



City of Rochester Hills
 AGENDA SUMMARY
 FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2018-0325

TO: Mayor and City Council Members

FROM: Sara Roediger, Planning & Economic Development Director

DATE: August 3, 2018

SUBJECT: Purchase Agreement for Northeast Corner of Emmons Ave. and Auburn Rd.

REQUEST:

City Council is asked to consider for approval a proposed Purchase Agreement to purchase the 0.26 acre parcel of land, parcel #15-25-456-025, located on the northeast corner of Emmons Ave. and Auburn Rd.

BACKGROUND:

As discussed with City Council, as part of the Auburn Road project City staff is recommending the purchase of the 0.26 acre parcel located on the northeast corner of Emmons and Auburn to serve as a public parking lot for the corridor. The City Administration has made an offer based on a true cash value estimate by the Assessing Department for \$35,000 and has presented a proposed Purchase Agreement to the property owner – subject to City Council’s approval – to purchase the 0.26 parcel. Terms of sale will be standard terms, cash deal, proration of property taxes, and City will be responsible for closing costs and document preparation.

BUDGET AND STAFF IMPACT:

It is anticipated that the \$35,000 purchase price plus the City’s share of taxes and closing costs will be paid from the Major Road Fund (202). Funding for the project is provided to the Major Road Fund through a transfer-in from the General Fund not with Major Road Act 51 revenue, as the purchase of this parcel for the purpose of a parking lot is not an eligible Act 51 expenditure.

As part of the 2018 2nd Quarter Budget Amendment, a total of \$75,000 was added to the overall FY 2018 Budget for Land Acquisition as part of the Auburn Road Corridor project. If approved by City Council, a 3rd Quarter Budget Amendment shall be prepared to increase the Major Road Fund Land budget, and to decrease the Land budgets in both the Local Street and Pathway Construction Fund, as this is the only parcel which will require City funds.

| Fund Name | Department Account No | Account No. Description | Budget Amount | Cost | Remaining Budget |
|---------------------------|-----------------------|-------------------------|-----------------|-----------------|------------------|
| Major Road Fund | 452.973000 | Land | \$9,750 | \$35,000 | (\$25,250) |
| Local Street Fund | 454.973000 | Land | \$29,250 | \$0 | \$29,250 |
| Pathway Construction Fund | 403.973000 | Land | \$36,000 | \$0 | \$36,000 |
| TOTAL ROW | | Land | \$75,000 | \$35,000 | \$40,000 |

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.

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