



City of Gladstone, MI

1100 Delta Avenue
Gladstone, MI. 49837
www.gladstonemi.org

Staff Report

Agenda Date: 11/27/2023 **City Manager:** _____
Department: EDC **Department Head Name:** _____
Presenter: Eric Buckman **Kim Berry, City Clerk:** _____

This form and any background material must be approved by the City Manager then delivered to the City Clerk by 4:00 PM the Tuesday prior to the Commission Meeting.

AGENDA ITEM TITLE: Sale of Industrial Park Lot, 699 Clark Drive East

BACKGROUND: Bob Bosk has been inquiring about purchasing a lot in the Gladstone Industrial Park, to build an Industrial Storage Facility. After negotiations with Gladstone EDC, Mr. Bosk has agreed to their proposal of \$20,000. The proposal also includes sharing the cost to install DTE gas main with the City Electric Department who owns the property across the street (east).

FISCAL EFFECT: \$20,000 for Gladstone EDC

SUPPORTING DOCUMENTATION: Attached.

RECOMMENDATION: Approve the Sale of 2.3-acre Industrial Park Lot, 699 Clark Drive East, to Mr. Robert Bosk

EDC
EDC Meeting Notes
October 10, 2023
Electric Department Conference Room
12:00 PM

Members Present: Steve DeLaire, Kevin Gendron, Gary Maynard, Dirk Manson, Steve O'Driscoll, Michael Nardi and Jim Andersen

Members Absent: Steve Tackman - Steve Soderman

Other Staff/Guests Present: Renée Barron, Eric Buckman and Ed LeGault

Meeting was brought to order at 12:05 by Dirk Manson

Public Comment: None

Motion by Steve O'Driscoll; seconded by Kevin Gendron to approve the meeting minutes for the EDC regular meeting minutes of August 8, 2023. Motion Carried

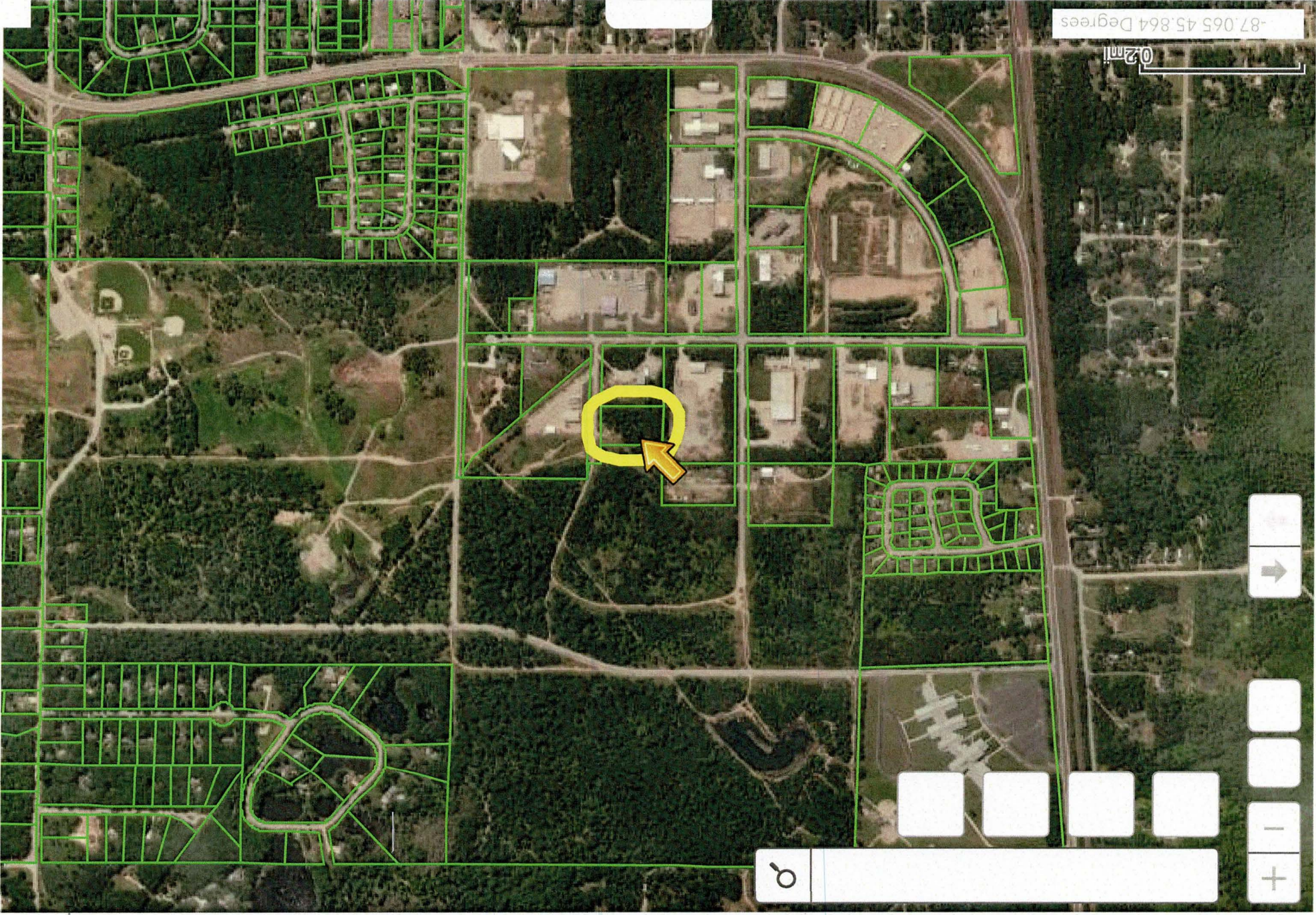
Sale of Land Request-Bob Bosk: The appraisal from Pardee Appraisal Services, LLC was reviewed and discussed with the EDC. The appraisal demonstrates that the land Mr. Bosk is interested in purchasing appraises at \$30,000. Mr. Bosk made a proposal to the EDC of \$10,000 for the land and is willing to invest around \$12,000 into the property to get DTE gas to the site which could help serve other industrial park occupants.

