



CITY of NOVI CITY COUNCIL

Agenda Item 2
August 10, 2009

SUBJECT: Approval of Cabot Drive Water Main Oversizing Reimbursement Agreement with Haggerty Corridor Partners, LLC, in the amount of \$239,000.

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

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 239,000
AMOUNT INCLUDED IN CIP	\$ 100,000
LINE ITEM NUMBER	592-592.00-160.646

BACKGROUND INFORMATION:

Engineering staff have been in discussions with Haggerty Corridor Partners, LLC for several months regarding the enclosed *Cabot Drive Water Main Oversizing Reimbursement Agreement*. During the development of Haggerty Corridor Corporate Park Phase II, the city requested that the water main along Cabot Drive be oversized to accommodate future water supply needs for this part of the city. In exchange, Haggerty Corridor Partners has requested reimbursement for the additional construction costs between the 24-inch water main that was installed and the 12-inch water main that was required for an industrial type development.

Haggerty Corridor Partners has provided documentation (attached) showing its *total* water main installation costs as \$790,208. Staff has worked with the developer to estimate the cost difference for labor and materials to install the 24-inch water main versus the 12-inch water main to be \$239,000 as reflected in the attached agreement.

The agreement was drafted and has been reviewed by the City Attorney's office (see Beth Kudla's letter, attached).

RECOMMENDED ACTION: Approval of Cabot Drive Water Main Oversizing Reimbursement Agreement with Haggerty Corridor Partners, LLC, in the amount of \$239,000.

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

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

July 30, 2009

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

Elizabeth M. Kudla
Direct: 248-539-2846
bkudla@secretwardle.com

Brian Coburn, Senior Civil Engineer
Public Services – DPW Garage
26300 Delwal Drive
Novi, MI 48375

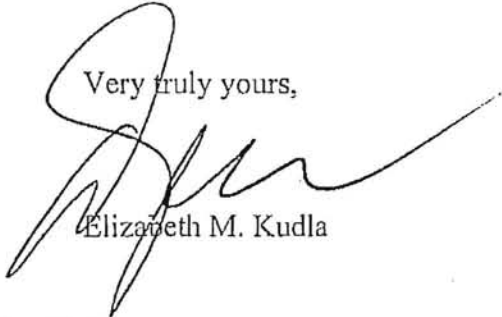
**RE: Cabot Drive Water Main Oversizing Agreement
Our File No. 55142 NOV**

Dear Mr. Coburn:

We have received and reviewed the final version of the proposed Cabot Drive Water Main Oversizing Agreement. Based on your confirmation of the cost reimbursement amount for oversizing the main from a 12" main to a 24" main, we see no legal impediment to approval of the agreement and reimbursement to the developer in the amount of \$239,000.00.

If you have any questions regarding the above, please do not hesitate to contact me.

Very truly yours,



Elizabeth M. Kudla

EMK

cc: Maryanne Cornelius, City Clerk
Rob Hayes, DPS Director
Thomas R. Schultz, Esquire

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STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

CABOT DRIVE WATER MAIN OVERSIZING REIMBURSEMENT AGREEMENT

AGREEMENT between the City of Novi, a Michigan municipal corporation, whose address is 45175 West Ten Mile Road, Novi, Michigan 48375 (“City”), and Haggerty Corridor Partners, LLC, a Michigan limited liability company whose address is 39000 Country Club Dr., Farmington Hills, MI 48334 (“HCP”).

RECITATIONS:

HCP is the owner/developer of the *Haggerty Corridor Corporate Park Development*, a parcel of real property described in the attached and incorporated Exhibit A, located in the City of Novi, Oakland County, Michigan (“the HCP Property”). The HCP Property has been approved by the City for development as an Office Service Technology Development according to and consistent with the provisions of the City of Novi Zoning Ordinance.

As part of the development of the HCP Property, the City required the installation of a 24” water main rather than the standard 12” water main in order to improve reliability, pressure and flow needs to Section 1 of the City. HCP agreed to pay for and install a 24” water main to serve the HCP Property, subject to reimbursement by the City for the increased cost of the larger water main. The 24” water main (the “Oversized Water Main”) has been installed in the location described and depicted on the attached and incorporated Exhibit B.

