



500 West Big Beaver
Troy, MI 48084
troymi.gov



CITY COUNCIL AGENDA ITEM

Date: August 9, 2022

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Robert Maleszyk, Chief Financial Officer
Dee Ann Irby, Controller
Kurt Bovensiep, Public Works Director
William J. Huotari, City Engineer
Larysa Figol, Sr. Right-of-Way Representative

Subject: Request to Purchase Three Parcels, Rochester Road & Sylvanwood,
Sidwell #88-20-10-426-030, 032, 033 and Budget Amendment

History

The Department of Public Works initiated facility upgrades to Sylvan Glen Park on Rochester Road. Installation of bathroom facilities require a sanitary sewer. To avoid boring under Rochester Road, City staff approached the owner of a vacant property on Sylvanwood to seek a permanent easement, allowing a sanitary sewer connection to a sewer main on Sylvanwood.

During the discussions the property owner proposed the City purchase all three lots that he owns at the northwest corner of Sylvanwood and Rochester Road.

The parcels under consideration abut Sylvan Glen Park . At some future date the parcels may be combined with the existing park adding an additional 1.2 acres to the recreational footprint of Sylvan Glen Park. The parcels may also be used for pedestrian and/or vehicular access from Sylvanwood rather than traversing the heavily travelled Rochester Road.

The current Rochester Road improvement project stops at the south corner of Sylvanwood. Any future improvement of Rochester will begin at the north where these parcels are located. All three parcels are currently vacant, but there have been and will likely be development proposals from private landowner. If future condemnation is required for these parcels, the appraisals will reflect the total value of the *developed* property at that time. Purchasing these three lots now may reduce significant future eminent domain compensation.

City of Troy staff met with Erion Nikolla, President of Eureka Building Company, owner of the properties having Sidwell #88-20-10-426-030, 032, 033. Staff negotiated a purchase price of \$350,000, along with the conveyance of a City owned parcel located at the southeast corner of Cutting and Livernois.

The City owned Cutting parcel is a vacant remnant parcel zoned O Office. It was the site of old Fire Station 2. The parcel is 14,670+/- square feet in size or 0.34 acres. The City unsuccessfully attempted to sell this property in 2014 as part of a remnant parcel sale. At that time, the Parks and Recreation Advisory Board opined that the parcel was not valuable for future park development.

Charter Authorization

City of Troy Charter, Chapter 12, Section 12.1, allows for the purchase and sale of property. Any purchases over \$10,000 shall be approved by City Council. The agreement is contingent upon the approval of City Council and no other promises were made except as contained in the agreement presented to City Council for consideration.

Financial

The negotiated price for all three parcels is \$350,000 *and* conveyance of ownership of the City owned parcel on Cutting and Livernois. Additional expenditures will include title commitment, and usual closing and recording costs which is estimated not to exceed \$7,500.

Since the proposed purchase was not predicted there were not funds budgeted for the acquisition and therefore a budget amendment is required for the Capital Fund-Park Development-Land Acquisition.

Recommendation

City Administration asks City Council to consider the attached Agreement to Purchase Realty for Public Purposes and if approved to authorize City Staff to expend funds to acquire the three parcels under the terms outlined in the Agreement and to authorize the Mayor and City Clerk to sign the documentation necessary to convey the City owned parcel Cutting parcel to Eureka Building Company. It is also recommended that City Council approve a budget amendment to the Capital Fund in the amount of \$357,500.

Legal Review

This item was submitted to the City Attorney for review pursuant to City Charter Section 3.17.



GIS Online

Legend:



EUREKA BUILDING COMPANY
#88-20-10-426-030, 032, 033

Notes:

Eureka Building Company
#88-20-10-426-030, 032, 033

Map Scale: 1=212

Created: August 10, 2022



Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

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Sidwell #88-20-10-101-018



Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

Sidwell #88-20-10-426-030
Sidwell #88-20-10-426-032
Sidwell #88-20-10-426-033

AGREEMENT TO PURCHASE REALTY FOR PUBLIC PURPOSES

The CITY OF TROY (the "City"), a Michigan municipal corporation, whose address is 500 West Big Beaver, Troy, MI 48084, and Eureka Building Company ("Eureka"), a Michigan corporation, whose address is 5860 Livernois, Troy, MI 48085, voluntarily enter into this Agreement for the purchase and exchange of properties as follows:

