



CITY COUNCIL AGENDA ITEM

Date: February 25, 2011

To: John Szerlag, City Manager

From: Mark F. Miller, Assistant City Manager/Economic Development Services
Steven J. Vandette, City Engineer
Patricia A. Petitto, Real Estate Consultant, Greenstar & Associates, LLC

Subject: Request for Approval of Purchase Agreement
John R Road Improvements, Square Lake Road to South Boulevard – Project No. 02.204.5
Parcel #44 – Sidwell #88-20-02-230-011

Background

In connection with the proposed improvements to John R Road, from Square Lake Road to South Boulevard, the Engineering Department received a Purchase Agreement from Elizabeth Strichick. This parcel is located on the west side of John R Road, between Lyster Lane and Chancery Avenue in the northeast ¼ of Section 2. The subject parcel is approximately .57 acres of land with a 1,440 square foot single family residence and a 2-car attached garage. We need to purchase the entire parcel so that the building can be removed. After the owner has relocated, we will be submitting a request for approval of relocation expenses.

An appraisal was prepared by Andrew Reed, State Certified General Appraiser and reviewed by Kimberly Harper, Deputy Assessor and State Licensed Appraiser, and Larysa Figol, Limited Real Estate Appraiser. Staff believes that \$206,250, plus closing costs for the acquisition of the property described in the purchase agreement is a justifiable amount for this acquisition.

We are also required by Public Act 439 of 2006 to pay the Seller \$1,245.60 for the loss of homeowner's principle residence exemption.

Recommendation

City Management recommends that City Council approve the attached Purchase Agreement and accept the attached Regrading and Temporary Construction Permit from Elzbieta Strichick so that the City can proceed with the acquisition of this right-of-way.

Fund Availability

Eighty percent of these costs will be reimbursed from Federal funds. Funds for the City of Troy's share are available in the Major Roads Fund.

CITY OF TROY
AGREEMENT TO PURCHASE REALTY
FOR PUBLIC PURPOSES

The CITY OF TROY (the "Buyer"), agrees to purchase from Elizabeth A. Strichick, survivor of herself and Peter Smolen, whose death certificate is attached (the "Seller"), the following described premises (the "Property"):

SEE ATTACHED EXHIBIT "A"

for a public project within the City of Troy and to pay the sum of Two Hundred, Six Thousand, Two Hundred, Fifty and no/100 Dollars (\$206,250)* under the following terms and conditions:

1. Seller shall assist Buyer in obtaining all releases necessary to remove all encumbrances from the property so as to vest a marketable title in Buyer.
2. Seller shall pay all taxes, prorated to the date of closing, including all special assessments, now due or which may become a lien on the property prior to the conveyance.
3. Seller shall deliver the Warranty Deed upon payment of the purchase money by check drawn upon the account of the City of Troy.
4. Buyer shall, at its own expense, provide title insurance information, and the Seller shall disclose any encumbrances against the property.
5. This Agreement is binding upon the parties and closing shall occur within ninety (90) days of the date that all liens have been released and encumbrances have been extinguished to the satisfaction of the Buyer, unless extended by agreement of the parties in writing. It is further understood and agreed that this period of time is for the preparation and authorization of purchase money.
6. Buyer shall notify the Seller immediately of any deficiencies encumbering marketable title, and Seller shall then proceed to remove the deficiencies. If the Seller fails to remove the deficiencies in marketable title to Buyer's approval, the Buyer shall have the option of proceeding under the terms of this Agreement to take title in a deficient condition or to render the Agreement null and void, and any deposit tendered to the Seller shall be returned immediately to the Buyer upon demand.
7. The City of Troy's sum paid for the property being acquired represents the property being free of all environmental contamination. Although the City of Troy will not withhold or place in escrow any portion of this sum, the City reserves its rights to bring Federal and/or State and/or local cost recovery actions against the present owners and any other potentially responsible parties, arising out of a release of hazardous substances at the property.
8. Seller acknowledges that this offer to purchase is subject to final approval by Troy City Council.
9. Seller grants to Buyer temporary possession and use of the property commencing on this date and continuing to the date of closing in order that the Buyer may proceed with the public project.
10. Additional conditions, if any: In addition to the offer listed above, the City of Troy also agrees to pay the Sellers \$1,245.60 for the loss of homeowner's principle residence exemption per Public Act 439 of 2006).

*This price is based on a fair market value of \$165,000 x 1.25 Factor per Public Act 367 of 2006.

SELLER HEREBY ACKNOWLEDGES THAT NO PROMISES WERE MADE EXCEPT AS CONTAINED IN THIS AGREEMENT.

IN WITNESS WHEREOF, the undersigned hereunto affixed their signatures this 25TH day of February 2011.

In presence of:

Scott Finlay
SCOTT FINLAY
Janet M Parsons
JANET M PARSONS

CITY OF TROY (BUYER)

Patricia A. Petitto
PATRICIA A. PETITTO

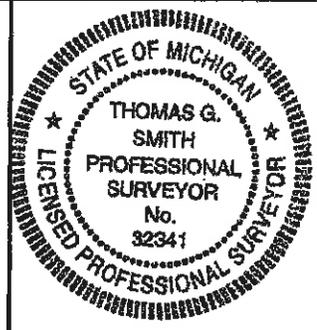
SELLER:

