



CITY COUNCIL AGENDA ITEM

Date: November 13, 2014

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: Remnant Parcel Sales - Update

City Council approved the sale of eleven (11) City owned remnant parcels on April 7, 2014. The development potential of the parcels fell into 2 categories, buildable and those that would be best suited if offered to adjoining property owners.

APPRAISALS

Staff consulted with the Michigan Department of Transportation (MDOT) as to what requirements were acceptable for disposal of parcels acquired with Federal and State funds. Documents received for review:

- Appraisal Assignment Proposal & Fee Estimate (633ES)
- Appraisers Guide for Minimum Acceptable Requirements for Excess Property (612)
- Excess Property Appraisal Table of Contents (612A)
- Excess Property Certificate of Appraiser (612B)
- Excess Property Appraisal Review Report (723)
- List of MDOT approved appraisers: Level II and Level III

Staff prepared an RFP for Appraisal Services and the bid from Norman Thomas, ASA, SR/WA of the appraisal firm R.S. Thomas & Associates/Harold Blake Company was recommended for the work. City Council approved the appraisal service contract on August 11, 2014

The appraiser was provided with all necessary and available documentation to begin the appraisals: legal descriptions, drawings, available recorded documentation and sales studies prepared by the City Assessing department.

On September 5th the appraisers were accompanied by staff to view each property.

Appraisals were completed and the final reports were delivered to the City on October 15, 2014. The City's Deputy Assessor, Kimberly Harper, reviewed the appraisals as required by MDOT and Federal regulations. Clarification was sought for 3 appraisals, one of which was corrected and returned to the City on October 21, 2014.

The final appraisal review was completed by Kimberly Harper on October 21, 2014.

TITLE WORK

In order to offer the properties for sale and for closing purposes, the City is required to produce title work.

To satisfy the City's bid requirements, bids were received from five title companies. Four of the companies work as part of an umbrella group; Attorneys Title, Seaver Title Agency, Greco Title Agency, Bankers Title Settlement Services. Their fee structure is the same. The fifth company is eTitle Agency. The lowest quote was from eTitle Agency.

LETTERS TO ADJOINING PROPERTY OWNERS OF SIX UNBUILDABLE PARCELS

Prior to sending any letters, staff researched ownership and claim of interest in the adjacent properties with Oakland County Register of Deeds as well as determining correct mailing addresses.

Letters were prepared and sent to the adjoining property owners of Parcels: B, E, G, H, I and J, with a deadline to inform staff of their interest in acquiring the property by November 21st. If no response is received, then the parcels will be offered for public bid after November 24th.

Parcel B: Staff has spoken with both adjoining owners who have expressed their interest in acquiring the property.

Parcel E: No response as yet from the adjacent owner.

Parcel F: Staff has spent numerous hours with several interest holders to one of the adjacent properties. Staff has received written confirmation that 2 parties are interested in the purchase of this parcel.

Parcel G: Staff has spoken with one of the adjacent property owners, but no formal notification of interest to purchase the property has been received.

Parcel H: Staff has spoken with both adjacent property owners. One has declined any interest to purchase. The other property owner has formally indicated their interest in pursuing the purchase of this parcel.

Parcel I: No response as yet from adjacent owners.

BID DOCUMENTS FOR FIVE BUILDABLE PARCELS

Bid Proposals were prepared for the five (5) buildable parcels (A, C, D-1, D-2 & J) and uploaded to MITN.info. All bids are due by Thursday December 18, 2015 at 10:00am in the City Clerk's office. Staff will present bid tabulations and request bid acceptances at the January 15, 2015 City Council meeting.

ADVERTISING

Public Notices will appear in the Somerset Gazette on November 24, December 1, 8 & 15, and in the Troy Times. "For Sale" signs will be erected on each parcel to identify their availability to purchase.

Notification posters are displayed at City department counters and take-away flyers have been printed and available at the Planning, Building, Engineering and Assessing departments.

An open house has been scheduled for the current Engineering Field Office located at 3645 Crooks Road (Property C). Interested buyers can view the property on Thursday December 11, 2014 between the hours of 2:00 and 4:00pm.

Staff has also spoken with various property developers informing them of property availability. Additionally staff will forward notices to adjacent property owners that these parcels are available for purchase.