A. The City agrees to purchase from Eureka the following described three parcels (the "Properties"):

SEE EXHIBIT "A"

and to pay the sum of Three Hundred and Fifty Thousand and no/100 Dollars (\$350,000.00) under the following terms and conditions:

1. Eureka shall assist the City in obtaining all releases necessary to remove all encumbrances from the properties so as to vest a marketable title in the City of Troy. Eureka shall disclose any encumbrances against the property.
2. Eureka shall pay all taxes, prorated to the date of closing, including all special assessments, now due or which may become a lien on the properties prior to the conveyance.
3. Eureka shall deliver the Warranty Deed(s) upon payment of the purchase money by check drawn upon the account of the City of Troy.
4. The City shall, at its own expense provide a Title Commitment for the properties.
5. This Agreement is binding upon the parties and closing shall occur within ninety (90) days of the date that all liens have been released and encumbrances have been extinguished to the satisfaction of the City, unless extended by agreement of the parties in writing. It is further understood and agreed that this period of time is for the preparation and authorization of purchase money.
6. The City shall notify Eureka immediately of any deficiencies encumbering marketable title, and Eureka shall then proceed to remove the deficiencies. If Eureka fails to remove the deficiencies to the City's satisfaction, the City shall have the option of proceeding under the terms of this Agreement to take title in a deficient condition or to render the Agreement null and void.
7. The City of Troy's sum paid for the properties being acquired represents the properties being free of all environmental contamination. Although the City of Troy will not withhold or place in escrow any portion of this sum, the City reserves its rights to bring Federal and/or State and/or local cost recovery actions against the present owner(s) and any other potentially responsible parties, arising out of a release of hazardous substances at the property.

B. In addition to paying the above referenced purchase sum, the City of Troy will convey ownership in fee of a parcel of vacant property identified with Sidwell #20-10-101-018 and as described in Exhibit "B" for the sum of One and no/100 Dollars (\$1.00) to Eureka Building Company. The City shall retain an easement on this property for sidewalk purposes as described in Exhibit "B". Ownership of the property shall be conveyed by:

1. Delivery of the usual warranty deed conveying a marketable title.

2. The City agrees to furnish Eureka, as soon as possible, a Commitment for Title Insurance for information purposes. Eureka has the option to purchase title insurance, at its expense.
3. If after examination of the Abstract, Eureka determines that the title is not in the condition required for performance hereunder, the City shall have 90 days from the date notified in writing of any defects to remedy the title defects set forth. If the City is able to remedy such defects within the 90 days, then Eureka agrees to complete the transfer of ownership within 30 days of receipt thereof. If the City is not able to correct the specified title defects, then Eureka has the option to take title in a deficient condition, or to render this Agreement null and void.
4. Eureka understands and agrees that although the property being conveyed may at the time of conveyance be tax exempt, that upon transfer of ownership, the property will be placed on the tax assessor's roll.
5. The covenants herein shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties.
6. By the execution of this instrument the Eureka acknowledges THAT THEY HAVE EXAMINED THE PREMISES AS DESCRIBED IN EXHIBIT "B" AND ARE SATISFIED WITH THE PHYSICAL CONDITION OF THE LAND. THE PROPERTY WILL BE ACCEPTED IN AS IS, WHERE IS AND WITH ALL FAULTS CONDITION.

Closing on these transactions will transpire at the City of Troy offices or a mutually agreed title company.

Eureka Building Company agrees and understands that this Agreement is contingent upon the approval of Troy City Council and hereby acknowledges that no promises were made except as contained in this agreement.

IN WITNESS WHEREOF, the undersigned hereunto affixed their signature(s) this 9th day of August, 2022 .

