



Legislation Text

File #: 13-1467, **Version:** 1

Resolution to Approve Sale of City-Owned Property at 350 S. Fifth to Dennis A. Dahlmann **(8 Votes Required)**

On March 4, 2013, City Council directed the City Administrator to execute a contract for services with a real estate broker for the sale of 350 S. Fifth Avenue. City Council found the real property was no longer needed for municipal or other public purposes. City Council requested sale proposals so that all available options for sale of the property be known when City Council considers the payment of the City's \$3.5 million financial obligation for the property. A balloon payment of the loan principal is due December 16, 2013.

Selling the property will reimburse the General Fund for 350 S. Fifth Avenue for related expenditures, increase funding for the City's Affordable Housing Trust Fund and add to the City's tax base.

Colliers International was selected as the real estate broker. The deadline for submitting purchase proposals was October 18, 2013, and five proposals were received. The offers from Dennis Dahlmann ("DAHLMANN") and CA Ventures were the strongest of the five proposals received. The City Administrator recommend City Council authorize negotiations with DAHLMANN.

Council approved Resolution to Authorize the City Administrator to Negotiate a Sales Agreement for the City-Owned Property at 350 S. Fifth, R-13-331, on November 7, 2013. The Resolution stated that the purchase agreement should be provided for consideration at the November 18 City Council meeting.

The proposed sales agreement is attached for Council's consideration. The agreement meets all of the policy objectives set by City Council in resolution R-13-331. With City Council approval tonight, the sale can close by December 31, 2013.

Colliers International, the City's real estate broker, will be attending tonight's meeting if there are questions regarding the sale.

Prepared by: Steven D. Powers, City Administrator

Sponsored by: Mayor Hieftje and Councilmember Kunselman

Whereas, The City of Ann Arbor is the fee owner of the real property located at and commonly known as 350 S. Fifth Avenue, Ann Arbor;

Whereas, Under the direction of Ann Arbor City Council, the City Administrator was authorized and directed to negotiate the sale of the property to Dennis A. Dahlmann subject to certain terms and conditions stated in adopted City Council Resolution R-13-331; and

Whereas, The City Administrator has completed negotiations with Mr. Dahlmann and Mr. Dahlmann has acknowledged, accepted and agreed to all terms and conditions stated in City Council Resolution R-13-331 which have been incorporated into the Purchase and Sale Agreement and Rider between

the parties;

RESOLVED, That City Council approve the sale of the City-owned property located and commonly known as 350 S. Fifth Avenue to Dennis A. Dahlmann on the terms stated in attached Purchase and Sales Agreement and Rider;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Purchase and Sales Agreement and Rider subject to approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator and the City Attorney are authorized and directed to take all necessary administrative actions and to execute any documents necessary to complete the transaction and implement this resolution including but not limited to written notice to the Downtown Development Authority (DDA) of removal of the real property from the Municipal Parking System in accordance with the Parking Agreement between the City and the DDA.