

January 16, 2006

TO: John Szerlag, City Manager

FROM: Doug Smith, Real Estate and Development Director *DS*

SUBJECT: **AGENDA ITEM** - Request for Approval to Sell City-Owned Surplus Remnant Parcel located in Section 22 between Troy and Frankton Streets Fronting on Big Beaver - Sidwell #88-20-22-357-031

Andale Investment Company, Inc. is the owner of four parcels immediately behind a City-owned surplus remnant parcel fronting on Big Beaver, between Troy and Frankton Streets, which is 3 blocks east of Livernois Road. They have signed the attached purchase agreement for the acquisition of this unbuildable remnant parcel.

This parcel was acquired as a part of a Big Beaver Road widening project, which after using the necessary right-of-way, left a remnant parcel with 244 feet fronting on Big Beaver, and a depth of 56 feet, which is unbuildable.

The Real Estate and Development Department has had this parcel appraised as a part of the surplus parcels sales initiative, which resulted in a suggested value, of \$22,500.00, which is the same value Andale Investment has offered in the purchase agreement.

It would be in the City of Troy's best interest to have this unbuildable surplus remnant parcel be assembled with a larger parcel, making the combined parcels a much better site for the future development of the Big Beaver corridor. It is the developer's intent to combine all parcels into one development site.

Management recommends that City Council approve the sale of this remnant parcel to Andale Investment Company, Inc. for the value of \$22,500.00, subject to terms and conditions of the purchase agreement. We also request that the Mayor and City Clerk be authorized to sign the purchase agreement and a warranty deed for closing the transaction.

**ANDALE INVESTMENT COMPANY, INC.
5877 LIVERNOIS, SUITE 103
TROY, MI 48098
(248) 828-1726**

November 22, 2005

Mr. Douglas Smith
Director
Real Estate and Development Dept.
City of Troy
500 W. Big Beaver Road
Troy, MI 48084

**RE: Offer to Purchase
N 56' of Lot 26-37
Eysters Beaver Gardens Sub.**

Dear Mr. Smith:

On August 3, 2005 we submitted an offer to purchase the above referenced city owned property which adjoins land we have owned for many years. We recently acquired the remaining one half interest in Lot 91 Eysters Beaver Gardens, which gives us 100% ownership of the land lying north of the above referenced remnant parcels.

Over the years we were told by City Council that they wanted us to acquire Lot 91 before they would approve a development on our site and sell us the adjacent remnant parcels along Big Beaver Road.

Inasmuch as we have acquired Lot 91, we wish to purchase the remnant parcels so we can proceed to plan and develop the entire block between Louis and Frankton Street.

Please call if you have any questions.

Yours truly,


Joel A. Garrett
President

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OFFER TO PURCHASE

City
~~Township~~ TROY

1. THE UNDERSIGNED hereby offers and agrees to purchase the following land situated in the Village OAKLAND County, Michigan, described as follows: The North 56 Feet of Lots 26 Through 37 Eyster's Beaver Gardens Sub.

being known as Vacant E. Big Beaver Road ~~street~~, together with all improvements and appurtenances, including ~~all lighting fixtures, shades, Venetian blinds, curtain rods, traverse rods, storm windows and storm doors, screens, awnings, TV antenna, gas conversion unit, Retelenna, incinerator,~~

if any, now on the premises and to pay therefore, the sum of Twenty Two Thousand Five Hundred (\$22,500.00) Dollars subject to the existing building and use restrictions, easements, and zoning ordinances, if any, upon the following conditions: **THE SALE TO BE CONSUMMATED BY: (USE PARAGRAPH A, B, C or D)**

A. CASH SALE. Delivery of the usual Warranty Deed conveying a marketable title. Payment of purchase money is to be made in cash or certified check.

