



CITY COUNCIL ACTION REPORT

July 15, 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 *PAF*

SUBJECT: 1. Request for Authorization to Make Unconditioned Offer to Purchase Property for John R Road Improvements, Square Lake to South Boulevard – Project No. 02.204.5 Parcel #43 – Sidwell #88-20-02-279-002
 2. Request for Authorization to Institute Court Action

Background:

- In connection with the proposed improvements to John R Road, from Square Lake Road to South Boulevard, the Real Estate & Development Department is seeking authorization to make an unconditioned offer to James W. and Elizabeth S. Munchiando, owners of the property at 6675 John R. This parcel is located on the west side of John R Road, between Lyster and Chancery in the northeast ¼ of Section 2. The proposed right-of-way line goes through the house so we are required to purchase the entire parcel. The property owners have purchased property and would like to build a new home. City staff has had numerous meetings with the property owners and their attorneys and have been unable to reach an agreement.

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 \$531,881.75 is a justifiable amount for this acquisition. This price is based on the appraised value of \$425,000, times a factor of 1.25 per Public Act 367 of 2006, plus \$631.75 for the loss of the homeowner's principle residence exemption. In addition to the amount listed above, the City will also be responsible for all closing costs, plus the property owners will be eligible to submit a relocation claim for moving expenses.
- Eighty percent of these costs will be reimbursed from Federal funds. Funds for the City of Troy's share are included in the 2008-09 Major Road fund, account number 401479.7989.022045.

Legal Considerations:

- The format and content of the purchase agreement will be consistent with documents previously authorized 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)

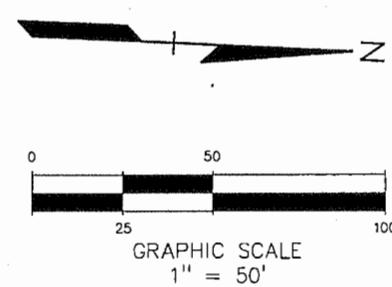
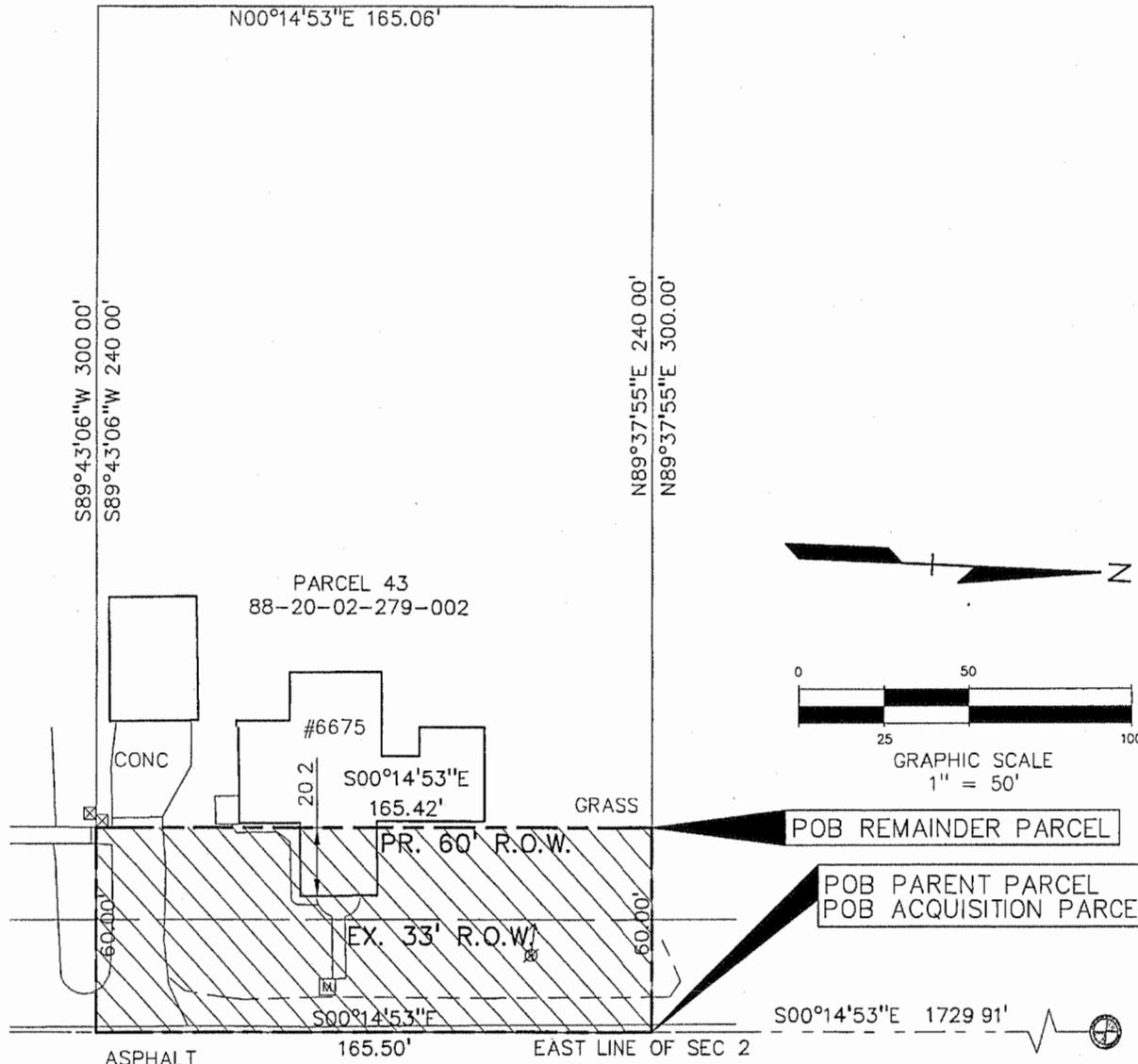
Options:

- City Management recommends that City Council authorize the unconditioned offer in the amount of \$531,881.75, plus closing costs. It is also requested that City Council authorize the City Attorney to take whatever action is necessary and to expend the needed funds to acquire this right-of-way.

Approved as to Form:

Lori Grigg Bluhm, City Attorney

PAP\G\MEMOS TO MAYOR & CC\Munchiando Unconditioned Offer Authorization



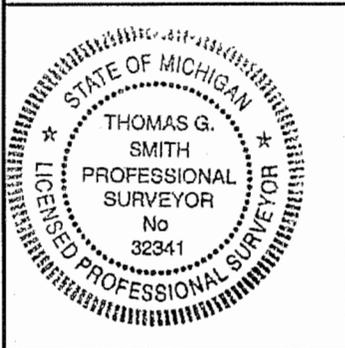
POB REMAINDER PARCEL
 POB PARENT PARCEL
 POB ACQUISITION PARCEL

JOHN R ROAD (120' WIDE)

NE CORNER SECTION 2 T2N-R11E

PARCEL 43

Thomas G. Smith



Right-of-Way Acquisition
 Gross Area=9,928 sf, 0.23 AC
 Net Area=4,468 sf, 0.10 AC

Document Prepared by
 Professional Engineering Associates, Inc

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 Livonia, MI, 48150 (734)522-6711



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6675 John R
 Right-of-Way
 Acquisition Sketch

SCALE	DRAWN BY	CHECK BY	FILE
1" = 50'	JRV	GWC	P43-SEC2_ROW
	1-27-06	2-17-06	
STEVEN J VANDETTE CITY ENGINEER		SHEET No	JOB No
		1 of 2	2002-234

3-06 DATE 1 REV

CONTRACT No