At the City’s request, the Oversized Water Main facilities were constructed in a manner and with capacity to serve other properties in addition to servicing the HCP Property. HCP and the City desire to enter into this Agreement for the purpose of reimbursing HCP for the additional cost of the Oversized Water Main over and above the cost of the standard 12” water main required pursuant to the City’s Design and Construction Standards.

It is acknowledged that the total cost of constructing the improvements constituting the Oversized Water Main, which cost is solely attributable to “over sizing” the water main is Two Hundred Thirty Nine Thousand (\$239,000.00) dollars.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The City shall reimburse HCP in the amount of Two Hundred Thirty Nine Thousand ~~MS Eight~~ (\$239,000.00) dollars, for the additional cost attributable to installing a 24” water main rather than the standard 12” water main required by the City ‘s Design and Construction Standards, Section 11-68(c)(1)(b).
2. HCP has conveyed the Oversized Water Main and corresponding Water System Easement to the City for purposes of operation, maintenance, repair and replacement.

3. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Oakland, State of Michigan.
4. This Agreement may be signed in counterparts.

IN WITNESS WHEREOF, the undersigned parties have affixed their signatures this day of May 27, 2009.

CITY OF NOVI


David B. Landry, Mayor

Maryanne Cornelius, Clerk

The foregoing Agreement was acknowledged before me this ____ day of _____, 2008, on behalf of the City of Novi by David B. Landry, its Mayor, and Maryanne Cornelius, its Clerk.

Notary Public
Oakland County, Michigan
My Commission Expires: _____


Haggerty Corridor Corporate Partners, LLC,
a Michigan limited liability company



By: Matthew Sosin
Its: Vice President

The foregoing Agreement was acknowledged before me this 27 day of May, 2008 on behalf of Haggerty Corridor Corporate Partners by Matthew Sosin, its Vice President.

CAROL M. VALENTI
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES 9-8-2012
ACTING IN COUNTY OF Oakland



Notary Public
Oakland County, Michigan
My Commission Expires: 9-8-2012

Engineering Opinion of Probable Cause
Cabot Drive Watermain

Item	Quantity	Unit	24" Water	12" Water	Difference	Total Price Difference
Pipe CL54 D.I.	2,365	lf	\$165.00	\$100.00	\$65.00	\$153,725.00
Gate Valves	3	ea	\$15,000.00	\$2,650.00	\$12,350.00	\$37,050.00
Lower WM	1	ls	\$20,800.00	\$7,000.00	\$13,800.00	\$13,800.00
Tie-ins	1	ls	\$6,000.00	\$2,500.00	\$3,500.00	\$3,500.00
36" Casting vs. 20" Casting	1	ls	\$25,260.00	\$9,500.00	\$15,760.00	\$15,760.00
Sand Backfill	\$7.65	cy	6,031	4,080	\$1,951.00	\$14,925.15
TOTAL						\$238,760.15

By: Brian Coburn
Date: 04/13/2009

TO OWNER: Northern Equities
39000 Country Club Drive
Farmington Hills, MI 48331

PROJECT: Haggerty Corridor

APPLICATION NO: 18

FROM CONTRACTOR: MWB Contracting, Inc.
8457 Andersonville Road, Suite J
Clarkston, MI 48346

VIA ARCHITECT: A-R Decker

PAYMENT APPROVAL	
DATE:	Jun 8 2009
APPROVED:	<i>[Signature]</i>
COMPANY:	HUP - Matt Aju #198 1216-0040

PERIOD TO: 11/30/08

Distribution to:

<input type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

PROJECT NO: N/A
CONTRACT DATE:

CONTRACT FOR: Site Work

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

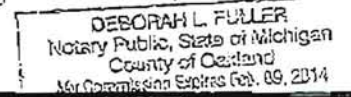
1. ORIGINAL CONTRACT SUM	\$1,744.00
2. Net change by Change Orders	\$3,722,845.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$3,724,589.00
4. TOTAL COMPLETED & STORED TO DATE	\$3,724,589.00
(Column G on G703)	
5. RETAINAGE:	
0% of Completed Work	\$3,724,589.00
(Column D + E on G703)	
of Stored Material	
(Column F on G703)	
Total Retainage (Lines 5a + 5b or	
Total in Column I of G703)	\$0.00
6. TOTAL EARNED LESS RETAINAGE	\$3,724,589.00
(Line 4 Less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR	
PAYMENT (Line 6 from prior Certificate)	\$3,519,094.50
8. CURRENT PAYMENT DUE	\$205,494.50
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$0.00
(Line 8 less Line 6)	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: MWB Contracting, Inc.

