



CITY COUNCIL AGENDA ITEM

Date: March 14, 2014

To: Honorable Mayor and City Council

From: Brian Kischnick, City Manager
Lori Grigg Bluhm, City Attorney
Mark F. Miller, Director of Economic and Community Development
Kurt Bovensiep, Superintendent of Parks, Streets, and Drains
Elaine Bo, Recreation Director
MaryBeth Murz, Purchasing Manager
Brenda Carter, Intern

Subject: Disposal/Sale of Remnant Property (Introduced by: Mark Miller, Director of Economic and Community Development and Brenda Carter, Intern)

History

Over the past several years, the City of Troy has acquired eleven (11) remnant properties. Remnant properties are parcels of property acquired for road projects or are parcels deemed not needed since acquisition. These remnant properties do not have complicated administrative or legislative hurdles and therefore offer an opportunity for timely sale. Please refer to the attached chart summarizing each of the remnant properties.

The listed remnant properties were reviewed by the Parks and Recreation Board. The Board recommended disposal or sale of all of the remnant parcels; with the exception of the Old Fire Station #2. Old Fire Station #2 is located at the southeast corner of Livernois and Cutting. The Parks and Recreation Board further recommended that the Old Fire Station #2 property be retained and used for the purposes of a memorial for Station #2 firefighters.

Please note that these 11 remnant parcels are part of phase one of remnant properties to be disposed/sold. Phase two will include properties that have more challenging issues to be resolved prior to disposal/sale. These phase two properties are larger sites and include undeveloped park land purchased with bond funding.

Purchasing

On January 22, 2007, the City Council approved the resolution to amend Disposal/Sale of Excess Property: Resolution #2007-01-028. This resolution states that the City of Troy may determine that the public interest may be best served *without* obtaining sealed bids for the sale of remnant parcels. These remnant parcels were created when the City acquired right-of-way and excess properties remained. This resolution is to encourage the sale of remnant parcels that are too small for practical development and



CITY COUNCIL AGENDA ITEM

Purchasing (continued)

consolidating the remnant parcels with abutting and adjoining properties. Ultimately the resolution encourages quality development. The resolution includes the following requirements:

1. Purchaser submits evidence of ownership or control of an assembly of adjoining land of sufficient size so as to achieve quality development as determined by City Council after review and recommendation from the City Manager.
2. Purchaser submits a conceptual site plan, which has been drawn to sufficient detail to indicate any and all features such as setbacks, parking and access, storm water detention and building height, which are governed by codes and standards of the City of Troy.
3. Purchaser submits a petition for rezoning if required for the proposed development. The rezoning request shall be in compliance with the Master Plan of the City of Troy.
4. Purchase agreement commits the prospective buyer to a minimum purchase price established by an appraiser named by the Engineering Department of the City of Troy.
5. Site plan approval application shall include architectural renderings of all buildings, including a description of building materials.
6. Purchase agreement shall include proposed deed restrictions prepared by the City of Troy which will be imposed upon the purchaser of the City-owned property.
7. The resolution does not relieve the Purchaser of their obligation to adhere to any and all City ordinances and development standards.

Properties noted as buildable on the attached chart can be sold through the normal sealed bid process as required by Troy City Charter: Chapter 12. This chapter requires that all sales or purchases in excess of \$10,000 use a sealed bid process and the sale be approved by City Council.



CITY COUNCIL AGENDA ITEM

Financial

Each property would require an appraisal for an estimated total of \$15,000.

Recommendation

City administration recommends the disposal/sale *without* obtaining bids for the six (6) properties identified as needing assemblage, included on the attached chart. The properties noted on the attached chart as buildable should be put on the market by obtaining bids utilizing the sealed bid process. All sales will require City Council approval. All proceeds will be dedicated to road improvements.