Motion by Steve O'Driscoll; seconded by Michael Nardi to offer the land at 699 Clark Drive East (2.30 acres) as defined in the appraisal to Mr. Bob Bosk for \$20,000 with the City of Gladstone's Electric Department to pay for up to half of the cost for DTE to come in to the south east corner of the property.

Discussion: If approved city staff to work with Mr. Bosk to determine if proposal is accepted and if Mr. Bosk agrees then a purchase agreement would be drawn up with the terms and staff would seek City Commission approval. Terms to include: Mr. Bosk will pay for service line on his property to his building, City will pay ½ for the portion up to the SE corner of the property, any payback for other businesses who connect will be split equally. Mr. Buckman will share Purchase Agreement with group prior to finalizing.

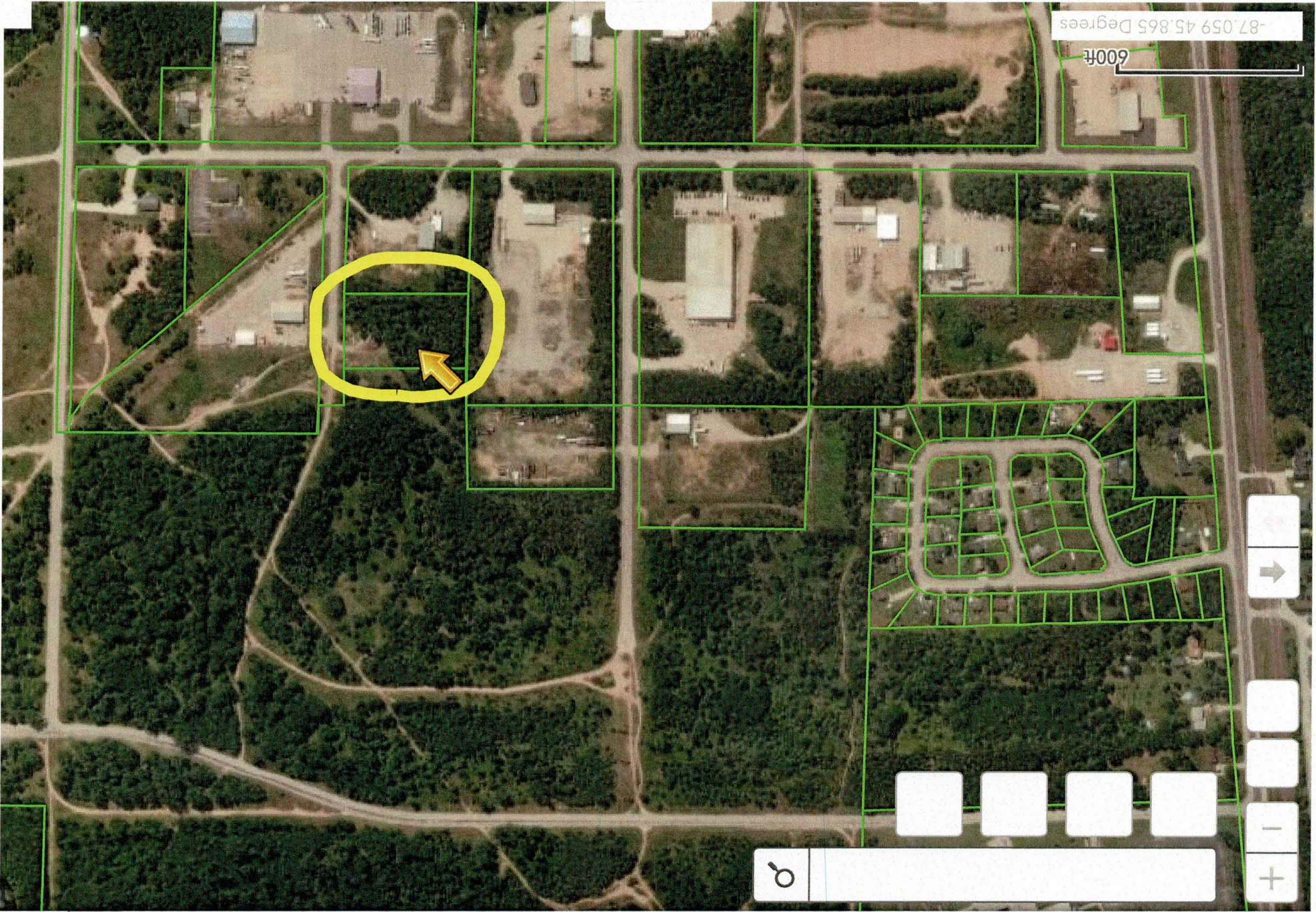
MOTION CARRIED

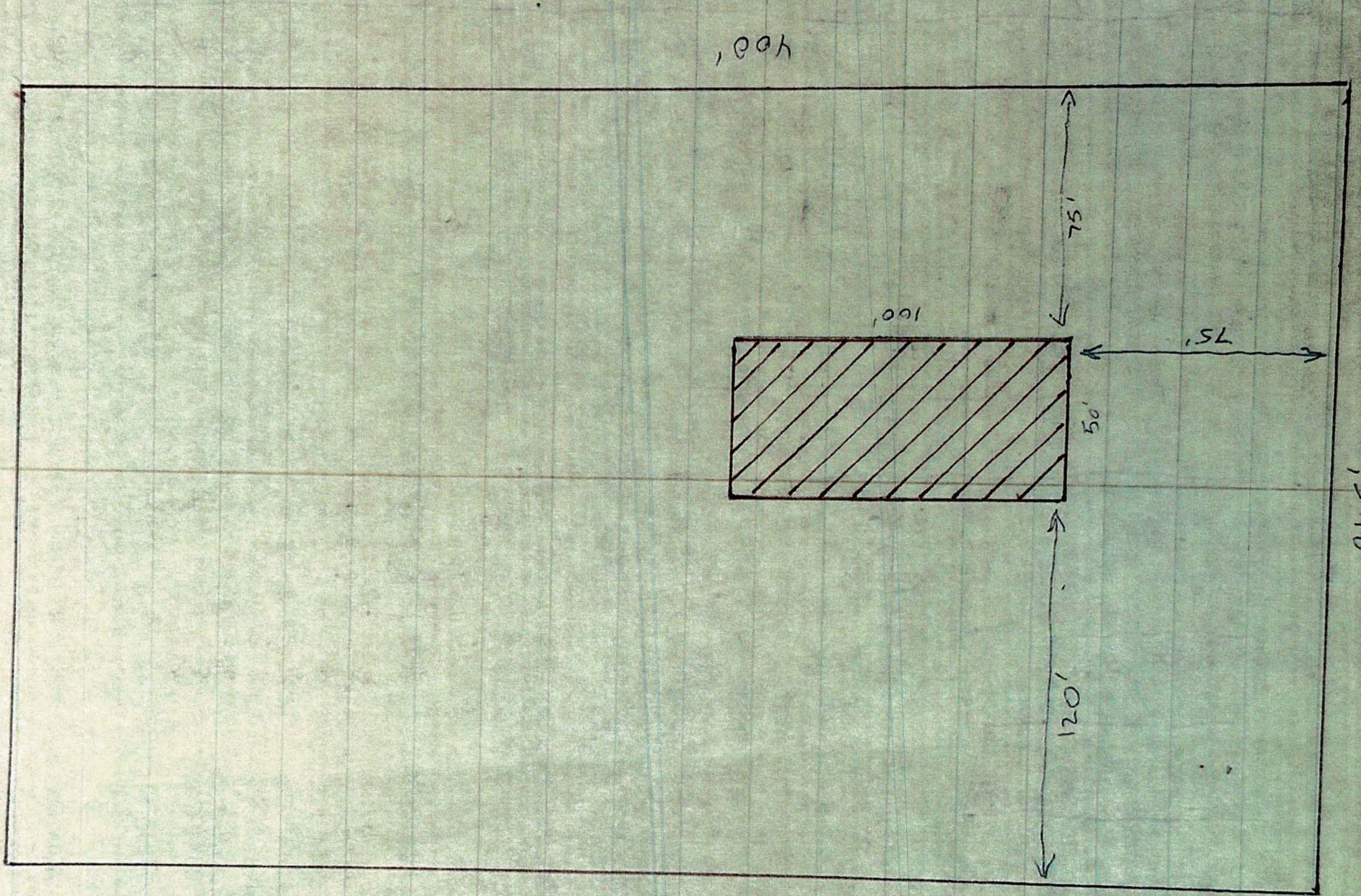
Budget: Budget was reviewed by Eric Buckman and accepted into record by the board.



-87.065 45.864 Degrees

0.2mi





400'



100'

75'

75'