In presence of:

William J. Huotari
William J. Huotari
Scott Finlay
Scott Finlay

CITY OF TROY,
a Michigan municipal corporation

Erion Nikolla
*

In presence of:

William J. Huotari
William J. Huotari
Scott Finlay
SCOTT FINLAY

EUREKA BUILDING COMPANY,
a Michigan corporation

Erion Nikolla
*Erion Nikolla, President

EXHIBIT "A"

Description of Parcel 1: (From Available Records)

Part of Lots 1, 2, and 3 of "Sylvanwood Gardens Subdivision", as recorded in Liber 13, Page 48 of Oakland County, Michigan records and part of the Southeast ¼ of Section 10, T2N-R11E, City of Troy, Oakland County, Michigan. Being more particularly described as: Beginning at a point distant South 89 degrees 57 minutes 00 seconds West 131.69 feet from the Southeast Corner of said Lot 2, thence South 89 degrees 57 minutes 00 seconds West, along the south line of said Lots 2 and 3, 100.00 feet; thence North 00 degrees 02 minutes 24 seconds West 142.71 feet; thence North 89 degrees 55 minutes 48 seconds East 100.00 feet; thence South 00 degrees 02 minutes 24 seconds East 142.75 feet to the Point of Beginning, containing 0.328 acres more or less.

Parcel: 88-20-10-426-030

Address: Vacant

Description of Parcel 2: (From Available Records)

Part of Lots 1 and 2 of "Sylvanwood Gardens Subdivision", as recorded in Liber 13, Page 48 of Oakland County, Michigan records and part of the Southeast ¼ of Section 10, T2N-R11E, City of Troy, Oakland County, Michigan. Being more particularly described as: Beginning at a point distant South 89 degrees 55 minutes 48 seconds West, along the East and West ¼ Line, 75.01 feet from the East ¼ Corner of said Section 10 to the west line of Rochester Road; thence, along said west line, South 01 degrees 18 minutes 36 seconds East 228.84 feet to the north line of Sylvanwood Avenue, also being the south line of said Lot 2; thence, along said north line, South 89 degrees 57 minutes 00 seconds West 25.00 feet; thence North 00 degrees 02 minutes 24 seconds West 142.78 feet; thence South 89 degrees 55 minutes 48 seconds West 191.69 feet; thence North 00 degrees 02 minutes 24 seconds West 86.00 feet to the East and West ¼ Line of said Section 10; thence along said ¼ Line, North 89 degrees 55 minutes 48 seconds East 211.62 feet to the Point of Beginning, containing 0.496 acres more or less.

Parcel: 88-20-10-426-032

Address: Vacant

Description of Parcel 3: (From Available Records)

Part of Lots 1 and 2 of "Sylvanwood Gardens Subdivision", as recorded in Liber 13, Page 48 of Oakland County, Michigan records and part of the Southeast ¼ of Section 10, T2N-R11E, City of Troy, Oakland County, Michigan. Being more particularly described as: Beginning at a point distant South 89 degrees 57 minutes 00 seconds West 40.00 feet from the Southeast Corner of said Lot 2, thence South 89 degrees 57 minutes 00 seconds West, along the south line of said Lot 2, 91.69 feet; thence North 00 degrees 02 minutes 24 seconds West 142.75 feet; thence North 89 degrees 55 minutes 48 seconds East 91.69 feet; thence South 00 degrees 02 minutes 42 seconds East 142.78 feet to the Point of Beginning, containing 0.301 acres more or less.

Parcel: 88-20-10-426-033

Address: Vacant

EXHIBIT "B"

Section 10, NW 1/4
Parcel: 88-20-10-101-018
Owner: City of Troy

Description of Parcel (As per Tax Description)

Lots 1 and 2, except the west 40.70 feet, of "Troy Subdivision", as recorded in Liber 17 Page 28 of Plats, Oakland County records, being part of the Northwest 1/4 of Section 10, Town 2 North, Range 11 East, City of Troy, Michigan. Containing 0.34 Acres, more or less and being subject to all easements and matters of record.

Description of 5.75 foot Sidewalk Easement

The North 5.75 feet of Lot 1, except the west 40.70 feet, of "Troy Subdivision", as recorded in Liber 17 Page 28 of Plats, Oakland County records, being part of the Northwest 1/4 of Section 10, Town 2 North, Range 11 East, City of Troy, Michigan. Containing 0.02 Acres, more or less and being subject to all easements and matters of record.