CITY COUNCIL ACTION REPORT

January 2, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services
Steven J. Vandette, City Engineer
Patricia A. Petitto, Real Estate Consultant, Greenstar & Associates, LLC

SUBJECT: Request for Approval of Purchase Agreement
John R Road Improvements, Square Lake Road to South Boulevard
Project No. 02.204.5 – Parcel #47 – Sidwell #88-20-02-228-037
John and Nancy Lozenkovski/Milos and Vesa Miloshevski

Background:

- In connection with the proposed improvements to John R Road, from Square Lake Road to South Boulevard, the Real Estate & Development Department received a Purchase Agreement from John and Nancy Lozenkovski and Milos and Vesa Miloshevski. This parcel is located on the west side of John R Road, between Chancery and South Boulevard in the northeast ¼ of Section 2. The subject parcel is approximately.51 acres of land with a 968 square foot single family home, a detached garage, and a detached efficiency apartment. We need to purchase the entire parcel so that the buildings can be removed. After the tenants have relocated, we will be submitting requests for approval of relocation expenses.

Financial Considerations:

- An appraisal was prepared by Andrew Reed, State Certified Appraiser and reviewed by Kimberly Harper, Deputy Assessor and State Licensed Appraiser, and Larysa Figol, Limited Real Estate Appraiser. Staff believes that $172,000, plus closing costs for the acquisition of the property described in the purchase agreement is a justifiable amount for this acquisition.
- Eighty percent of these costs will be reimbursed from Federal funds. Funds for the City of Troy's share are included in the 2007-08 Major Road fund, account number 401479.7989.022045.

Legal Considerations:

- The format and content of the purchase agreement is consistent with documents previously accepted by City Council.

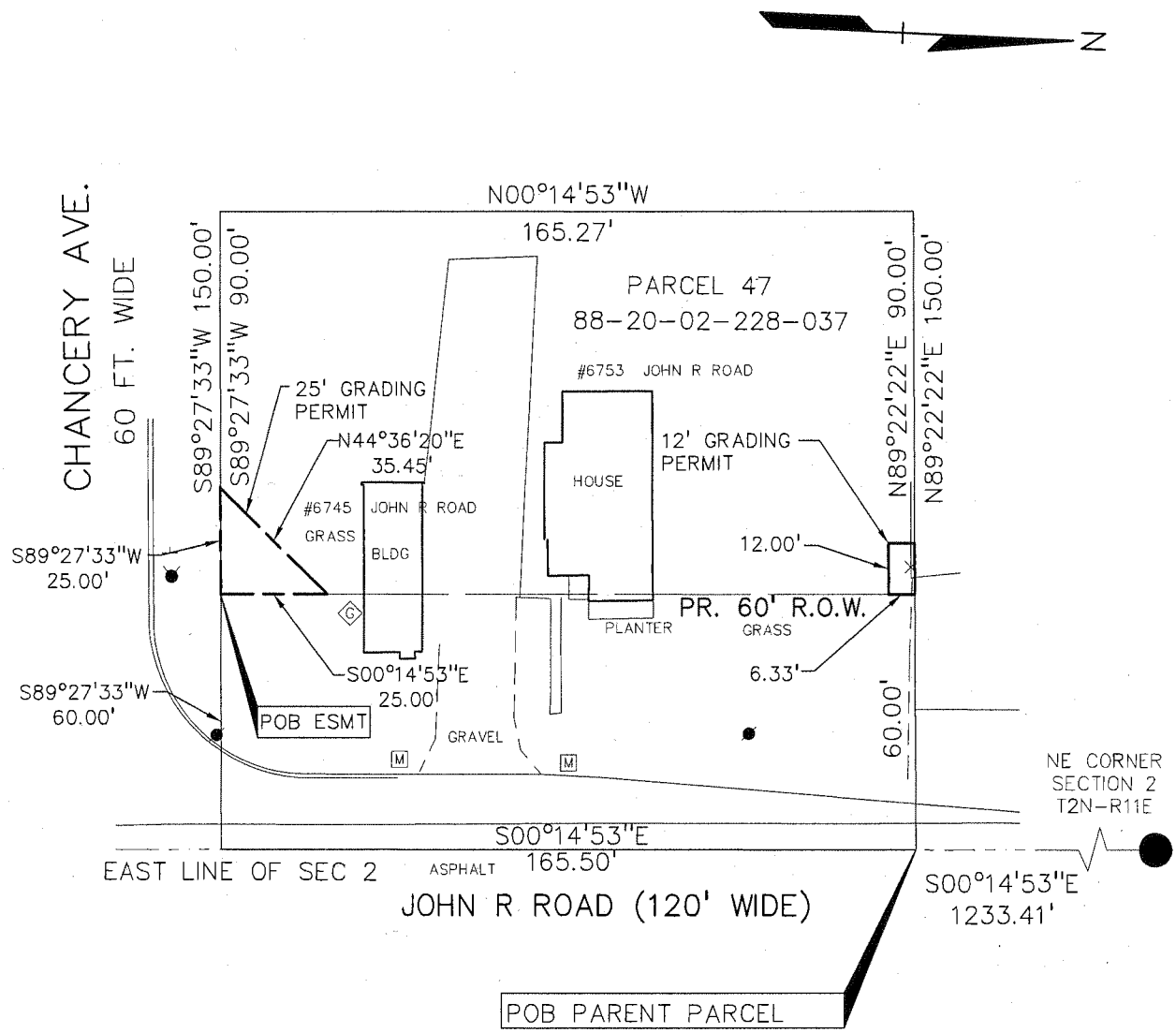
Policy Considerations:

- The purpose of this project is to relieve congestion, improve safety and improve the flow of traffic. (Goals I and V)

Options:

- City Management recommends that City Council approve the attached Purchase Agreement from John and Nancy Lozenkovski and Milos and Vesa Miloshevski so that the City can proceed with the acquisition of this parcel.

PAP\G\MEMOS TO MAYOR & CC\Lozenkovski Purchase Agreement



0 40 20 80

GRAPHIC SCALE
1" = 40'

PARCEL 47

ORCHARD, HILTZ & McCLIMENT, INC.
34000 Plymouth Road
Livonia, MI.,48150 (734)522-6711

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

6745 & 6753 John R
Grading Peremit
Sketch

SCALE:	DRAWN BY:	CHECK BY:	FILE
1"= 40'	JRV	GWC	228-037_GRD
	2-10-06	3-17-06	

4-06 DATE | 1 REV.

PEA Document Prepared by Professional Engineering Associates, Inc.

CONTRACT No.

STEVEN J. VANDETTE
CITY ENGINEER

SHEET No. 1 of 2 | JOB No. 2002-234

Sidwell # 88-20-02-229-037

CITY OF TROY
AGREEMENT TO PURCHASE REALTY
FOR PUBLIC PURPOSES

The CITY OF TROY (the "Buyer"), agrees to purchase from John Lozenkovski and Nancy Lozenkovski, husband and wife; and Milos Miloshevski and Vesa Miloshevski, husband and wife (the "Sellers"), the following described premises (the "Property"):

SEE ATTACHED EXHIBIT "A"

for a public project within the City of Troy and to pay the sum of One Hundred, Seventy-Two Thousand and no/100 Dollars ($172,000) 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. By executing this Agreement, Seller represents that there has not been any environmental contamination requiring clean up during Seller's ownership of the property, and as such, Seller would not be liable for any required clean up costs that occurred prior to Seller's ownership of the Property and that were not attributable to Seller. However, as to all other previous owners, the City of Troy reserves its rights to bring Federal and/or State and/or local cost recovery actions against any responsible party.

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: The City of Troy, Buyer, agrees to pay all closing costs, transfer taxes (State and County) and recording fees for this transaction.

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

IN WITNESS WHEREOF, the undersigned hereunto affixed their signatures this 18TH day of DECEMBER 2007.

In presence of:

Patti Holland

Laurel Nottage

CITY OF TROY (BUYER)

Patricia A. Petitto

SELLER:

John Lozenkovski

Nancy Lozenkovski

Milos Miloshevski

Vesa Miloshevski

EXHIBIT "A"

Section 2, John R Widening Project
Parcel: 88-20-02-228-037
Parcel #47

PARCEL #47 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, TH S 00°14'53" E 165.50 FT, TH S 89°27'33" W 150.00 FT, TH N 00°14'53" W 165.27 FT, TH N 89°22'22" E 150.00 FT TO BEGINNING, THE EAST 33 FEET OF WHICH IS CURRENTLY BEING USED FOR ROADWAY PURPOSES. CONTAINING 0.57 ACRES.