



Legislation Text

File #: 22-1155, Version: 1

Resolution to Approve the Purchase of Real Property Located at 302 Mulholland Ave in Fee Title for \$108,300.00 Plus Costs Not to Exceed \$20,000.00 and to Appropriate Funding from the Stormwater Fund (\$128,300.00) **(8 Votes Required)**

Below for your review and action is a resolution to approve the purchase of the vacant property located at 302 Mulholland Ave, Ann Arbor (approximately 6,777 square feet or 0.156 acres), Tax Parcel 09-09-29-209-033 in fee title for \$108,300.00 from the Seller, Mitchell Newberry on the terms set forth in the proposed Agreement of Purchase and Sale (see attached).

The parcel in question is currently vacant and is unbuildable due its location in the floodway of the Murray-Washington Drain (a branch of Allen Creek). It is well-known that this area floods frequently. The 2015 Stormwater Model Calibration and Analysis Project identified that the storm system on Mulholland surcharges during a 50% annual chance (2-year) storm event, and recommended stormwater improvements for the area. Based on those recommendations a project was put into the City's Capital Improvement Plan (CIP). If purchased, the parcel could be used for stormwater design options, such as underground storage, for the upcoming CIP Project, [UT-ST-18-04 Mulholland Ave. SWMM Area Stormwater Improvements], which the design phase is identified to start in FY23.

In compliance with the requirements of Code Section 1:321, the City obtained an appraisal of the Property in April 2022 which the owner rejected and obtained two more independent appraisals. The appraisal from Affinity Valuation Group, LLC was agreed to be the most reasonable representation of the Property's fair market value at \$108,300.

Budget/Fiscal Impact: Funds for this property purchase are available in the Stormwater Fund, within the budget established for the CIP project UT-ST-18-04 Mulholland Ave. SWMM Area Stormwater Improvements.

Funding for the purchase will include the purchase price plus due diligence and closing costs for a total amount not to exceed \$128,300.00.

Prepared by: Jerry Hancock, Stormwater and Floodplain Programs Coordinator

Reviewed by: Timothy S. Wilhelm, Deputy City Attorney
Brian Steglitz, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The owner of 302 Mulholland approached City staff to see if the City was interested in purchasing the lot which is in the floodway. If purchased, the parcel could be used for stormwater design options, such as underground storage, for an upcoming stormwater CIP Project.

Whereas, The Affinity Valuation Group, LLC appraised the Property at \$108,300.00;

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 \$108,300.00;

Whereas, Based on the benefits it would provide to the City's stormwater design options, City staff recommend purchase of the Property and approval of the proposed Agreement for Purchase and Sale for the Property at a price of \$108,300.00, plus due diligence and closing costs not to exceed \$20,000.00, and on the terms and conditions set forth therein; and

Whereas, There are sufficient funds in the Stormwater Fund 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 302 Mulholland Ave., Ann Arbor (Tax Parcel 09-09-29-209-033) in fee title for \$108,300.00 from the Seller, Mitchell Newberry, 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 \$128,300.00 (\$108,300.00 for the property purchase price plus due diligence and closing costs not to exceed \$20,000.00) be appropriated from the Stormwater Fund within the budget established for the CIP project UT-ST-18-04 Mulholland Ave. SWMM Area Stormwater Improvements;

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.