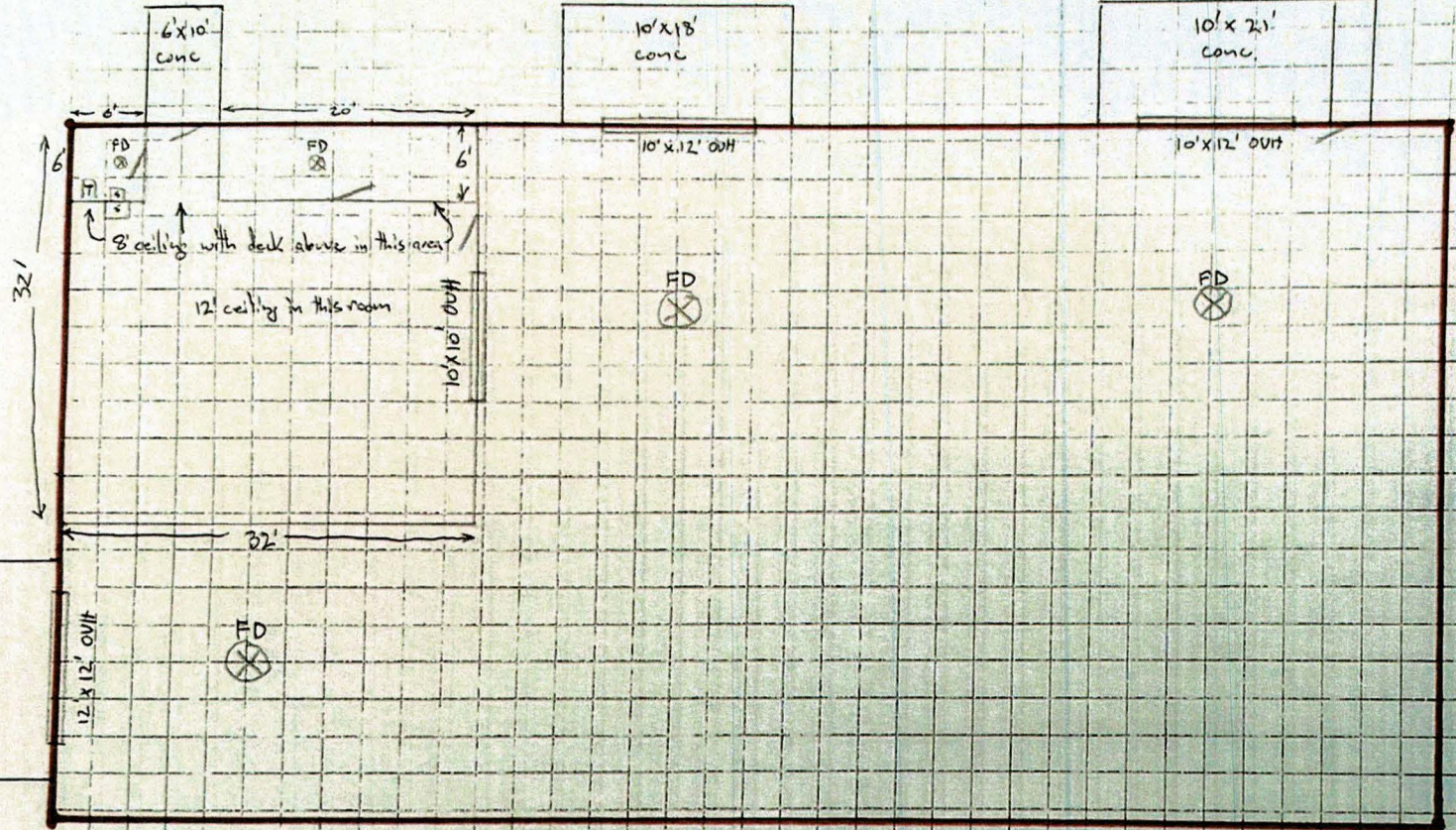
50'

245'

120'

each sq. = 3 Feet

56' x 108' 12' sidewalk



exterior metal - roof whit
- walls grey
- eaves white

2' eaves all around
(2) ext. main doors
(3) ODH doors w/ openers
(1) ODH door with out space
all concrete 4" thick
with mesh

Interior metal white
walls + ceiling insulated
liner panel walls + ceiling

Electrical — (9) ODH warehouse lit
- outlets around the perim
- (5) door opener outlets
- (4) ext door lites
- bathroom lite/vent + outlets
- wood room (4) ODH lites and
perimeter outlets
- kitchen — (2) ODH lites and
perimeter outlets and
elect. panels
(3) 220V outlets

- Furnace for interior rooms
- heat for warehouse
- hot water heater
- all Natural gas
- toilet + (2) sinks
- city water + sewer + electric

APPRAISAL REPORT
OF THE
699 CLARK DRIVE EAST LAND



LOCATED AT
699 CLARK DRIVE EAST
CITY OF GLADSTONE
DELTA COUNTY, MICHIGAN

As of: September 8, 2023
Report Issued: September 13, 2023

Prepared for:
Mr. Eric Buckman
Gladstone City Manager
1100 Delta Avenue
Gladstone, Michigan 49837

Prepared by:
Tony Pardee and Eric Stauss
Pardee Appraisal Services LLC
N3121 Deer Haven Ct
Peshtigo, Wisconsin 54157

