



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
www.rochesterhills.org

**Legislative File No: 2021-0435**

**TO:** Mayor and City Council Members  
**FROM:** John Staran, City Attorney  
Ken Elwert, Director, Parks and Natural Resources  
**DATE:** October 25, 2021  
**SUBJECT:** Purchase Agreement for 3001 Auburn Rd

**REQUEST:**

City Council is requested to approve a proposed Purchase Agreement to purchase two (2) parcels of priority 1 property for 9.380 acres and 0.806 acres (10.186 acres total).

**REASON FOR PURCHASE:**

On May 25, 2021, the Green Space Advisory Board recommended that the City negotiate to acquire the 10.186 acres at 3001 Auburn Rd, located on the south side of Auburn Rd between Adams Rd and Crooks Rd. City Administration, after discussion with City Council during closed session, has made an offer and has presented a proposed Purchase Agreement to the property owner – subject to City Council’s approval – to purchase two (2) parcels totaling 10.186 acres. Terms of sale will be standard terms, cash deal, proration of property taxes, and City will be responsible for closing costs and document preparation. Closing will not take place until environmental review has been completed and approved.

Funding for the purchase of the two (2) Green Space parcels shall come from the Green Space Perpetual Care Trust Fund.

**BUDGET:**

If approved by City Council, the purchase price of the two (2) parcels [\$205,000] plus the City’s share of taxes and closing costs [estimated at \$5,000, likely less] will be transferred from the Green Space Perpetual Care Trust Fund (761) into the Green Space Operating Fund (299).

- As of 09/30/2021, the Green Space Perpetual Care Trust Fund has a total balance of \$7,673,461.
- Between FY 2015-2017, \$5,700,000 was contributed/deposited into the Green Space Perpetual Care Trust Fund via funding collected from the Green Space millage, this amount is considered the principal of the Trust.
- This leaves a remaining \$1,973,461 of Income and Earnings of the Trust Fund, which shall be used to pay expenses of the Trust which includes the general care, maintenance, and improvement of the Green Space Properties and to fund the purchase of land and interests in land to Green Space Properties.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Green Space Operating Fund	299.971000	Land	\$0	\$210,000	(\$210,000)

**RECOMMENDATION:**

We recommend that if City Council is satisfied with the Purchase Agreement, that the Council approve the Agreement and authorize the Mayor to undertake such actions and to execute and deliver any necessary and appropriate documents to consummate this transaction.

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APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney       Yes       N/A