	PIN	ADDRESS/LOCATION	ZONING	ACRE	DEVELOPMENT POTENTIAL	APPRAISED AMOUNT	APPRAISAL REVIEW
A	88-20-03-126-006	6972 Donaldson	R-1B	0.95	Buildable	\$55,000	Y
B	88-20-10-101-018	Old Fire Station 2	O	0.34	Assemblage	\$59,000	Y
C	88-20-20-226-038	Engineering Field Office/Boulan Park	CF	0.56	Buildable	\$80,000	Y
D-1	88-20-16-476-027	Livernois & Paragon	R-1B	0.42	Buildable	\$45,000	Y
D-2	88-20-16-476-028	Livernois & Paragon	R-1B	0.42	Buildable	\$45,000	Y
E	88-20-28-227-006	2995 Livernois	BB	0.18	Assemblage	\$40,000	Y
F	88-20-22-358-028	Big Beaver & Frankton	BB	0.21	Assemblage	\$36,000	Y
G	88-20-27-155-013	Hickory & Plum	R-1E	0.17	Assemblage	\$55,000	Y
H	88-20-34-201-003	598 E. Maple	IB	0.14	Assemblage	\$6,200	Y
I	88-20-26-483-053	John R & Maple	CB	0.39	Assemblage	\$70,000	Y
J	88-20-24-451-029	Big Beaver, West of Waterfall	R-1E	0.31	Buildable	\$55,000	Y

