



CITY OF NOVI CITY COUNCIL DECEMBER 16, 2024

SUBJECT: Consideration of a temporary extension of the Transit Enhancement Service Agreement with Peoples Express (PEX) on its existing terms through June 30, 2025, maintaining subsidies for eligible residents and continuing to allow use of Civic Center facilities.

SUBMITTING DEPARTMENT: Parks, Recreation, and Cultural Services – Older Adult Services

KEY HIGHLIGHTS:

- Since July 1, 2024, People's Express (PEX) has been providing curb-to-curb public transportation services in Novi. Under a June 2024 agreement with the City, PEX was granted access to 200 square feet of office space and 14 parking spaces at the Civic Center.
- Ridership has increased by approximately 95% since PEX began services on July 1, 2024.
- The current agreement is set to expire on December 31, 2024. Staff recommends extending the agreement for an additional six months, through June 30, 2025.
- The City reimburses PEX quarterly for ride subsidies. The City paid PEX \$11,100 for ride subsidies from July – September, 2024.
- The request is to continue the previously agreed-upon subsidy for Seniors and residents with disabilities and to continue allowing use of office space/parking areas until June 2025 while it seeks other permanent accommodations.

BACKGROUND INFORMATION:

Since July 1, 2024, People's Express (PEX) has provided curb-to-curb public transportation services in Novi. Under a separate agreement with the City approved in June 2024 for the "enhancement" of those services to Novi residents and businesses, PEX was granted temporary access to 200 square feet of office space and 14 parking spaces at the Civic Center. The City initiated this setup to provide continuity for former Novi Senior Transportation staff who transitioned to PEX employment and to ensure a local presence for PEX operations through a Novi-based satellite office rather than relying solely on PEX's Whitmore Lake headquarters.

This arrangement has been critical to maintaining efficient operations and ensuring accessibility for residents who depend on these services, allowing drivers (ten being former Novi OAS drivers) to access PEX vehicles at the Civic Center instead of having

to drive to PEX's Whitmore Lake location. The location has also helped PEX participate in community events, including sponsoring the Parks Foundation's Pour on the Shore fundraiser and providing shuttle services for attendees, attending the Superhero Showcase at the Civic Center, and hosting a community information session at the Civic Center to help residents navigate their transportation services.

Ridership has increased approximately 95% year-over-year since July 1. Average weekday rides have grown from 53 to 90, with weekend ridership also increasing significantly due to the addition of Saturday afternoon and Sunday service. Weekend days currently average 22 completed rides per day.

The current agreement is set to expire on December 31, 2024, but can be extended by mutual agreement. PEX has requested an extension of the agreement, especially the use of Novi office space for an additional six months through June 30, 2025. The extension will allow PEX to continue office/dispatch operations in Novi, while exploring alternate space options in Novi or the immediate area. If PEX is unable to secure a location prior to the end of this agreement extension, staff will recommend City Council consider a monthly market rate rental fee (current asking rent in the City is \$24.60/sf) for City facilities in the amount of \$420.00 per month beginning July 1, 2025.

RECOMMENDED ACTION: Approval of a temporary extension of the Transit Enhancement Service Agreement with Peoples Express (PEX) on the existing terms through June 30, 2025, maintaining subsidies for eligible residents and continuing to allow use of Civic Center facilities.