CTTY OF

CITY of NOVI CITY COUNCIL

Agenda Item 2 January 22, 2008

SUBJECT Consideration of a Completion Agreement for SP04-43 Bolingbroke Site Condominiums in accordance with the requirements of Chapter 26.5.

SUBMITTING DEPARTMENT: Community Development - Planning

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

In accordance with the requirements of the City of Novi Performance Guarantee Ordinance, Chapter 26.5, City Council is being asked to consider a request from Singh Development, LLC to approve a Completion Agreement for Bolingbroke Site Condominiums, SP 04-43. The site plan consists of a 46 unit site condominium development located in Section 10, on the north side of 12 ½ Mile Road, and west of Old Novi Road. A pre-construction conference was held for the development of the property on November 9, 2005, and the site was subsequently cleared and mass-graded. The developer has also extended a sanitary sewer stub to the site under Old Novi Road, from an easterly, off-site location. No other site work has taken place and no homes have been constructed.

Section 26.5-5 states, "performance guarantees shall require actual construction and installation of all required improvements within two (2) years after the issuance of the initial permit, ..., or within six (6) months after a temporary occupancy permit has been issued for any structure on the property, whichever is shorter or occurs first". Singh Development was notified in writing on September 4, 2007 that the two-year completion requirement for Bolingbroke would expire on November 9, 2007.

Because this extension is requested for reasons other than weather conditions or delays in securing required approvals/permits from outside regulatory agencies, approval by City Council is required, together with a written Completion Agreement pursuant to Section 26.5-12. If an extension is granted, a revised performance guarantee shall be required in an amount no less than 200% of the cost of the work to be completed.

City Staff and the City Attorney met with the applicant on December 7, 2007 to discuss the terms of the Draft Completion Agreement that had been prepared in accordance with the requirements of Chapter 26.5. After reviewing the Agreement, Singh Development provided a revised Draft Completion Agreement and letter dated December 21, 2007 and is requesting that City Council exercise the provision of Section 26.5-12 and consider approving certain exceptions to the performance guarantee requirements and timelines for completion as provided in the ordinance.

The January 9, 2008 letter from the City Attorney's office details Singh Development's proposed modifications to the draft Completion Agreement, including a request for the reduction of the amount of performance guarantees to be posted from \$2,936,761 to \$632,707 based primarily on the developer's proposal to provide security for only those improvements that have already begun, including woodland replacement trees and woodland fence. The developer's rationale for maintaining only the woodland replacement funds, appears to be that since the site has been cleared of trees, in the event that the development does not go forward, the woodland trees could be replaced to return the site to its original condition at the developer's expense.

As noted in Paragraph 3 of the Singh's Draft Agreement, the developer is requesting the City to release the existing guarantees (for street trees, landscaping, site utilities and storm water

detention improvements), and repost those guarantees only if and when the project goes forward. Our understanding of the developer's rationale for this request is that no lots have been sold and no homes constructed, thereby eliminating any potential for hardships to residents living in an incomplete project. Staff cannot support the cancellation of these existing guarantees and further recommends that a performance guarantee be required in the amount of \$2,936,761 as twice the value of the incomplete site work which would be held in reserve for the future development anticipated in the Completion Agreement. For all amounts up to \$250,000, the financial guarantee shall be in the form of cash, certified check or irrevocable bank letter of credit. For amounts in excess of \$250,000, the financial guarantee may be held in any of those forms and also may be held in the form of a performance/payment bonds.

The developer has also suggested a reduction in the estimates for the paving and site utility improvements from the amounts provided by the city's consulting engineers in their attached letter dated October 26, 2007. Staff cannot support the applicant's requested reduction, as the city's engineers confirmed the amounts are consistent with the cost of improvements in today's market.

The developer has added soil erosion and right of way guarantee estimates in Paragraph 3, Items of Improvement and Maintenance, based on previously started work. Chapter 26.5 does not address these items, but will be addressed through other provisions of the City Code.

Another discrepancy between the two draft Agreements is found in Paragraph 4, the timeframe for completion of each site improvement. The developer is suggesting that <u>no timeframe</u> be set for completion of improvements, and that the financial guarantees will be reposted at the time the economy allows and prior to a pre-construction conference for the recommencement of the construction. In Paragraph 5, the developer proposes to allow three years, until October 1, 2010, as the term the City would require Singh to conduct another pre-construction meeting and obtain new soil erosion permits before work can re-start on the site. It is recommended that the language of the agreement include a time frame for completion. City staff has recommended a completion date of November 9, 2009.

The City Attorney has indicated that it is within City Council's authority, generally, to permit the developer to vary from some or all of the requirements of the ordinance, and/or the provisions of the agreement recommended by City staff and consultants, although no particular Section of Chapter 26.5 discusses the standards to be considered in order to vary from the ordinance. In that regard, the Council should be guided by the general standards of Section 1-12 of the City Code:

- 1. A literal application of the substantive requirement would result in exceptional, practical difficulty to the applicant;
- 2. The alternative proposed by the applicant will be adequate for the intended use and shall not substantially deviate from the performance that would be obtained by strict enforcement of the standards; and
- 3. The granting of the variance will not be detrimental to the public health, safety or welfare, nor injurious to adjoining or neighboring property, nor contrary to the overall purpose and goals of the chapter or article containing the regulation in question.

At this time, it is recommended that the City Council consider approval of the draft Completion Agreement prepared by City Staff and the City Attorney's office.

RECOMMENDED ACTION: Approval of the Completion Agreement prepared by the City Attorney for SP04-43 Bolingbroke Site Condominiums in accordance with the requirements of Chapter 26.5.

	1 2 Y N
Mayor Landry	
Mayor Pro Tem Capello	
Council Member Crawford	
Council Member Gatt	

	Sing Sing	2	2 .Y	ZNE
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

LETTER FROM CITY ATTORNEY JANUARY 9, 2008



January 9, 2008

30903 Northwestern Highway P.O. Box 3040 Farmington Hills, MI 48333-3040 Tel: 248-851-9500 Fax: 248-851-2158 www.sccrestwardle.com

Elizabeth M. Kudla Direct: 248-539-2846 bkudla@secrestwardle.com Marina Neumaier, Assistant Finance Director City of Novi 45175 West Ten Mile Road Novi, MI 48375-3024

Re: Bolingbroke Agreement for Completion and Maintenance of Improvements Pursuant to Chapter 26.5 of City Code Our File No. 660048. NOV1

Dear Ms. Neumaier:

With respect to the proposed Agreement for Completion and Maintenance of Improvements prepared by our office with the input of City employees and consultants, the Developer has prepared a redlined version with alternative provisions that he is requesting. Many of the Developer's proposed changes vary from the requirements of Chapter 26.5 and require approval of City Council.

A short summary of the differences within the Developer's proposed alternative Agreement for Completion and Maintenance of Improvements are as follows:

Paragraph No. 3. The Developer has requested modifications to the "Items of Improvement and Maintenance" from the improvements and amount of security recommended by City staff and City consultants in accordance with ordinance requirements. A written explanation as to the proposed changes has been submitted by the Developer in his letter dated December 21, 2007. The primary difference between the City's proposed standard "completion agreement," and that provided by the Developer is that the Developer proposes to provide security for only those improvements that have already begun, including woodland replacement trees and woodland fence. The rationale appears to be that since the site has been cleared of trees, in the event that the Development does not go forward, the trees could be replaced to return the site to its original condition at the Developer's expense.

With respect to street trees, landscaping, site utilities, paving, and the storm water detention improvements, the Developer would like to cancel existing guarantees, reposting them only if and when the project goes forward. It is our understanding that this request is based on the fact that no lots have been sold and no residences constructed thus eliminating potential for hardships to residents living in an incomplete project.

Letter to M. Neumaier January 9, 2008 Page 2

We also note differences in the estimates used for the Developer's paving and site utility improvement guarantee from the City's estimates. The difference is attributable to the time lapse and corresponding increase in costs since the original estimates made in 2005. The City's Consulting Engineer has indicated that the amounts included in the City's proposal are consistent with the cost of the improvements in today's market.

The Developer includes soil erosion and right-of-way guarantee estimates in Paragraph No. 3 based on the work that previously commenced. However, both soil erosion and right-of-way guarantees are addressed in separate ordinances from Chapter 26.5 and should be removed from the Agreement and handled separately in accordance with procedures set forth in Soil (Chapter 29), and Streets, Sidewalks, and Other Public Places (Chapter 31).

Paragraph No. 4. The City's proposed Agreement for Completion and Maintenance of Improvements sets the date for completion of each improvement including site utilities, storm water detention, landscaping, woodland fence and replacement trees, and sidewalk for two (2) additional years from the original two (2) year time period provided by Chapter 26.5 of the City Code of Ordinances which elapsed as of November 9, 2007. On November 9, 2009, the City Council would be given the opportunity to re-visit the progress of the Development and determine whether the dates should be further extended or whether the improvements should be completed at that time. The street trees and paving need not be completed in any event, until the November 9, 2009 date as four years is provided for those improvements in Chapter 26.5.

In contrast, Paragraph No. 4 of the Developer's version does not provide a set date for completion of improvements but instead provides an explanation that the financial guarantees will be reposted, including any increases that may have been included in ordinance amendments, at the time the economy permits for the project to move forward.

Paragraph No. 5. The Developer has provided only minor changes to Paragraph No. 5 from the City's version. The change provides and additional year, October 1, 2010 (or any City Council approved extension of that date), before the City will require the Developer to have another pre-construction meeting and obtain a new soil erosion permit before re-starting construction on site.

All other provisions of the Developer's proposed Agreement are the same as the City's proposed Agreement.

It is within City Council's authority, generally, to permit the Developer to vary from some or all of the requirements of the ordinance and/or provisions of the agreement recommended by City staff and consultants, though no particular Section of Chapter 26.5 discusses particular standards to be considered to vary from the ordinance; in that regard, the Council should be guided by the general standards of Section 1-12 of the

...

Letter to M. Neumaier January 9, 2008 Page 3

City Code:

- (1) A literal application of the substantive requirement would result in exceptional, practical difficulty to the applicant;
- (2) The alternative proposed by the applicant will be adequate for the intended use and shall not substantially deviate from the performance that would be obtained by strict enforcement of the standards; and
- (3) The granting of the variance will not be detrimental to the public health, safety or welfare, nor injurious to adjoining or neighboring property, nor contrary to the overall purpose and goals of the chapter or article containing the regulation in question.

