street Light Policy requires them to pay the total installation cost of \$5,856.07. The Street Light Policy stipulates that the City will pay for ongoing energy costs of the light at the intersection with Beck Road. Toll has paid for its portion of the installation costs. The following table summarizes the costs for the requested streetlight:

Description	City Share	Developer/Association Share	Total
Installation Costs	\$0	\$5,856.07	\$5,856.07
Annual Operating Costs	\$529.54	0	\$529.54

The proposed agreement has been reviewed and recommended for approval by Engineering staff and the City Attorney (Beth Saarela's letter is attached).

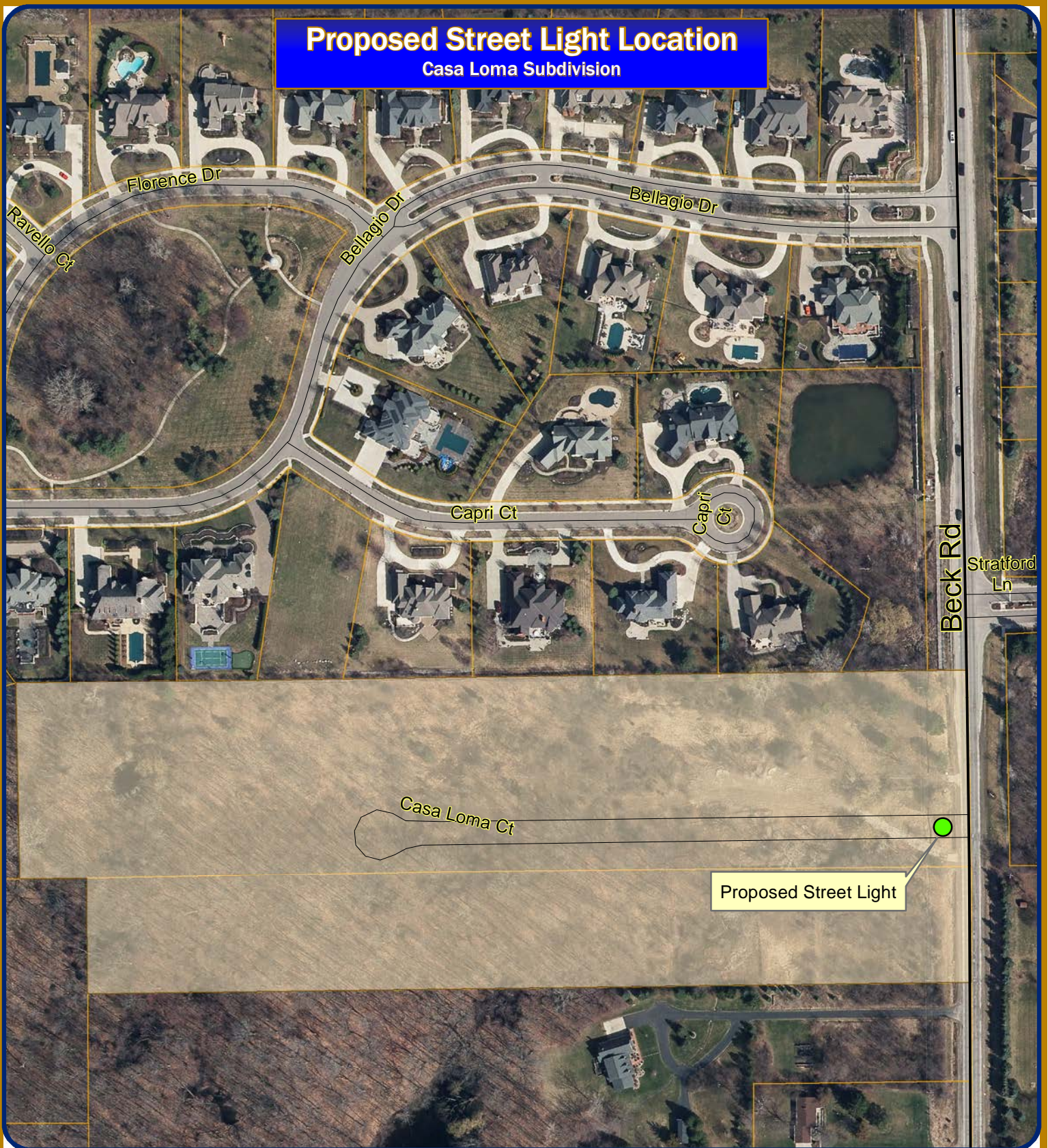
**RECOMMENDED ACTION:** Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of a decorative street light at the intersection of Casa Loma Court and Beck Road; and approval of an agreement with Interphase Land Development, LLC for the sharing of installation costs per the City's Street Lighting Policy.

