



CITY OF NOVI CITY COUNCIL
JUNE 8, 2026

SUBJECT: Approval of Resolution to Proceed with Preparation of Plans, Specifications, and Cost Estimate for Proposed Special Assessment District for Main Street Area Streetlighting and Streetscape

SUBMITTING DEPARTMENT: City Manager

KEY HIGHLIGHTS:

- The City is working with three Main Street property owners to address more than \$1 million in needed streetscape, lighting, and corridor improvements that the property owners are contractually obligated to maintain.
- Under the proposed arrangement, the City would front the cost of the improvements and be reimbursed by the property owners through a 15-year Special Assessment District (SAD) with an anticipated interest rate of 4%.
- The resolution before Council is the first of five required steps to establish the SAD process, culminating in a recorded agreement confirming the property owners' acceptance of the assessment and repayment obligations.

BACKGROUND INFORMATION:

City Council is aware of the conversations that the City Administration has been having with three property owners in the Main Street area who have a contractual obligation to maintain the streetlighting, streetscape, and amenities within the Main Street public road right-of-way. Those conversations began in 2025 and arose from the City's concern about the condition of the Main Street corridor. The potential cost of the improvements is substantial (over \$1 million).

The discussions between the parties have included a concept under which the City would be paid back by the property owners through a Special Assessment District (SAD) over a period of 15 years with an anticipated interest rate of 4%. The City has discussed with the property owners the possibility of the City fronting the funds necessary (likely through the Corridor Improvement Authority) to replace the streetlighting and repair or rehabilitate the streetscape and amenities adjacent to the property owners' parcels as to which they bear the contractual obligation of maintenance.

Attached are some of the background materials that the City has already prepared (preliminary cost estimates) for the work. There is another property subject to the same maintenance obligations (The Townes at Main property being developed by Pulte Homes). The City will arrange separately for the improvements in that area of the Main Street road right-of-way.

A Special Assessment District takes five separate Resolutions to establish. This is the first Resolution, by which the City directs the preliminary plans to be made more detailed and specific, with a more definitive cost estimate. If Council approves this Resolution, the next step by Council (Resolution No. 2) would be to set a public hearing on the Special Assessment District to hear comments in favor of or against the project. Resolution No. 3 would involve a determination whether to proceed with the project and have the City Assessor prepare a Special Assessment Roll. The City Council would then have a public hearing on the Special Assessment Roll, and if it determined to go forward with the project, would approve the Roll in Resolution No. 4. The final Resolution (Resolution No. 5) would affirm the Special Assessment Roll.

It is the City's intention at the end of the process (contemporaneous with Resolution No. 5) to enter into a contract with the three property owners. That agreement would be recorded against the property to confirm the property owners' acceptance of the SAD.

RECOMMENDED ACTION: Approval of Resolution to Proceed with Preparation of Plans, Specifications, and Cost Estimate for Proposed Special Assessment District for Main Street Area Streetlighting and Streetscape