\$546,200

Assemblage: highest and best use to assemble with adjacent property

Adams Coolidge Crooks Livernois Rochester John R Dequindre

South Blvd

A

Square Lake

B

Long Lake

C

Wattles

D

F

J

Big Beaver

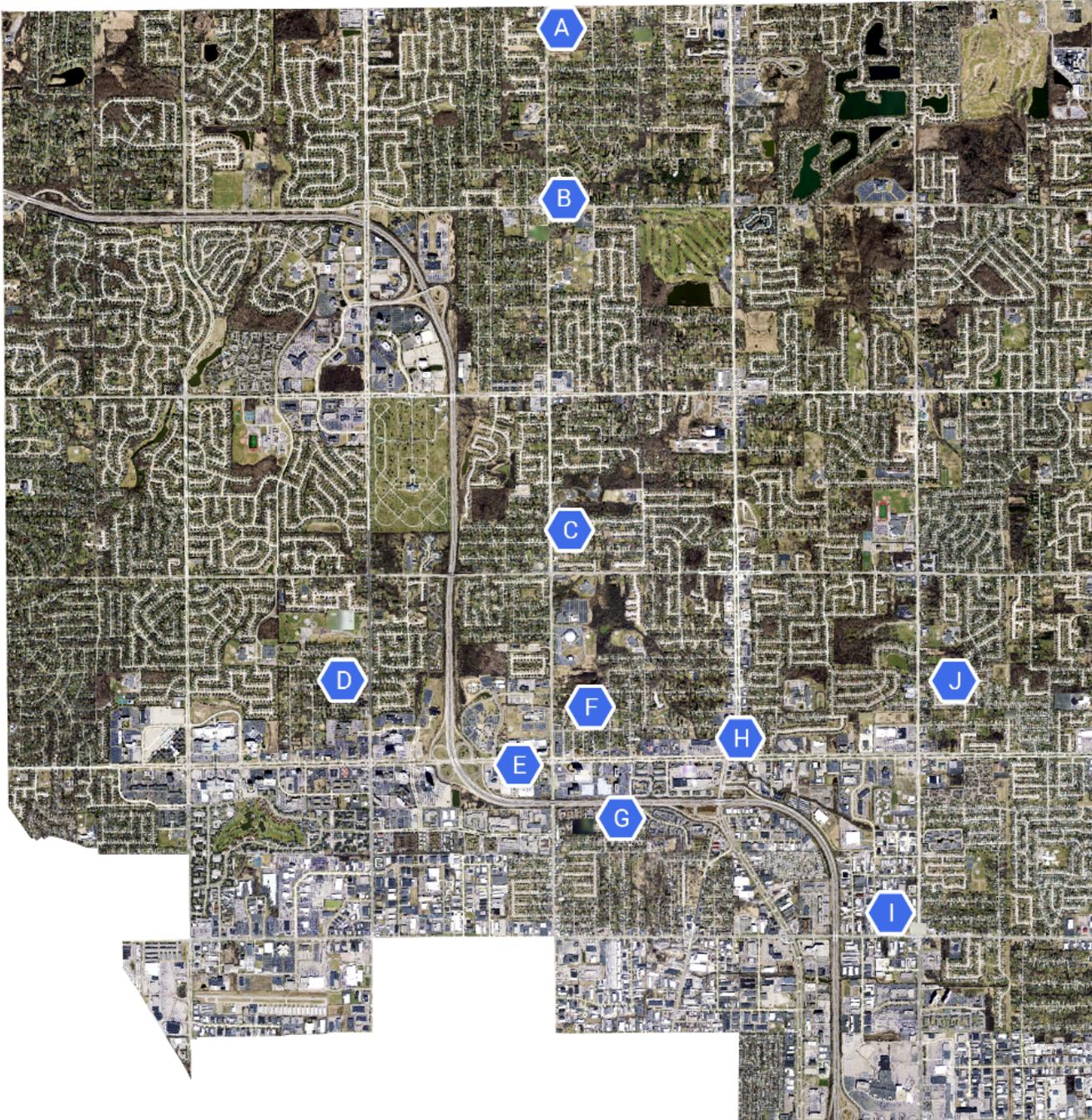
E

G

H

Maple

I



Remnant Parcel: 88-20-03-126-006



Parcel A Notes

0.95 acres

Reserve easement
for utilities

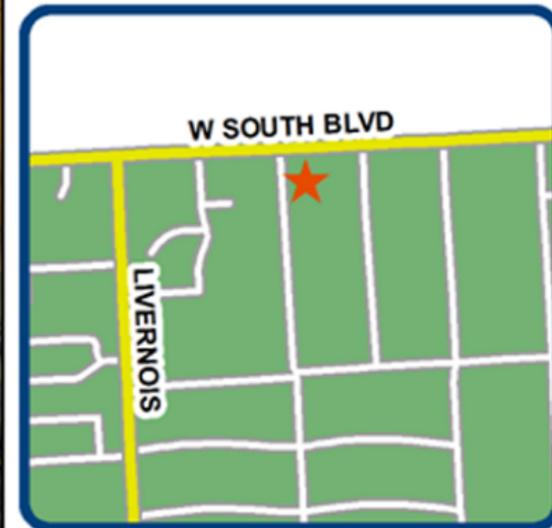
Right-of-Way
north of parcel

Tax Reversion

Buildable

Zoning

One Family
Residential
(R-1B)



