

March 28, 2005

Rochester Hills City Council
C/o Melinda Hill, President
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

**RE: Offers to Exchange or Purchase City Owned 10 Acre
Meadowfield Property (Tax ID # 15-22-226-016)**

Dear President Hill and City Council Members,

Respectfully submitted for your consideration, please find attached two offers regarding the Meadowfield property. The first is a revision of the previously considered December 22, 2004 land exchange offer. The second is a traditional offer to purchase; intended to give the City a method to conduct an "apples-to-apples" comparison in the likely event Mr. Gilbert also resubmits a revised purchase offer.

Upon your review of any and all proposals involving the Meadowfield property, I hope you will find either of the attached proposals as representing the best long-term opportunities for the City, based in part upon the following:

Cash Sale: \$1,975,000.00

- Ranch style condominium for Meadowfield site meets intent of master plan.
- Provides a housing type for empty-nesters and seniors that is currently in high demand and very limited supply within the city.
- 58 ranch style condominiums with 2-car attached garage, full basement, full brick construction and masonry fireplace.
- Developed at a lower density (potentially 50% less) than Mr. Gilbert's proposal.
- Ranch style condominiums will provide a more stable resident than potential rental units.

Land Exchange & Cash (\$375,000.00): \$1,975,000.00 combined value

- All of the benefits listed above, plus...
- Addresses goal of master plan by adding park land in northwest quadrant of the city and allowing for the expansion of Nowicki Park.
- No additional operational cost to city for the land exchange as the future park land will be undeveloped until such time as city decides to develop it.

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Brief History

As you are aware, in December of 2004, we submitted an offer to exchange 10 acres of land adjacent to Nowicki Park for the city-owned 10 acre parcel on Meadowfield Drive. This exchange would provide an opportunity to address goals within the City's master land use plan of additional park land in the northwest quadrant of the city and housing for empty-nester and/or seniors along the Rochester Rd. corridor between Hamlin and Avon.

Ultimately, the City received two offers; the Lombardo exchange offer and an offer to purchase the Meadowfield property, submitted by Mr. William Gilbert. On January 19, 2005, the City Council appointed a committee¹ to analyze the proposals.

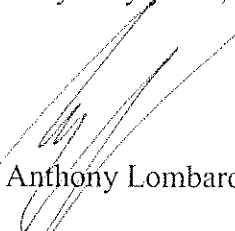
As part of continuing discussions, members of the committee visited *Kensington at Central Park*, a Lombardo community in Shelby Township, to see first-hand the type of product that would be constructed in Rochester Hills. On March 1, 2005, we met with the committee and City Attorney, John Staran, to discuss modifications to our proposal. Part of the discussion with the committee and Mr. Staran involved the difficulty of comparing the two proposals, as they are vastly different. One is a traditional purchase offer; while the other involves an exchange of land and a cash payment to cover the difference in value of the two properties.

Considering the long term advantages of obtaining the additional park land contiguous to Nowicki Park, I truly believe the land exchange provides the best opportunity to the City.

I look forward to meeting you on April 6th and discussing this in greater detail. In the mean time, I will be extending personal invitations to each council member to visit our nearby condominium community, *Kensington at Central Park*, in Shelby Township.

Until then, if you have any questions or if I can be of service in any way, please feel free to contact me at (586) 781-7900 ext. 18.

Very truly yours,



Anthony Lombardo

¹ Committee consists of Barb Holder (City Council), Ed Anzek (P&Z), Kurt Dawson (Assessor/Finance), Mike Hartner (Parks & Rec.) and Jean Farris (Purchasing).