~~**B. CASH SALE WITH NEW MORTGAGE.** Delivery of the usual Warranty Deed conveying a marketable title. Payment of purchase money is to be made in cash or certified check. This agreement is contingent upon the purchaser being able to secure a mortgage in the amount of \$ _____ for a term of _____ years and pay \$ _____ down plus mortgage costs, pre-paid items, and adjustments in cash. Purchaser agrees to apply for such mortgage within _____ days from acceptance of this offer at his own expense. If a commitment for such mortgage cannot be obtained within _____ days from date of acceptance, at the Seller's option, this offer can be declared null and void and deposit shall be returned.~~

~~**C. SALE TO EXISTING MORTGAGE.** Delivery of the usual Warranty Deed conveying a marketable title, subject to mortgage to be deducted from the purchase price. Payment of the purchase money is to be made in cash or certified check less the amount owing upon an existing mortgage now on the premises, with accrued interest to date of consummation, held by _____ upon which there is unpaid the sum of approximately _____ Dollars with interest at _____ per cent, which mortgage requires payments of _____ Dollars on the _____ day of each and every month, which payments DO, DO NOT include prepaid taxes and insurance. If the Seller has any accumulated funds held in escrow for the payment of any prepaid items, the purchaser agrees to reimburse the Seller upon proper assignment of same. The purchaser agrees to assume and pay said mortgage according to the terms hereof.~~

~~**D. SALE ON LAND CONTRACT.** Payment of the sum of _____ Dollars, in cash or certified check, and the execution of a Land Contract upon Metropolitan Title Company form acknowledging payment of that sum and calling for the payment of the remainder of the purchase money within _____ years from the date of Contract in monthly payments of not less than _____ Dollars each which include interest payments at the rate of _____ % per annum, and which DO, DO NOT include prepaid taxes and insurance. If the Seller's title to said land is evidenced by an existing Land Contract with unperformed terms and conditions substantially as above and the cash payment to be made by the undersigned on consummation hereof will pay out the equity, an assignment and conveyance of the vendee's interest in the land contract with an agreement by the undersigned to assume the balance owing thereon, will be accepted in lieu of the contract proposed in the preceding paragraph. If the Seller has any accumulated funds held in escrow for the payment of prepaid taxes or insurance, the Purchaser agrees to reimburse the Seller upon proper assignment.~~

2. The Seller shall deliver and the Purchaser shall accept possession of said property, subject to the rights of the tenants: If the Seller occupies the property it shall be vacated on or before AT CLOSING days after closing. From the day after closing through the day of vacating the property as agreed, SELLER SHALL PAY the sum of \$ _____ per day. THE BROKER SHALL RETAIN from the amount due Seller at closing the sum of \$ _____ as security for said occupancy charge, paying to the Purchaser the amount due him and returning to the Seller the unused portion as determined by date property is vacated and keys surrendered to Broker.

3. The Broker is hereby authorized to make this offer and the deposit of \$ 1,000.00 Dollars in form of cash, check, note, shall be held by him under Act No. 112, P.A. of 1960 Sect. 13. (j) and applied on the purchase price if the sale is consummated.

GENERAL CONDITIONS of sale printed on reverse side are incorporated and made a part hereof. This is a legal document and it is recommended that all parties to this agreement retain an attorney to protect their interest in this transaction.

ADDITIONAL CONDITIONS, if any: (Use reverse side if needed) _____

IN PRESENCE OF:

ANDALE INVESTMENT CO., INC. L.S.

Joe A. Garrett L.S.
Purchaser/President
Address 5877 Livernois Rd., Ste 103, Troy, 4809
Phone 248-828-1726

Dated August 3, 2005

SELLER'S
BROKER'S ACKNOWLEDGEMENT OF DEPOSIT

Received from the above named Purchaser the deposit money above mentioned, which will be applied as indicated in paragraph 3 and 10, or will be returned forthwith after tender if the foregoing offer and deposit is declined.

Broker By _____

This is a co-operative sale on a _____ basis with
ACCEPTANCE — TO THE ABOVE NAMED PURCHASER AND BROKER: The foregoing offer is accepted in accordance with the terms stated, and upon consummation Seller hereby agrees to pay the Broker for services rendered a commission of \$ _____

Dollars (_____ per cent of the sale price), which shall be due and payable at the time set in said offer for the consummation of the sale, or if unconsummated, at the time of the Seller's election to refund the deposit, or of Seller's or Purchaser's failure, inability or refusal to perform the conditions of this offer; provided, however, that if the deposit is forfeited under the terms of said offer, the Seller agrees that one-half of such deposit (but not in excess of the amount of the full commission) shall be paid to or be retained by the Broker in full payment for services rendered.

By the execution of this instrument, the Seller acknowledges the receipt of a copy of this agreement.

IN PRESENCE OF:

_____ L.S.

Dated _____ L.S.

Seller



Surplus Parcel #12