ADJUSTMENT GRID

COMPARABLE SALES ADJUSTMENT GRID				
Sale Number	1	2	3	4
Sale Price/Acre	\$130,137	\$53,528	\$25,359	\$6,089
Property Rights	0%	0%	0%	0%
Financing	0%	0%	0%	0%
Conditions of Sale	0%	0%	-10%	-10%
Market Conditions				
Date of Sale	0.00%	0.00%	0.00%	0.00%
Adjusted Unit Value (Prior to Physical Adjustments)	\$130,137	\$53,528	\$22,823	\$5,480
Physical Characteristics				
Location	-5.00%	-5.00%	-5.00%	10.00%
Access/Visibility	-25.00%	-25.00%	-35.00%	0.00%
Size	0.00%	5.00%	0.00%	15.00%
Shape/Functional Utility	0.00%	0.00%	0.00%	10.00%
Site Improvements/Use	-60.00%	-50.00%	-5.00%	0.00%
Water Frontage	0.00%	0.00%	0.00%	0.00%
Topography	0.00%	0.00%	0.00%	0.00%
Total Physical Adjustments	-90.00%	-75.00%	-45.00%	35.00%
Adjusted Unit Value	\$13,014	\$13,382	\$12,553	\$7,398
Total Adjustment (%) (From Sale Price/Unit)	-90.00%	-75.00%	-50.50%	21.50%
Adjusted Sales Price:				
Mean (all sales) Per Acre	\$11,587	<i>Reconciled Value</i>		
Median (all sales) Per Acre	\$12,783	2.30	Acres @	\$12,000
				\$27,600
Unadjusted Sales Price:		<i>Reconciled Value</i>		\$30,000
Mean Per Acre	\$53,778			
Median Per Acre	\$39,444			

ANALYSIS OF COMPARABLE LAND SALES

Adjustments to the sale prices of comparable properties are required to account for differences that may exist between a comparable and the subject. Adjustments are typically considered for property rights transferred, financing, conditions of sale, market conditions (time), location/access, size, zoning, use, and physical characteristics, including density.

All of the comparable sales represented the transfer of fee simple interest on an all cash or equivalent terms basis.

Market Conditions

Each of the comparable sales transactions occurred from 2018 through 2020, with current active listings also considered.

Location

Location encompasses a number of issues, including locations within different sub-market areas, the character/condition of surrounding development, corner versus interior location, access, and visibility. It is important to assess which factors truly impact value for different types of real estate.

Size

With respect to size, as the site increases in size the sales price per square foot or acre typically decreases, with all other factors remaining equal. This is due to the diminishing marginal returns associated with each additional unit (acre) added. As mentioned above with regard to location, the density for development can affect the consideration given for a site to a greater degree than the size of the site.

Shape/Functional Utility/Use/Site Improvements

Adjustments for the shape and functional utility were considered as many of the subject properties are irregular or less functionally attractive for development. The subject property is unimproved.

Physical Characteristics

Important physical characteristics include shape, topography, environmental concerns, site improvements, water frontage, and availability of infrastructure. Physical characteristics adjustments were considered for those properties with site improvements at the time of sale; water frontage; and environmental concerns.

Land Value Conclusion

The sales data is considered the most representative sales data available to assist the appraiser(s) in estimating the value of the underlying land.

All sales are similar vacant commercial/industrial land sales, or improved properties purchased for commercial/industrial redevelopment. After considering all factors of adjustment, it is the appraiser's opinion the applicable site value for the subject site area, is \$12,000 per acre for the site. Therefore, the following is indicated:

2.30 acres of site area @ \$12,000 per acre	=	\$27,600
ROUNDED		<u>\$30,000</u>

SECTION XI: RECONCILIATION FINAL VALUE CONCLUSIONS

Reconciliation is the portion of an appraisal where the various approaches to value are weighed to judge their reliability with respect to valuing the subject. Emphasis is usually placed on the approach, or approaches, that seem to best estimate the market value of the subject property. The values for the subject indicated by the valuation analysis are as follows:

VALUE INDICATORS

Sales comparison approach	As Is	\$30,000
	Land Value- 699 Clark Drive East Land:	<u>\$30,000</u>

The *cost approach* reflects the value of the property based upon its reproduction cost, less depreciation, with an additional allowance for the underlying land value. As this assignment involves vacant land with no building improvements, the cost approach was not feasible.

The *sales comparison approach* has been developed to form an opinion of value of the site with approximately 2.30 acres. This approach was given primary weight in the final value indication, although, most representative data available varied in regards to location, size, and conditions of the local market.

The *income capitalization approach* was not developed and is not considered to be applicable.

The final reconciled estimate of value was based solely on the sales comparison approach, as this was the only applicable approach.

This report and the value estimate contained within are subject to the Assumptions and Limiting Conditions contained herein.