



## Legislation Text

File #: 10-0553, Version: 1

Resolution to Purchase 0.13 and 0.27 Acre Parcels on Chalmers Drive and Appropriate \$10,000.00 from Sanitary Fund and \$10,000.00 from Stormwater Fund (**8 Votes Required**)

Attached for your review and action is a resolution to approve the purchase of two vacant parcels on Chalmers Drive that have been foreclosed and have been offered to the City by the Washtenaw County Treasurer's Office under authorizing provisions of the Michigan General Property Tax Act ("the Act"). The Act provides that a City may acquire tax delinquent property which has been foreclosed, with its boundaries, for a public purpose by redeeming the property for its minimum bid prior to auction of the properties by the Treasurer. The minimum bid was the property has been established as \$14,990.00, which is the amount of outstanding taxes for the parcels. The resolution also will appropriate \$10,000.00 from the Sanitary Sewer Fund and \$10,000.00 from the Stormwater Fund for the purchase and other associated costs related to this acquisition.

In late April, the Washtenaw County Treasurer's Office contacted the City asking if there was interest by the City in acquiring two parcels on Chalmers Drive that have been foreclosed and are otherwise going to be auctioned in the upcoming tax sale this July. The specific parcels are Outlot A (parcel ID 09-12-02-200-019; 0.27 acre) and Outlot B (09-12-02-201-001; 0.13 acre) of the Washtenaw Hills Estates Subdivision. The County has indicated that both parcels must be purchased as a unit, rather than purchasing only one of the two parcels separately.

The Administration has identified a public purpose for acquisition of the properties. There is an existing 12" sanitary sewer and a 42" storm sewer on both of these properties. These sewers serve as outlets for the Arborland development site and thus are part of the city's utility systems, but there are no easements dedicated to the city across these parcels allowing access and maintenance of these sewers. Purchasing these parcels will be more cost effective than it would to create, negotiate and obtain city standard utility easements for these sewers across the two parcels. In addition, Outlot A on the west side of Chalmers could serve as a location for access to the Malletts Creek Nature Area adjacent to Malletts Creek and the Brentwood Square Condominiums.

With the primary need and benefit to the City being received by the sanitary and storm sewer systems, the Sanitary Sewer Fund and Stormwater Fund will fund the acquisition. The necessary funds are available in the fund balances of both funds.

The resolution approves a purchase price of \$14,990.00 as indicated by the Washtenaw County Treasurers Office, and approves a total project budget of \$20,000.00, with 50% of the funding coming from the Sanitary Sewer Fund and the other 50% from the Stormwater Fund to cover the purchase price, title costs and anticipated summer taxes as the property is taxable until after the City acquisition is completed.

Project Budget:

Purchase Price

\$14,990.00

|                     |                    |
|---------------------|--------------------|
| Est. Title Costs    | \$ 2,510.00        |
| Est. Summer Taxes   | <u>\$ 2,500.00</u> |
| Total Appropriation | \$20,000.00        |

Prepared by: Cresson Slotten, Systems Planning Unit  
Reviewed by: Sue F. McCormick, Public Services Administrator  
Approved by: Roger W. Fraser, City Administrator

Whereas, The Washtenaw County Treasurer's Office, in accordance with the statutory authority granted under the Michigan General Property Tax Act, has offered the City the purchase of foreclosed parcels 09-12-02-200-019 and 09-12-02-201-001 being vacant Outlots A and B respectively of the Washtenaw Hills Estates Subdivision, located on Chalmers Drive;

Whereas, A public purpose has been identified for the purchase of the property based on the following:

- The parcels contain an existing city 12" sanitary sewer and an existing 42" storm sewer for which the City does not have any existing easements to allow for the proper maintenance and operation of these sewers; and
- The purchase of these vacant parcels will allow for the maintenance and operation of these sewers in a more cost effective manner than the creation and acquisition of city standard utility easements across these separate parcels;

Whereas, The property has been offered to the City by the Washtenaw County Treasurer's Office for the amount equal to the delinquent taxes owed on the parcels;

Whereas, The Purchase Price of the property is \$14,990.00; and

Whereas, There are sufficient funds available in the Sanitary Sewer and Stormwater Fund balances to cover the purchase price, title and summer taxes costs;

RESOLVED, That City Council determine there is a public purpose for acquisition of the properties based on the reasons set forth in this Resolution;

RESOLVED, That City Council approve the purchase of the 0.27 acre parcel of land with parcel ID 09-12-02-200-019 and the 0.13 acre parcel with parcel ID 09-12-02-201-001 being vacant Outlots A and B respectively of the Washtenaw Hills Estates Subdivision located on Chalmers Drive;

RESOLVED, That City Council appropriate \$10,000.00 from the Sanitary Sewer Fund balance and \$10,000.00 from the Stormwater Fund balance to fund the acquisition of the property and associated acquisition costs, closing, and incidentals to be available for expenditure without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute all required documentation for the transfer of title to the property after approval as to form and substance by the City Attorney; and

RESOLVED, That the City Administrator be authorized and directed to take all necessary steps to implement this resolution.