By: *[Signature]* Date: 11/20/08

State of Michigan County of: Oakland
Subscribed and sworn to before me this 20th day of November 2008
Notary Public: *[Signature]*
My Commission expires:



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$3,735,686.00	\$0.00
Total approved this Month	\$3,719.00	\$16,560.00
TOTALS	\$3,739,405.00	\$16,560.00
NET CHANGES by Change Order	\$3,722,845.00	

Jan. 1. 2009 5:19PM Northern Equities Group

10.1012 P. 2

CONTINUATION SHEET

AIA DOCUMENT G703

Page 2 of 3 Pages

A Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing contractor's signed certification is attached.
 Tabulations below, amounts are stated to the nearest dollar.
 See Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 18 PROJECT: Haggerty Corridor
 APPLICATION DATE: 11/20/2008
 PERIOD TO: 11/30/2008
 ARCHITECT'S PROJECT NO: N/A

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VALUABLE RATE) 0%
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G - C)		
1	Strip - Balance	\$684,597.00	\$684,597.00	\$0.00	\$0.00	\$684,597.00	100.00%	\$0.00	\$0.00
	Sweeper	\$5,465.00	\$5,085.00	\$380.00	\$0.00	\$5,465.00	100.00%	\$0.00	\$0.00
	Water Truck	\$6,317.00	\$6,317.00	\$0.00	\$0.00	\$6,317.00	100.00%	\$0.00	\$0.00
	Box Culvert - Item #2	\$42,838.00	\$42,838.00	\$0.00	\$0.00	\$42,838.00	100.00%	\$0.00	\$0.00
	Approach - Item #s 4, 5, 6	\$79,873.00	\$79,873.00	\$0.00	\$0.00	\$79,873.00	100.00%	\$0.00	\$0.00
	Mitigation Area - Item #3	\$82,482.00	\$82,482.00	\$0.00	\$0.00	\$82,482.00	100.00%	\$0.00	\$0.00
	Stone Roadway	\$96,033.00	\$96,033.00	\$0.00	\$0.00	\$96,033.00	100.00%	\$0.00	\$0.00
	C.O. #1 - Undercut Cabot south of creek	\$70,254.00	\$70,254.00	\$0.00	\$0.00	\$70,254.00	100.00%	\$0.00	\$0.00
	C.O. #2 - Undercut exist sanitary	\$7,716.00	\$7,716.00	\$0.00	\$0.00	\$7,716.00	100.00%	\$0.00	\$0.00
	C.O. #3 - Undercut Cabot Sta 19-22.50, Sta 9-12	\$47,281.00	\$47,281.00	\$0.00	\$0.00	\$47,281.00	100.00%	\$0.00	\$0.00
	C.O. #4 - Overtime	\$2,888.00	\$2,888.00	\$0.00	\$0.00	\$2,888.00	100.00%	\$0.00	\$0.00
	Drain Tile - Alt #1	\$74,662.00	\$74,662.00	\$0.00	\$0.00	\$74,662.00	100.00%	\$0.00	\$0.00
	Storm Sewers	\$433,853.00	\$433,853.00	\$0.00	\$0.00	\$433,853.00	100.00%	\$0.00	\$0.00
	Sanitary - Gravity	\$354,720.00	\$354,720.00	\$0.00	\$0.00	\$354,720.00	100.00%	\$0.00	\$0.00
	Sanitary - Force Main	\$271,504.00	\$271,504.00	\$0.00	\$0.00	\$271,504.00	100.00%	\$0.00	\$0.00
	Water Main	\$790,208.00	\$790,208.00	\$0.00	\$0.00	\$790,208.00	100.00%	\$0.00	\$0.00
	C.O. #5 - Temporary Stone Drives	\$5,874.00	\$5,874.00	\$0.00	\$0.00	\$5,874.00	100.00%	\$0.00	\$0.00
	C.O. #6 - Undercut Sanitary - Fill	\$127,612.00	\$127,612.00	\$0.00	\$0.00	\$127,612.00	100.00%	\$0.00	\$0.00
	C.O. #7 - Erosion Repairs, Stone	\$14,844.00	\$11,875.00	\$2,969.00	\$0.00	\$14,844.00	100.00%	\$0.00	\$0.00
	C.O. #8 - Dewatering	\$14,300.00	\$14,300.00	\$0.00	\$0.00	\$14,300.00	100.00%	\$0.00	\$0.00
	C.O. #9 - Install Box Culvert	\$414,080.00	\$397,520.00	\$16,560.00	\$0.00	\$414,080.00	100.00%	\$0.00	\$0.00
	C.O. #10 - U.C. Conc. Wing W.	\$18,545.00	\$18,545.00	\$0.00	\$0.00	\$18,545.00	100.00%	\$0.00	\$0.00
	C.O. #11 - Revised S.S. Pond D	\$6,445.00	\$6,445.00	\$0.00	\$0.00	\$6,445.00	100.00%	\$0.00	\$0.00
	C.O. #12 - Sleeves	\$3,942.00	\$3,942.00	\$0.00	\$0.00	\$3,942.00	100.00%	\$0.00	\$0.00
GRAND TOTALS									