City Council may, accordingly, determine that City staff's proposed Agreement should be modified in accordance with Developer's request, or otherwise.

Should you have any questions or concerns with regard to this matter, please feel free to

contact us.

ery truly yours

Elizabeth M. Kudla

EMK

Enclosures

C: Maryanne Cornelius, City Clerk (w/Enclosures)

Clay Pearson, Assistant City Manager (w/Enclosures)

Rob Hayes, City Engineer (w/Enclosures)

Aaron Staup, Construction Engineering Coordinator (w/Enclosures)

Sheila Weber, Treasurer's Office (w/Enclosures)

Dave Beschke, Landscape Architect (w/Enclosures)

John Freeland, ECT, Inc. (w/Enclosures)

Ted Meadows, Stantec (w/Enclosures)

Sarah Marchioni, Building Department (w/Enclosures)

G. Michael Kahm, Singh Development, L.L.C (w/Enclosures)

Thomas R. Schultz, Esquire (w/Enclosures)

CITY'S VERSION DRAFT COMPLETION AGREEMENT

STATE OF MICHIGAN COUNTY OF OAKLAND CITY OF NOVI

BOLINGBROKE SITE CONDOMINIUM DEVELOPMENT

AGREEMENT FOR COMPLETION AND MAINTENANCE OF IMPROVEMENTS

AGREEMENT, dated _______, 2008, by and between the City of Novi, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, Michigan 48375 ("City"), and Bolingbroke Singh, LLC, whose address is 7125 Orchard Lake Road, Suite 200, West Bloomfield, MI 48322 ("Developer") who represents itself hereby as the owner of the Property and Developer of the Development.

RECITATIONS:

Developer is the owner and developer of the land in the City of Novi, Oakland County, Michigan, described on the attached Exhibit A (the "Property"). The subject land has been approved for development as a residential Site Condominium Development pursuant to the provisions of the City of Novi Zoning Ordinance, to contain forty-six (46) single family home sites to be established as part of a site condominium. The site condominium will be herein known as the "Development".

As part of the approval process, Developer has offered and agreed to develop the Property, to complete certain improvements, and to proceed with other undertakings in compliance with applicable City Ordinances. Chapter 26.5 of the City of Novi Code of Ordinances, Section 26.5-5 (b) requires completion of actual construction and installation of all required site improvements within two (2) years after the issuance of the initial permit for any improvements, or within six (6) months after a temporary occupancy permit has been issued for any structure on the property, whichever is shorter or occurs first. The initial permit for the Development was issued on November 9, 2005. Because two (2) years have elapsed since the initial permit, the Developer must either complete the improvements immediately, or request an extension of time. Section 26.5-5 (b) requires that extension of such time periods may only be granted by City Council when such extensions are requested for reasons other than delay resulting from weather conditions and/or delay in securing required approvals/permits from outside regulatory agencies.

Because the Developer is requesting an extension with respect to the completion of improvements for reasons other than delay resulting from weather conditions and/or approvals/permits from outside regulatory agencies, Developer must request an extension from City Council and must provide a written completion agreement, together with a revised performance guarantee, pursuant to Section 26.5-12 of the City of Novi Code of Ordinances.

Consistent with all applicable laws and ordinances, more particularly Chapter 26.5 of the City of Novi Code of Ordinances, to obtain an extension with respect to completion of improvements, the Developer has offered to provide, and the City is willing to accept, certain assurances to the City that such improvements relating to the Development will be properly completed and maintained pursuant to a schedule. Such assurances include providing a performance guarantee in an amount no less than two hundred (200) percent of the cost of the work to be completed, and a schedule, for completion and maintenance of the improvements for the Development.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Purpose of Agreement

The City and the Developer enter into this Agreement for the purpose of ensuring that certain improvements for the Development will be completed and maintained pursuant to all approvals granted by the City and all applicable laws and ordinances, and that such completion and maintenance occur on a timely basis, in accordance with a schedule approved by City Council.

2. Performance Guarantee Posted

Prior to or with the execution of this Agreement, the Developer has provided, or does provide, to the City, performance guarantee in the total amount of \$ 2,936,761.00 to guarantee completion and maintenance of improvements for the Development, as estimated and itemized in Paragraph 3, below. Such performance guarantee funds have been posted in the form of irrevocable Letter of Credit No. issued by Comerica ("Bank"), to guarantee completion and maintenance of improvements for the Development, as itemized in Paragraph 3, below, for an initial period of one (1) year, and shall provide by its terms that it shall, without further action by any person or entity be continuously renewed and be continuously effective for successive periods of one (1) year subject to termination only by 60 days advanced, written notice by Bank to the City's Assistant Finance Director as follows. As a condition to the termination of the effectiveness of the letter of credit, Bank shall be required to provide to the office of the City's Assistant Finance Director, with 60 days advanced written notice, a statement that the letter of credit shall terminate at the end of the 60 day period. Such notice shall be required regardless of the stated termination date of any other documentation. Prior to the date of termination at the conclusion of the 60 day period, the letter of credit shall at all times be effective and payable according to its terms.

3. Items of Improvement and Maintenance

The items of improvements and maintenance included within this Agreement, and the estimated cost of completion and ongoing maintenance, are set forth below:

(a) Woodlands: \$279,200.00 (b) Woodland fence: \$10,447.50 (c) Landscape: \$92,385.00 (d) Public Utilities (sanitary sewer,

storm sewer, water main): \$466,423.00 Pavement & Curb (public ROW) \$324.187.00

(e) Pavement & Curb (public ROW) \$324,187.00 (f) Storm Water Detention: \$239,738.00

(g) Street Trees: \$ 46,000.00

(h) Sidewalks and related

paving and grading: \$ 10,000.00

Subtotal: \$1.468.380.50 200% Multiplier: x 2

Total Financial Guarantee: \$ 2,936,761.00

4. <u>Completion</u> and Maintenance of Improvements; Schedule and Requirements

Each of the Improvement Items listed in Paragraph 3, above, shall be completed and maintained by the Developer, at its expense, pursuant to all final approvals granted by the City and all applicable laws and ordinances, according to the following schedule:

- a) Improvement Items 3(a) and 3(b), above, contemplates and includes without limitation, the installation of woodland protective fencing, and woodland replacement trees. This includes, without limitation, the installation of 698 woodland replacement trees and protective fencing. Improvement Items 3(a) and 3(b), above, shall be completed prior to issuance of the 23rd certificate of occupancy within the Development, and in all events on or before November 9, 2009.
- b) Improvement Item 3(c), contemplates and includes the installation of all site landscaping, not including street trees and woodland replacement trees. All site landscaping shall be completed prior to issuance of the 23rd certificate of occupancy within the Development, and in all events on or before November 9, 2009. For one (1) year from the date of completion of the installation of all such landscape plantings installed as part of the Development, Developer shall, under this Agreement, maintain the trees and landscaping that were so installed, which maintenance shall include the replacement of any dead, substantially dead, diseased or removed trees or landscaping during such one (1) year period.
- c) Improvement Item 3(d), above, contemplates and includes the installation of all site utilities including water main, storm sewer, and sanitary sewer lines and facilities. All site utilities shall be completed and fully maintained by the Developer prior to the issuance of any building permits within the Development, and in all events on or before November 9, 2009. Where required or necessary, Improvement Items as set forth in 3(d) shall be dedicated to and accepted by the appropriate governmental agencies having jurisdiction thereover prior to the issuance of any certificates of occupancy within the Development, and in all events on or before December 1, 2009.

- d) Improvement Item 3(e) above contemplates the installation of the aggregate, base and top courses of paving (and curb) for the interior roads within the Condominium. Portion of Improvement Item 3(e), above, that include the aggregate and base course of paving of the entryway and interior roads of the Development shall be completed prior to issuance of any building permits within the Development, and in all events on or before December 1, 2009. The portions of Improvement Item 3(e), above, that include the wearing course of paving for all roads and entryways shall be completed prior to issuance of the final ten (10) certificates of occupancy within the Development, and in all events on or before November 9, 2011.
- e) Improvement Item 3(f) above contemplates and includes installation, grading and stabilization of on-site storm water facilities, including storm sewer piping, detention basin(s) and outlet control structure(s) for the Development. Improvement Item 3(f), above, shall be completed prior to any building permits within the Development, and in all events on or before November 9, 2009.
- f) Improvement Item 3(g), above, contemplates and includes without limitation, the installation of 115 street trees. Improvement Item 3(g), above, shall be completed prior to issuance of the 43rd certificate of occupancy within the Development, and in all events on or before November 9, 2011.
- g) Improvement Item 3(h) above contemplates and includes installation of sidewalks and related paving. Improvement Item 3(h), above, shall be completed in all events on or before November 9, 2009.

5. City Authority to Complete and/or Maintain.

If construction is not commenced before October 1, 2009, prior to commencing further construction, Developer shall (1) apply for and obtain a valid soil erosion permit, and (2) request a pre-construction meeting.

In the event Developer has failed to complete and/or maintain the improvements itemized in Paragraph 3, above, within the time periods and in the manner specified in this Agreement, and, provided the City has given the Developer 14 days notice of the failure to timely complete and/or maintain and Developer has not completed and/or maintained all of such improvements within said 14 days, the City shall have the authority, but shall not have the legal obligation, to take one or more of the following actions:

(a) The City may draw the funds from the letter of credit or other securities posted and enter upon the Development through its officials, employees, agents, and/or contractors and complete and/or maintain the improvements, or restore the Property or areas disturbed by the Development. In such event, all costs and expenses incurred shall be paid from the proceeds of the funds drawn on the letter of credit or otherwise obtained from the performance guarantee posted. Any amounts of unused proceeds of the

performance guarantee shall be returned to Developer, or otherwise be credited, as the case may be. Developer, and all of Developer's officers, employees, consultants and agents, shall be obligated to act and work in cooperation with the City to bring about completion and/or maintenance of the improvements as contemplated in this Agreement, or restoration, and shall provide the City with all drawings, contracts, documentation, public and private correspondence, agreements and other materials relating to any such improvements, restoration and/or maintenance. Notwithstanding other provisions to the contrary, in the event the City receives a notice of termination from Bank with regard to the letter of credit, or from any other securing party as to performance guarantee posted pursuant to this Agreement, and the improvements and/or maintenance itemized in Paragraph 3, above, have not been completed or fulfilled as required by this Agreement, the City shall be entitled to immediately draw the funds from the letter of credit or other performance guarantee posted, without notice to Developer, and proceed as specified in this paragraph.