Attachments (2)

**CITY OF TROY OWNED
REMNANT PROPERTIES**

	PIN	ADDRESS/LOCATION	ZONING	ACRES	DEVELOPMENT POTENTIAL	CONDITIONS OF ACQUISITION	COMMENTS
A	88-20-03-126-006	6972 Donaldson	R-1B	0.95	Buildable	Tax Reversion	Easements. Sale proceeds prorated due to tax reversion . Appraisal needed.
B	88-20-10-101-018	Old Fire Station 2	O	0.34	Assemblage	No Condition	Residential potential. Appraisal needed.
C	88-20-20-226-038	Engineering Field Office/Boulan Park	CF	0.56	Buildable	Transportation	Historic district property – appraisal needed.
D-1	88-20-16-476-027	Livernois & Paragon	R-1B	0.42	Buildable	Transportation	FHWA – appraisal needed.
D-2	88-20-16-476-028	Livernois & Paragon	R-1B	0.42	Buildable	Transportation	FHWA – appraisal needed.
E	88-20-28-227-006	2995 Livernois	BB	0.18	Assemblage	Transportation	FHWA – appraisal needed.
F	88-20-22-358-028	Big Beaver & Frankton	BB	0.21	Assemblage	Transportation	FHWA – appraisal needed.
G	88-20-27-155-013	Hickory & Plum	R-1E	0.17	Assemblage	Tax Reversion	Sale proceeds prorated due to tax reversion. Appraisal needed
H	88-20-34-201-003	598 E. Maple	IB	0.14	Assemblage	Transportation	FHWA – appraisal needed.
I	88-20-26-483-053	John R & Maple	CB	0.39	Assemblage	Transportation	FHWA – appraisal needed.
J	88-20-24-451-029	Big Beaver, West of Waterfall	R-1E	0.31	Buildable	Transportation	FHWA – appraisal needed.

Assemblage: Best development potential requires property assembly.

FHWA: Requires appraisal to determine market value

Transportation: Property acquired with federal dollars. Funds need to be dedicated to transportation activities

RESOLVED, That pursuant to MCL 211.7u, the City Council of the City of Troy hereby **APPROVES** the proposed "Poverty Exemption Guidelines" for 2007, as presented by the City Assessor in a memorandum dated January 5, 2007, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Yes: All-7

F-3 Preliminary Site Condominium Review – Stone Haven Park Site Condominium, South of Wattles, West of Crooks, Section 20 – R-1B

Resolution #2007-01-026

Moved by Beltramini

Seconded by Fleming

RESOLVED, That the Troy City Council hereby **APPROVES** the preliminary site condominium plan, as submitted under Section 34.30.00 of the Zoning Ordinance (Unplatted One-Family Residential Development) for the development of a One-Family Residential Site Condominium known as Stone Haven Park Site Condominium, located south of Wattles, west of Crooks, in Section 20, including 9 home sites, within the R-1B zoning district, being 4.285 acres in size.

Yes: All-7

F-4 Disposal/Sale of Excess Property

Resolution

Moved by Stine

Seconded by Lambert

WHEREAS, The City Council of the City of Troy endeavors to attain the highest and best land use, effective growth control measures and to enhance the health, safety and welfare of the community; and

WHEREAS, Chapter 12 of the Troy City Charter requires that..."in all sales or purchases in excess of \$10,000, (a) the sales or purchases shall be approved by the City Council, (b) sealed bids shall be obtained, except where the City Council shall determine that an emergency exists or that the public interest will be best served without obtaining sealed bids...";

THEREFORE, BE IT RESOLVED, That the City Council of the City of Troy **MAY DETERMINE** that the public interest will best be served without obtaining sealed bids for the sale of remnant parcels which remain after required right-of-way or excess property is taken when a purchase agreement is offered to the City of Troy by a prospective buyer which:

1. Has submitted evidence of ownership or control of an assembly of adjoining land of sufficient size so as to achieve what is believed to be the best possible development as determined by the City Council after review and recommendation from the City Manager.
2. Has submitted a conceptual site plan, which has been drawn to sufficient detail to indicate any and all features such as setbacks, parking and access, storm water detention and building height, which are governed by codes of the City of Troy.

