City of Troy

CITY COUNCIL ACTION REPORT

March 27, 2007

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services
Mark F. Miller, Planning Director

SUBJECT: Reconsideration of Approval of the Sale of City-Owned Surplus Remnant Parcel to RPS, Troy, LLC, Fronting on Big Beaver between Troy and Louis Streets, Section 22 – Sidwell #88-20-22-356-031

Background:

- City Council approved the sale with the condition of RPS, Troy, LLC, purchasing Four Oaks Management Parcel on March 5, 2007.
- A schematic site plan excluding the parcel owned by Four Oaks Management is attached.
- City Management facilitated meetings between RPS, Troy, LLC, and Four Oaks Management, and it appears that the parties cannot agree upon a sale price of the abutting property.
- RPS, Troy, LLC, has purchased two parcels on the north side that abut the City-owned parcel. City Council rezoned the two parcels to O-1. In addition, City Council vacated the 180-foot wide alley, which allows all parcels to be combined into one O-1 parcel for the purpose of constructing a medical office building.
- RPS, Troy, LLC, is requesting that the condition be removed from the approval of the sale of the City-owned surplus remnant parcel, Sidwell #88-20-22-356-031.

Financial Considerations:

- Appraised value is $15,000.00, and the offer is $15,000.00.

Legal Considerations:

- City Council can reconsider the sale of the property.

Policy Considerations:

- This item is consistent with City Council Goal III (Retain and attract investment while encouraging redevelopment).

Options:

- City Council can reconsider the Purchase Agreement.

Attachments:

1. Renaissance Plastic Surgery P.C. Memo dated March 15, 2007.
2. Schematic Plan

Prepared by MFM/plh

G:\MEMOS TO MAYOR AND CITY COUNCIL\ RPS Troy LLC Remnant Parcel Sale 03-27-07

March 15, 2007

Brian P. Murphy,
Assistant City Manager/Economic Development Services
City of Troy
500 West Big Beaver Road
Troy, Michigan 48084

RENAISSANCE
PLASTIC SURGERY P.C.

William A. Stefani, M.D.
Jeffrey L. Williams, M.D.

Dear Mr. Murphy:

First, we would like to thank you and the committee for your time and attention. We are still interested in bringing new business to the City of Troy. We are requesting to move forward with our proposed plans. We submitted site plans allowing either a 10,000 SF building utilizing the complete set of properties (No.'s 88-20-22-356-008/011/014/031) or a 9,900 SF building utilizing all properties with the exception of 20-22-356-014.

Negotiations started in early October, 2006 with the Casadei family. There have been many competitive and overly fair offers on the table. None of them have been acceptable as the Casadei family and Four Oaks Management expects an inflated amount of money for their remnant parcel # 88-20-22-356-014. The inflated price is not acceptable for the value of the property.

It is not in our best interest to further negotiate as the delays caused by the Casadei family have cost us valuable time and money. Not to mention the higher land tax we will be accessed now that the property zoning has changed from residential to commercial.

Our offices in Macomb County continue to thrive. We have a generous offer to remain where we are. After 13 plus years we are looking for a change but have become discouraged with politics deciding our future path. It is our intention to move forward immediately with either a remodel in Macomb County or a new build in Oakland County. We are requesting a resolution to the purchase of Sidwell # 88-20-22-356-031 at the meeting on Monday, March 26, 2007.