Remnant Parcel: 88-20-10-101-018

Parcel B Notes

0.34 acres

Parks Board recommends holding onto this parcel

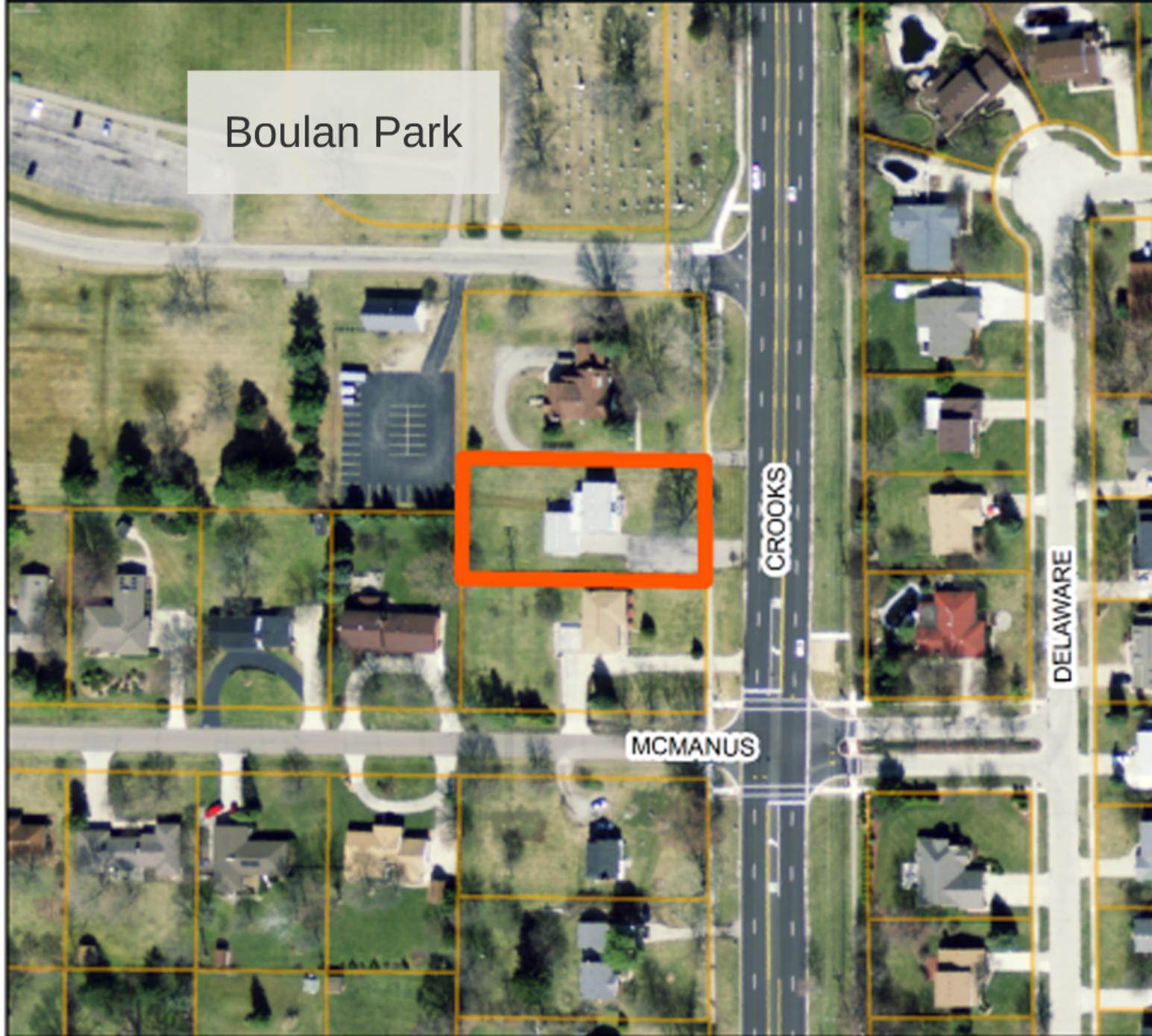
Zoning

Office
(O)



Remnant Parcel: 88-20-20-226-038

Boulan Park



Parcel C Notes

0.56 acres

Historic District

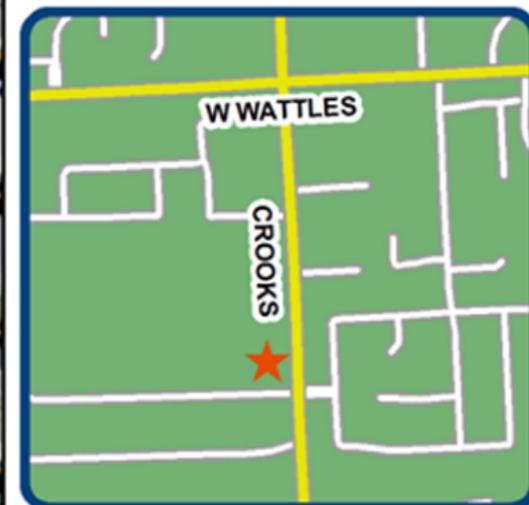
Transportation

Buildable

Appraisal Required

Zoning

Community Facilities (CF)



Remnant Parcel: 88-20-16-476-027 & 028

Parcels D Notes

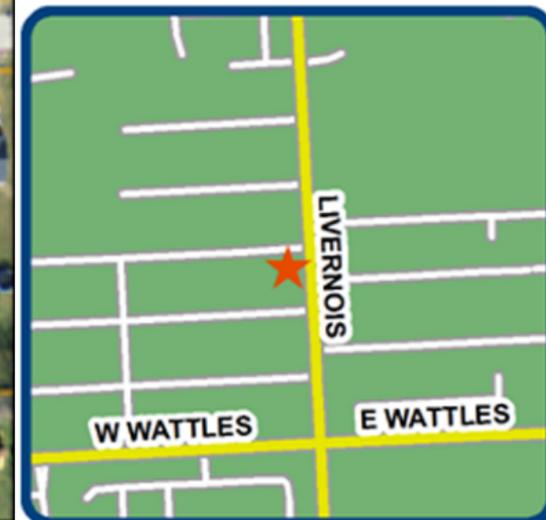
0.42 acres
each

Buildable

Transportation

Zoning

One Family
Residential
(R-1B)



Remnant Parcel: 88-20-28-227-006



Parcel E Notes

0.18 acres

Transportation

Assemblage
Required

Zoning

Big Beaver
Road
(BB)



Remnant Parcel: 88-20-22-358-028



Parcel F Notes

0.21 acres

Transportation

Assemblage
Required

Zoning

Big Beaver
Road
(BB)



Remnant Parcel: 88-20-27-155-013

Parcel G Notes

0.17 acres

Tax Reversion

Assemblage
Required

Zoning

One Family
Residential
(R-1E)



Remnant Parcel: 88-20-34-201-003



Parcel H Notes

0.14 acres

Transportation

Assemblage
Required

Proceeds Pro-rated

Zoning

Integrated Industrial
Business District
(IB)



Remnant Parcel: 88-20-26-483-053

Parcel I Notes

0.39 acres

Transportation

Assemblage
Required

Zoning

Community
Business
(CB)



Remnant Parcel: 88-20-24-451-029



Parcel J Notes

0.31 acres

Transportation

Buildable

Zoning

One Family Residential (R-1E)