3. Is accompanied by a petition for rezoning, if necessary, in compliance with the Master Land Use Plan of the City of Troy as being the most appropriate land use.
4. Commits the prospective buyer to a purchase price of at least a value established by an appraiser named by the Real Estate and Development Department of the City of Troy.
5. During the site plan review, site plan is accompanied by architectural renderings of all buildings along with a description of building materials to permit evaluation by building quality.
6. Is accompanied by a draft of proposed deed restrictions prepared by the City of Troy which will be imposed upon the purchaser of the City-owned property.
7. Nothing in this resolution relieves the Purchaser/Developer of their obligation to adhere to any and all City Ordinances and development standards.

BE IT FURTHER RESOLVED, That staff will **PROVIDE** an analysis of the zoning and **PRESENT** the remnant parcel(s) to the Parks and Recreation Advisory Committee to review for possible use as parks prior to Council action on the offer to purchase; and

BE IT FINALLY RESOLVED, That the City Council **RETAINS** discretionary authority to determine the applicability of this policy.

Vote on Resolution to Amend Disposal/Sale of Excess Property

Resolution #2007-01-027
 Moved by Beltrami
 Seconded by Howrylak

RESOLVED, That Troy City Council hereby **AMENDS** the resolution to *Amend Disposal/Sale of Excess Property* by **INSERTING**, "BE IT FURTHER RESOLVED, That if it is most probable that a rezoning will be requested, that an appraisal based on that subsequent rezoning also be submitted; and" **BEFORE** "BE IT FINALLY RESOLVED".

Yes: All-7

Vote on Resolution to Amend Disposal/Sale of Excess Property as Amended

Resolution #2007-01-028
 Moved by Stine
 Seconded by Lambert

WHEREAS, The City Council of the City of Troy endeavors to attain the highest and best land use, effective growth control measures and to enhance the health, safety and welfare of the community; and

WHEREAS, Chapter 12 of the Troy City Charter requires that..."in all sales or purchases in excess of \$10,000, (a) the sales or purchases shall be approved by the City Council, (b) sealed

bids shall be obtained, except where the City Council shall determine that an emergency exists or that the public interest will be best served without obtaining sealed bids...”;

THEREFORE, BE IT RESOLVED, That the City Council of the City of Troy **MAY DETERMINE** that the public interest will best be served without obtaining sealed bids for the sale of remnant parcels which remain after required right-of-way or excess property is taken when a purchase agreement is offered to the City of Troy by a prospective buyer which:

1. Has submitted evidence of ownership or control of an assembly of adjoining land of sufficient size so as to achieve what is believed to be the best possible development as determined by the City Council after review and recommendation from the City Manager.
2. Has submitted a conceptual site plan, which has been drawn to sufficient detail to indicate any and all features such as setbacks, parking and access, storm water detention and building height, which are governed by codes of the City of Troy.
3. Is accompanied by a petition for rezoning, if necessary, in compliance with the Master Land Use Plan of the City of Troy as being the most appropriate land use.
4. Commits the prospective buyer to a purchase price of at least a value established by an appraiser named by the Real Estate and Development Department of the City of Troy.
5. During the site plan review, site plan is accompanied by architectural renderings of all buildings along with a description of building materials to permit evaluation by building quality.
6. Is accompanied by a draft of proposed deed restrictions prepared by the City of Troy which will be imposed upon the purchaser of the City-owned property.
7. Nothing in this resolution relieves the Purchaser/Developer of their obligation to adhere to any and all City Ordinances and development standards.

BE IT FURTHER RESOLVED, That staff will **PROVIDE** an analysis of the zoning and **PRESENT** the remnant parcel(s) to the Parks and Recreation Advisory Committee to review for possible use as parks prior to Council action on the offer to purchase; and

BE IT FURTHER RESOLVED, That if it is most probable that a rezoning will be requested, that an appraisal based on that subsequent rezoning also be submitted; and

BE IT FINALLY RESOLVED, That the City Council **RETAINS** discretionary authority to determine the applicability of this policy.

Yes: All-7