



CITY OF NOVI CITY COUNCIL
MAY 4, 2026

SUBJECT: Approval of a two-year management agreement with three optional one-year renewal extensions with KMG Prestige, Inc. for the management of Meadowbrook Commons, commencing on July 1, 2026, with the final form of the agreement to be approved by the City Manager and City Attorney's office.

SUBMITTING DEPARTMENT: Parks, Recreation and Cultural Services

BACKGROUND INFORMATION:

Meadowbrook Commons is a 175-unit 55+ housing community accounted for in the City's Senior Housing Fund, an Enterprise Fund. The project was financed through Building Authority bonds, which are repaid through rental revenues generated by residents at the facility. The bonds are scheduled to be paid off in October 2026.

The City has contracted with KMG Prestige, Inc. to provide property management services for Meadowbrook Commons since July 1, 2005. KMG is responsible for the overall management of the property, including marketing, leasing, maintenance coordination, financial reporting, and daily operational oversight. The current management agreement expires on June 30, 2026.

Historically, when the City has issued Requests for Proposals for the management of Meadowbrook Commons, KMG Prestige has been the only firm to submit a proposal, as was the case in both 2015 and 2020. Given this history, the City did not issue a Request for Proposals for this renewal cycle.

Over more than 20 years, KMG Prestige has demonstrated the experience, staffing resources, and operational capabilities necessary to maintain Meadowbrook Commons at consistently high standards, including 100 percent occupancy and strong resident satisfaction.

The proposed management fee schedule is as follows:

Period	Monthly Fee	Annual Fee
July 1, 2026 – June 30, 2027 (Year 1)	\$6,526	\$78,313
July 1, 2027 – June 30, 2028 (Year 2)	\$6,722	\$80,662

<i>City Options for Third, Fourth, and Fifth Year Renewals</i>		
July 1, 2028 – June 30, 2029 (Year 3)	\$6,923	\$83,082
July 1, 2029 – June 30, 2030 (Year 4)	\$7,131	\$85,574
July 1, 2030 – June 30, 2031 (Year 5)	\$7,345	\$88,141

RECOMMENDED ACTION: Approval of a two-year management agreement with three optional one-year renewal extensions with KMG Prestige, Inc. For the management of Meadowbrook Commons, commencing on July 1, 2026, with the final form of the agreement to be approved by the City Manager and City Attorney's office.