# Legislation Details (With Text)

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| **File #:** | 21-2198 | **Version:** 1 | **Name:** | 12/20/21 730 Madison Place Purchase Agreement | |
| **Type:** | Resolution | | **Status:** | Passed | |
| **File created:** | 12/20/2021 | | **In control:** | City Council | |
| **On agenda:** | 12/20/2021 | | **Final action:** | 12/20/2021 | |
| **Enactment date:** | 12/20/2021 | | **Enactment #:** | R-21-456 | |

**Title:** Resolution to Approve the Purchase of Real Property Located at 730 Madison Place in Fee Title for $300,000 Plus Costs Not to Exceed $20,000 and to Appropriate Funding from the Solid Waste Fund Balance ($320,000) (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Purchase Agreement 12-2-21.pdf

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 12/20/2021 | 1 | City Council | Approved | Pass |

Resolution to Approve the Purchase of Real Property Located at 730 Madison Place in Fee Title for $300,000 Plus Costs Not to Exceed $20,000 and to Appropriate Funding from the Solid Waste Fund Balance ($320,000) **(8 Votes Required)**

Below for your review and action is a resolution to approve the purchase of the vacant property located at 730 Madison Place, Ann Arbor (approximately 24,585 square feet or 0.56 acres), Tax Parcel 09-09-29-324-050 in fee title for $300,000.00 from the Seller, The Estate of Mary Walsh Smith on the terms set forth in the proposed Agreement of Purchase and Sale (see attached).

The parcel in question is currently vacant and is a double lot located at the dead-end of Madison Place. There is no cul de sac to allow vehicles to turn around. City solid waste vehicles are unable to turn around after servicing the residences on this part of Madison Place and must back out for a significant distance. If purchased, the Parcel could be used as a turn-around by City solid waste vehicles. In addition, the City also benefits from acquiring the Property because it will ensure the City has continued access for various maintenance activities.

In compliance with the requirements of Code Section 1:321, the City obtained an appraisal of the Property in May 2021 which determined the Property's fair market value to be $360,000. The proposed purchase price of $300,000 less than the opinion of value in the City's appraisal.

Budget/Fiscal Impact: Funds for this property purchase are available in the unrestricted Solid Waste Fund balance and should be appropriated to the existing Dead-End Streets Capital Project Budget.

Funding for the purchase will include the purchase price plus due diligence and closing costs for a total amount not to exceed $320,000.

Prepared by: Timothy S. Wilhelm, Deputy City Attorney
Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, Upon learning that the vacant property located at 730 Madison Place might be listed on the market for sale, City staff quickly identified the Property as a parcel that, if purchased by the City, would provide benefit to the City's Public Services Area operations for solid waste vehicle turn-around and ensuring continued City access for various maintenance activities;

Whereas, The City obtained an appraisal of the Property in compliance with Code Section 1:321 valuing the Property at $360,000;

Whereas, The City and Seller have engaged in negotiations for the purchase and sale of the Property and have agreed on a purchase price of $300,000;

Whereas, Based on the benefits it would provide to the City's operations, City staff recommend purchase of the Property and approval of the proposed Agreement for Purchase and Sale for the Property at a price of $300,000, plus due diligence and closing costs not to exceed $20,000, and on the terms and conditions set forth therein; and

Whereas, There are sufficient funds in the unrestricted Solid Waste Fund Balance to cover the cost of this property purchase plus the estimated due diligence and closing costs;

RESOLVED, That City Council approve the purchase of the real property located at 730 Madison Place, Ann Arbor (Tax Parcel 09-09-29-324-050) in fee title for $300,000 from the Seller, The Estate of Mary Walsh Smith, plus due diligence and closing costs not to exceed $20,000.00 on the terms set forth in the proposed Agreement of Purchase and Sale;

RESOLVED, That funding in the total amount of $320,000 ($300,000 for the property purchase price plus due diligence and closing costs not to exceed $20,000) be appropriated from the Solid waste Fund balance to the Dead End Streets Capital Project Budget; thereby increasing the project revenue and expenditure budgets;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Agreement of Purchase and Sale for the Property after approval as to substance by the City Administrator and as to form by the City Attorney; and

RESOLVED, That the City Administrator is authorized to take all appropriate action to implement this resolution, including the determination of satisfactory due diligence and execution of all appropriate documents.



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