



500 West Big Beaver
Troy, MI 48084
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Date: March 4, 2025

To: Honorable Mayor and Troy City Council Members

From: Lori Grigg Bluhm, City Attorney
Allan T. Motzny, Assistant City Attorney

Subject: City of Troy v KJ Property Group, LLC

As part of the Rochester Road Improvement Project, the City needed to acquire a 27-foot strip of property owned by KJ Property Group, LLC. This property is located at 5047-5137 Rochester Road and is currently used as a strip mall (Meadowbrook Plaza), which is occupied by several business tenants. As required by the state condemnation statutes, the City made a good faith offer to purchase the property for \$324,324, based on the valuation from the City's independent appraiser Michael F. Kurschat. The property owner was not willing to accept this offer, and the City filed a condemnation lawsuit on August 22, 2024. On November 12, 2024, the Court granted the City ownership of the easement property, and required the City to pay defendant \$324,324. This order also clarified that the case will continue to have a jury determine the total amount of just compensation to be paid. Also, as a result of the Court's order, all the other defendants who potentially had an interest in the property (the business tenants) were dismissed.

The parties subsequently engaged in settlement negotiations, resulting in the attached proposed consent judgment. If approved, the City would pay KJ Properties a total just compensation of \$341,324 (inclusive of the \$324,324 previously paid leaving a balance of \$16,910) and \$7,500 for attorney fees and \$1,500 to cover the Defendant's appraisal fees thus far. Also, the proposed consent judgment includes an acknowledgement that the property owner plans to pursue development of an out-lot on the property, and states that the parties will work together cooperatively for this proposal, which would be likely be vetted through the City's site plan approval process. The proposed language does not guarantee approval.

Proceeding to trial will result in additional costs for the City, since there would need to be an updated appraisal, witness fees, and facilitation/mediation fees. Also, there are risks inherent in proceeding to a jury trial. Also, if the jury verdict after trial exceeds the amount of the good faith offer, the City would also be required to pay all of the property owner's costs, including appraisal and attorney fees. In light of all of this, we recommend approval of this early negotiated consent judgment, which would finalize this condemnation case. The majority of the costs for this settlement will come from federal funds, since this is a federally funded project.

Please let us know if you have any questions concerning this matter.

STATE OF MICHIGAN
IN THE OAKLAND COUNTY CIRCUIT COURT

CITY OF TROY,

Plaintiff,

v.

Hon. David M. Cohen

Case No. 24-209379-CC

KJ PROPERTY GROUP, LLC;

ET AL.,

Defendants.

Lori Grigg Bluhm (P46908)
Allan T. Motzny (P37580)
CITY OF TROY
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Attorneys for Defendant KJ Property
Group, LLC

Consent Judgment

At a session of the Oakland County Circuit Court,

held on _____

Present: Hon. David M. Cohen

This matter is before the Court on the parties' Stipulation, set forth below. The Court is advised and takes notice of the following:

(A) This is a condemnation action that Plaintiff filed to acquire portions of the property commonly known as 5047-5137 Rochester Road, Troy, Michigan (the "Subject Property"), for public purposes including improvements to Rochester Road.

(B) Pursuant to the Court's Order for Payment of Estimated Compensation and Surrender of Possession and Vesting of Title dated November 12, 2024 (the "November 12, 2024 Order"),

Plaintiff's acquisition and right to possession of the interests in the Subject Property, which were identified in Exhibit A to the November 12, 2024 Order, vested in Plaintiff.

(C) Defendant KJ Property Group, LLC ("KJ Property Group"), contested the amount that Plaintiff offered as "just compensation" for the acquisition from the Subject Property, and all other Defendants have been defaulted or dismissed.

(D) Plaintiff and KJ Property Group have agreed on a compensation amount, which KJ Property Group has agreed to accept in lieu of seeking greater monetary compensation, based on the parties' mutual interest in working cooperatively to approve improvements to the remaining portions of the Subject Property including an outlot building fronting the Subject Property's Rochester Road side, and on KJ Property Group's interest in the Subject Property's long-term success in the City of Troy.

(E) The parties therefore request that the Court enter this Consent Judgment to memorialize and implement their agreement, confirm that cash compensation, and finalize this condemnation action.

The Court, being so advised, and based on the case file and applicable law, therefore **ORDERS** and **ADJUDGES** as follows:

1. Plaintiff shall pay total "just compensation" to KJ Property Group equaling \$341,234, inclusive of all amounts previously paid to KJ Property Group as estimated compensation (the "Total Compensation Payment"). KJ Property Group agrees to accept the Total Compensation Payment, in compromise of claims for additional compensation, based on the parties working cooperatively to approve improvements to the remaining portions of the Subject Property. The Total Compensation Payment shall be paid by delivering a check payable

to “KJ Property Group, LLC,” to Defendant’s counsel at the address set forth above within 21 days of the date of this Consent Judgment.

2. Plaintiff agrees to reimburse KJ Property Group, LLC, for costs and fees including attorney fees in the amount of \$7,500, and appraisal fees in the amount of \$1,500 (the “Reimbursement Costs”). The Reimbursement Costs shall be paid by delivering a check payable to “WWRP, PC,” to Defendant’s counsel at the address set forth above within 21 days of the date of this Consent Judgment.

3. The provisions of the Court’s November 12, 2024 Order pertaining to Plaintiff’s acquisition and possession of the portions of the Subject Property are incorporated into the Consent Judgment by reference.

4. This is a final order that resolves the last pending claim and closes this case.

Hon. David M. Cohen
Judge, Oakland County Circuit Court

Stipulation

We agree and stipulate to entry of the foregoing Consent Judgment.

Allan Motzny (P37580)
Attorney for Plaintiff

Jason C. Long (P59244)
Attorney for Defendant KJ Property
Group, LLC