



CITY OF NOVI CITY COUNCIL
MAY 5, 2025

SUBJECT: Consideration of Amendment #1 to the Transit Enhancement Service Agreement with People's Express (PEX) to extend use of Civic Center office and parking space through December 31, 2025, and to increase the monthly rent to \$600.

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, approved on January 6, 2025, provided PEX with access to 200 square feet of office space and 14 parking spaces at the Novi Civic Center from January 1 through June 30, 2025, at \$450 per month.
- PEX has not yet secured a long-term facility to accommodate their operational needs. They continue to seek permanent property in Southwest Oakland County and have been in contact with Novi Community Development and surrounding communities.
- As outlined in the original agreement, the rent will increase to \$600 per month for the extended term.

BACKGROUND:

PEX has been utilizing office and parking facilities at the Novi Civic Center since July 1, 2024. An agreement approved by City Council on January 6, 2025, provided for continued use of 200 square feet of office space and 14 parking spaces from January 1, 2025, through June 30, 2025, at a rental rate of \$450 per month.

PEX has not yet secured an alternate facility and has requested to extend the current use of Civic Center office and parking space through December 31, 2025. Per the terms of the original agreement, the rent for the extended period will increase to \$600 per month. All other provisions remain unchanged.

PEX continues to search for a long-term facility and has engaged with representatives from Novi, Wixom, Walled Lake, and Lyon Township representatives. Their operational needs include parking for 50+ vehicles, administrative office space, and a secure site perimeter. Properties that meet these needs are limited in the

region and may require significant modification or development to be viable. PEX has indicated a willingness to pursue grant funding to support necessary upgrades once a suitable property is identified.

RECOMMENDED ACTION: Approval of Amendment #1 to the Transit Enhancement Service Agreement with People's Express (PEX), extending the use of Civic Center office and parking space through December 31, 2025, with rent increased to \$600 per month.

**AMENDMENT #1 TO
TRANSIT ENHANCEMENT SERVICE AGREEMENT
FOR
USE OF CITY FACILITIES**

This Amendment #1 to the Transit Enhancement Services Agreement 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 June 30, 2025, to December 31, 2025, and increasing the rent from \$450.00 to \$600.00.
- 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, 2025, at 12:01 a.m., and shall continue until December 31, 2025, at 11:59:59 p.m., unless terminated or extended as provided below.

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 July 1, 2025, until the Termination Date provided in Section 3.1 above, Transit Provider shall pay rent in the amount of \$600.000 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 July 1, 2025 to the date the City Facilities are vacated by Transit Provider.

2.3 Section 4.3 Potential Extension of Term shall be deleted in its entirety.

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

PEOPLE'S EXPRESS INC.

Date

By: Eveliina Taylor, Interim Managing Director

FOR CITY OF NOVI

Date

By: Justin Fischer, Mayor