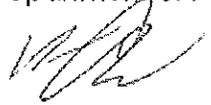


## CITY of NOVI CITY COUNCIL

Agenda Item 2  
June 17, 2013

**SUBJECT:** Approval of an agreement with Braun Construction Group and Novi Real Estate, LLC for construction of the Medilodge/ITC Regional Pathway project, and approval to award a construction contract with Braun Construction Group in the amount of \$83,109 (to be offset completely with deposited escrow funds from Novi Real Estate, LLC, the developer of Medilodge).

**SUBMITTING DEPARTMENT:** Department of Public Services, Engineering Division <sup>13</sup> <sub>13</sub>

**CITY MANAGER APPROVAL:** 

EXPENDITURE REQUIRED	\$ 83,109 (to be offset completely with deposited escrow funds from the developer of Medilodge)
LINE ITEM NUMBER	701-000.00-288.623

### BACKGROUND INFORMATION:

In July 2011, a Planned Rezoning Overlay (PRO) was approved by City Council for the construction of Medilodge of Novi. One of the public benefits included in the PRO agreement was the construction of a 10-foot wide asphalt regional pathway through the Medilodge site and within the ITC property connecting 11 Mile Road to Providence Hospital, and ultimately Beck Road (see attached map). Engineering staff began working with ITC in January 2011 toward approval of a license agreement for the construction of the regional pathway within on ITC property. The attached license agreement was approved by ITC and the City Council in August 2012 and contains several conditions regarding the construction and ongoing maintenance of the pathway. One condition of the agreement requires that the construction of the pathway under the license agreement be performed by the City and does not allow the City to transfer the agreement to another party, such as the developer.

The attached construction agreement drafted by the City Attorney between the City, the developer of the Medilodge site and the developer's contractor facilitates construction of the pathway on ITC property by the City. The agreement contemplates that the City would hire the developer's contractor, Braun Construction Group, to construct the pathway on ITC property recognizing the economy of scale by using a contractor that has already mobilized to the site and constructed the on-site pathway segment. The developer is required to deposit funds with the City prior to the start of construction to pay all awarded construction costs. The agreement requires the developer to pay all increases in contract costs before the approval of any change order. The attached agreement would also include the standard construction contract documents and require the standard bonds that are used with other public projects. Additionally, the contractor will be required to provide insurance certificates meeting the increased coverage limits that are included in the license agreement with ITC.

The developer has provided a construction estimate of \$83,109 for the project and is required to deposit these funds with the City before construction of the pathway would begin. The design of the pathway was completed by the developer and has been reviewed and approved by ITC and the City. The developer would also pay for the City's consultant to inspect the construction of pathway using the private development fee schedule. There would be no direct costs to the City that are not covered by fees or escrows, even though the City is awarding a contract to Braun for the construction of the pathway.

The pathway through the Medilodge site is under construction, and construction of the off-site pathway is scheduled to begin this summer with completion anticipated this fall. The City has submitted a grant application for a project to connect this pathway to Wildlife Wood Park and Wixom Road. Although the existing license agreement includes only the portion to be constructed under this agreement, a new license agreement for the connection to Wildlife Woods could be negotiated with ITC in a short amount of time now that the template agreement language has been established.

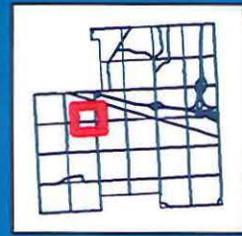
**RECOMMENDED ACTION:** Approval of an agreement with Braun Construction Group and Novi Real Estate, LLC for construction of the Medilodge/ITC Regional Pathway project, and approval to award a construction contract with Braun Construction Group in the amount of \$83,109 (to be offset completely with deposited escrow funds from Novi Real Estate, LLC, the developer of Medilodge).

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

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

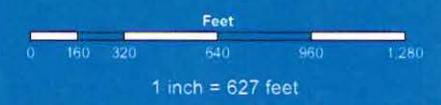
# Regional Pathway Location Map

11 Mile Road and Beck Road Area



## Legend

- █ Pathway Funded in FY12-13
- █ Pathway on ITC property
- █ Pathway on Medilodge Property
- ITCproperty
- MedilodgeSite



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

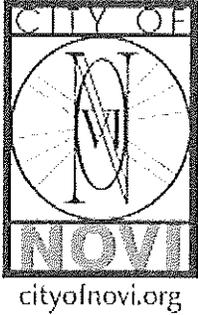
Map Author: Brian Coburn  
 Date: 6 / 21 / 12  
 Project:  
 Version #:

Amended By:  
 Date:  
 Department:

### MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor or 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.

# MEMORANDUM



**TO:** ROB HAYES, P.E; DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER  
**FROM:** BRIAN COBURN, P.E.; ENGINEERING MANAGER *BIC*  
**SUBJECT:** ITC-MEDILODGE REGIONAL PATHWAY  
**DATE:** JUNE 4, 2013

6/5/2013

To: Mayor and City  
Council members  
Finally. Clay

In July 2011, a Planned Rezoning Overlay (PRO) was approved by City Council for the construction of Medilodge of Novi. One of the public benefits included in the PRO agreement was the construction of a 10-foot wide regional pathway through the Medilodge site and within the ITC property connecting 11 Mile Road to Providence Hospital, and ultimately Beck Road (see attached map). The construction of the pathway on the ITC property is required prior to issuance of a temporary certificate of occupancy, otherwise the developer is required to pay the City \$141,932 plus engineering and contingency (\$212,898 total) for the construction of the pathway as stated in the agreement.

Engineering staff began working with ITC in January 2011 toward approval of a license agreement for the construction of the regional pathway within on ITC property. The attached license agreement was approved by ITC and the City Council in August 2012 and contains several conditions regarding the construction and ongoing maintenance of the pathway. One condition of the agreement requires that the construction of the pathway under the license agreement be performed by the City and does not allow the City to transfer the agreement to another party, such as the developer.

Staff worked with the City Attorney to prepare the attached agreement between the City, the developer and the developer's contractor to facilitate construction of the pathway on ITC property by the City. The agreement contemplates that the City would hire the developer's contractor, Braun Construction Group, to construct the pathway on ITC property recognizing the economy of scale by using a contractor that has already mobilized to the site and constructed the on-site pathway segment. The developer is required to deposit funds with the City prior to the start of construction to pay all awarded construction costs. The agreement requires the developer to pay all increases in contract costs before the approval of any change order. The attached agreement would also include the standard construction contract documents and require the standard bonds that are used with other public projects. Additionally, the contractor will be required to provide insurance certificates meeting the increased coverage limits that are included in the license agreement with ITC.

The construction cost of the pathway according to the developer is \$83,109, which would be the original amount deposited with the City in an escrow account to pay the contractor. The design of the pathway was completed by the developer and has been reviewed and approved by ITC and the City. The developer would also pay for the City's consultant to inspect the construction of pathway using the private development fee schedule. There would be no direct costs to the City that are not covered by fees or escrows even though the City is awarding a contract to Braun for the construction of the pathway.

The developer would like to start construction of the pathway this summer and we will prepare the attached agreement for consideration by City Council at a future meeting.

cc: Barb McBeth, Deputy Director Community Development  
Charles Boulard, Community Development Director  
Jason Mangum, Parks, Recreation and Cultural Services Director