

August 10, 2005

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager

SUBJECT: Public Benefit Requirement to Satisfy Preliminary Approval of Planned Unit Development (PUD) – 004; the Monarch Private Residences

Preliminary planned unit development approval for the above-referenced PUD was granted on July 18, 2005. And the authorizing resolution contained a condition related to the appropriate public benefit which was either purchase of two properties to the north or a donation to the City to implement the results of the Big Beaver corridor study. As there was general concurrence that the appropriate benefit would be to have the developer purchase the two properties to the north and then donate these parcels to the City, Mr. Lamerato and I conducted a series of mediation sessions to accomplish this goal.

The result of our discussions culminated in the attached *Letter of Understanding* which is recommend as the appropriate public benefit for preliminary approval of PUD – 004, the Monarch private residences. Assuming you agree, our next step in the process is to have the City administration work with the developer for reason of recommending a proposed development agreement which will incorporate all documents required for final approval of this planned unit development. Our target date to accomplish this objective is this fall.

As always, please feel free to contact me should you have any questions.

JS/mr\AGENDA ITEMS\2005\08.15.05 – Public Benefit Requirement for the Monarch PUD

c: Tom Kafkes

John K. Abraham, Transportation Engineer
 Lori G. Bluhm, City Attorney
 Charles Craft, Police Chief
 John M. Lamerato, Assistant City Manager/Finance
 Mark Miller, Planning Director
 Brian P. Murphy, Assistant City Manager/Services
 William Nelson, Fire Chief
 Douglas Smith, Real Estate & Development Director
 Mark S. Stimac, Director of Building/Zoning
 Steven J. Vandette, City Engineer

LETTER OF UNDERSTANDING

Big Beaver Alpine, LLC, a Michigan Limited Liability Company (DEVELOPER), for Big Beaver Office, LLC (OWNER) whose address is 210 Town Center Drive, Troy, MI 48084; Zakariya Abuzaid, a single man, whose address is 3128 Alpine, Troy, MI 48084; Michael D. Baxter and Kimberly Rhena Duford, husband and wife, whose address is 3141 McClure, Troy, MI 48084; and the Troy City Management, whose address is 500 West Big Beaver Road, Troy, MI 48084 enter into this agreement with regard to the Monarch Planned Unit Development (PUD-004) located on the north side of Big Beaver Road east of Alpine and west of McClure, located in Section 20. This Letter of Understanding outlines the conditions that define the public benefit for PUD-004 which will be presented to City Council for their consideration.

1. The DEVELOPER/OWNER has agreed to purchase and the owners of the two parcels immediately north of the proposed development and further described as 3128 Alpine, Sidwell #88-20-20-402-016 and 3141 McClure, Sidwell #88-20-20-402-030, have agreed to sell their property to the DEVELOPER/OWNER for \$500,000 per parcel net of any closing costs, and the closing will take place no later than April 28, 2006.
2. This Letter of Understanding is conditioned upon final approval of PUD-004.
3. The purchase of the two properties will be contingent upon the owners of the two properties withdrawing their names from the Rezoning Protest Petition for Case #PUD-004.
4. DEVELOPER/OWNER agrees to deed these two parcels to the City of Troy no later than the date of certificate of occupancy of the proposed development.
5. DEVELOPER/OWNER agrees to demolish all structures on these two parcels, land balance and hydro-seed prior to conveying parcels to the City of Troy.
6. The DEVELOPER/OWNER will install a landscape barrier along the northern property line in accordance with the City's Development Standards in existence at the time of approval of this Agreement.

BIG BEAVER ALPINE, LLC, A
MICHIGAN LIMITED LIABILITY COMPANY/BIG
BEAVER OFFICE, LLC, A MICHIGAN LIMITED
LIABILITY COMPANY

Dated: _____

August 9, 2005

Thomas G. Kafkes

Thomas G. Kafkes, Vice President
Joseph Freed and Assoc., LLC, as authorized agent

Dated: Aug 9/2005

Zakariya Abuzaid
Zakariya Abuzaid, a single man
3128 Alpine, Troy, MI 48084

Dated: 8/9/05

Michael D. Baxter
Michael D. Baxter
3141 McClure, Troy, MI 48084

Dated: 8/9/2005

Kimberly Rhea Duford
Kimberly Rhea Duford
3141 McClure, Troy, MI 48084

Dated: 8/9/05

TROY CITY MANAGEMENT
John Szerlag
John Szerlag, City Manager

Dated: 8/9/05

John M. Lamerato
John M. Lamerato, Assistant City Manager-Finance