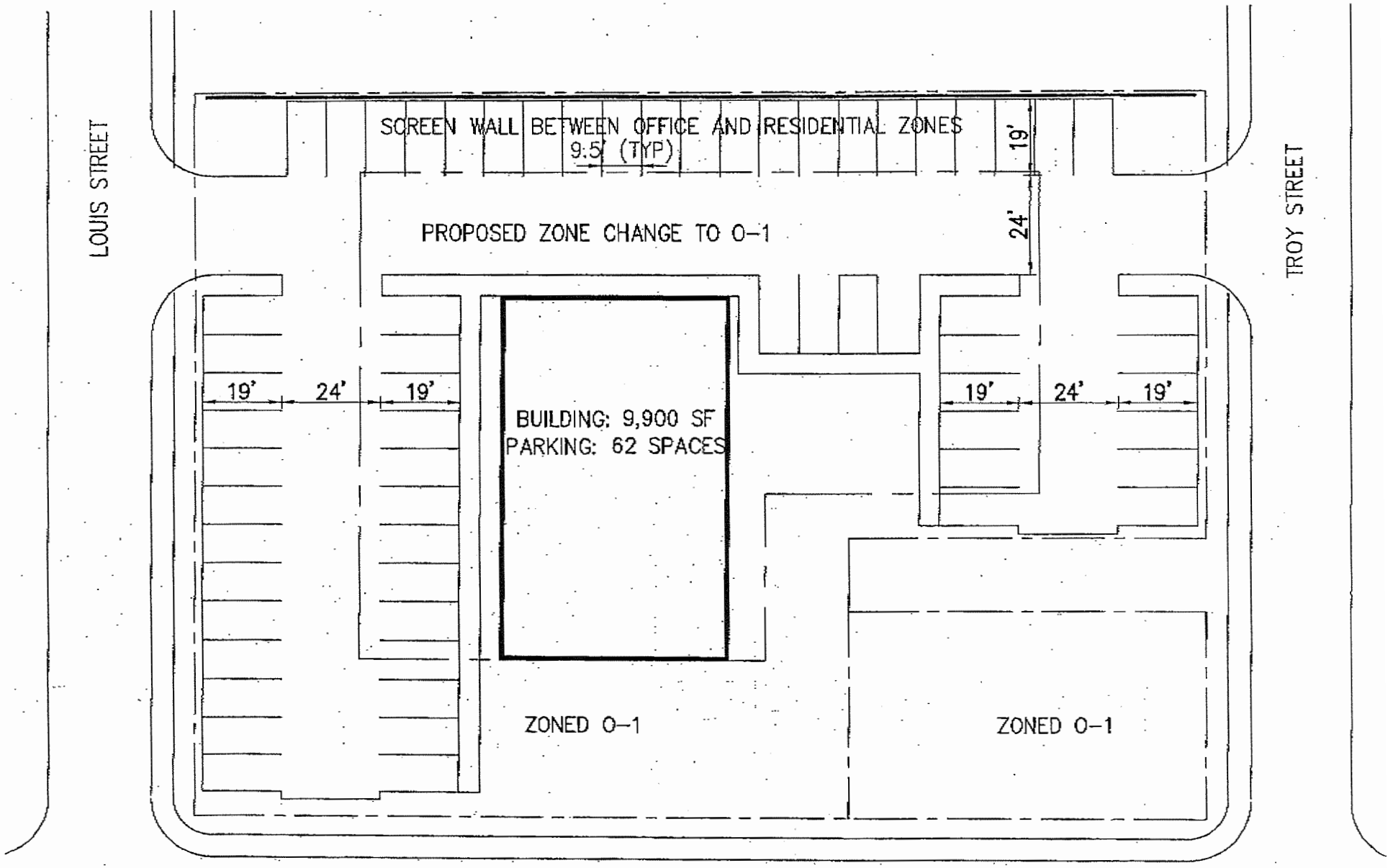
Thank you again for your time and consideration.

Sincerely,

RPS, Troy, LLC
Spa Renaissance

Encls.

21000 Twelve Mile Road, Suite 105, St. Clair Shores, MI 48081 586 779 3030 Fax: 586 779 6733
43200 Dequindre, Suite 107, Sterling Heights, MI 48314 586 739 3722 Fax: 586 739 6480


LOUIS STREET
TROY STREET
SCREEN WALL BETWEEN OFFICE AND RESIDENTIAL ZONES
9.5' (TYP)
19'
24'
PROPOSED ZONE CHANGE TO O-1
19'
24'
19'
BUILDING: 9,900 SF
PARKING: 62 SPACES
19'
24'
19'
ZONED O-1
ZONED O-1

OFFER TO PURCHASE
CITY OF TROY
REAL ESTATE

1. THE UNDERSIGNED, RPS Troy, LLC whose address is 24405 Gratiot, East Pointe, MI 48021, hereby offers and agrees to purchase from the City of Troy the following land situated in the City of Troy, Oakland County, Michigan, described as follows:

See Exhibit "A" Attached Hereto And By Reference Made A Part Hereof

Sidwell # 88-20-22-356-031

and to pay therefore the sum of ($15,000.00) Fifteen Thousand Dollars subject to the existing building and use restrictions, easements, zoning ordinances, and other deed restrictions and conditions as specified herein.

THE SALE TO BE CONSUMMATED BY:

The delivery of a Warranty Deed conveying a marketable title. Payment of purchase money is to be made in cash or certified check made payable to the City of Troy

2. As evidence of title, Seller agrees to furnish Purchaser as soon as possible a Commitment for Title Insurance for information purposes. Purchase of Title Insurance shall be the option of the Purchaser at Purchaser's expense.

3. When this offer is accepted by the Seller and if title can be conveyed in the condition required hereunder, the Purchaser agrees to complete the sale within 30 days after delivery of the commitment of title insurance.

