

General Services Department 115 Erskine Detroit, Michigan 48201 Phone 313•224•1100 Fax 313•224•1860 www.detroitmi.gov

June 14, 2024

Detroit City Council 1340 Coleman A. Young Municipal Center Detroit, MI 48226

RE: City Acquisition of Properties

654, 710 and 716 Mt. Elliott, Detroit, Michigan 48207

Honorable City Council:

The City of Detroit, by and through its General Services Department ("GSD"), has submitted an offer to 42 Development, LLC, a Michigan limited liability company (the "Seller"), to purchase certain real property located at 654, 710 and 716 Mt. Elliott, Detroit, Michigan 48207 (collectively the "Properties"), for the purchase price of Eight-Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00).

The Properties are approximately 0.39 acres and contains a one single-story commercial building, vacant lots, and concrete paved areas. GSD wishes to acquire the Properties for the purpose of constructing a Senior Center and Community Center that will offer a range of activities, programs, and resources for older adults and members of the community. The Properties are within an SD4 (Special Development District, Riverfront Mixed Use). The use proposed by GSD is a by-right use and is consistent with the allowable uses for which the Properties are zoned.

We request that your Honorable Body adopt the attached resolution to (1) issue findings and declarations consistent with Chapter 2, Article VI of the Detroit City Code with respect to environmental assessments of the Properties, (2) approve the acquisition of the Properties, and (3) authorize the execution of such documents as may be necessary or convenient to effect the acquisition of the Properties.

Respectfully submitted,

Crystal Perkins

Crystal Perkins

Director of General Services Department

cc: Malik Washington, Mayor's Office

RESOLUTION

WHEREAS, the City of Detroit ("City"), through its General Services Department ("GSD"), wishes to acquire that certain property at 654, 710 and 716 Mt. Elliott, Detroit, Michigan 48207 as more particularly described in the attached Exhibit A (collectively the "Properties") from 42 Development, LLC, a Michigan limited liability company ("42 Development LLC"), for the sum of Eight-Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00); and

WHEREAS, in accordance with Chapter 2, Article 6, Section 3 of the 2019 Detroit City Code, except as otherwise provided in the 2019 Detroit City Code, the City of Detroit is required to receive an environmental inquiry and, where necessary, an environmental assessment prior to the purchase of real property; and

WHEREAS, the City obtained a Phase I Environmental Site Assessment for the Properties dated February 6, 2024, a Phase II Environmental Site Assessment and a Baseline Environmental Assessment dated June 14, 2024 (collectively, the "Environmental Assessments")

WHEREAS, the Building Safety Engineering and Environmental Department ("<u>BSEED</u>") has reviewed and approved the Environmental Assessments.

NOW THEREFORE, BE IT RESOLVED, in accordance with Chapter 2, Article I, Division 2 of the Detroit City Code: (1) the City Council finds that the Properties have received appropriate environmental inquiry and assessment in accordance with the review referred to in the recitals hereof and that the Property is determined to be a "facility"; (2) despite the presence of environmental contamination at the Property, acquisition of the Property is necessary to promote the health, safety and welfare of the public; (3) the preservation of the promotion of the public health, safety, welfare or good outweighs the cost of the environmental inquiry and assessment, and therefore, the City Council waives the requirement that the owner bear the cost of the environmental inquiry and assessment; and (4) GSD shall prepare a Baseline Environmental Assessment with required field work within forty-five (45) days of the City's acquisition of the Property; and be it further

RESOLVED, that the City Council hereby approves acquisition of the Properties from 42 Development LLC, and payment to 42 Development LLC of Eight-Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00) as the purchase price, and the payment of customary closing costs (anticipated to be approximately Seven Thousand Five Hundred and 00/100 dollars (\$7,500.00), to be funded by Appropriation No. 22007 – ARPA Neighborhood Investments 3; and be it further

RESOLVED, that the GSD Director, or his/her authorized designee, be and is hereby authorized (1) to accept and record a deed to the City of Detroit for the Properties, (2) to accept, execute, and/or deliver any such other documents as may be necessary to effectuate the acquisition of the Properties by the City of Detroit, and (3) to pay the cost of an owner's policy of title insurance, recording any deeds granting title to the Properties to the City of Detroit, and such other necessary and customary closing costs payable in connection with the acquisition of the Properties; and be it further

RESOLVED, that upon acquisition of the Properties from 42 Development LLC, the Properties shall be placed under the jurisdiction of GSD for use, operation, and future development; and be it further

RESOLVED, that the GSD Director, or his/her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the transfer of the Properties, provided that the changes do not materially alter the substance or terms of the transfer.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Real property situated in the City of Detroit, Wayne County, Michigan, described as follows:

PARCEL 1:

Lot 2 of PLAT OF SUBDIVISION OF LOT 12 AND THE WEST 49 FEET OF LOT 11, MELDRUM FARM according to the plat thereof recorded in Liber 1 of Plats, Page 131-B of Wayne County Records.

PARCEL 2:

South 48.60 feet of West 82.50 feet of Lot 79 of SUBDIVISION OF PART OF THE MELDRUM AND BEAUFAIT FARMS according to the plat thereof recorded in Liber 1 of Plats, Page 304 of Wayne County Records.

PARCEL 3:

North 26.40 feet of West 82.50 feet of Lot 79 of SUBDIVISION OF PART OF THE MELDRUM AND BEAUFAIT FARMS according to the plat thereof recorded in Liber 1 of Plats, Page 304 of Wayne County Records.

Commonly known as: as 654, 710 and 716 Mt. Elliott, Detroit, Michigan

48207 Parcel Identification Nos.: 15013878., 15013879-80., 15013881.