



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2024-0556

TO: Mayor and City Council Members
FROM: Ken Elwert, CPRE, Director Parks and Natural Resources
DATE: December 2, 2024
SUBJECT: Purchase Agreement for 694 S. Rochester Road

REQUEST:

City Council is requested to consider and authorize for approval a proposed purchase agreement to purchase 9.38 acres of land at 694 S. Rochester Road.

REASON FOR PURCHASE:

At the March 20, 2023 meeting, City Council approved submission of a Michigan Natural Resources Trust Fund Grant to the Michigan Department of Natural Resources for consideration for a total purchase price of \$2,700,000. At their October 21, 2024 meeting, City Council approved the Project Agreement to Michigan Department of Natural Resources (MDNR) through their Trust Fund Grant Program for the acquisition of 694 S. Rochester Road as well as support for the requested 51% financial match. The project agreement has been executed and the City is now seeking approval to authorize a proposed purchase agreement for the acquisition of 694 S. Rochester Road as well as associated closing costs determined at closing.

The acquisition is for 9.38 acres by the City of Rochester Hills to expand public open space and provide a high visibility trail hub. The property of interest consists of forests and sensitive steep slopes that are located directly adjacent to an existing 12.7 acres of City Green Space bordering the Clinton River. The combination of mature trees, topography, and surrounding green space provides scenic views and valuable passive recreational opportunities. The parcel ultimately makes a crucial connection for the public between a high traffic road in the region and an existing natural corridor that links to the Clinton River Trail. This property is one of few remaining undeveloped parcels with Rochester Road frontage and has pedestrian connections to both Rochester Hills and downtown Rochester. This would be a fee simple purchase that will buffer and secure steep slopes, wetlands, woodlands, greenway connectivity, and achieve goals identified in our Parks Master Plan.

The City has negotiated a Purchase Agreement in the amount of \$2,700,000 and the property has an appraised value for outdoor recreational land of \$2,858,000.

PROCESS:

Vendor Name and Address:

Claire Levy
2633 S. Lake Pleasant Rd.
Metamora, MI 48455

Method of Purchase:

Fee Simple

BUDGET:

Funding is currently not included in the FY 2024 Adopted Budget for this parcel purchase.

However, the Fiscal Division has been aware of the potential purchase of this parcel for some time, and the City’s share of funding has been internally reserved within the Capital Improvement Fund Balance to fund the parcel purchase. Final associated closing costs will be determined at closing

If approved by City Council, the Fiscal Division will bring forth the following Budget Amendments as part of the FY 2024 4th Quarter Budget Amendment:

- Increase the Facilities Fund / Land Expense account (631.971000) by +\$2,700,000
 - To fund the parcel purchase
- Increase the Facilities Fund / Grant Revenue account (631.515000) by +\$1,328,000
 - Recognizing the full amount of the MDNR Grant approved by City Council on October 21, 2024 [2024-0482]
- Increase the Facilities Fund / Transfer-In from the Capital Improvement Fund account (631.699420) by +\$1,372,000
 - To recognize the City’s share of the parcel purchase from the Capital Improvement Fund.
- Increase the Capital Improvement Fund / Transfer-Out to the Facilities Fund account (420.999631) by +\$1,372,000
 - To fund the remaining City’s Share of the parcel purchase

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities Fund	631.515000	Revenue / Grant	\$0	+\$1,328,000	+\$1,328,000
Facilities Fund	631.699420	Revenue / Transfer-In CIF	\$0	+\$1,372,000	+\$1,372,000
Facilities Fund	631.971000	Expense / Land	\$0	(\$2,700,000)	(\$2,700,000)
		Total Net	\$0	\$0	\$0

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Capital Improvement Fund	420.999631	Expense / Transfer-Out Facilities Fund	\$0	(\$1,372,000)	(\$1,372,000)
		Total Net	\$0	(\$1,372,000)	(\$1,372,000)

RECOMMENDATION:

It is recommended that if City Council is satisfied with the purchase agreement, that the City Council approve the agreement and authorize the Mayor to undertake such actions as required to execute and deliver any necessary and appropriate documents and closing costs to consummate this transaction.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A