



CITY COUNCIL ACTION REPORT

March 11, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services
 Susan A. Leirstein, Purchasing Director
 Steven J. Vandette, City Engineer *[Signature]*
 Larysa Figol, Sr. Right of Way Representative *[Signature]*

SUBJECT: Standard Purchasing Resolution 8: Best Value Award – Sale of Real Estate – John R Garden Subdivision

Background

- On November 14, 2005, City Council authorized the Real Estate and Development department, in conjunction with the Purchasing department to advertise by sealed bid the sale of surplus property identified as Parcel #20, Sidwell #20-26-429-045. (CC Resolution #2005-11-512-E14)
- The Real Estate department received a request to purchase a vacant parcel of land owned by the City of Troy, located in Section 26, on the west side of John R, south of Brinston. The original request came from Mr. Kevin Morrow, owner of the property to the north, and currently the location of Creative Kitchen and Bath. The owner has stated he wishes to acquire this property for the expansion of parking facilities.
- The City parcel is 82' x 110' and is zoned M-1. Setback requirements make this parcel unbuildable and it would be of most use to the surrounding property owners. City staff contacted the surrounding owners to inquire as to their interest in acquiring the property.
- In addition to the property owner to the north, JOT Investment Company, the owner of the property to the west indicated their interest in acquiring the City-owned parcel. Staff spoke with the representative of JOT Investment Company, but they did not divulge any future plans for the use of the parcel.
- On February 29, 2008, bids were publicly opened and read for the sale of real estate located in John R Garden subdivision. 111 bidders were notified via the MITN system; of which 42 viewed the document and (2) potential bidders walked-in to pickup the documents. Two bids were received from this process. In addition, advertisements were placed in the Observer and Gazette newspapers.
- The City originally acquired this property as part of the John R Widening Project.
- The Parks and Recreation Advisory Board has reviewed this vacant parcel and found little value as a possible park site, and recommended disposal.

March 11, 2008

To: Phillip L. Nelson, City Manager
Re: Best Value Award – Sale of Real Estate

Financial Considerations

- A summary appraisal of the property was prepared by Kimberly Harper, State Licensed Real Estate Appraiser and Larysa Figol, Limited Real Estate Appraiser, dated November 1, 2007, which showed no change in the estimated market value of \$18,000.00.
- One bid was received from Orfeo Guerrieri and Antonio Melaragni, owners of the property to the west, in the amount of \$30,000.00. There were no exceptions included in the purchase of the property.
- The second bid was from William K. Morrow, as Trustee, owner of the property to the north, in the amount of \$25,101.00. There was an exception noted in the bid; that the purchase is "subject to an environmental Phase One to be paid for by the purchaser. Closing date as referenced on page #2, Item #5 – 60 days of the sale award date."

Legal Considerations

- The City reserves the right to award the bid to the highest responsible purchaser meeting specifications, or in whatever manner is deemed to be in the City's best interest; to reject the highest bid that has major deviations from the specifications, to accept a lower bid that has only minor deviations.

Policy Considerations

- Sale of this City-owned surplus property will return the parcel to the tax roll and bring additional revenues, as well as encourage investment and business expansion. (Goals II and III)

Options

- City Council has the option to award this sale to the highest bidder or to the lowest bidder.

Opening Date -- 02/29/08
 Date Prepared -- 03/12/08 (sl)

CITY OF TROY
 BID TABULATION
 JOHN R GARDEN SUBDIVISION - 4 LOTS

ITB-COT 08-03

VENDOR NAME:		Orfeo Guerrieri & Antonio Melaragni	William K Morrow As Trustee DTD 7/6/87
REAL ESTATE SALE			
DESCRIPTION	Tax ID# 20-26-429-045	PRICE	PRICE
Property at John R Garden Subdivision Minimum Bid \$18,000.00	I offer:	\$ 30,000.00	\$ 25,101.00
Size: 82 ft x 110 ft	Check # (10% of offer)	891180798-3 \$ 3,000.00	078919248 \$ 2,600.00
SIGNATURE PAGE:	Attached	Yes	Yes
TERMS:		As Stated	As Stated
EMAIL ADDRESS:		castlemarkhomes@yahoo.com	strykelax@aol.com
EXCEPTIONS:		Blank	Subject to an environmental phase one to be paid for by the purchaser. Closing date as referenced on page #2, Item #5 60 days of the sale award date.
ACKNOWLEDGEMENT:	Yes or No	Yes	Yes