4. If objection to the title is made in the Commitment for Title Insurance or based upon a written opinion of Purchaser's attorney after examination of the Abstract that the title is not in the condition required for performance hereunder, the Seller shall have 30 days from the date he is notified in writing of the particular defects claimed either (1) to fulfill the requirements in said commitment or to remedy the title defects set forth in said attorney's opinion or (2) to refund the deposit in full termination of this agreement or if unable to furnish satisfactory title. If the Seller is able to comply with such requirements or remedy such defects within the time specified as evidenced by written notification, revised commitment or endorsement to commitment, the Purchaser agrees to complete the sale within 10 days of receipt thereof. If the Seller is unable to furnish satisfactory title within the time specified, the deposit shall be refunded forthwith in full termination of this agreement.

5. Purchaser understands and agrees that although the property being conveyed may at the time of conveyance be tax exempt, and that upon acceptance of this offer to purchase the property will be placed on the tax assessor's roll.

6. The covenants herein shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties.

7. By the execution of this instrument the Purchaser acknowledges THAT HE HAS EXAMINED THE ABOVE DESCRIBED PREMISES and is satisfied with the physical condition of structures and/or land thereon.

8. The closing of this sale shall take place at the offices of the City of Troy unless otherwise agreed.

9. Purchaser agrees to comply with Troy City Council Resolution #85-254, a copy of which is attached, and understands that this sale is contingent upon City Council approval.

10. Deed Restrictions and Subsequent Conditions: The sale of this property is conditioned upon the following deed restrictions which shall be recorded at the time of sale and shall be binding upon the Purchaser, their heirs, executors, administrators, successors and assigns: See Attachment "A"

11 Additional Conditions:

IN THE PRESENCE OF: Purchaser

Patricia La Franco L.S.

Patricia La Franco L.S.

Date 11/7/06 Phone 586-775-3030 Address

IN THE PRESENCE OF: Seller

L.S.

L.S.

Date Phone: Address: 500 W. Big Beaver, Troy, 48084

PURCHASER'S RECEIPT OF ACCEPTED OFFER

The Purchaser hereby acknowledges the receipt of the Seller's signed acceptance of the foregoing offer to purchase.

Purchaser

_____ L.S.

_____ _____ L.S.

Date 11/7/16

ATTACHMENT "A"

CITY OF TROY PROPERTY SALE

DEED RESTRICTION

A. Construction shall take place only as indicated on the site plan, as submitted to and approved by the Building Department and Planning Department of the City of Troy and all construction shall conform to all codes of the City of Troy. Purchaser shall complete the fee purchase of other parcels, which comprise the full site, if any.

B. The purchaser shall construct or pay for the construction of any and all improvements to public facilities or private improvements as required by ordinances or design standards of the City of Troy

C. All buildings shall be constructed as indicated on the architectural rendering as submitted to and approved by the Troy Planning Department and Building Department; no other alteration, addition or deletion shall occur.

D. The Purchaser shall combine this parcel description with adjacent properties owned or controlled by Purchaser on City tax records.

E. These deed restrictions shall be recorded with and as part of the deed at the Oakland County Register of Deeds.

EXHIBIT "A"

SW ¼ Section 22,
Sidwell # 88-20-22-356-031

Description of Surplus Parcel #11:

Lots 14 to 21, inclusive, except the South 69 feet taken for road purposes of "Eysters Beaver Gardens", as recorded in Liber 26, Page 14 of Oakland County, Michigan records. Said plat being part of the Southwest ¼ of Section 22, T2N-R11E, City of Troy, Oakland County, Michigan.

TABLED ITEMS

RESOLUTION TO ESTABLISH POLICY GOVERNING DISPOSAL (SALE) OF EXCESS RIGHT-OF-WAY

Resolution #85-254
Moved by Liebrecht
Supported by Stine

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 $3,000 (1) 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. . .";

NOW, THEREFORE, BE IT RESOLVED, That the City Council may from time to time determine that the sale of certain parcels of land will best serve the public interest; and

BE IT FURTHER 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 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 site plan which has been drawn to sufficient detail to indicate any and all features which are governed by codes of the City of Troy, said site plan shall not include variances from any code 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 or as may be determined by the City Council of the City of Troy as being the most appropriate land use; and

4. Commits the prospective buyer to a purchase price at a value established by an appraiser named by the Right-of-Way Division of the City of Troy

5. Commits the buyer to construct or pay for the construction of any and all improvements to public facilities or private improvements as required by ordinances or design standards of the City of Troy; and

6. Is accompanied by architectural renderings of all building indicated on the site plan along with a description of building materials and methods to permit evaluation of building quality;

7. Is accompanied by a draft of proposed deed restrictions which will be imposed upon the owner of the purchaser of the City-owned property, the adjoining land included in the site plan and their assigns and successors which embodies all of the aforementioned requirements and conditions; and

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

Yeas: All-7