Elizabeth A. Strichick
Elizabeth A. Strichick

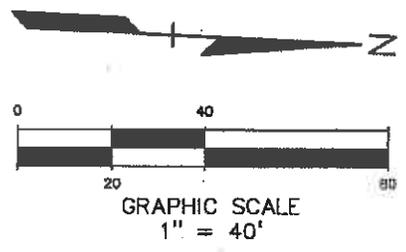
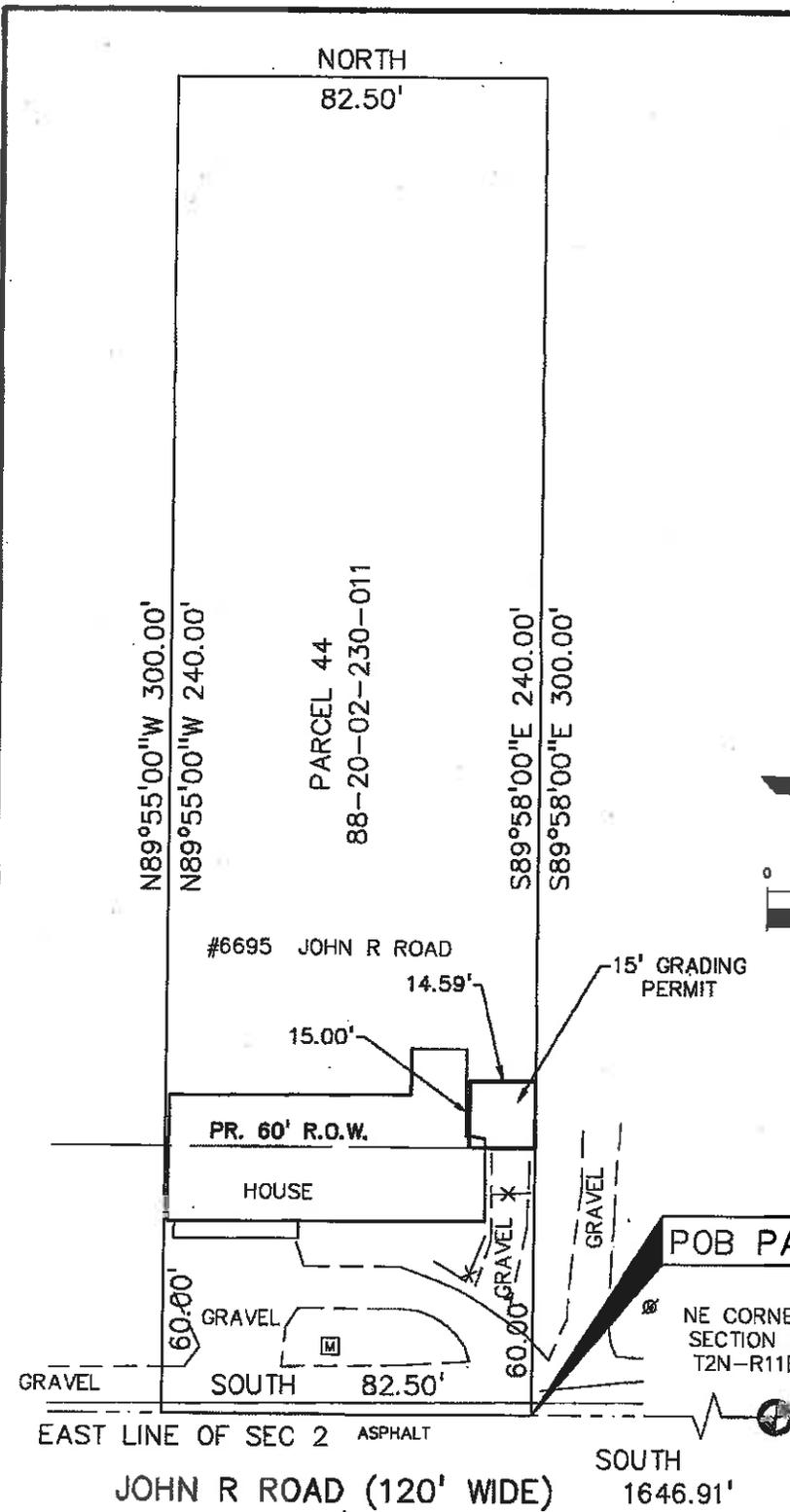
EXHIBIT "A"

Section 2, John R Widening Project
Parcel: 88-20-02-230-011
Parcel #44

T2N, R11E, SEC 2, CITY OF TROY, OAKLAND COUNTY, MICHIGAN, DESCRIBED AS PART OF THE EAST 1/2 OF THE NORTHEAST FRACTIONAL 1/4: BEGINNING AT A POINT DISTANT SOUTH 1646.91 FT FROM NORTHEAST SECTION CORNER, THENCE SOUTH 82.50 FT, THENCE N 89°55'00" W 300 FT, THENCE NORTH 82.50 FT, THENCE S 89°58'00" E 300 FT TO BEGINNING, THE EAST 33 FEET OF WHICH IS CURRENTLY BEING USED FOR ROADWAY PURPOSES. CONTAINING 0.57 ACRES.



Thomas G. Smith



ORCHARD, HILTZ & McCLIMENT, INC. 34000 Plymouth Road Livonia, MI 48150 (734)522-8711			
		500 W. Big Beaver Rd. Troy, Michigan 48064 (248) 524-3594 www.ci.troy.mi.us	
6695 John R Grading Permit Sketch			
SCALE:	DRAWN BY:	CHECK BY:	FILE
1" = 40'	JRV	GWC	230-011 GRD
	2-10-06	3-17-06	
CONTRACT No.		SHEET No.	JOB No.
STEVEN J. VANDETTE CITY ENGINEER		1 of 2	2002-234

Document Prepared by
Professional Engineering
Associates, Inc.