

CITY COUNCIL ACTION REPORT

March 28, 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 *SV*
 Larysa Figol, Sr. Right of Way Representative *LF*

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 28, 2008

To: Phillip L. Nelson, City Manager

Re: Best Value Award – Sale of Real Estate

- At the March 17, 2008 meeting City Council directed Staff to mediate a compromise that would satisfy both bidders. On Friday March 28, 2008, Brian Murphy and his staff met with both bidders. It was established that the high bidder had explored the possibility of a driveway onto John R, but was advised at that time that a driveway was not feasible.
- If successful in purchasing the City-owned property, both parties wish to expand their parking facilities. It was left to both property owners to explore possible lease arrangements between themselves.

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

- Staff recommends awarding the bid for the sale of City-owned property to the high bidder, Orfeo Guerrier and Antonio Melaragni in the amount of \$30,000.

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	I offer:	\$ 30,000.00	\$ 25,101.00
<u>Minimum Bid \$18,000.00</u>	Check #	891180798-3	078919248
Size: 82 ft x 110 ft	(10% of offer)	\$ 3,000.00	\$ 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



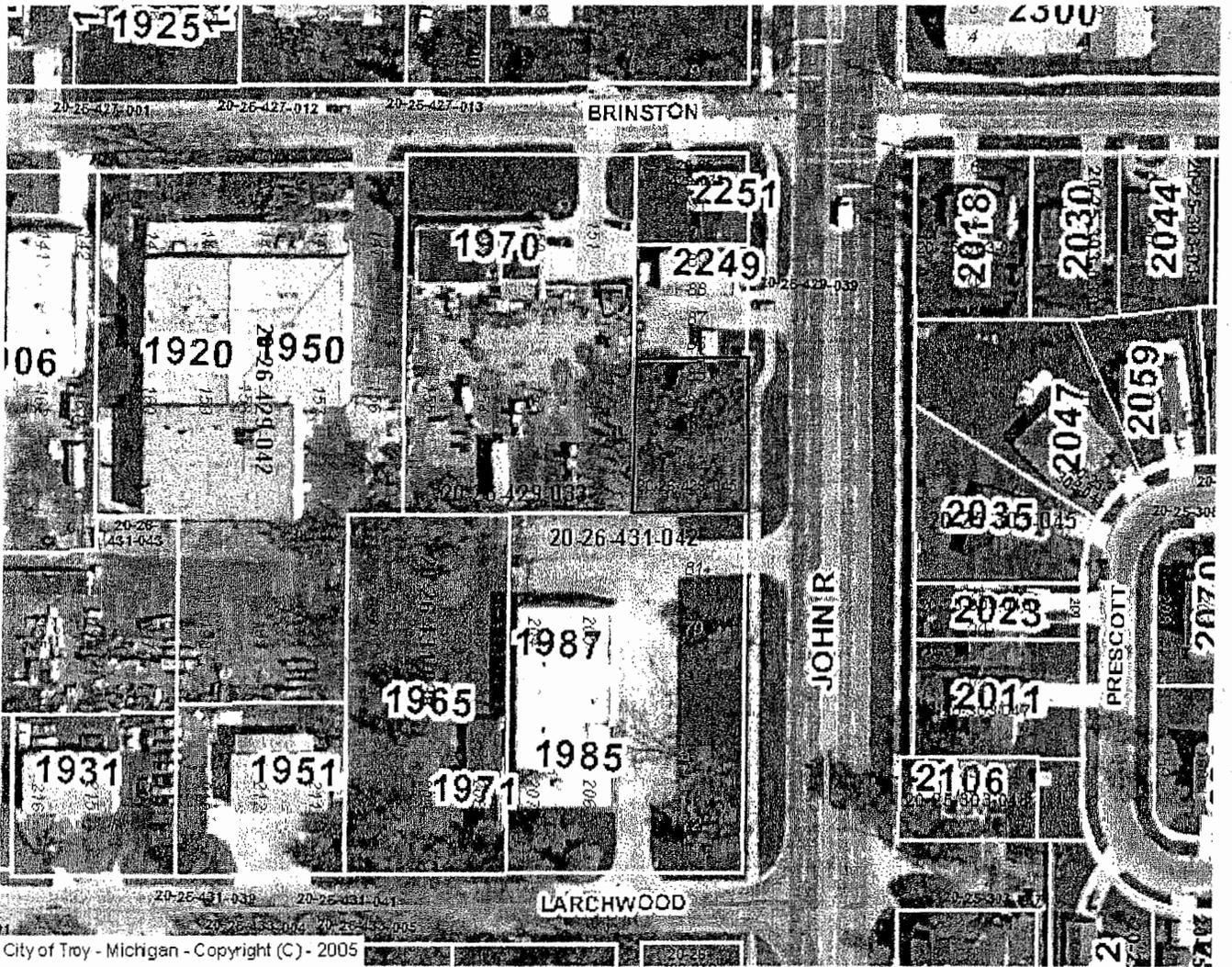
City of
Troy

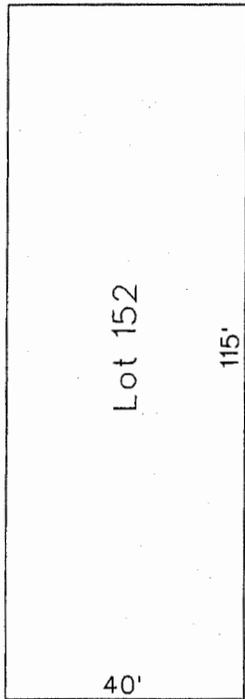
Property Profile

88-20-26-429-045



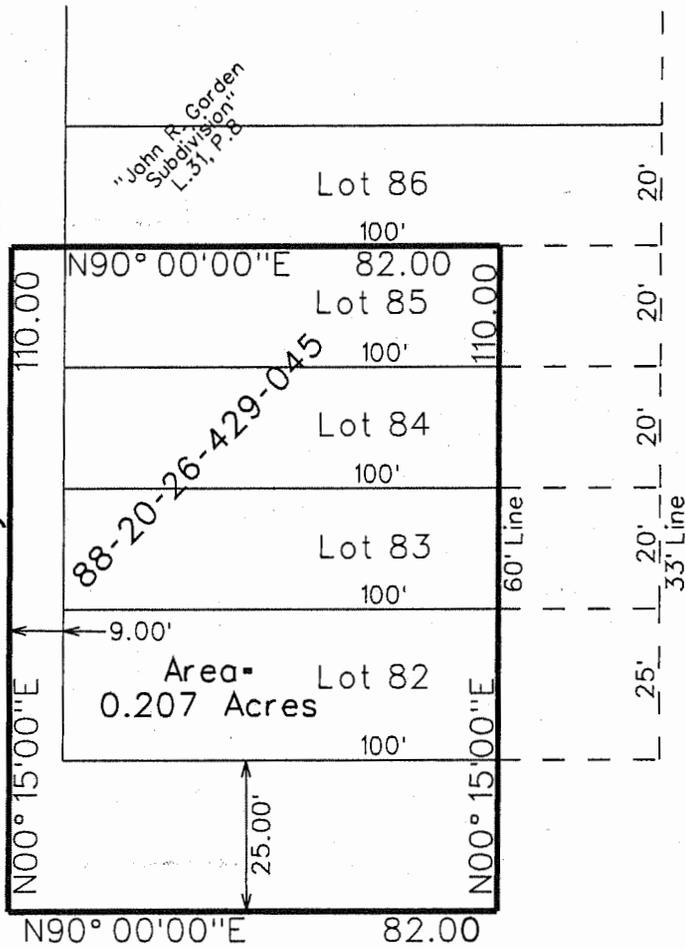
Location:	West side of John R between Larchwood & Brinston
Size:	9,020 Sq. Ft.
Zoning:	M-1
Last Appraisal Date:	11/1/07
Appraisal Value:	\$18,000
Remarks:	Combining with abutting property will attain highest & best land use
Status:	Authorization to sell #2005-11-512
Parks & Rec Advisory Board Review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





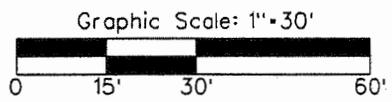
Public Alley (18' Wide Vacated)

"John R. Gorden
Subdivision"
L-31, P. 8



John R. Road

Kelly St. (50' Wide Vacated)



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

DATE REV.
CONTRACT No.

STEVEN J. VANDETTE
CITY ENGINEER

SHEET No. 10F1
JOB No.

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