- (b) The City may issue a stop work order as to any or all aspects of the Development, deny the issuance of any requested building permit or certificate of occupancy, as applicable, and suspend further inspections of any or all aspects of the Development.
- (c) The City may, but is not required to, initiate a lawsuit for purposes of enforcing and achieving full compliance with the terms and provisions of this Agreement. In the event that the City is awarded relief in such suit, the Developer shall pay all court costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.
- (d) The City may, in its discretion, in accordance with the provisions of Chapter 26.5, grant Developer additional time beyond the time periods reference in Paragraph 4, in accordance with the provisions of Chapter 26.5 of the City of Novi Code of Ordinances, which provisions may be amended from time to time.

6. Additional Liability

Developer shall also be liable for any costs and expenses incurred by the City in excess of the amounts posted by the Developer under this Agreement as well as any costs and expenses, including reasonable attorney fees, incurred by the City in any action and/or litigation to enforce or collect such funds and/or to otherwise restore the property and/or secure completion and/or maintenance of the improvements itemized in Paragraph 3, above, pursuant to the terms of this Agreement, in the event the City obtains any relief as a result of such lawsuit. The liability of Developer in such regard, if unpaid after 30 days of a billing sent to Developer at its last known address, may be secured by the City recording a lien on the Property, effective as of the date the City is authorized to proceed with the completion and/or maintenance of improvements, or restoration, as provided in this Agreement, and all such unpaid amounts may be placed on the delinquent tax roll of the City as to the Property, and shall accrue 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 real property taxes. In the discretion of the City, such costs and expenses may also be collected by suit initiated against the Developer, and in the

event the City is awarded relief in such suit, the Developer shall pay all court costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.

7. Rebate or reduction of Performance Guarantee

The City shall not release a performance guarantee until (1) all fees that are due to the City have been paid; (2) a maintenance guarantee has been posted, if applicable; (3) inspection of the development site has been performed when required (4) expired permits have been re-newed; and (5) the City has determined that the conditions and requirements of the permit/approval otherwise specified in the performance guarantee have been met and final approval of same has been granted.

The City may, after performing a site inspection at the written request of an applicant, rebate or reduce portions of a performance guarantee upon determination by the City, in its sole discretion, that the improvements and/or actions for which that performance guarantee was posted have been satisfactorily completed in accordance with the approved plans, any temporary certificate of occupancy, and all other applicable laws, regulations, and ordinances. At no point shall the amount of the performance guarantees held by the city be less than two hundred (200) percent of the cost to complete the remaining required improvements on the property. The applicant is responsible for the actual cost of inspections requested pursuant to this section.

8. Binding Effect

This Agreement shall run with the land constituting the property described on Exhibit A and shall be binding upon and inure to the benefit of the City and Developer and to their respective heirs, successors, assigns and transferees.

9. Owner's Warranty on Ownership

Developer hereby warrants that it is the owner of the Property described on attached Exhibit A, and that it, and Developer have the full authority to execute this Agreement.

10. Delay in Enforcement

A delay in enforcement of any provision of this Agreement shall not be construed as a waiver or estoppel of the City's right to eventually enforce, or take action to enforce, the terms of this Agreement.

11. Severability

Each covenant, requirement, obligation and provision contained herein shall be considered to be an independent and separate covenant and agreement, and, in the event one or more of the covenants, requirements, obligations or provisions shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, all remaining covenants, requirements, obligations and provisions shall nevertheless remain in full force and effect.

12. Lawful Document

Owner, Developer and City agree that this Agreement and its terms, conditions, and requirements are lawful and consistent with the intent and provisions of local ordinances, state and federal law, and the Constitutions of Michigan and the United States of America. Developer has offered and agreed to complete the on-site and off-site improvements, at their cost and expense, as specified in this Agreement. Developer has offered and agreed to complete such improvements, and to proceed with other undertakings and obligations as set forth in this Agreement in order to protect the public health, safety and welfare and provide material advantages and development options for the Developer, all of which improvements and obligations Developer and the City agreed were roughly proportional to the burden imposed and necessary in order to ensure that public services and facilities necessary for or affected by the Development will be capable of accommodating the development on the Property and the increased service and facility loads caused by the Development, to protect the natural environment and conserve natural resources, to ensure compatibility with adjacent uses of land, to promote use of the Property in a socially, environmentally and economically desirable manner, and to achieve other reasonable and legitimate objectives of the City and Developer, as authorized under applicable City ordinances and the Home Rule City Act, MCL 117.1, et seg. Furthermore, Developer fully accepts and agrees to the final terms, conditions, requirements, and obligations of this Agreement, and Developer shall not be permitted in the future to claim that the effect of this Agreement results in an unreasonable limitation upon use of all or any portion of the Property, or claim that enforcement of this Agreement causes an inverse condemnation or taking of all or any portion of such property. It is further agreed and acknowledged that the terms, condition, obligations, and requirements of this Agreement are clearly and substantially related to the burdens to be created by the development of the Property, and are, without exception, clearly and substantially related to the City's legitimate interests in protecting the public health, safety, and general welfare.

13. Applicable Law

This Agreement shall be interpreted and construed in accordance with Michigan law, and shall be subject to enforcement only in Michigan courts.

14. Current and Future Owners and Developers.

As used in this Agreement, the term "Developer" shall mean and include the undersigned party designated herein as developer and owner of the Property, as well as all future and successor persons and entities that become owners and developers of all or any portion of the Development property in the future until such time as all phases of the Development have been completed and approved.

15. Headings.

The headings contained herein are for the convenience of the parties and are not to be used in construing or interpreting this Agreement.

16. Effective Date.

This Agreement is deemed effective as of the date first written above.

1 ms 1 igreement is deemed circent	c as of the date that written above.
	"DEVELOPER"
	BOLINGBROKE SINGH, LLC, a Michigan limited liability company
	By: Singh General Corp., a Michigan Corporation, Its: Manager
	By: G. Michael Kahm Its: Vice President
STATE OF MICHIGAN))ss COUNTY OF OAKLAND)	
The foregoing instrument was ac 200_, by	knowledges before me thisday ofo
	Notary Public Oakland County, Michigan My Commission Expires:

	"CITY": CITY OF NOVI a Michigan municipal corporation	
	BY:	
	BY:	
STATE OF MICHIGAN)) SS		
COUNTY OF OAKLAND) The foregoing Agreement was acknowl, 2008, by	edged, signed and sworn to before me on this of, Clerk of the City of	lay of
Notary Public County, Michigan My Commission Expires:	_	
C:\NrPortbl\imanage\BKUDLA\997034_2.DOC		

LETTER FROM APPLICANT DECEMBER 21, 2007



R

Real Estate - Developers - Builders - Investors - Management

SINGH DEVELOPMENT, L.L.C. 7125 ORCHARD LAKE ROAD SUITE 200 WEST BLOOMFIELD, MICHIGAN 48322 TELEPHONE: (248) 865-1600 DIRECT DIAL: (248) 865-1602 FAX: (248) 865-1630 E-MAIL: kahm@SinghMail.com

December 21, 2007

Barbara E. McBeth, A.I.C.P. City Planner City of Novi 45175 W. Ten Mile Road Novi, Michigan 48375-3024

Re:

Agreement for Completion and Maintenance of Improvements

Bolingbroke Site Condominiums

SP#04-43 Novi, Michigan

Dear Barb:

Pursuant to our meeting on December 7, 2007 to discuss the referenced development, please accept the enclosed copy of the Agreement for Completion and Maintenance of Improvements for consideration by City Council. It is our understanding that we will be appearing before City Council at their regularly scheduled meeting on January 22, 2007 to discuss our proposed Agreement and explain the rationale behind our request for an amendment to the current construction guarantees.

As you know, a Pre-Construction Conference for the development was held on November 9, 2005 and the completion was contemplated in the spring of 2006. Unfortunately, the real estate market turned during that time frame and the lot sales commitment we had, which precipitated the commencement of the initial project construction, evaporated. When that happened, the construction was halted on the project, which entailed only clearing and mass grading at that point.

The market has continued to deteriorate since that time, but we are hopeful that there will be economic indicators which point toward a resurrection of the market demand in the next two to three years. In the meantime, we are not contemplating further construction activity on the site, until such time as those indicators materialize. For that reason, we are herewith requesting an extension to the required project completion date, which was previously set at November 9, 2007. No homes or residents are currently on the property, as it has only been cleared and mass graded to date.

Barbara E. McBeth, A.I.C.P. December 21, 2007 Page Two

The format of the proposed Agreement follows that of a previously approved agreement by the City and presents the amount of current Letter of Credit guarantees and the proposed adjustments for work not yet started. We believe that our proposal has merit, as it reflects our commitment to fully guarantee work that has already commenced, but provides for guarantees on work not yet begun to be postponed until such time as the work on the development has recommenced. We acknowledge that a new Pre-Construction Conference will be held at that time and that any required guarantees would be posted on or prior to that date to cover the remaining scope of work.

Please consider this request and let us know if you should have any questions or require any additional information in order for this proposed Agreement to be considered by staff and to be presented to City Council for approval.

Very truly yours.

G. Michael Kahm Vice President

Enclosure

cc: Marina Neumaier w/Enclosure

APPLICANT'S VERSION DRAFT COMPLETION AGREEMENT

STATE OF MICHIGAN COUNTY OF OAKLAND CITY OF NOVI

BOLINGBROKE SITE CONDOMINIUM DEVELOPMENT

AGREEMENT FOR COMPLETION AND MAINTENANCE OF IMPROVEMENTS

AGREEMENT, dated ______, 2008, by and between the City of Novi, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, Michigan 4837547 ("City"), and Bolingbroke Singh, LLC, whose address is 7125 Orchard Lake Road, Suite 200, West Bloomfield, MI 48322 ("Developer") who represents itself hereby as the owner of the Property and Developer of the Development.

RECITATIONS:

Developer is the owner and developer of the land in the City of Novi, Oakland County, Michigan, described on the attached Exhibit A (the "Property"). The subject land has been approved for development as a residential Site Condominium Development pursuant to the provisions of the City of Novi Zoning Ordinance, to contain forty-six (46) single family home sites to be established as part of a site condominium. The site condominium will be herein known as the "Development".

