CITY OF NOVI CITY COUNCIL
OCTOBER 26, 2026

SUBJECT: Consideration of Amendment #3 to the Transit Enhancement Service Agreement with People's Express (PEX) to extend use of Civic Center office and parking space through December 31, 2027, at a rate of $2,100 per month.

SUBMITTING DEPARTMENT: Parks, Recreation and Cultural Services – Older Adult Services

KEY HIGHLIGHTS:

- Since July 1, 2024, PEX has been providing curb-to-curb public transportation services in Novi.
- The current facilities use agreement, as amended by Amendment #2, provides PEX with access to 200 square feet of office space and 20 designated parking spaces at the Novi Civic Center through December 31, 2026, at $2,000 per month.
- Amendment #3 extends the term through December 31, 2027, and increases the rent from $2,000 per month to $2,100 per month. The number of designated parking spaces remains unchanged at 20.
- The agreement continues to include a reimbursement provision: if PEX relocates to another (non-City owned) facility in Novi, the City will reimburse PEX for half of the rent paid from January 1, 2027, to the date the city facilities are vacated.
- PEX continues to work with a broker to secure a permanent property and long-term facility to accommodate their operational needs.

BACKGROUND:

PEX has used office and parking facilities at the Novi Civic Center since July 1, 2024. Initially, the space was provided at no cost. Beginning January 2025, PEX began paying rent of $450 per month for 200 square feet of office space and 14 parking spaces, which increased to $600 per month in July 2025. Amendment #2 extended the agreement through December 31, 2026, increasing the rent to $2,000 per month and the number of designated parking spaces to 20. Amendment #3 would continue the current arrangement for another year, with a $100 per month rent increase.

PEX remains in search of a permanent facility and continues to work with a broker to identify a suitable site. Sites that meet these criteria are still scarce in the region, and many would need substantial modification or development before they could be used. PEX is evaluating options to purchase, rent, lease, or lease-to-own, and is currently pursuing grant funding to support the improvements a suitable property would require.

RECOMMENDED ACTION: Approval of Amendment #3 to the Transit Enhancement Service Agreement with People's Express, extending the use of Civic Center office and 20 parking spaces through December 31, 2027, with rent at $2,100 per month.

AMENDMENT #3 TO
TRANSIT ENHANCEMENT SERVICE AGREEMENT
FOR
USE OF CITY FACILITIES

This Amendment #2 to the Transit Enhancement Services Agreement for Use of City Facilities is between the City of Novi, a Michigan municipal corporation located at 45175 Ten Mile Road, Novi, Michigan 48375, ("City") and People's Express Inc., a 501(c) 3 nonprofit organization with its principal place of operation located at 175 Barker Road, Whitmore Lake, Michigan 48189. ("Transit Provider"). This Amendment shall be effective on the date that both Parties sign it. ("Effective Date")

In consideration of the mutual covenants promises made herein, and other valuable considerations, receipt of which is hereby acknowledged the Parties do hereby bind themselves to the terms and conditions of this Amendment.

1. Amendment Purpose: The purpose of the Amendment is to extend the term of the Agreement from December 31, 2026 to December 31, 2027 and to revise the rent to include payment for additional parking spaces.

2. The following sections of the Agreement shall be amended:

Section 3.1 Term and Termination: Shall be amended to delete the prior wording and replace it with the following wording:

> The services shall begin on January 1, 2027, at 12:01 a.m., and shall continue until December 31, 2027, at 11:59:59 p.m., unless terminated or extended as provided below.

Section 2.1.2 Parking

Section 4.2 Rent: Shall be amended to delete the prior wording and replace it with the following wording:

> The Parties acknowledge that Transit Provider is seeking other accommodations for its operations, and it is not expected to use City Facilities indefinitely. From January 1, 2027, until the Termination Date provided in Section 3.1 above, Transit Provider shall pay rent in the amount of $2100.000 per month; provided, however, that if Transit Provider finds other accommodations and ceases to use the City Facilities, the following shall apply: (a) if Transit Provider moves its operations to another (non-City owned) facility in Novi, then the City will reimburse Transit Provider half of the rent paid from January 1, 2027 to the date the City Facilities are vacated by Transit Provider.

Exhibit II Use of Facilities Section 2.1.2 Parking: Shall be amended to delete the prior wording and replace it with the following wording and Exhibit III shall be deleted to replace it with a new Exhibit III, attached and incorporated into the Agreement:

Transit Provider shall have access to twenty (20) designated parking spots for its vans along the sidewalk area by Novi High School, as indicated in Exhibit III, to be parked while providing transit services within the City under the Agreement.

All other terms and conditions of the Agreement shall remain unchanged and in full effect.

PEOPLE'S EXPRESS INC.

_____ _____

Date By: Eveliina Taylor, Managing Director

FOR CITY OF NOVI

_____ _____

Date By: Justin Fischer, Mayor

EXHIBIT III
TRANSIT PROVIDER PARKING

