



CITY of NOVI CITY COUNCIL

**Agenda Item Q
November 14, 2016**

SUBJECT: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of one street light near the intersection of Alpine Drive and Beck Road to serve the Valencia South development; and approval of an agreement with, the Developer on behalf of the Homeowners Association for the sharing of installation costs per the City's Street Lighting Policy.

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

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$ 2,754.44 (Street Light Installations) \$ 518.78 (Street Light Operating Costs) \$ 3,273.22 TOTAL
AMOUNT BUDGETED	\$ 60,000.00 (Street Light Installations) \$ 151,000.00 (Street Light Operating Costs)
LINE ITEM NUMBER	101-442.00-924.050 (Street Light Installations) 101-442.00-924.000 (Street Light Operating Costs)

BACKGROUND INFORMATION:

The Valencia South Land, LLC on behalf of the Valencia South Estates Condominium Association (HOA) is requesting the installation of a street light within the City's right-of-way with decorative street lighting. The proposed street light will be located at Alpine Drive and Beck Road.

The Resolution for Amended Street Light Policy adopted September 24, 2012 states that the City will provide a standard street light in the public right-of-way at major road entrances of residential developments, such as Valencia South, to enhance public safety.

Engineering staff worked with Detroit Edison and the Association to determine the appropriate locations for street lights and to obtain estimated installation and ongoing operation costs. The new street light will be a underground fed standard cobra head fixture.

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 \$2,754.44 and an ongoing annual lamp charge of \$518.78 for operation and maintenance of the street light. As with all other street light installations the City pays Detroit Edison directly. A second agreement between the City and the Association is also provided for consideration to formalize the installation.

The agreements have been reviewed and recommended for approval by Engineering staff and the City Attorney.

RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of a street light near the intersection of Alpine Drive and Beck Road a to serve the Valencia South development; and approval of an agreement with Valencia South Land, LLC on behalf of the Valencia South Estates Condominium Association for the sharing of installation costs per the City’s Street Lighting Policy.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Burke				
Council Member Casey				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI

STREET LIGHTING AGREEMENT
FOR NEW SUBDIVISIONS

This Agreement is entered into this 3 day of Nov., 2016, by and between the CITY OF NOVI, a Michigan municipal corporation, whose address is 45175 Ten Mile Road, Novi, Michigan 48375 (the "City"), and VALENCIA SOUTH LAND, LLC, a Michigan LLC, ("Developer") whose address is 1668 S, Telegraph Rd, Ste 200, Bloomfield Hills, Michigan 48302 and the VALENCIA SOUTH ESTATES CONDOMINIUM ASSOCIATION, a Michigan Non-Profit Corporation, whose address is 1668 S, Telegraph Rd, Ste 200, Bloomfield Hills, Michigan 48302 created in accordance with the Master Deed for Valencia Estates South, Condominium ("Association").

RECITATIONS:

The Developer and the Association are the entities designated to administer the affairs of said subdivision..

The Developer, and/or the Association has requested the City to assist it in making a certain local public improvement consisting of the installation of 1 decorative street light at Beck Road and Alpine Drive, 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 and the Association are authorized to execute this Agreement, in accordance with the Master Deed for Valencia South Estates, recorded at Liber 49729, Page 408,

Oakland County Records, Oakland County Condominium Subdivision Plan number 2150, which shall be binding on the Association.

The City has obtained from the Detroit Edison Company ("DTE") an estimate for the installation and annual operation of said streetlight, requiring a charge for installation of the street lights of \$2,754.44 and an operating cost for the first year in the amount of \$518.78 ("Annual Operating Cost").

The City has agreed to assist the Developer/Association in facilitating the installation and operation of said street light with DTE.

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. The City shall pay the annual operating cost for the single street light.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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

VALENCIA SOUTH LAND LLC, a Michigan LLC, on behalf of the Association created in accordance with the Master Deed for Valencia Estates South PRO - Phase I Condominium



By:

Its: Land Development MGR.

Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of October 18, 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:	46081538	
	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 to Valencia South at the intersection of Beck Rd & Alpine Dr, 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 60 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	\$518.78	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$4,310.78
	Credit for 3 years of lamp charges:	\$1,556.34
	CIAC Amount (cost minus revenue)	\$2,754.44
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 Signature: _____	
10. Customer Address for Notices:	City of Novi 26300 Lee Begole Dr Novi, MI 48375 Attn: Jeremy Miller	

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]



October 4, 2016

City of Novi
Attn: Jeremy Miller
26300 Lee BeGole Drive
Novi, MI 48375

Re: Proposed Street Lighting – Valencia South Development near Beck Rd & Alpine Dr

We have completed our review of your request for street lighting and have prepared a cost estimate for the installation of 2 streetlights on 1 new post at Beck Rd & Alpine Dr. The proposed equipment is an underground fed acorn style 60 watt LED Granville fixture with black housing mounted on a Wadsworth black fluted post with decorative arm and concrete foundation.

The costs are based on the Option 1 Municipal Street Light rate, where DTE Energy installs, owns, and maintains the lighting system. The rate requires a portion of the construction cost be paid by the customer, which is determined by the following formula.

2 Street Lights mounted on 1 Post

Annual Operating Cost	\$518.78
Cost to construct	\$4,310.78
Three year revenue credit	(\$1,556.34)
Contribution from City of Novi	\$2,754.44

The price quoted shall be in effect for a period of six months from the date of this letter, after which these costs will no longer be valid. After installation the total cost for additional modification, relocation or removal will be the responsibility of the requesting party. Payment for the customer contribution must be made prior to the actual start of construction.

Please contact me for a Street Lighting Purchase Agreement if you would like to proceed with the above installation. If you have questions please call me at 734-397-4188.

Regards,

Lance Alley

Lance Alley
Account Manager
DTE Energy - Community Lighting



Know what's below.
Call before you dig



CABLE MARKER PLANNED FOR FIELD INSTALLATION

ALPINE DR

1

10 MILE

BECK

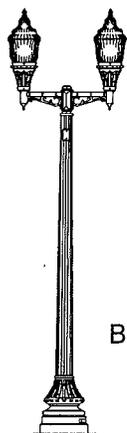
1275

9 MILE

WL 1:
IN: POST CODE 16B
IN: FOUNDATION TYPE 16A CONCRETE
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU407 -- 9000 NOVI -- O310 -- 535 -- B
IN: UG MULTIPLE LED 60 LW ACORN
IN: PC16B - BUTTON AND ADAPTER
L 60 AFU408 -- 9000 NOVI -- O310 -- 535 -- R

BECK RD

IROQUOIS CT



BLACK LW

BLACK CODE
16B

8 1/2 X 11

LEGEND

- SET NEW POLE
- CABLE POLE / RISERS
- POSITION OF SWEEP UP CABLE POLE
- BURIED PRIMARY CABLE (ALL VOLTAGES)
- BURIED SECONDARY CABLE
- SINGLE DUCT OCCUPIED
- DOUBLE DUCT 1 - OCCUPIED
- SINGLE DUCT-TO-BLIND END FOR FUTURE USE
- PAD-MOUNTED TRANSFORMER
- DIRECTION OF TRANSFORMER DOOR OPENING
- GUARD POST
- P.S.C. PRIMARY SWITCH CABINET
- S.C.C. SEPARABLE CONNECTION CABINET

DTE Energy

DTE Electric - Distribution Engineering and Planning

Service Planner		Work Order Description													
O'Dea, Charlotte A		CWO SI-NBUS - 2 UG - Valencia South - Beck & W 10 Mile - Novi													
Phone	734.397.4307	Work Order #	46090145	GIS-DSN	46090147	COH	CUL	CUG	46090161	46090163	PLC				
Supervisor	Brian R Kinnick	Circuit #1	TAHOE9510			Circuit #2	PH	SCMAT	46090159						
Service Center	WWS	Worksite City	NOVI		Worksite Twp	NOV		County	Oakland						
Phone	734.397.4024	JU Work to be Performed		JU		RSD									
Planning Engineer	JU Company		Contact	Email		Phone									
Phone	JU Company		Contact	Email		Phone									
CUE Number	666262	Ver	1	Plot Date	10/3/2016	Scale	NTS	Town	01N	Range	08E	Section	28	Qtr	