As part of the approval process, Developer has offered and agreed to develop the Property, to complete certain improvements, and to proceed with other undertakings in compliance with applicable City Ordinances. Chapter 26.5 of the City of Novi Code of Ordinances, Section 26.5-5 (b) requires completion of actual construction and installation of all required site improvements within two (2) years after the issuance of the initial permit for any improvements, or within six (6) months after a temporary occupancy permit has been issued for any structure on the property, whichever is shorter or occurs first. The initial permit for the Development was issued on November 9, 2005. Because two (2) years have elapsed since the initial permit, the Developer must either complete the improvements immediately, or request an extension of time. Section 26.5-5 (b) requires that extension of such time periods may only be granted by City Council when such extensions are requested for reasons other than delay resulting from weather conditions and/or delay in securing required approvals/permits from outside regulatory agencies.

Because the Developer is requesting an extension with respect to the completion of improvements for reasons other than delay resulting from weather conditions and/or approvals/permits from outside regulatory agencies, Developer must request an extension from City Council and must provide a written completion agreement, together with a revised performance guarantee, pursuant to Section 26.5-12 of the City of Novi Code of Ordinances.

Consistent with all applicable laws and ordinances, more particularly Chapter 26.5 of the City of Novi Code of Ordinances, to obtain an extension with respect to completion of improvements, the Developer has offered to provide, and the City is willing to accept, certain assurances to the City that such improvements relating to the Development will be properly completed and maintained pursuant to a schedule. Such assurances include providing a performance guarantee in an amount no less than two hundred (200) percent of the cost of the work to be completed, and a schedule, for completion and maintenance of the improvements for the Development.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Purpose of Agreement

The City and the Developer enter into this Agreement for the purpose of ensuring that certain improvements for the Development will be completed and maintained pursuant to all approvals granted by the City and all applicable laws and ordinances, and that such completion and maintenance occur on a timely basis, in accordance with a schedule approved by City Council.

2. Performance Guarantee Posted

Prior to or with the execution of this Agreement, the Developer has provided, or does provide, to the City, performance guarantee in the total amount of \$ 632,707.00 to guarantee completion and maintenance of improvements for the Development, as estimated and itemized in Paragraph 3, below. Such performance guarantee funds have been posted in the form of irrevocable Letter of Credit No. 599935 issued by Comerica ("Bank"), as amended, to guarantee completion and maintenance of improvements for the Development, as itemized in Paragraph 3, below, for an initial period of one (1) year, and shall provide by its terms that it shall, without further action by any person or entity be continuously renewed and be continuously effective for successive periods of one (1) year subject to termination only by 60 days advanced, written notice by Bank to the City's Assistant Finance Director as follows. As a condition to the termination of the effectiveness of the letter of credit, Bank shall be required to provide to the office of the City's Assistant Finance Director, with 60 days advanced written notice, a statement that the letter of credit shall terminate at the end of the 60 day period. Such notice shall be required regardless of the stated termination date of any other documentation. Prior to the date of termination at the conclusion of the 60 day period, the letter of credit shall at all times be effective and payable according to its terms.

3. Items of Improvement and Maintenance

Letter of Credit No. 599935 in the amount of \$1,880,062.75, as issued by Comerica Bank, was originally posted on March 15, 2005 for Soil Erosion and Sedimentation Permit guarantees, subsequently amended on September 16, 2005 to include Woodland Permit and Right of Way Permit guarantees, amended again on November 4, 2005 to include Street Trees and Landscaping guarantees and finally amended on November 7, 2005 to include Site

Utilities and Paving guarantees. The establishment of the original guarantees and the holding of the Pre-Construction Conference on November 9, 2005 were based upon the clear understanding that construction was going to commence and be completed during the normal course of events. The deterioration in market conditions intervened at that time and prior commitments for home construction evaporated. For those reasons, construction ceased after the completion of clearing and grading, with the exception an off-site sanitary sewer extension under Old Novi Road, from the east.

As economic conditions do not currently warrant proceeding with construction at this time, the guarantees relative to Bolingbroke are to mirror the work that has already commenced. Guarantees for work yet to be commenced would be posted at the time that the construction on the development is re-started and a Pre-Construction Conference for those items has been held. The items of improvements and maintenance included within this Agreement are summarized below and the estimated cost of completion and on-going maintenance, are set forth as follows:

	Scope of Guarantee	Esti	mated Cost	Original Multiplier	G	Original uarantee Amount	Adjusted Multiplier for Extension	Gı	djusted uarantee Vmount
1	Soil Erosion	\$	10,306.00	1.0	\$	10,306.00	2	\$	20,612.00
2	Woodland	\$	279,200.00	1.5	\$	418,800.00	2	\$	558,400.00
3	Woodland Fence	\$	10,447.50	1.5	\$	15,671.25	2	\$	20,895.00
4	Right-Of-Way (Underground)	\$	9,000.00	1.5	\$	13,500.00	2	\$	18,000.00
5	Right-Of-Way (Tree Protection)	\$	7,400.00	1.5	\$	11,100.00	2	\$	14,809.00
б	Street Trees	\$	46,000.00	1.5	\$	69,000.00	0	\$	-0-
7	Landscaping	\$	92,385.00	1.5	\$	138,577.50	0	\$	-0-
8	Traffic Control Signs	\$	1,600.00	1.5	\$	2,400.00	0	\$	-0-
9	Site Utilities and Paying	\$	560,734.00	1.5	\$	841,101.00	0	\$	-0-
10	Storm Water Detention	\$	239,738.00	1.5	\$	359,607.00	0	\$	-0-
T4.17	TOTAL	\$1	,256,810.50		\$1	,880,062.75		\$	632,707.00

4. Completion and Maintenance of Improvements; Schedule and Requirements

Construction on Items No. 1 thru 5 listed in Paragraph 3, above, have been started and the commensurate guarantees posted for the completion and maintenance of each. Construction on Items No. 6 thru 10 have not yet begun and are pending the recommencement of construction on Bolingbroke, once the market conditions in southeast Michigan so dictate. In the meantime, guarantees for 200% of the estimated cost of each of the construction items already commenced are offered as consideration as part of this Agreement for Completion and Maintenance of Improvements. In the event that City Ordinance provisions are amended during the term of this Agreement, Developer agrees to amend the amount of the guarantee for that work where the minimum required guarantee amounts have been so amended by Ordinance. The original guarantees for those construction items yet to be commenced shall be reposted in the form of an irrevocable letter of credit at the time the work is commenced and a new pre-construction conference is held. All construction shall be completed and maintained

by the Developer, at its expense, pursuant to all final approvals granted by the City and all applicable laws and ordinances.

5. <u>City Authority to Complete and/or Maintain</u>.

If construction is not commenced before October 1, 201009, or by further extension of this date with the amendment of this Agreement and with approval from City Council, prior to commencing further construction, Developer shall (1) apply for and obtain a valid soil erosion permit, if not already active, and (2) request a pre-construction meeting.

In the event Developer has failed to complete and/or maintain the improvements itemized in Paragraph 3, above, within the time periods and in the manner specified in this Agreement, and, provided the City has given the Developer 14 days notice of the failure to timely complete and/or maintain and Developer has not completed and/or maintained all of such improvements within said 14 days, the City shall have the authority, but shall not have the legal obligation, to take one or more of the following actions:

- The City may draw the funds from the letter of credit or other securities posted and enter upon the Development through its officials, employees, agents, and/or contractors and complete and/or maintain the improvements, or restore the Property or areas disturbed by the Development. In such event, all costs and expenses incurred shall be paid from the proceeds of the funds drawn on the letter of credit or otherwise obtained from the performance guarantee posted. Any amounts of unused proceeds of the performance guarantee shall be returned to Developer, or otherwise be credited, as the case may be. Developer, and all of Developer's officers, employees, consultants and agents, shall be obligated to act and work in cooperation with the City to bring about completion and/or maintenance of the improvements as contemplated in this Agreement, or restoration, and shall provide the City with all drawings, contracts, documentation, public and private correspondence, agreements and other materials relating to any such improvements, restoration and/or maintenance. Notwithstanding other provisions to the contrary, in the event the City receives a notice of termination from Bank with regard to the letter of credit, or from any other securing party as to performance guarantee posted pursuant to this Agreement, and the improvements and/or maintenance itemized in Paragraph 3, above, have not been completed or fulfilled as required by this Agreement, the City shall be entitled to immediately draw the funds from the letter of credit or other performance guarantee posted, without notice to Developer, and proceed as specified in this paragraph.
- (b) The City may issue a stop work order as to any or all aspects of the Development, deny the issuance of any requested building permit or certificate of occupancy, as applicable, and suspend further inspections of any or all aspects of the Development.
- (c) The City may, but is not required to, initiate a lawsuit for purposes of enforcing and achieving full compliance with the terms and provisions of this Agreement. In the event that the City is awarded relief in such suit, the Developer shall pay all court

costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.

(d) The City may, in its discretion, in accordance with the provisions of Chapter 26.5, grant Developer additional time beyond the time periods reference in Paragraph 4, in accordance with the provisions of Chapter 26.5 of the City of Novi Code of Ordinances, which provisions may be amended from time to time.

6. Additional Liability

Developer shall also be liable for any costs and expenses incurred by the City in excess of the amounts posted by the Developer under this Agreement as well as any costs and expenses, including reasonable attorney fees, incurred by the City in any action and/or litigation to enforce or collect such funds and/or to otherwise restore the property and/or secure completion and/or maintenance of the improvements itemized in Paragraph 3, above, pursuant to the terms of this Agreement, in the event the City obtains any relief as a result of such lawsuit. The liability of Developer in such regard, if unpaid after 30 days of a billing sent to Developer at its last known address, may be secured by the City recording a lien on the Property, effective as of the date the City is authorized to proceed with the completion and/or maintenance of improvements, or restoration, as provided in this Agreement, and all such unpaid amounts may be placed on the delinquent tax roll of the City as to the Property, and shall accrue 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 real property taxes. In the discretion of the City, such costs and expenses may also be collected by suit initiated against the Developer, and in the event the City is awarded relief in such suit, the Developer shall pay all court costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.

