



CITY COUNCIL AGENDA ITEM

Date: November 26, 2013

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer
Larysa Figol, Sr. Right of Way Representative

Subject: Request for Approval of Agreement to Purchase Realty for Public Purposes for John R Road Improvements, Square Lake to South Boulevard – Project No. 02.204.5, Parcel #48 Sidwell #88-20-02-228-031

History

In connection with the proposed improvements to John R Road, from Square Lake to South Boulevard, the Engineering Department made a *Conditioned Offer to Purchase Real Estate* to Awni A. Abu-Joudeh and Fadia Abu-Joudeh, owners of the property having Sidwell # 88-20-02-228-031 located at 6769 John R. The property owners have accepted our offer in the total amount of \$275,233.70.

The parcel is located on the west side of John R Road, between Chancery and South Boulevard in the northeast ¼ of Section 2. The proposed right-of-way line infringes on the house itself, so we are required to purchase the entire parcel. The owners have found a new home and wish to relocate to a new property.

Financial

An appraisal was prepared by Andrew Reed, State Certified Appraiser and reviewed by Kimberly Harper, Deputy Assessor and State Licensed Appraiser. Staff believes that the offer of \$275,233.70 is a justifiable amount for this acquisition. This price is based on the appraised value of \$220,000.00, times a factor of 1.25 per Public Act 367 of 2006, plus \$233.70 for the loss of the homeowner's principle residence exemption.

In addition to the amount listed above, the City will also be responsible for all closing costs plus the property owners will be eligible to submit a relocation claim for moving expenses.

Eighty percent of these costs will be reimbursed from Federal funds. Funds for the City of Troy's share are included in the 2013-14 Major Road fund.

Recommendation

City Management recommends that City Council approve the attached purchase agreement with Awni A. Abu-Joudeh and Faida Abu-Joudeh in the amount \$275,233.70, plus closing costs.

Section 2, T2N,
R11E, City of Troy,
Oakland County, MI

LOCATION MAP



SMALLBROOK

NORTHPOINT

JANDALE

LITTLE CREEK

EMERALD SHORES

88-20-02-228-031

JOHN R

GULLIVER

STIRLING

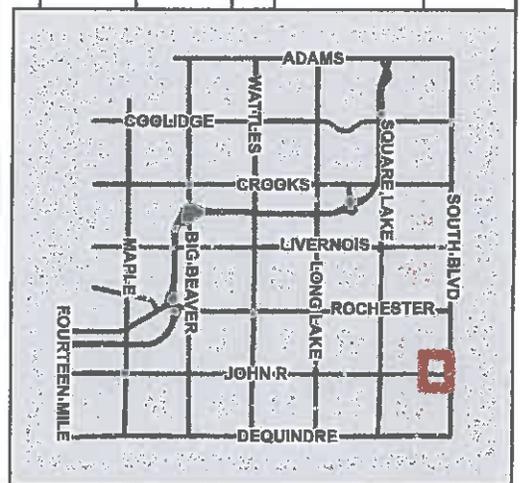
CHANCERY

EDITH

BURDIG

JARMAN

HARNED



CITY OF TROY
AGREEMENT TO PURCHASE REALTY
FOR PUBLIC PURPOSES

The CITY OF TROY (the "Buyer"), agrees to purchase from Awni A. Abu-Joudeh and Fadia Abu-Joudeh, husband and wife (the "Seller"), the following described premises (the "Property"):

T2N, R11E, SEC 2, CITY OF TROY, OAKLAND COUNTY, MICHIGAN,
DESCRIBED AS PART OF THE NORTHEAST 1/4: BEGINNING AT A POINT
DISTANT S 00°14'53" E 1233.41 FT FROM NORTHEAST SECTION CORNER,
THENCE S 89°22'22" W 528 FT, THENCE N 00°14'53" W 82.50 FT, THENCE
N 89°22'22" E 528 FT, THENCE S 00°14'53" E 82.50 FT TO BEGINNING.
CONTAINING 1.00 ACRE.

for a public project within the City of Troy and to pay the sum of Two Hundred, Seventy-Five Thousand and no/100 Dollars (\$275,000)* under the following terms and conditions:

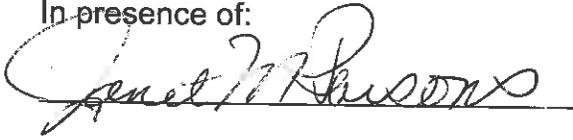
1. Seller shall assist Buyer in obtaining all releases necessary to remove all encumbrances from the property so as to vest a marketable title in Buyer.
2. Seller shall pay all taxes, prorated to the date of closing, including all special assessments, now due or which may become a lien on the property prior to the conveyance.
3. Seller shall deliver the Warranty Deed upon payment of the purchase money by check drawn upon the account of the City of Troy.
4. Buyer shall, at its own expense, provide title insurance information, and the Seller shall disclose any encumbrances against the property.
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 Buyer, 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. Buyer shall notify the Seller immediately of any deficiencies encumbering marketable title, and Seller shall then proceed to remove the deficiencies. If the Seller fails to remove the deficiencies in marketable title to Buyer's approval, the Buyer 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, and any deposit tendered to the Seller shall be returned immediately to the Buyer upon demand.
7. The City of Troy's sum paid for the property being acquired represents the property 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 owners and any other potentially responsible parties, arising out of a release of hazardous substances at the property.
8. Seller acknowledges that this offer to purchase is subject to final approval by Troy City Council.
9. Seller grants to Buyer temporary possession and use of the property commencing on this date and continuing to the date of closing in order that the Buyer may proceed with the public project.
10. Additional conditions, if any: In addition to the offer listed above, the City of Troy also agrees to pay the Sellers \$233.70 for the loss of homeowner's principle residence exemption (per Public Act 439 of 2006).
11. At the request of the Seller, Buyer agrees that all proceeds from the sale of after satisfaction of all encumbrances, liens, and/or title obstructions will be paid to Patrick Abu-Joudeh and Pierre Abu-Joudeh, for application towards the Seller's new residency.

