



## CITY COUNCIL AGENDA ITEM

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Date: June 22, 2016

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development  
Steven J. Vandette, City Engineer  
R. Brent Savidant, Planning Director

Subject: Private Agreement – Contract for Installation of Municipal Improvements  
244 Minnesota - Industrial Building - Project No. 15.919.3

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### **History**

Kemp Building & Development proposes an Industrial Building located at 244 Minnesota Street. The project received administrative Preliminary Site Plan Approval on January 20, 2016 for a one-story, 6,734 square foot industrial building.

Site grading and utility plans for this development were reviewed and recently approved by the Engineering Department. The plans include municipal improvements which will be constructed by Kemp Building & Development on behalf of the City of Troy; including Water Main, Storm Sewer, Concrete Approach and Sidewalk. The required fees and refundable escrow deposits in the form of Irrevocable Bank Letter of Credit and 10% Cash, that will assure completion of the municipal improvements, have been provided by Kemp Building & Development (see attached Private Agreement).

### **Financial**

See attached summary of required deposits and fees for this Private Agreement.

### **Recommendation**

Approval of the Contract for Installation of Municipal Improvements (Private Agreement) is recommended.

# City Of Troy

## Contract for Installation of Municipal Improvements (Private Agreement)

Project No.: **15.919.3**

Project Location: **SE 1/4 Section 36**

Resolution No:

Date of Council Approval:

This Contract, made and entered into this **28th** day of **March, 2016** by and between the City of Troy, a Michigan Municipal Corporation of the County of Oakland, Michigan, hereinafter referred to as "City" and **Kemp Building & Development** whose address is **275 W. Girard, Madison Heights, MI 48071** and whose telephone number is **248-583-9030** hereinafter referred to as "Owners", provides as follows:

**FIRST:** That the City agrees to permit the installation of **Water Main, Storm Sewer, Concrete Approach and Sidewalk** in accordance with plans prepared by **Nowak & Fraus Engineers** whose address is **46777 Woodward Avenue, Pontiac, MI 48342** and whose telephone number is **248-332-7931** and approved prior to construction by the City in accordance with City of Troy specifications.

**SECOND:** That the Owners agree to provide the following securities to the City prior to the start of construction, in accordance with the Detailed Summary of Required Deposits & Fees (attached hereto and incorporated herein):

Refundable escrow deposit equal to the estimated construction cost of \$ **50,046.00**. This amount will be deposited with the City in the form of (check one):

Cash/Check	<input type="checkbox"/>	} 10% Cash <u>\$ 5,004.60</u>
Certificate of Deposit & 10% Cash	<input type="checkbox"/>	
Irrevocable Bank Letter of Credit & 10% Cash	<input checked="" type="checkbox"/>	
Performance Bond & 10% Cash	<input type="checkbox"/>	

Refundable cash deposit in the amount of \$ **8,005.00**. This amount will be deposited with the City in the form of (check one):

Cash	<input type="checkbox"/>	Check	<input checked="" type="checkbox"/>
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Non-refundable cash fees in the amount of \$ **5,198.00**. This amount will be paid to the City in the form of (check one):

Cash	<input type="checkbox"/>	Check	<input checked="" type="checkbox"/>
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Said refundable escrow deposits shall be disbursed to the Owners after approval by the City. The City reserves the right to retain a minimum of ten (10) percent for each escrowed item until the entire site/development has received final inspection and final approval by all City departments. Refundable cash deposits shall be held until final approval has been issued. Disbursements shall be made by the City within a reasonable time, after request for refund of deposits is made by the Owners.

# City Of Troy

## Contract for Installation of Municipal Improvements (Private Agreement)

**THIRD:** The owners shall contract for construction of said improvement with a qualified contractor. Owners, or their agents, and contractor(s) agree to arrange for a pre-construction meeting with the City Engineer prior to start of work. All municipal improvements must be completely staked in the field under the direct supervision of a registered civil engineer or registered land surveyor, in accordance with the approved plans. Revisions to approved plans required by unexpected or unknown conflicts in the field shall be made as directed by the City.

**FOURTH:** Owners agree that if, for any reason, the total cost of completion of such improvements shall exceed the sums detailed in Paragraph SECOND hereof, that Owners will immediately, upon notification by the City, remit such additional amounts in accordance with Paragraph SECOND hereof. In the event the total cost of completion shall be less than the sums as detailed in Paragraph SECOND hereof, City will refund to the Owners the excess funds remaining after disbursement of funds.

**FIFTH:** Owners agree to indemnify and save harmless City, their agents and employees, from and against all loss or expense (including costs and attorneys' fees) by reason of liability imposed by law upon the City, its agents and employees for damages because of bodily injury, including death, at any time resulting therefrom sustained by any person or persons or on account of damage to property, including work, provided such injury to persons or damage to property is due or claimed to be due to negligence of the Owner, his contractor, or subcontractors, employees or agents, Owner further agrees to obtain and convey to the City all necessary easements and/or right-of-way for such public utilities as required by the City Engineer.

**City Of Troy**

Contract for Installation of Municipal Improvements  
(Private Agreement)

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate on this 17<sup>th</sup> day of June, 2016.

OWNERS

CITY OF TROY

By:

By:

*Russell T. Kemp*  
Please Print or Type

\_\_\_\_\_  
Dane M. Slater, Mayor

\_\_\_\_\_  
Please Print or Type

\_\_\_\_\_  
M. Aileen Dickson, City Clerk

STATE OF MICHIGAN, COUNTY OF OAKLAND

On this 17<sup>th</sup> day of June, A.D. 2016, before me personally appeared Russell T. Kemp known by me to be the same person(s) who executed this instrument and who acknowledged this to be his/her/their free act and deed.

*Lori Smith*  
NOTARY PUBLIC, Oakland County, Michigan

LORI SMITH  
Notary Public, State of Michigan  
County of Oakland  
My Commission Expires Dec. 21, 2016  
Acting in the County of Oakland

My commission expires: 12-21-2016

**Detailed Summary of Required Deposits & Fees**  
**244 Minnesota - Industrial Building**  
**15.919.3**

**ESCROW DEPOSITS (PUBLIC):**

Sanitary Sewers	\$5,350
Water Mains	\$9,750
Paving	\$5,306
Sidewalks	\$2,050
Storm Sewer	\$27,590

TOTAL ESCROW DEPOSITS (Refundable): *\* IRREVOCABLE STANDBY LETTER OF CREDIT + 10 % CASH (\$ 5,004.60) PROVIDED* **\$50,046**

**CASH FEES (Non-Refundable):**

Engineering Review Fee (Private Improvements)(PA1)	\$1,946
Water Main Testing and Chlorination (PA 2)	\$650
Plan Review and Construction Inspection Fee (Public Improvements) (PA1)	\$4,054
Less Initial Engineering Review Fee (Public & Private)(1.1%)	-\$1,452

TOTAL CASH FEES (Non-Refundable): **\$5,198**

**CASH DEPOSITS (Refundable):**

Street Cleaning/Road Maintenance	\$2,500
Soil Erosion/Sedimentation Control Repair, Replace, or Maintenance	\$500
Punchlist & Restoration	\$5,005

TOTAL CASH DEPOSITS (Refundable): **\$8,005**

Total Escrow & Cash Deposits (Refundable): **\$58,051**

Total Cash Fees (Non-Refundable): **\$5,198**

Total Amount: **\$63,249**

**PAID**  
**JUN 22 2016**  
**CITY OF TROY**  
**TREASURER'S OFFICE**