7. Rebate or Reduction of Performance Guarantee

The City shall not release a performance guarantee until (1) all fees that are due to the City have been paid; (2) a maintenance guarantee has been posted, if applicable; (3) inspection of the development site has been performed when required (4) expired permits have been re-newed; and (5) the City has determined that the conditions and requirements of the permit/approval otherwise specified in the performance guarantee have been met and final approval of same has been granted.

The City may, after performing a site inspection at the written request of an applicant, rebate or reduce portions of a performance guarantee upon determination by the City, in its sole discretion, that the improvements and/or actions for which that performance guarantee was posted have been satisfactorily completed in accordance with the approved plans, any temporary certificate of occupancy, and all other applicable laws, regulations, and ordinances. At no point shall the amount of the performance guarantees held by the city be less than two hundred (200) percent of the cost to complete the remaining required improvements on the property. The applicant is responsible for the actual cost of inspections requested pursuant to this section.

8. Binding Effect

This Agreement shall run with the land constituting the property described on Exhibit A and shall be binding upon and inure to the benefit of the City and Developer and to their respective heirs, successors, assigns and transferees.

9. Owner's Warranty on Ownership

Developer hereby warrants that it is the owner of the Property described on attached Exhibit A, and that it, and Developer have the full authority to execute this Agreement.

10. Delay in Enforcement

A delay in enforcement of any provision of this Agreement shall not be construed as a waiver or estoppel of the City's right to eventually enforce, or take action to enforce, the terms of this Agreement.

11. Severability

Each covenant, requirement, obligation and provision contained herein shall be considered to be an independent and separate covenant and agreement, and, in the event one or more of the covenants, requirements, obligations or provisions shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, all remaining covenants, requirements, obligations and provisions shall nevertheless remain in full force and effect.

12. Lawful Document

Owner, Developer and City agree that this Agreement and its terms, conditions, and requirements are lawful and consistent with the intent and provisions of local ordinances, state and federal law, and the Constitutions of Michigan and the United States of America. Developer has offered and agreed to complete the on-site and off-site improvements, at their cost and expense, as specified in this Agreement. Developer has offered and agreed to complete such improvements, and to proceed with other undertakings and obligations as set forth in this Agreement in order to protect the public health, safety and welfare and provide material advantages and development options for the Developer, all of which improvements and obligations Developer and the City agreed were roughly proportional to the burden imposed and necessary in order to ensure that public services and facilities necessary for or affected by the Development will be capable of accommodating the development on the Property and the increased service and facility loads caused by the Development, to protect the natural environment and conserve natural resources, to ensure compatibility with adjacent uses of land, to promote use of the Property in a socially, environmentally and economically desirable manner, and to achieve other reasonable and legitimate objectives of the City and Developer, as authorized under applicable City ordinances and the Home Rule City Act, MCL 117.1, et seq. Furthermore, Developer fully accepts and agrees to the final terms, conditions, requirements, and obligations of this Agreement, and Developer shall not be permitted in the future to claim that the effect of this Agreement results in an unreasonable limitation upon use of all or any portion of the Property, or claim that enforcement of this Agreement causes an inverse condemnation or taking of all or any portion of such property. It is further agreed and acknowledged that the terms, condition, obligations, and requirements of this Agreement are clearly and substantially related to the burdens to be created by the development of the Property, and are, without exception, clearly and substantially related to the City's legitimate interests in protecting the public health, safety, and general welfare.

13. Applicable Law

This Agreement shall be interpreted and construed in accordance with Michigan law, and shall be subject to enforcement only in Michigan courts.

14. Current and Future Owners and Developers.

As used in this Agreement, the term "Developer" shall mean and include the undersigned party designated herein as developer and owner of the Property, as well as all future and successor persons and entities that become owners and developers of all or any portion of the Development property in the future until such time as all phases of the Development have been completed and approved.

15. Headings.

The headings contained herein are for the convenience of the parties and are not to be used in construing or interpreting this Agreement.

16. Effective Date.

This Agreement is deemed effective as of the date first written above.

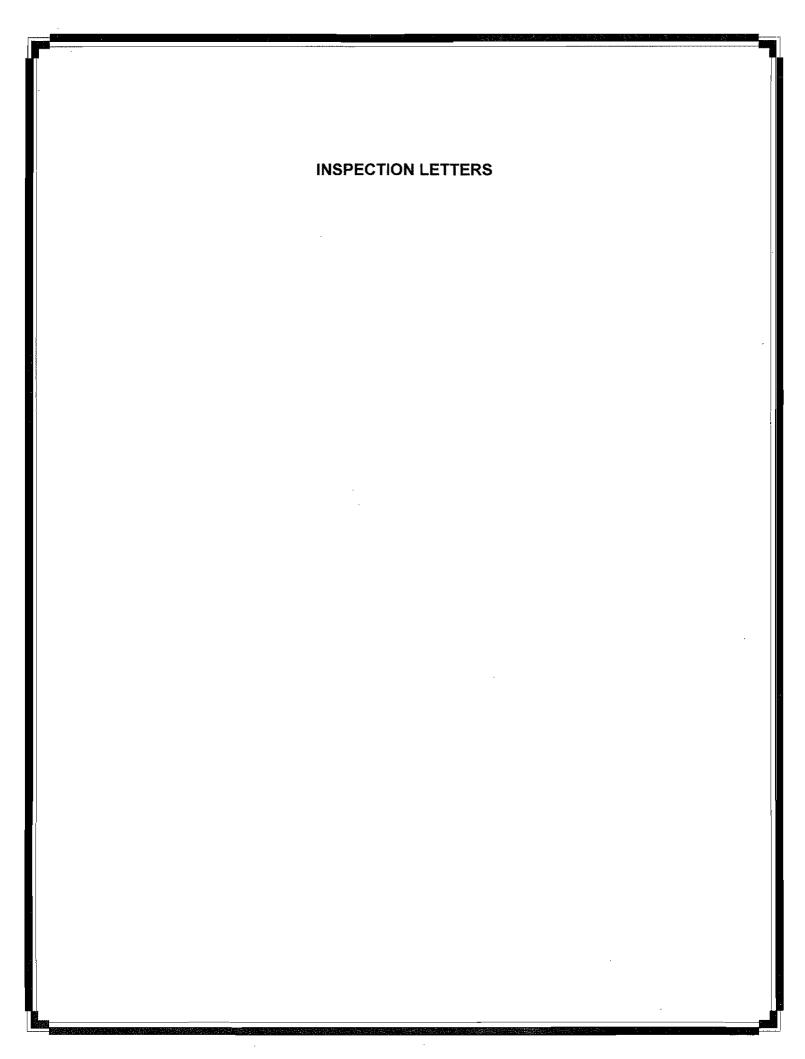
"DEVELOPER"

BOLINGBROKE SINGH, LLC, a Michigan limited liability company

By: Singh General Corp., a Michigan Corporation. Its: Manager

By: G. Michael Kahm Its: Vice President

	E OF MICHIGAN))ss NTY OF OAKLAND)	
200_,	The foregoing instrument was acl	knowledges before me thisday ofo
		Notary Public Oakland County, Michigan My Commission Expires:
		"CITY": CITY OF NOVI a Michigan municipal corporation
		BY:
		BY:
	E OF MICHIGAN)) SS ITY OF OAKLAND)	
		ledged, signed and sworn to before me on this day, Mayor and, Clerk of the City of
Novi.		
-	Public County, Michigan mmission Expires:	
C:\NrPort	tbl\imanage\BKUDLA\997034_1.DOC	





SPALDING DEDECKER ASSOCIATES, INC.

905 South Boulevard East • Rochester Hills • Michigan 48307 • Tel 248 844 5400 • Fax 248 844 5404

October 26, 2007

Ms. Marina Neumaier Assistant Finance Director City of Novi 45175 W. Ten Mile Road Novi, MI 48375-3024

Re: Bolingbroke Estates

Novi SP: 04-43

Completion Agreement Site Inspection

SDA Job No.: NV05-203.OC

Dear Ms. Neumaier:

Per your request, SDA has performed a site inspection for the proposed development, Bolingbroke Estates, on October 24, 2007 to verify completion of the public utilities, grading, and paving as shown on the approved plans for this project. As a result of the site inspection and review of SDA inspection records, we recommend that the Incomplete Site Work Financial Guarantee be increased from \$1,241,269.50 to \$1,601,220, this includes the City of Novi 2.0 multiplier. This increased amount is based on the following list of site improvement items to be completed prior substantial completion of the project.

1.	Completion of Remaining Sanitary Sewer	\$107,611
2.	Installation of Storm Sewer	\$251,887
3.	Installation of Water Main	\$106,925
4.	Installation Pavement and Curb in Public ROW	\$324,187
5.	Installation of Sidewalks, Paving, Grading and Miscellaneous	\$10,000
	Total (Subtotal*2.0)	\$1,601,220

Please note that items related to the permits issued for this project are not addressed with this site inspection. The appropriate City staff or consultants will need to address these issues with the City of Novi.

Sincerely,

SPALDING DEDECKER ASSOCIATES, INC.

Ted Meadows
Construction Manager

TMM



SPALDING DEDECKER ASSOCIATES, INC.

905 South Boulevard East • Rochester Hills • Michigan 48307 • Tel 248 844 5400 • Fax 248 844 5404

Cc: Aaron Staup, City of Novi – Engineering Department, CE Coordinator (e-mail)

Sarah Marchioni, City of Novi - Building Department Clerk (e-mail)

Sheila Weber, City of Novi - Bond Coordinator (e-mail)

Benny McCusker, City of Novi – Director of Public Works (e-mail)

Tim Sikma, City of Novi – Water & Sewer Manager (e-mail)

David W. Bluhm, PE, SDA (e-mail)

SDA CE Job File

SDA Chronoligical File

Engineering Consultants



SPALDING DEDECKER ASSOCIATES, INC.

905 South Boulevard East • Rochester Hills • Michigan 48307 • Tel 248 844 5400 • Fax 248 844 5404

January 4, 2008

Ms. Marina Neumaier Assistant Finance Director City of Novi 45175 W. Ten Mile Road Novi, MI 48375-3024

Re: Bolingbroke Estates

Novi SP: 04-43

Storm Water Detention System Inspection

SDA Job No.: NV05-203.OC

Dear Ms. Neumaier:

This letter serves to officially notify you that we have reviewed the status of the storm water detention systems including storm sewer piping, detention basin(s) and outlet control structure(s) for Bolingbroke Estates. As a result of this review we recommend the Performance Guarantee amount be increased from \$239,738 to \$479,476, this includes the City Multiplier of 2.0. This will ensure that construction of the detention basin will occur per the City of Novi approved plans.