Jan. 11, 2009 9:20 AM Northern Equities Group No. 1012 2.3

CONTINUATION SHEET

AIA DOCUMENT G703

Page 3 of 3 Pages

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.
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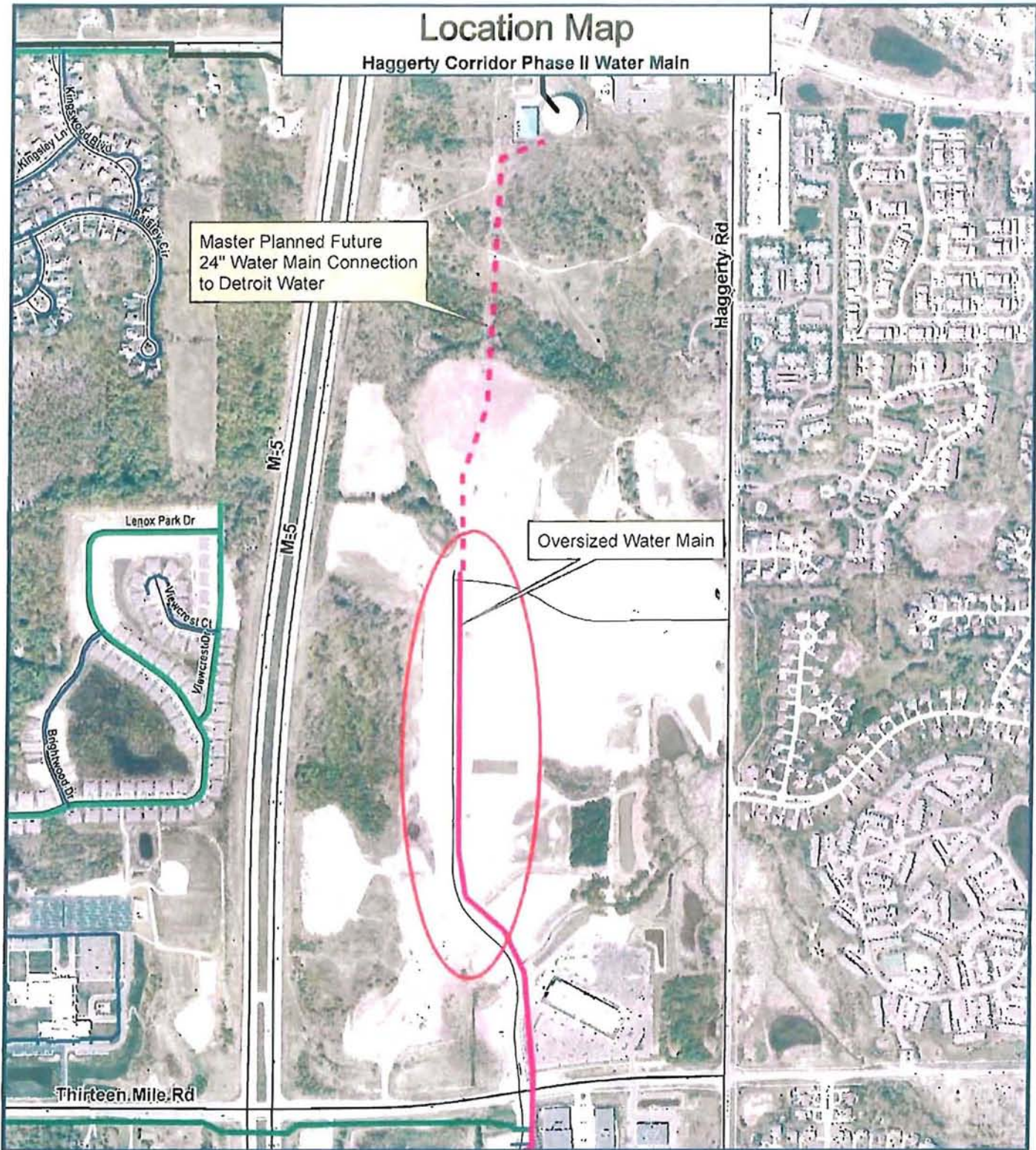
APPLICATION NO: 18 PROJECT: Haggerty Corridor
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A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G ÷ C)	I BALANCE TO FINISH (C - G)	J RETAINAGE (OF VARIABLE RATE) 0%
			FROM PREVIOUS APPLICATION (D ÷ E)	THIS PERIOD					
25	C.O. #13 - Undercut de-ice, westside, Cabot, MacKenzie	\$16,394.00	\$16,394.00	\$0.00	\$0.00	\$16,394.00	100.00%	\$0.00	\$0.00
26	C.O. #14 - Increase in Stone for Rd	\$7,540.00	\$7,540.00	\$0.00	\$0.00	\$7,540.00	100.00%	\$0.00	\$0.00
27	C.O. #15 - Walking Path	\$39,648.00	\$39,648.00	\$0.00	\$0.00	\$39,648.00	100.00%	\$0.00	\$0.00
28	Alternate #3 - Barricades	\$6,610.00	\$6,610.00	\$0.00	\$0.00	\$6,610.00	100.00%	\$0.00	\$0.00
29	C.O. #16 - Undercut Retaining Wall, Passing Lane	\$2,564.00	\$2,564.00	\$0.00	\$0.00	\$2,564.00	100.00%	\$0.00	\$0.00
30	C.O. #17 - Guardrail - Extra Footage	\$3,701.00	\$3,701.00	\$0.00	\$0.00	\$3,701.00	100.00%	\$0.00	\$0.00
