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December 19, 2025

Pulte Homes of Michigan, LLC
2800 Livernois Road, Building D, Ste. 32
Troy, MI 48083

Main Street Partnership, LLC
710 E. Ogden Avenue, Suite 420
Naperville, IL 60563

Luna Properties, LLC
42875 Grand River Avenue, Suite 201
Novi, MI 48375

Diversified Members Credit Union
1480 E. Jefferson Avenue
Detroit, MI 48207

RE: Main Street Area Streetlight Replacement
Rehabilitation Projects

Dear Main Street Property Owners:

This letter follows up on our very positive meeting on October 17, 2025, where we discussed the need for moving forward with a streetlight replacement project in the Main Street area and the *possibility* of combining that project with a coordinated effort to address deficiencies in the maintenance of the streetscape in the area (sidewalk and amenities) as part of one larger project intended to accomplish both things at the same time. More specifically, we talked about the possibility of expanding a lighting Special Assessment District, or SAD, into a *lighting and infrastructure SAD*, under which each of you, as property owners, would be assessed a proportionate share of the costs of the necessary lighting and infrastructure improvements in the area that could then be paid for by you over a period of time (typical SAD in Novi runs for 15 years). The City, as a property owner in the area, would bear its proportionate share of those improvements as well, outside of the SAD process.

FOLLOW UP FROM OCTOBER 17 MEETING

There appeared to be significant interest on the part of each of the property owners present at the meeting. Representatives of Pulte, unfortunately, were not present at the meeting, but were included in the original correspondence about this issue that resulted in the October 17 meeting, and are copied on this letter.

Mayor and Council –

Please see a correspondence sent to the owners of Main Street, following up on a meeting back in October regarding a concept of creating an SAD for new lighting and redoing the ROW/Sidewalks in that area. Staff met with them on 1/13 to review the numbers shared (attached). There was some pushback on the estimates shared. The owners asked for 2 weeks to provide the City with an answer, which was 1/30. All work and future obligations will be considered by the Corridor Improvement Authority (CIA).

- Victor

When we left the meeting, the City promised to get more information about the scope of a potential combined project and the cost of improvements. Although it took somewhat longer than we had hoped, we now have that information and I am attaching it to this letter for your information. Here are the important parts:

1. The lighting portion of the project would include replacement of 109 streetlights, with work to be done by DTE. The materials would include both new posts and new luminaires. **The cost of the improvements would be \$519,587.24.** This would be an "Option 1" municipal streetlight project, which means DTE would not only install the lights, but would provide the ongoing maintenance, including replacement/repair in the future.
2. The City's engineering consultant, AECOM, prepared the estimates for the portion of the project that would include reconstruction of the sidewalk and streetscape amenities. **The total cost for that work amounts to \$1,047,897.75.** As part of its task to estimate that cost, we had AECOM prepare some drawings to indicate what actually is happening and where within the right-of-way adjacent to your respective properties (and the City's fire station area property). All of that is color-coded in a manner that is hopefully clear to you in the attached document.

The bottom line from a cost point of view for each of the property owners, and for the City with respect to its property, is as follows:

Stakeholder Breakdown

DTE Fixture Count/Frontage	Single 39w LED Acorn Luminaires	Dual Crossarm 39w LED Acorn Luminaires	Square Post 149w LED Area Lights	Total Luminaires	DTE Estimate \$6747.88/Luminaire	AECOM Sidewalk/Streetscape	Total Per Stakeholder
Diversified Credit Union	4			4	\$26,991.52	\$64,683.04	\$91,674.56
Pulte	13	14		27	\$182,192.76	\$264,394.83	\$446,587.59
Mainstreet Partnership	10	9	5	24	\$161,949.12	\$237,952.05	\$399,901.17
City on Novi	12	4		16	\$107,966.08	\$316,899.51	\$424,865.59
Luna	6			6	\$40,487.28	\$163,968.32	\$204,455.60
Total	45	27	5	77	519,586.76	\$1,047,897.75	\$1,567,484.51

Note that the City—which has the maintenance obligations for the street between the curbs—will also be undertaking a mill and fill street repair from essentially Novi Road to Grand River. While not included in the materials attached, the City expects that project to cost around \$500,000. So, with that cost plus the City's streetscape/lighting costs for its property, the City would be participating in the total cost of the improvements in the areas in a rough amount of \$925,000—a significant investment in the area by the City.

As a last note on the topic of the SAD concept generally, I want to remind you of the other aspect of this project that we talked about as a potential and significant investment in the area by the City, which is the possibility that, at the end of the 15 year SAD period, when each of you as property owners/stakeholders has paid off your portion of the streetlight replacement and the sidewalk/amenity replacement, the City could take over responsibility for the entire right-of-way area—meaning not just the pavement between the curbs, but the streetlighting and the sidewalk/amenities. Hopefully, this is something that could be done through our existing Corridor Improvement Authority (CIA), but if not, the City itself could assume that responsibility if this project moves forward and we all agree on its specifics.

Each of you is aware of the document entitled “Exchange Agreement” from the late 1990s that is what makes you all individually responsible for the sidewalks and other amenities within the City’s right-of-way in front of your properties; although it has been amended over the years, it is still the source of your obligation to make and fund these improvements. If this SAD moves forward and the City determines to go ahead and take over all responsibility for the right-of-way and the streetscape improvements, your obligations under that Exchange Agreement would come to an end.

NEXT STEPS/SAD PROCESS

If the group decides to continue moving in this direction, approval of an SAD requires the Novi City Council to pass five (5) separate resolutions:

- **Resolution No. 1** directs the City Manager to have a registered professional engineer prepare preliminary plans, specifications, and costs of a proposed assessment district. Some of that work has obviously been done already to assist in your determination whether to move forward, but this information would be updated and formalized to a significant degree.
- **Resolution No. 2** is a determination of the necessity of the project by the City Council. Before the City Council can pass Resolution No. 2, it conducts a public hearing on the subject of necessity.
- **Resolution No. 3** comes after such a public hearing, and is a final determination of the necessity of the project and a direction to the City Assessor to make the special assessment roll.
- **Resolution No. 4** is the Council's acceptance of the special assessment roll, and a direction by the City Council to the City to schedule a public hearing on that assessment roll.

- **Resolution No. 5**, the final resolution, is an approval of an assessment roll following the public hearing.

As part of an SAD approval, there would be a written agreement that laid out the terms of payment, the nature of the assessment, penalties for non-payment, etc.

SUGGESTION FOR SECOND MEETING OF STAKEHOLDERS

My suggestion at this point is that we schedule another Zoom/Teams/in-person meeting to talk about the information attached to this letter and the potential continued interest by you as property owners in the Main Street area to proceed with the special assessment process. Again, I want to make clear that the **City does in fact intend to go through with the streetlight replacement SAD process regardless of whether we also do the sidewalks/amenities improvement project.** We are hoping to fold all of this together in one SAD, however, as opposed to conducting separate enforcement activity individually as to each property owner area under the Exchange Agreement. Financing that work over time, coupled with the (potential) eventual release of all of you from the Exchange Agreement is intended to be an incentive toward the overall SAD; but even if that fails, some work and enforcement activity will happen regardless.

I propose gathering for a meeting on Tuesday January 6th or January 13th at 4 p.m. Please contact me at your earliest convenience to either confirm which date works best for your schedule or provide some alternative potential meeting dates that you will be available.

I look forward to hearing from you and continuing our positive conversation from October.

Very truly yours,

A handwritten signature in black ink, appearing to read "Victor Cardenas", with a long, sweeping horizontal stroke extending to the right.

Victor Cardenas
City Manager