PROPOSAL: Sale of real estate (4 Lots) located in John R Garden Subdivision
 West side of John R between Larchwood and Brinston

ATTEST:
 Cheryl Stewart
 Larysa Figol
 Linda Bockstanz

Susan Leirstein CPPB
 Purchasing Director



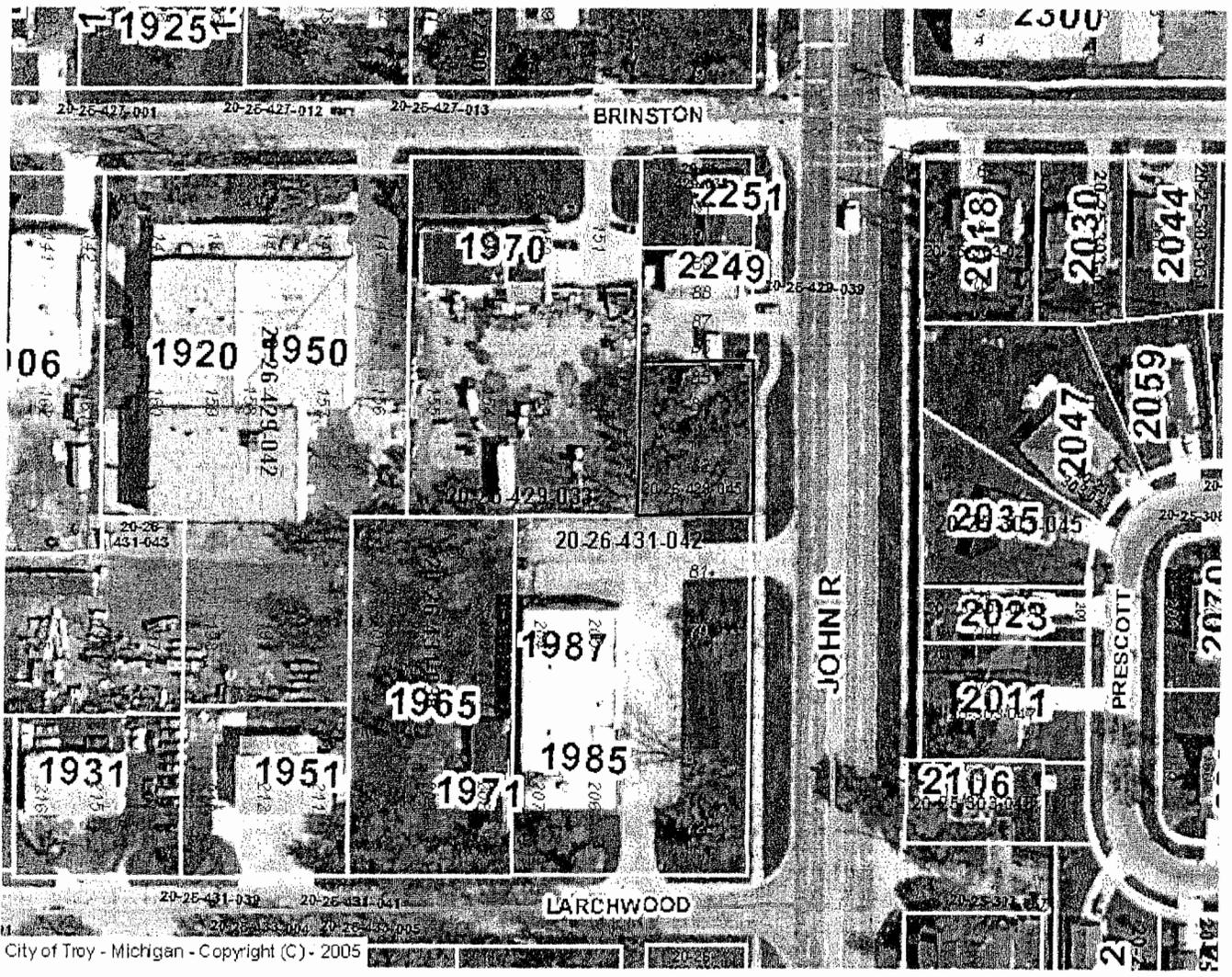
City of
Troy

Property Profile

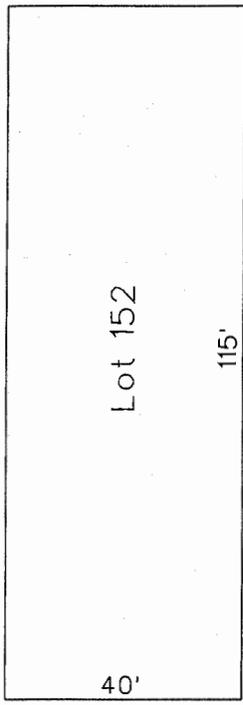
88-20-26-429-045



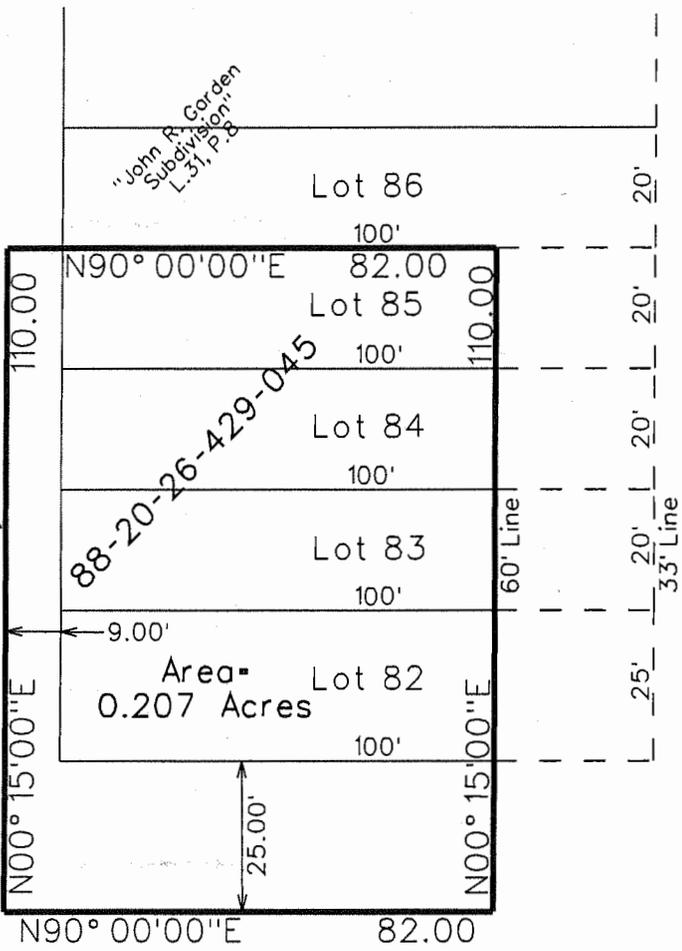
Location:	West side of John R between Larchwood & Brinston
Size:	9,020 Sq. Ft.
Zoning:	M-1
Last Appraisal Date:	11/1/07
Appraisal Value:	\$18,000
Remarks:	Combining with abutting property will attain highest & best land use
Status:	Authorization to sell #2005-11-512
Parks & Rec Advisory Board Review	No potential park use, recommend disposal



City of Troy - Michigan - Copyright (C) - 2005

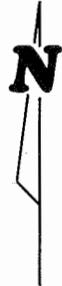


Public Alley (18' Wide Vacated)