If you have any questions, please do not hesitate to contact us at our office.

Sincerely,

SPALDING DEDECKER ASSOCIATES, INC.

Seudows

Ted Meadows

Construction Manager

TMM

Cc: S

SDA CE Job File

SDA Chronoligical File

PLANNING COMMISSION MINUTES APPROVAL OF PRELIMINARY SITE PLAN

PLANNING COMMISSION REGULAR MEETING WEDNESDAY, OCTOBER 27, 2004 7:30 P.M. COUNCIL CHAMBERS - NOVI CIVIC CENTER 45175 W. TEN MILE, NOVI, MI 48375 (248) 347-0475

Present: Members John Avdoulos, Victor Cassis, Richard Gaul (arrived late), Lynn Kocan, David Lipski (arrived late), Mark Pehrson, Lowell Sprague, Wayne Wrobel

Absent: Member Andrew Gutman

4. BOLINGBROKE SITE CONDOMINIUMS, SITE PLAN NUMBER 04-43

The Public Hearing was opened on the request of Singh Development Company for Preliminary Site Plan, Woodland Permit and Storm Water Management Plan approval. The subject property is located at the intersection of Novi and Old Novi roads, north of 12½ Mile and is zoned R-4, Single Family Residential. The Applicant is proposing to develop the 19.783 acre parcel with 46 single family, detached residential site condominiums.

Planner Tim Schmitt located the property on an aerial photo. He said that this plan comes to Planning Commission after first being presented as Rezoning 18.630 earlier this year. It went before City Council and was approved in April 2004. The property was rezoned from R-A to R-4, single family residential, which was in compliance with the Master Plan for Land Use.

Mr. Schmitt said that the property is bordered on the east by Old Novi and Novi, and on the south by 12½ Mile. To the south is Charneth Fen and Carlton Forest. To the north are the subdivisions surrounding Shawood Lake.

The property is zoned R-4, single family residential. To the north is R-A residential; further north is additional R-4 property. The entire area is master planned for R-4, single family residential. To the south is RM-1, low density low rise multiple family residential, with the PD-1 option. To the west is R-A. The east is zoned R-A and R-4, but is developed as a PUD.

The property has no regulated wetlands. There is a small wetland that was located through a field survey. The entire property is covered by light, medium and dense woodlands.

Mr. Schmitt said that the Planning Commission may wish to discuss items found in the reviews. The Planning Review offered no major comments. There are minor items to be addressed at the time of Final Site Plan submittal. The plan substantially conforms to the R-4 zoning district.

The Wetland Review indicates that a letter of authorization will be required for the minor encroachment in the area of lots three and four. This buffer encroachment is a slight grading impact to the tip of lot three; the Applicant is preserving that area. The Applicant will need to submit some additional information to the wetland consultant.

The Landscaping Review noted that the Applicant is proposing leaving the southern boundary in its natural state, preserving the woodlands and the character of 12½ Mile. The waiver of the berm is therefore requested. Additionally, there is a small area along Novi Road that does not have a berm in front of it. The Applicant is prepared to discuss some alternatives. A waiver or wall would be required.

The Engineering Review and the Traffic Review both noted that the sidewalk meanders along 12½ Mile and so a Design and Construction Standards Waiver is required. Internally this has been discussed and it was determined that the Applicant should go through the motions of requesting the waiver. The sidewalk is entirely within the right of way; it is designed as a meandering trail so as to save some additional trees. Given the character of the road, Staff is supportive of this request.

The Fire Department Review made no comment.

The Woodland Review noted some fairly important items. Mr. Schmitt, Doris Hill of Vilican Leman and the Applicant met to discuss these issues. Their response letter is an accurate reflection of the items discussed. There was some discrepancy on how certain things were being classified. There are a substantial amount of ash trees on this site. The Applicant notes this, as indicated in red in their plans. This property does not have the greatest quality of woodlands.

Mike Kahm of Singh Development represented the Applicant. He said that Mr. Schmitt was accurate in describing the various Bolingbroke issues. He wanted to provide the Planning Commission with a better understanding of Singh's commitments based on the meeting he attended regarding the woodlands. Mr. Kahm said that Mike Barger of Mike's Tree Surgeons performed the Tree Survey and was available for comment at this meeting.

Mr. Kahm said this is a distressed forest with a substantial amount of ash trees. Mr. Kahm said they will provide additional woodland buffers, particularly along the northern property line. They proposed a twenty-foot preservation park along the northern boundary. They have agreed to add a fifteen-foot preservation easement along the rear of the lots that abut the neighbors to the north. There will be a total of 35 feet for the buffer, and along the north, and it actually extends to the west.

Mr. Kahm said the purple areas on the plans represent the additional buffer. He pointed to an island that is being preserved.

Mr. Kahm said that they are requesting the berm waiver because the road has been deemed a natural beauty road and has a beautiful woodland canopy. They would like to preserve that. Placing the berm means removing 22 additional regulated trees and understory.

Mr. Kahm said that they would consider berming the other area mentioned by Mr. Schmitt. He said that they did not propose this on their plan because of the grade of the property in comparison to the grade of the road. There is a four to five foot difference. From the road, it looks like a berm. They felt that the intent of the Ordinance was already met.

Mr. Kahm said they would correct any discrepancies in their tree survey, based on the comments made at the woodland meeting. Mr. Kahm said that the sidewalk waiver is meant to save the natural beauty.

Chair Kocan opened the floor for public comment:

Angle Bruder, 195 Pleasant Cove: Wanted to ensure that the natural beauty of the area is kept. She was happy with the 35-foot buffer.

Member Pehrson read the correspondence into the record:

Ronald Baer, 44000 W 12½ Mile: Requested that his property be zoned to R-4, have access to the sanitary sewer line and the Stormwater Management that will serve this parcel.

Sheila Kozak, 28381 Carlton Way: Objected because the country lane atmosphere of 12½ Mile will be lost.

Glenn and Carrie Schoening, 150 Pleasant Cove: Objected because the aesthetics of the area would change, and they said they didn't get notified of the rezoning request, and were also told the R-4 request would not happen.

Tim Chu, 28385 Carlton Way: Objected for traffic reasons.

Qing He, 28385 Carlton Way: Objected because he preferred to preserve the woods.

Judith Chamberlain, 28384 Carlton Way: Objected because there is too much building in the area. There are traffic problems. They will destroy the wetlands and woods. They have no wetland/woodland protection plans.

John Chamberlain, 28384 Carlton Way: Objected for same four reasons.

Chair Kocan closed the Public Hearing.

Member Cassis asked for clarification of the berm issues. Mr. Kahm said the one is for the length of 12½ Mile. The other is located at the southeast corner where the detention basin is. The road is lower by four to five feet. Member Cassis concurred. He asked if there were any trees in the area. Mr. Kahm said there are some. George Norberg of Seiber Keast said that there are two, three or four trees that will be removed for the detention basin. The right of way grade is at 960 elevation. The road is near 953 elevation. Once the basin is put in, the top of the hill-will be lowered slightly. There will still be about a four-foot difference. The viewshed from the subdivision will appear as a horizon.

Member Cassis asked what landscaping would be provided around the basin. Mr. Kahm said it would be extensive.

Member Cassis said that based on Mr. Schmitt's comments, he felt assured that the Applicant is really working diligently with the City. He had no objection to the southerly berm waiver; he preferred natural beauty to manmade symmetrical berms. He had no objections to the north side waiver request. He felt the Applicant has provided a lot of "purple" buffer land, which is pleasing. Member Cassis had no problem with the meandering sidewalk design, especially if it helps preserve trees. At this time he approved of the plan.

Member Pehrson asked about the hydrological integrity of the wetlands. He wondered if the Applicant's response letter adequately addressed the wetland consultant's comments. Mr. Schmitt replied that the small wetland pocket behind lots three and four is minor. Impacting their buffer is not prohibited. He said that Dr. Tilton was just asking that the impact be minimal, eliminated if possible. The additional fifteen feet essentially eliminates the problem. There are some minor grading impacts to the edge, but the integrity of the buffer is being maintained. Mr. Schmitt said that the Applicant will not be building out an acre and a half that flows to this wetland. They are proposing enough impervious surface with this plan, that this land is expected to remain, and maintain the integrity of the wetland. Mr. Kahm said that the water flows to the south. Some of the lawns may drain in that direction, but the downspouts and sump pumps will not. It will have more of an agricultural runoff, to mimic more closely what is happening there now.

Member Pehrson felt the meandering sidewalk suits the area. He felt that it was the Planning Commission's responsibility to be cognizant of when a standard, e.g., a berm requirement, may not be the best choice. Member Pehrson liked the natural setting of the plan.

Member Pehrson asked about a conservation easement. Mr. Kahm said that there are permanent park areas along the north and south. They are putting an additional fifteen feet behind the lots.

Member Pehrson asked about the decorative wall, and whether it suited the natural topography in the area. Landscape Architect Lance Shipman said that there is berming behind the wall. From Novi Road it will appear as the wall is laid into the berm as opposed to sitting on top of it. This is a four-foot wall. Mr. Schmitt said this four-foot wall seems to be a standard request from developers lately. It seems to be a height that is attractive but not obtrusive. Member Pehrson did not have a problem with the wall.

Member Lipski said that there is a long stream of odd buildings in this area – a garage, a rundown office building, a liquor store. He said this Applicant is proposing an upscale development that will evolve this area into a more attractive location.

Member Avdoulos asked Ms. Hill about the woodland meeting. She replied that the meeting did go well. Although the property doesn't seem to have a high-quality woodland (emerald ash borer and Dutch elm disease), the Applicant and the City were able to come to terms with the terms of the Woodland Ordinance and how to apply it to this property. She was pleased with the additional fifteen feet. She was pleased they were willing to look at alternative grading. She said that this is a Type B Habitat, which means it has a medium level of diversity. Strangely enough, the less than perfect woodlands oftentimes provide the best habitat. Birds like to live in the shrubby areas. She said this woodland is very diverse. Ms. Hill said that prior to Final Site Plan submittal she would like to work with the Applicant on where tree replacements might go. She would like to enhance the north and east sides of the property.