31	C.O. #18 - Remove Concrete - Sand Walks	\$2,927.00	\$2,557.00	\$370.00	\$0.00	\$2,927.00	100.00%	\$0.00	\$0.00
32	C.O. #19 - Credit to Reduce the Value of Item 21 (Box Culvert)	(\$16,560.00)	(\$16,560.00)	\$0.00	\$0.00	-\$16,560.00	100.00%	\$0.00	\$0.00
33	C.O. #20 - Grade Topsoil Pile	\$5,432.00	\$5,432.00	\$0.00	\$0.00	\$5,432.00	100.00%	\$0.00	\$0.00
GRAND TOTALS		3,724,589.00	3,704,310.00	20,279.00	0.00	3,724,589.00		\$0.00	\$0.00

Jan. 11. 2009 5:20PM Northern Equities Group No. 012 P. 4

Location Map

Haggerty Corridor Phase II Water Main



Master Planned Future
24" Water Main Connection
to Detroit Water

Oversized Water Main


Map Author: Brian Coburn
Date: 7/21/09
Project:
Version #: 1.0

MAP INTERPRETATION NOTICE
Map information depicted is not intended to replace or substitute for any official or primary source. This map was extended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a Licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

Map Legend

water_mains	
2	24
4	24 DMS
6	30
8	30 DMS
10	36
12	42 DMS
16	

City of Novi
Engineering Division
Department of Public Services
45175 W Ten Mile Rd
Novi, MI 48375
cityofnovi.org



0 137.5 275 550 825 1,100
Feet

1 inch = 714 feet