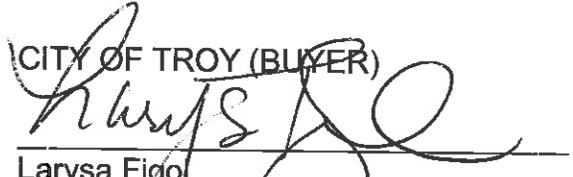
*This price is based on a fair market value of \$220,000 x 1.25 Factor per Public Act 367 of 2006.

SELLER HEREBY ACKNOWLEDGES THAT NO PROMISES WERE MADE EXCEPT AS CONTAINED IN THIS AGREEMENT.

IN WITNESS WHEREOF, the undersigned hereunto affixed their signatures this 27th day of, November 2013.

In presence of:



CITY OF TROY (BUYER)

Larisa Figo
Sr. Right-of-Way Representative

SELLER:


Awni A. Abu-Joudeh

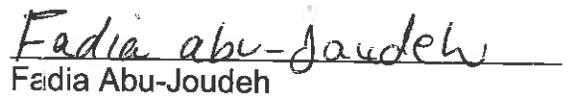
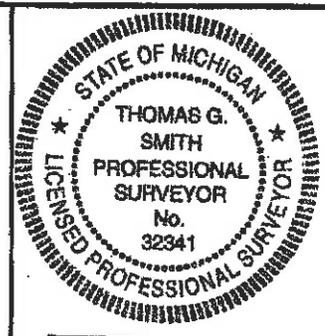

Fadia Abu-Joudeh

Exhibit "A"

Section 2, John R Widening Project
Parcel: 88-20-02-228-031
Parcel #48

PARCEL #48 DESCRIPTION:

T2N, R11E, SEC 2, CITY OF TROY, OAKLAND COUNTY, MICHIGAN, DESCRIBED AS PART OF THE NORTHEAST 1/4: BEGINNING AT A POINT DISTANT S 00°14'53" E 1233.41 FT FROM NORTHEAST SECTION CORNER, THENCE S 89°22'22" W 528 FT, THENCE N 00°14'53" W 82.50 FT, THENCE N 89°22'22" E 528 FT, THENCE S 00°14'53" E 82.50 FT TO BEGINNING, THE EAST 33 FEET OF WHICH IS CURRENTLY BEING USED FOR ROADWAY PURPOSES. CONTAINING 1.00 ACRES.



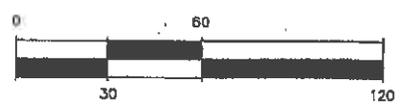
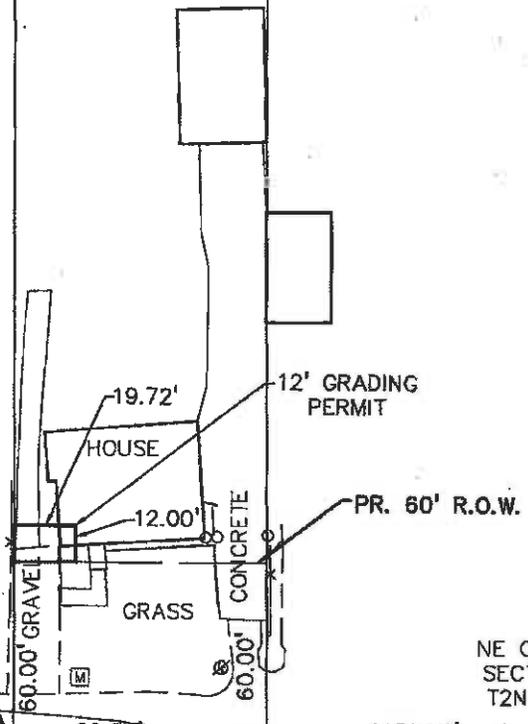
Thomas G. Smith

N00°14'53"W
82.50'

PARCEL 48
88-20-02-228-031
#6769 JOHN R RD

S89°22'22"W 468.00'
S89°22'22"W 528.00'
N89°22'22"E 528.00'
N89°22'22"E 468.00'

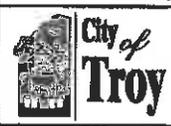
POB PARENT PARCEL



GRAPHIC SCALE
1" = 60'

PARCEL 48

ORCHARD, HILTZ & McCLIMENT, INC.
34000 Plymouth Road
Livonia, MI, 48150 (734)522-8711



500 W. Big Beaver Rd.
Troy, Michigan 48084
(248) 524-3594
www.ci.troy.mi.us

6769 John R
Grading Permit
Sketch

82.50' 1150.91'
EAST LINE OF SEC 2 S00°14'53"E 1233.41'
JOHN R ROAD (120' WIDE)

NE CORNER
SECTION 2
T2N-R11E

SCALE: 1" = 60'	DRAWN BY: JRV 2-10-06	CHECK BY: GWC 3-17-06	FILE 228-031 GRD
DATE	REV.	CONTRACT No.	
		STEVEN J. VANDETTE CITY ENGINEER	SHEET No. 1 of 2 JOB No. 2002-234

Document Prepared by
Professional Engineering
Associates, Inc.