Member Avdoulos said it is important to the Planning Commission that Applicants work diligently with the City on their plans. He was happy that a neighbor has voiced support for the plan.

Member Avdoulos thought the meandering sidewalk design was fine. He asked whether the Bolingbroke Drive would serve as the main entrance, and the 12½ Mile entrance would be secondary. The Applicant said the goal would be to keep the character the same on 12½ Mile, but still provide some modest identity for that entrance.

Member Avdoulos asked whether the four-foot wall was designed as such so as to carry the name of the subdivision. He did not mind the four-foot design. Mr. Kahm said that there is also a berm, so the wall becomes a retaining wall, as well as the entry and signage wall.

Member Avdoulos asked if the entry landscaping is part of the adjacent lots. Mr. Kahm responded, yes, to some extent. He said there are "greenbelt easements" on those lots, and the purchasers of those lots already have the landscaping within that easement, and it will be maintained by the association.

Chair Kocan said that this area is designated as a high wildlife area. She asked if the preservation proposed allows the wildlife to travel. Ms. Hill responded that it allows for minimal travel along one side. Wildlife tends to steer away from a development once construction begins. Her guess is that there isn't much wildlife traveling toward the intersection. This development will unfortunately impact the wildlife. Ms. Hill said the large park to the north will maintain some travel lanes. There are some travel areas on the other side of the road. Development pushes the animals out.

Chair Kocan was disappointed in the amount of trees being removed. She understood that as long as the Applicant replaced them, nothing could be done.

Chair Kocan confirmed that Vilican Leman and the Applicant have come to an agreement on the exempt status of the trees. Ms. Hill said that there is evidence of Dutch elm disease, and she trusted Mike's judgment on those trees. Vilican Leman is going to allow the exemption of those elm trees that fall into the poor and very poor category, as well as the ash trees. Ms. Hill said that they have requested the Applicant leave the fallen trees in the preservation areas, unless they are a hazard.

Chair Kocan said that the Applicant has indicated the preserve area will be added to lots 17, 18, 33 and 34. She thought it should probably have been 34 and 35. Mr. Schmitt replied that the preservation area will be in and around the area of lots 17, 18, 19, 33, 34 and 35. The exact location will be determined at the time of grading.

Chair Kocan asked if Ms. Hill was involved in the soil erosion planning. Ms. Hill said that when the silt fence is not maintained, siltation goes into the woods and that becomes a problem. Silt can kill a tree. This is a construction issue that she works on with Ayres Lewis on the monitoring of this item. Chair Kocan said the motion will likely request that the Applicant continue working with the woodland consultant with regard to the woodland permit.

Chair Kocan asked about lots 1 and 25, and whether the berms are on these lots. Mr. Shipman said that it is not an unusual practice on lots that abut the entrance. The Applicant will be required to label the non-access greenbelt labeled on the plans, which would indicate the area that needs to be preserved as a non-access greenbelt. Other subdivisions have also been designed in the manner. As long as the berm does not impinge on the building footprint, there is not an immediate concern with that design. Lot 1 is an example of how the side yard is enlarged in order to accommodate that berm. This is a common practice in tight subdivisions.

Chair Kocan asked if the landscaping would be placed prior to those lots going up for sale. Mr. Shipman said the landscaping would be in before the home is constructed. Mr. Kahm agreed that the berm would be in so that the future owners know.

Chair Kocan asked about the width of 12½ Mile, which is very narrow. Talk has been made of widening the road to twenty feet. She asked if this is something the Applicant could volunteer to do or that the City is required to do. Mr. Schmitt said that the City is not asking the Applicant to widen the road, but to grade the road to the proper profile. There is a portion of the road that is fine, but along the edges it has eroded over time and is not as stable as it should be. The intention is to have the Applicant grade the road to a twenty-foot wide standard section, at a minimum from their entry out to Novi Road. This is for safety purposes. It wouldn't affect the right of way. It may impact the surrounding trees, which is a concern to be looked at when the Final Site Plan comes in.

Mr. Kahm said that this issue has not really been discussed at this time. He agreed that Singh could look at it, but he did not want to impact negatively the trees that they are trying to preserve. As long as the two don't conflict (fixing the road and preserving the trees), he said Singh could try to work on the grading of the road. He further commented that he would like to know what will happen to 12½ west of this development – is the twenty-foot wide grading just going to stop?

Mr. Schmitt said that the issue is ancillary at this time. He agreed with Mr. Kahm, that if the natural beauty of the road is meant to be protected, this project might not be possible.

Chair Kocan said that traffic must be considered. She suspected that a lot of traffic will use 12½ Mile. She said it was a health, safety and welfare issue in her opinion. She was looking for widening of the road wherever possible and wherever appropriate.

Chair Kocan confirmed that the construction entrance will be off of 12½ Mile. She said that this issue must be looked at. She confirmed with Mr. Schmitt that a requirement of the City is that the road must be returned to original state after construction.

Chair Kocan did not have a problem with the detention basin corner not having the berm. She said it was in the purview of the Planning Commission to make this decision based on elevation changes.

Chair Kocan asked if the plan is short four ornamental trees. Mr. Shipman said the Applicant was not seeking a waiver, so he assumed they are trying to work those trees into the next generation of plans.

Chair Kocan commented that this development will be single family residential, not attached condos. She continued that the Public Hearing was held at the Planning Commission level for the rezoning, and the plan then went on to City Council.

Chair Kocan said that there is never a promise to neighbors that they will be able to hook into new sewer lines. She wished to have that comment on the record.

Moved by Member Pehrson, seconded by Member Cassis:

In the matter of the request of Singh Development Company for Bolingbroke, SP04-43, motion to grant approval of the Preliminary Site Plan subject to: 1) A Design and Construction Standards Waiver for the meandering sidewalk along 12½ Mile in order to preserve the existing woodlands; 2) A Planning Commission Waiver for the right-of-way berm along 12½ Mile in order to preserve existing woodlands and character of the road; 3) Resolution of outstanding woodland issues, not limited to but should include the determination of final tree placement, which trees are to remain on the site that are currently dead, and maintaining and further enhance the "purple" areas on the site plan; and 4) The Applicant working with the City to determine the best methodology for grading the road to an acceptable twenty-foot standard section from the entrance to Novi Road, along 12½ Mile, if it does not impact the natural tree line, set to the current Novi Design and Construction standards; for the reasons that the plan is consistent with the current zoning and Master Plan for Land Use.

DISCUSSION

Chair Kocan asked if the Planning Commission Waiver for the berm is necessary for the southeast corner of 12½ Mile at the detention basin because of the elevation of the property. Mr. Shipman responded that it is not a waiver, but a reduction of the requirement. Member Pehrson and Member Cassis agreed to the change.

ROLL CALL VOTE ON BOLINGBROKE, SP04-43, PRELIMINARY SITE PLAN MOTION MADE BY MEMBER PEHRSON AND SECONDED BY MEMBER CASSIS:

In the matter of the request of Singh Development Company for Bolingbroke, SP04-43, motion to grant approval of the Preliminary Site Plan subject to: 1) A Design and Construction Standards Waiver for the meandering sidewalk along 12½ Mile in order to preserve the existing woodlands; 2) A Planning Commission Waiver for the right-of-way berm along 12½ Mile in order to preserve existing woodlands and character of the road; 3) Resolution of outstanding woodland issues, not limited to but should include the determination of final tree placement, which trees are to remain on the site that are currently dead, and maintaining and further enhance the "purple" areas on the site plan; 4) The Applicant working with the City to determine the best methodology for grading the

road to an acceptable twenty-foot standard section from the entrance to Novi Road, along 12½ Mile, if it does not impact the natural tree line, set to the current Novi Design and Construction standards; and 5) Reduction of the berm requirement at the southeast corner at the location of the detention basin due to the changes in elevation; for the reasons that the plan is consistent with the current zoning and Master Plan for Land Use.

Motion carried 6-0.

Moved by Member Pehrson, seconded by Member Avdoulos:

In the matter of the request of Singh Development Company for Bolingbroke, SP04-43, motion to grant approval of the Woodland Permit subject to: 1) The resolution of the outstanding issues; and 2) The comments on the attached review letters; for the reason that it meets the intent of the City's Woodland Ordinance.

DISCUSSION

Chair Kocan asked that, "Addition of the preservation area is to include lot 35," be added to the motion. She asked that, "The Applicant work with the Woodland Consultant on the placement of the tree protection fencing and additional woodland replacements," be added to the motion. She asked that, "The Applicant providing the additional preservation as depicted in purple on the plan that was brought to the meeting." Member Pehrson and Member Avdoulos accepted those changes.

ROLL CALL VOTE ON BOLINGBROK, SP04-43, WOODLAND PERMIT MOTION MADE BY MEMBER PEHRSON AND SECONDED BY MEMBER AVDOULOS:

In the matter of the request of Singh Development Company for Bolingbroke, SP04-43, motion to grant approval of the Woodland Permit subject to: 1) The resolution of the outstanding issues; 2) The comments on the attached review letters; 3) The addition of the preservation area is to include lot 35; 4) The Applicant working with the Woodland Consultant on the placement of the tree protection fencing and additional woodland replacements; and 5) The Applicant providing the additional preservation as depicted in purple on the plan that was brought to the meeting; for the reason that it meets the intent of the City's Woodland Ordinance.

Motion carried 6-0.

