



CITY OF NOVI CITY COUNCIL

JANUARY 6, 2025

SUBJECT: Consideration of Transit Enhancement Services Agreement with People's Express (PEX) for temporary use of office, parking space at the Novi Civic Center and access to city fuel pumps, effective January 1, 2025.

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 former agreement, which expired on December 31, 2024, included City-funded subsidies for eligible riders, access to 200 square feet of office space and 14 parking spaces at the Civic Center, and access to fuel pumps at the Department of Public Works (DPW).
- Per Council direction at a recent City Council meeting, the former agreement has been split into two separate agreements: one addressing subsidies, and this agreement focusing on the use of Civic Center office, parking facilities and fuel access.
- PEX is actively searching for a permanent facility in Southwest Oakland County that meets its long-term operational needs.
- The proposed agreement allows PEX to temporarily use Civic Center facilities starting January 1, 2025, with rental terms. Proposed terms would include a monthly fee starting at \$450 for office and parking space, with a planned increase to \$600 after six months, with renegotiation required for use beyond December 31, 2025.
- The proposed agreement includes a reimbursement clause for a portion of rental fees if PEX relocates to a Novi-based facility.

BACKGROUND:

Since July 1, 2024, People's Express (PEX) has provided public transportation services in Novi. The previous agreement, which expired on December 31, 2024, included both City-funded subsidies for eligible residents and access to 200 square feet of office space and 14 parking spaces at the Civic Center at no cost.

In line with City Council's directive during its December 16 meeting, the former agreement has been split into two separate agreements to address ride subsidies and facility use individually.

The proposed agreement outlines terms for PEX's continued use of Civic Center facilities, including an initial base rent of \$450/month for office and parking space, increasing to \$600/month after six months. These terms are intended to provide a transitional solution while PEX continues its search for a permanent location.

PEX has outlined specific requirements for a new facility, including approximately 1,000 square feet of office space, 1.5–2 acres of land, a heated indoor bay for minor maintenance and storage, paved parking for 50–55 vehicles, and a secured perimeter. The facility must also be near or include fueling options and require minimal upgrades or improvements to meet operational needs. PEX has indicated they are open to either purchasing or leasing a suitable property. While currently working with Novi Community Development staff to identify suitable properties, PEX has broadened its search to include potential sites in Wixom and Lyon Township.

The agreement includes a clause to reimburse PEX for half of the rental fees paid from January 1, 2025, onward if they relocate to a facility within Novi. No reimbursement will be provided if the relocation is to a facility outside Novi.

RECOMMENDED ACTION: Approval of a Transit Enhancement Service Agreement with People's Express (PEX) for temporary use of office parking space at the Novi Civic Center and access to city fuel pumps, effective January 1, 2025.