



**TO:** Members of Troy City Council  
**FROM:** Lori Grigg Bluhm, City Attorney  
**DATE:** July 21, 2010  
**SUBJECT:** Motion filed by Grand Sawka regarding Transit Center Property

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The City acquired the Transit Center property through the Consent Judgment for the 77 acre Midtown Development at Maple and Coolidge, dated May 4, 1999. This Consent Judgment was subsequently amended and restated on June 2, 2000. Pursuant to the terms of this Consent Judgment, Grand Sakwa was permitted to construct a mixed commercial and residential development, even though our zoning ordinance at the time did not allow for planned unit developments. The Consent Judgment required Grand Sakwa to conditionally transfer the Transit Center property to the City of Troy. The Transit Center property is the triangle piece of property that is located adjacent to the City of Birmingham, and is to the west of the commercial development. The location of the railroad tracks made this location ideal for a transportation center.

Under the terms of the Consent Judgment, Grand Sakwa was to convey the land to the City for use as a Transportation Center. If the property was not used for a Transportation Center, then it would revert to Grand Sakwa. The Consent Judgment required the City to “fund” the Transportation Center within ten years from the date of the Judgment (June 2, 2010). The City has been the legal owner of this property since June 22, 2001, when the warranty deed was recorded with the Register of Deeds.

Pursuant to the terms of the Consent Judgment, Oakland County Judge Wendy Potts retained jurisdiction to resolve any issues that arise with this case. Recently, Grand Sakwa has filed two motions. The first motion, a motion to disqualify Judge Potts, was heard on July 21, 2010, and was denied by the Court.

The second motion is a request to return the Transit Center Property to Grand Sakwa, based on the allegation that the City has not complied with the terms of the Consent Judgment, and did not fund the Transportation Center by June 2, 2010. The City has sent letters to Grand Sakwa, identifying all of the ways that the Transit Center has been funded in the City budget, Birmingham’s budget, and with the substantial federal appropriation (on a reimbursement basis) and State grants. In support of its argument, Grand Sakwa relies on a fax that purports to negotiate an extension of time to the year 2015, based on the economic situation in Michigan at that time. Upon information and belief, this occurred in 2007, but the fax, from former Assistant City Manager Brian Murphy is not dated. Grand Sakwa was not willing to amend the Consent Judgment at that time. Grand Sakwa also cites language from the State of Michigan grant for \$250,000 that provides limited discretion to the State, to assure that the conditions of the grant are satisfied. Third, Grand Sakwa argues that the scope of the most recent site plan exceeds the scope of the Transportation Center that was contemplated by the parties as of the date of the Consent Judgment. Grand Sakwa does not have any documentation to support this assertion.

The hearing on this motion is scheduled for August 11, 2010.