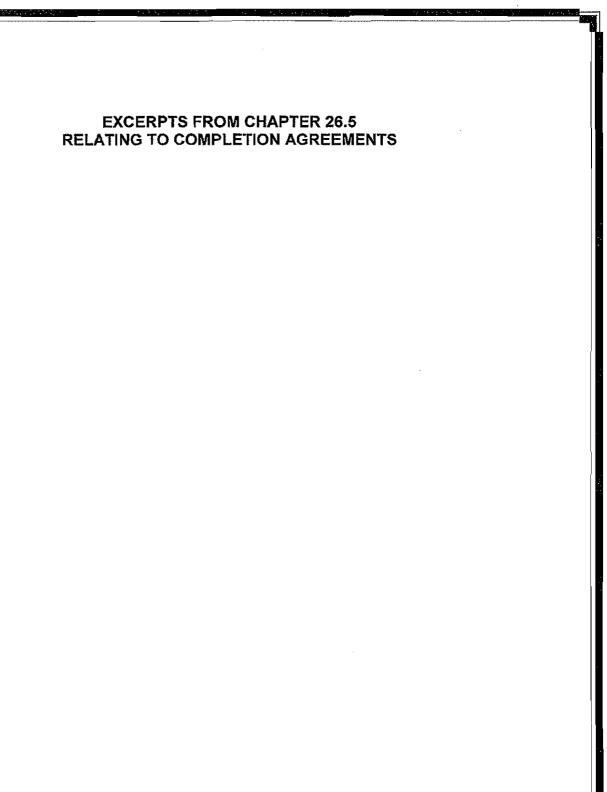
Moved by Member Pehrson, seconded by Member Wrobel:

ROLL CALL VOTE ON BOLINGBROKE, SP04-43, STORMWATER MANAGEMENT PLAN MOTION MADE BY MEMBER PEHRSON AND SECONDED BY MEMBER WROBEL:

In the matter of the request of Singh Development Company for Bolingbroke, SP04-43, motion to grant approval of the Stormwater Management Plan subject to the comments on the attached review letters being addressed at the time of the Final Site Plan review.

Motion carried 6-0.

MATTERS FOR CONSIDERATION



Excerpts from Chapter 26.5 relating to Completion Agreements

Sec. 26.5-5. Authorization.

- (a) Subject to the provisions of article IV of this chapter, and as set forth in the various provisions of this Code, the department is authorized to require all applicants constructing improvements under any permits and approvals granted pursuant to this Code to post a performance guarantee with the director to guarantee completion of all required improvements in accordance with this chapter.
- (b) Notwithstanding any provision of any other chapter of this Code with regard to issuance of permits for specific improvements, performance guarantees shall require actual construction and installation of all required improvements within two (2) years after the issuance of the initial permit, together with the posting of necessary bonds therefor, for any improvements listed in subsection (a) above, or within six (6) months after a temporary occupancy permit has been issued for any structure on the property, whichever is shorter or occurs first. The time limit may be extended for six (6) months at the director's discretion, upon determination that work is proceeding toward completion and that the delay is not dilatory or unreasonable under all the circumstances. In reaching this determination, the director shall only take into consideration weather conditions or delays in securing required approvals/permits from other regulatory agencies. The request for extension shall be in writing, accompanied by a schedule for completion of all remaining work. At the time an extension is requested, a site inspection will be conducted, with the cost of such inspection being the direct responsibility of the applicant, to confirm work remaining on the site. If an extension is requested for reasons other than weather conditions or delays in securing required approvals/permits from outside regulatory agencies or a further extension is requested, approval of the city council shall be required, together with a written completion agreement pursuant to section 26.5-12. If an extension is granted, a revised performance guarantee shall be posted in an amount no less than two hundred (200) percent of the cost of the work to be completed. In all events, however, the work must be completed at the time ninety (90) percent of the building permits have been issued or within four (4) years after the issuance of the initial permit.

(Ord. No. 04-173, § 1, 9-13-04)

Sec. 26.5-12. Exceptions; written completion agreement required.

The city council may authorize exceptions to the requirements and conditions as set forth in this chapter. The city council may also authorize the issuance of permits, approvals, or temporary certificates of occupancy before all requirements for issuance under this chapter have been met, where the applicant has demonstrated that unusual or unique circumstances exist, that work is proceeding toward completion, and that any delay in completion is not unreasonable or dilatory. In reaching this determination, the council shall consider such factors as the size and nature of the development project and the existence of matters beyond the control of the applicant (weather conditions, delay in securing permits/approvals from other regulatory agencies). If any such exceptions are granted, a written completion agreement may be required, in a form to be established by the city.

(Ord. No. 04-173, § 1, 9-13-04)





Bolingbroke Air Photo Map

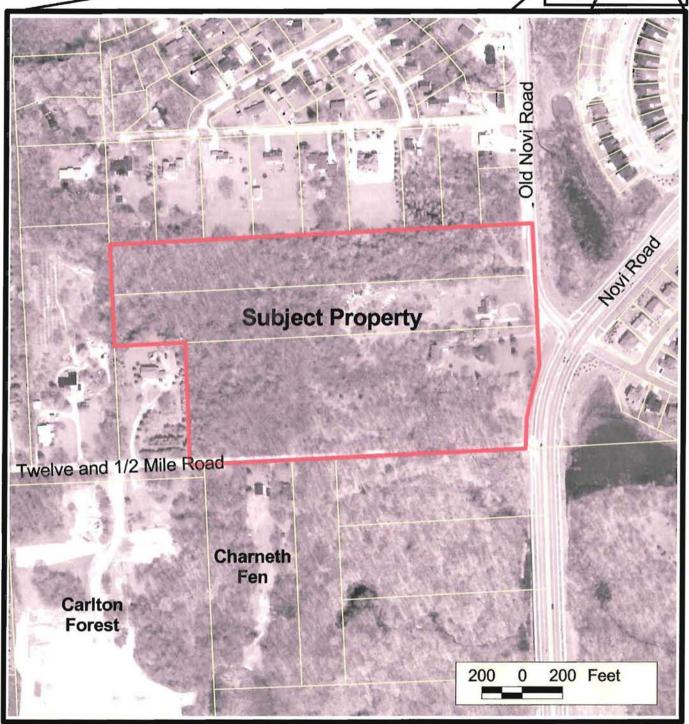
City of Novi, Michigan

Legend

Subject Property

Parcels









Bolingbroke Current Zoning

City of Novi, Michigan

Legend

Subject Property

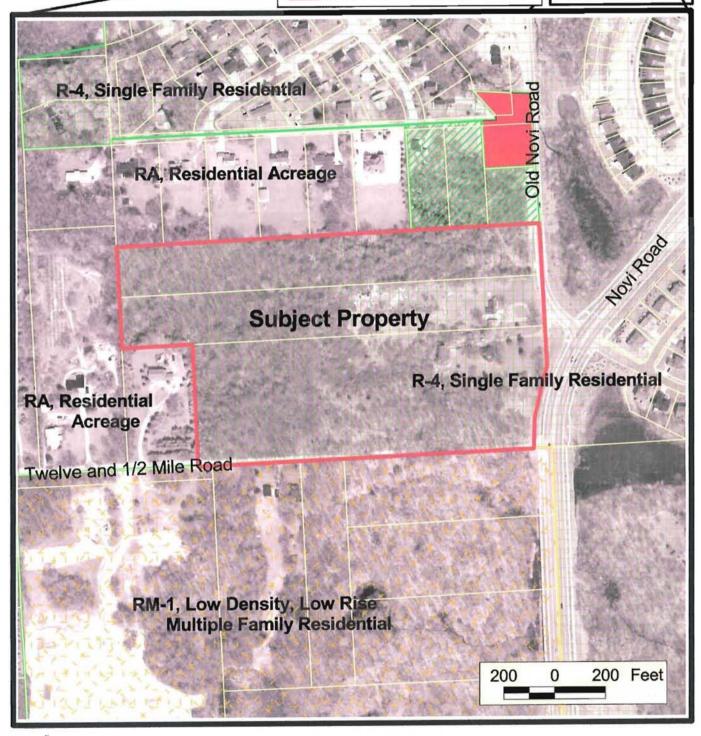
Parcels RA, Residential Acreage RM-1, Multiple Family

R-4, Single Family

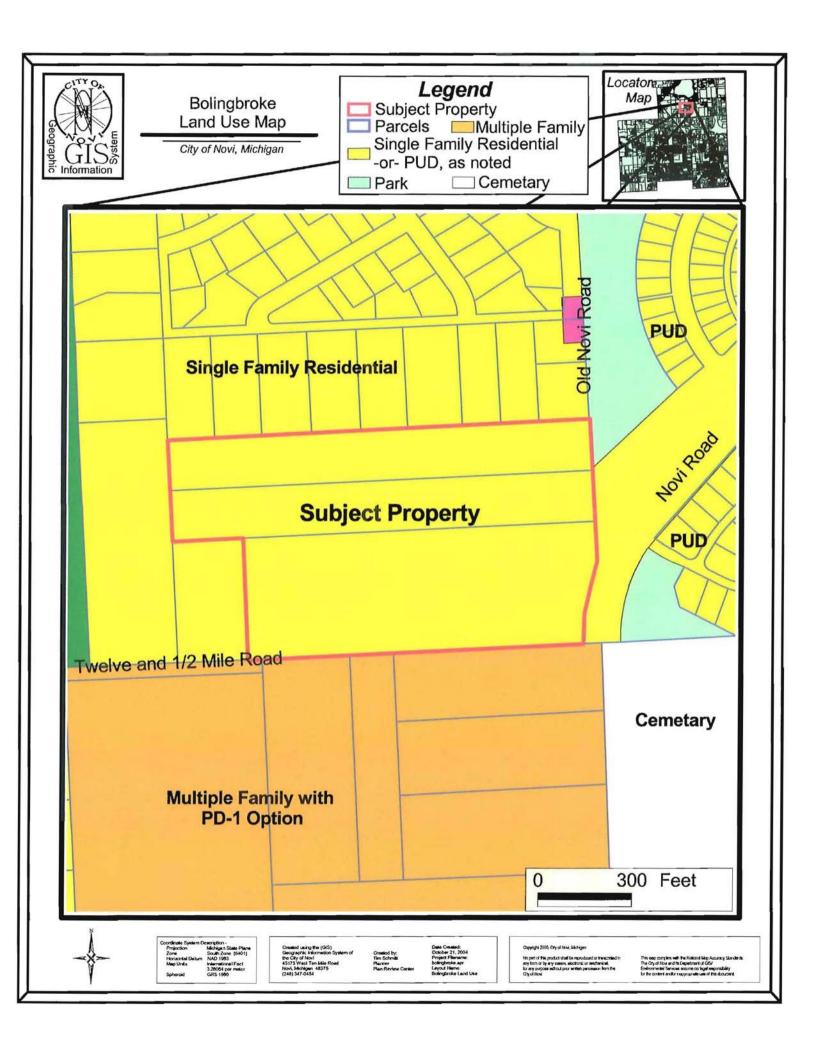
R-1

B-3, General Business











Bolingbroke Wetlands Map

City of Novi, Michigan

LegendSubject Property
Parcels Wetlands



