



Legislation Details (With Text)

**File #:** 08-0319      **Version:** 1      **Name:** 4-7-08 Sale of City-owned Land to Jeanne Properties  
**Type:** Resolution      **Status:** Passed  
**File created:** 4/7/2008      **In control:** City Council  
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**Title:** Resolution to Approve the Sale of City-owned Land Adjacent to the Public Alley between First and Ashley Streets to Jeanne Properties, LLC (\$295,000.00) (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Temporary Permit for Ingress Egress.pdf, 2. CityJeanne Real Estate Purchase Sale Agreement (final) 32508.pdf, 3. map.pdf

Date	Ver.	Action By	Action	Result
4/7/2008	1	City Council	Approved	Pass

Resolution to Approve the Sale of City-owned Land Adjacent to the Public Alley between First and Ashley Streets to Jeanne Properties, LLC (\$295,000.00) **(8 Votes Required)**

Attached for your review and approval is a resolution to authorize the sale of a 3,344 square foot parcel located adjacent to the public alley between First and Ashley Streets to Jeanne Properties, LLC (see attached parcel A).

This 3,344 square foot parcel previously contained a ramp structure to provide access to the recently demolished First and Washington Parking Structure. Given the parcel's size and location the City Administrator has determined it is excess property in accordance with City procedures.

The sale of this parcel is indirectly related to the development of the former First and Washington Parking Structure because as the attached map indicates, the former parking structure (parcel C) was of an irregular shape. In order to enhance the development potential of the site, the City needed to purchase a small notch parcel (parcel B on attached map) from the owner of Downtown Home Garden. To induce the previous owner of the notch property, the City agreed to sell parcel A to them. However, it was necessary for the City to retain ownership of parcel A to allow for the relocation of electrical, telephone, cable and City signs and signal lines and installation of permanent utility equipment. Now that these items have been relocated, the City is able to sell parcel A.

The City obtained an appraisal from Alcock & Williams, LLC in connection with the purchase of parcel B. The information in that appraisal was used in negotiating the value of the City-owned parcel A.

The attached resolution authorizes the sale of the property (parcel A) and directs any net proceeds to the General Fund.

Prepared by: Tom Crawford, CFO

Approved by: Mary Joan Fales, Senior Assistant City Attorney

Whereas, The City Administrator, under the authority granted by Council, periodically reviews the

inventory of real estate owned by the City of Ann Arbor and may after review and analysis declare property excess when retention of the property no longer serves a public purpose;

Whereas, City-owned property does not contribute to the tax base and the sale of excess property can provide immediate cash to the City, contribute to ongoing tax revenues for the City, county and schools as the property is returned to the tax base, and may allow an opportunity for the development of the property to the highest and best use;

Whereas, The rededication of the portion of the public alley between First and Ashley Streets severed a 3,344 square foot parcel of City-owned property from the larger City-owned property on the west side of the public alley which previously contained a parking structure;

Whereas, Retention of the 3,344 square foot parcel has allowed for the relocation of utilities along the rededicated public alley, now completed, to improve the delivery of service to the immediate neighborhood and meet City public service requirements;

Whereas, On August 20, 2007, City Council approved the purchase of an approximate 880 square foot parcel located adjacent to the public alley between First and Ashley Streets from Jeanne Properties, LLC, which when acquired enhanced the redevelopment potential of the contiguous City-owned property on the same side of the public alley to contain future public parking;

Whereas, Jeanne Properties, LLC originally proposed entering into an exchange agreement, the consideration for which would have included in part, the acquisition of the 3,344 square foot parcel of City-owned property which borders property currently owned by Jeanne Properties, LLC;

Whereas, The City determined it was necessary to retain ownership of the 3,344 square foot parcel until such time as the relocation of utilities could be completed and it be determined what percentage of the property adjacent to the public alley would need to be retained for permanent utility equipment installations;

Whereas, Relocation of utility lines and permanent utility equipment installation being complete, Jeanne Properties, LLC, has restated their offer for purchase of the 3,344 square foot parcel remaining for the purchase price of \$295,000 based on the same analysis standard used in the appraisal by Alcock & Williams performed in connection with the purchase of the Jeanne Properties' property in August 2007;

Whereas, The City Administrator, pursuant to Section 1:320 of the Ann Arbor City Code, recommends that use of this analysis as a reasonable approach to ascertaining the value of the land and that an appraisal of 3,344 square foot City-owned property is not necessary; and

Whereas, The City has negotiated in furtherance of the City's commitment to development of the property to its highest and best use that should Jeanne Properties, LLC fail to develop the property within ten (10) years of its purchase, the City shall have the right to repurchase the site for the greater of \$295,000 or the then appraised value. Furthermore for three years from the date of closing, the property, if not currently under development by Jeanne Properties, will be made available under lease to other on-going neighborhood developments for staging purposes;

RESOLVED, That City Council confirms the determination of the City Administrator that the 3,344 square foot parcel of City-owned property adjacent to the public alley between First and Ashley

Streets and further described as parcel A in the attached drawing is no longer needed for public purposes;

RESOLVED, That City Council finds, upon the recommendation of the City Administrator, the information in the appraisal of Alcock & Williams performed in January 31, 2007 and used in connection with the purchase of property adjacent to 3,344 square foot parcel of City-owned property that was reviewed, analyzed and negotiated by City Staff is a reasonable approach to ascertaining the value of the land given the specific terms and conditions outlined above and, therefore, it is unnecessary for the City to complete an appraisal to determine value;

RESOLVED, That City Council directed the City Attorney to transfer title to the above-described property by quit claim deed to Jeanne Properties, LLC for the sale price of \$295,000 reserving easements and restriction of record, if any, and subject to the right to repurchase the property by the City if undeveloped by Jeanne Properties, LLC within ten (10) years of the date of closing and for three years from the date of closing the property if not currently under development by Jeanne Properties will be made available under lease to other on-going neighborhood developments for staging purposes;

RESOLVED, That City Council authorize the Mayor and City Clerk to execute the quit claim deed necessary to implement this resolution after approval as to form by the City Attorney;

RESOLVED, That the City Administrator is authorized to take any necessary administrative actions to complete this transaction, including but not limited to the execution of closing documents on behalf of the City in connection with the sale of the land; and

RESOLVED, That the net proceeds to the City be credited to the General Fund.