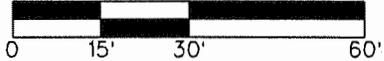


John R. Road

Kelly St. (50' Wide Vacated)



Graphic Scale: 1"=30'



CITY OF TROY
OAKLAND COUNTY, MICHIGAN

Property Sketch
*88-20-26-429-045

SCALE	DRAWN BY	CHECKED	FILE
HOR. 1"=30'	NAME GJB III	NAME	See Above
VER.	DATE 01-24-08	DATE	VIEW *1

DOCUMENT PREPARED BY
George J. Ballard III
LAND SURVEYOR

CONTRACT No.
DATE REV.

STEVEN J. VANDETTE
CITY ENGINEER

SHEET No.
10F1

JOB No.

It is the consensus of this legislative body that the application **BE RECOMMENDED** "above all others" for issuance.

Yes: All-7

(b) Agreement

Resolution #2005-11-510b
Moved by Beltramini
Seconded by Stine

WHEREAS, The City Council of the City of Troy deems it necessary to enter agreements with applicants for liquor licenses for the purpose of providing civil remedies to the City of Troy in the event licensees fail to adhere to Troy Codes and Ordinances.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Troy hereby **APPROVES** an agreement with AG SPORTS, INC. to transfer ownership of a 2005 Class C Licensed Business with Dance-Entertainment Permit, Outdoor Service (1 area) and 3 bars; request new Official Permit (Food) to be located at 2511 Livernois, Troy, MI 48084, Oakland County, from Premier Sports, L.L.C. "above all others"; and the Mayor and City Clerk are **AUTHORIZED TO EXECUTE** the document, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

Yes: All-7

E-7 Payment of 2006 Membership Dues – National League of Cities

Resolution #2005-11-511
Moved by Stine
Seconded by Fleming

RESOLVED, That the invoice in the amount of \$5,953.00 for 2006 membership dues to the National League of Cities is **APPROVED** for payment.

Yes: Beltramini, Broomfield, Fleming, Lambert, Stine, Schilling
No: Howrylak

MOTION CARRIED

E-14 Authorization to Publish and Solicit for Public Sealed Bid – Sale of 3 Surplus Parcels

Resolution #2005-11-512
Moved by Lambert
Seconded by Broomfield



RESOLVED, That the Real Estate and Development Department, in conjunction with the Purchasing Department is **AUTHORIZED** to advertise to sell by sealed bid to the highest

bidder, at or above the minimum bid value established as the appraised value, the following surplus parcels:

<u>Parcel #</u>	<u>Sidwell#</u>	<u>Appraised Value</u>	<u>Type Property</u>
15	20-23-351-001 & 002	\$ 20,000.00	Vacant B-2
17	20-23-354-048	\$ 90,000.00	Vacant B-3
20	20-26-429-045	\$18,000.00	Vacant M-1

Yes: All-7

PUBLIC COMMENT: Limited to Items Not on the Agenda

REGULAR BUSINESS:

F-1 **Appointments to Boards and Committees:** a) Mayoral Appointments: No Appointments Scheduled; b) City Council Appointments: Southeastern Michigan Council of Governments (SEMCOG)

(a) Mayoral Appointments – No Appointments Scheduled

(b) City Council Appointments

Resolution
Moved by Stine
Seconded by Fleming

RESOLVED, That the following persons are hereby **APPOINTED BY THE CITY COUNCIL** to serve on the Boards and Committees as indicated:

Southeastern Michigan Council of Governments (SEMCOG)

Appointed by Council - (1 Council Member) – 2 years

Robin Beltramini

Term Expires 11/14/07

Vote on Resolution to Amend

Resolution #2005-11-513
Moved by Lambert
Seconded by Broomfield

RESOLVED, That the Resolution to appoint a Delegate to the Southeastern Michigan Council of Governments (SEMCOG) be **AMENDED** by **INSERTING** Mark Miller as the alternate delegate.

Yes: All-7

(b) **Vote on City Council Appointments to SEMCOG as Amended**

Resolution #2005-11-514