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Burke</b>				
<b>Council Member Casey</b>				

	1	2	Y	N
<b>Council Member Markham</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				

# Proposed Street Light Location

Casa Loma Subdivision

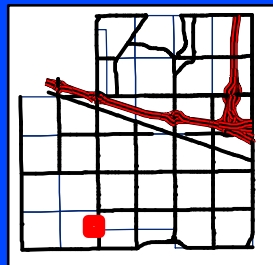


Map Author: A. Wayne  
Date: April 29, 2016  
Project:  
Version #:

Amended By:  
Date:  
Department:

#### 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.



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



1 inch = 200 feet





JOHNSON ROSATI SCHULTZ JOPPICH PC

27555 Executive Drive Suite 250 ~ Farmington Hills, Michigan 48331  
Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela  
esaarela@jrsjlaw.com

www.johnsonrosati.com

April 29, 2016

Brian Coburn, Engineering Manager  
City of Novi  
Public Services  
Field Services Complex  
26300 Lee BeGole Drive  
Novi, MI 48375

**Re: DTE Energy - Purchase Agreement for Municipal Street Lighting  
*Casa Loma Site Condominium***

Dear Mr. Coburn:

We have received and reviewed the Purchase Agreement for Municipal Street Lighting (Work Order 44540863) for two entranceway lights at the intersection of Casa Loma Court and Beck Road. The Subdivision Association will pay the cost for an upgrade in the street lights.

The Purchase Agreement is a standard form agreement prepared by The Detroit Edison Company ("DTE") for use in projects for installation and maintenance of new street lighting. It references and incorporates the terms of the Master Agreement for Municipal Street Lighting entered into between the City and DTE Energy on March 4, 2013, The Master Agreement controls the terms of installation and maintenance, generally, such as terms of payment, rates, maintenance responsibilities, term, liability, warranties and general contract provisions, including such things as choice of law and notices.

The Purchase Agreement includes the more specific information relating to each particular project, including total estimated project cost, project location, project specifications, and special order information.

The terms of the Master Agreement apply to each Purchase Agreement for individual projects. The Master Agreement was previously revised to satisfactorily address an issue we raised with the liability provisions in the Agreement.

Brian Coburn, Engineering Manager

April 29, 2016

Page 2

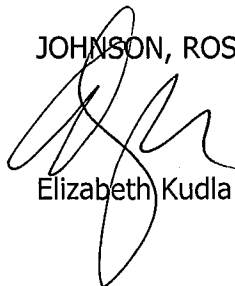
The Purchase Agreement and Master Street Lighting Agreement are in DTE's standard format and we see no legal impediment to approval of the agreements.

The Casa Loma Condominium Association has agreed to pay the upgrade cost for decorative streetlights, while the City will pay the ongoing energy costs relating to the street lights. We see no legal impediment to entering into the modified version of the Agreement and the terms of the Agreement are consistent with the City's Street Lighting Policy.

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

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.



Elizabeth Kudla Saarela

EKS

Enclosures

C: Maryanne Cornelius, Clerk (w/Enclosures)  
Rob Hayes, Public Services Director (w/Enclosures)  
Adam Wayne, Construction Engineer (w/Enclosures)  
Thomas R. Schultz, Esquire (w/Enclosures)

**Exhibit A to Master Agreement**

**Purchase Agreement**

This Purchase Agreement (this "Agreement") is dated as of March 10, 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:	44540863	
	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:	On the entrance island at the intersection of Casa Loma Ct & Beck Rd, as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	2	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	Install (2) stock 80 watt Granville LED fixtures with black housing mounted on (1) stock black fiberglass fluted Mainstreet post with decorative arm.	
5. Estimated Total Annual Lamp Charges	\$529.54	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$7,444.69
	Credit for 3 years of lamp charges:	\$1,588.62
	<b>CIAC Amount (cost minus revenue)</b>	<b>\$5,856.07</b>
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 <b>Signature:</b> _____	
10. Customer Address for Notices:	City of Novi 26300 Lee Begole Dr Novi, MI 48375	

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]

**DTE Energy**



CASA LOMA CT.

CASA LOMA ST

2 H11092-1

IN: DET 23227E

IN: POST CODE 16B  
 IN: FOUNDATION TYPE 16A CONCRETE  
 IN: UG MULTIPLE LED 80 LWACORN  
 IN: UG PCLL  
 L 80 AFS606 -- 9000 NOVI -- O310 -- 565 -- B  
 IN: UG MULTIPLE LED 80 LWACORN  
 IN: UG PCLL  
 L 80 AFS607 -- 9000 NOVI -- O310 -- 565 -- B

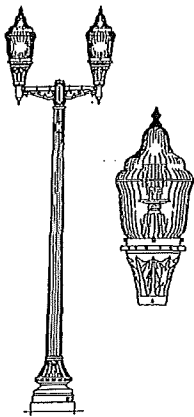
ELMSMERE DR

3 Trench-Bore Summary			
Type	Occupants	Length	
ST LT - BORE - IN CONDUIT	E	70	
ST LT - TRENCH-IN CONDUIT	E	216	
Total =		286	

Cable Summary		
Type	Legacy Stock # /SAP #	Length
IN #2 ALX2 - #4 ALX1	713-0878/100075024	303

Created on: 1/26/2016 10:33:40 AM



MAPPING: CHANGE STREET NAMES TO REFLECT WHAT IS IN THE FIELD.

R. BUSH CT.  
 CASA LOMA CT.

BECK RD

HOLMBURY

Streetlight Billing Summary			
O310 - NOVI CITY OF			
9000 NOVI	IN	1	*565
9000 NOVI	IN	1	B565

Created on: 1/28/2016 11:04:19 AM

Work Order # 44547096	Work Order Description CWO NBUS - 2 UG - BECK & CASA LOMA ST - NOVI	GIS-DSN 44547099	SRW	RSD	PH	PLC
Service Center VWS	Circuit #1 TAHOE9510	COH	COS	CUG 44547109	CUL 44547108	CUS
Worksite City Livonia city, Oakland County (part) Wayne County (part)	Worksite Twp. Wayne County	Worksite County	SCMAT 44547107			
Town 01N08E32	Range 01N08E32	Section 01N08E32	Planner Name O'Dea, Charlotte A	CUE Request # 606012	Version 1	Plot Date 1/26/2016

**STATE OF MICHIGAN**  
**COUNTY OF OAKLAND**  
**CITY OF NOVI**

**STREET LIGHTING AGREEMENT**  
**FOR NEW SUBDIVISIONS**

This Agreement is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the CITY OF NOVI, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, Michigan 48375 (the "City"), and Interphase Land Development, a Michigan Limited Liability Company, ("Developer") whose address is 901 McDonald, Northville, Michigan 48167 and the Association created in accordance with the Master Deed for the Casa Loma Condominium ("Association").

**RECITATIONS:**

The Developer on behalf of the Association created in accordance with the Master Deed for the Casa Loma Condominium 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 decorative street light or lights at Beck Road and Casa Loma Court, as described and depicted on the attached Exhibit A hereto.

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 light or 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 Casa Loma Condominium is authorized to execute this Agreement which shall be binding on the Association.

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 streetlight.

2. Upon execution of this Agreement, the Association shall pay their portion of the installation cost of \$5,856.07, or such other amount as DTE shall require for installation of the proposed street light or 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 \$529.54, 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: Maryanne Cornelius  
Its: Clerk

Interphase Land Development, a Michigan  
Limited Liability Corporation, on behalf of  
the Association created in accordance with  
the Master Deed for the Casa Loma  
Condominium



---

By: David Compo  
Its: Manager

**DTE Energy**



CASA LOMA CT.

CASA LOMA ST

2 H11092-1

IN: DET 23227E

IN: POST CODE 16B  
 IN: FOUNDATION TYPE 16A CONCRETE  
 IN: UG MULTIPLE LED 80 LWACORN  
 IN: UG PCLL  
 L 80 AFS606 -- 9000 NOVI -- O310 -- 565 -- B  
 IN: UG MULTIPLE LED 80 LWACORN  
 IN: UG PCLL  
 L 80 AFS607 -- 9000 NOVI -- O310 -- 565 -- B

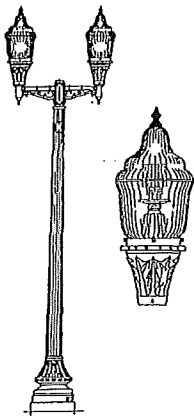
ELMSMERE DR

3 Trench-Bore Summary		
Type	Occupants	Length
ST LT - BORE - IN CONDUIT	E	70
ST LT - TRENCH-IN CONDUIT	E	216
Total =		286

Cable Summary		
Type	Legacy Stock # /SAP #	Length
IN #2 ALX2 - #4 ALX1	713-0878/100075024	303

Created on: 1/26/2016 10:33:40 AM



MAPPING: CHANGE STREET NAMES TO REFLECT WHAT IS IN THE FIELD.

R. BUSH CT.  
 CASA LOMA CT.

BECK RD

HOLMBURY

Streetlight Billing Summary			
O310 - NOVI CITY OF			
9000 NOVI	IN	1	*565
9000 NOVI	IN	1	B565

Created on: 1/28/2016 11:04:19 AM

Work Order # 44547096	Work Order Description CWO NBUS - 2 UG - BECK & CASA LOMA ST - NOVI	GIS-DSN 44547099	SRW	RSD	PH	PLC		
Service Center VWS	Circuit #1 TAHOE9510	COH	COS	CUG 44547109	CUL 44547108	CUS		
Worksite City Livonia city, Oakland County (part) Wayne County (part)	Worksite Twp. Wayne County	Worksite County				SCMAT 44547107		
Town 01N08E32	Range 01N08E32	Section 01N08E32	Qtr 01N08E32	Planner Name O'Dea, Charlotte A	CUE Request # 606012	Version 1	Plot Date 1/26/2016	Scale