



DDA ACTION SUMMARY SHEET

MEETING DATE: July 16, 2024

TOPIC Offer to Purchase – Vacant Land

BACKGROUND BRIEF:

There is a parcel of land immediately adjacent to the original office building at the Lumber Yard project site that was not included in the original purchase. This lot is owned by Carl Waltman, a legacy family in Lake Orion having owned various businesses downtown. Some discussion was had as to whether this property might be donated by the Waltman Family, or otherwise acquired, but ultimately it was determined that the only means to acquire the land is via purchase.

The property is located such that its inclusion in the site will be a substantial benefit to the allocation of land and space for both the public project and, importantly, for any partnered development to create the gateway in a manner consistent to the concepts and ideas gathered in the many public forums about the site. In short, it makes for a much better site. It is identified on the attached site map.

FINANCIAL IMPACT:

It is recommended the DDA purchase the parcel for \$7000, subject to the Purchase Agreement prepared by our Executive Director.

The offered price is actually a negotiated price for the property, subject to all standard closing conditions including title. This parcel was included in the site mapping for the concept plans, likely inadvertently but with an understanding that the piece really should/had to go with the larger site. It has therefore been tacitly inspected for environmental conditions. It is not intended to be a place where foundations or other structures would be built, rather, adding necessary square footage to the overall site layout to assist with parking and other greenspace calculations. As such, it is neither at a cost or risk to warrant detailed environmental study beyond the due care plan for the entire site. This recommendation to rely on due care and caution in future development is supported by the fact that the property has been fenced and used since the installation of the MDOT spillway and no activity would be found in completing a Phase 1 or 2 study.

The cost to size of the parcel is very favorable to the DDA and is well under the square foot price paid for the purchase of the larger lumber yard parcels. It adds significant value to the frontage parcel and

the DDA would realize a positive return (likely more than 3x) through its inclusion in a development plan. This is a good deal when all factors are weighed.

The DDA has ample funding available for this purchase in the capital appropriation in the 404 fund

RECOMMENDED MOTION:

Move to approve the purchase of vacant land known as the Waltman Parcel, on the terms and conditions set forth in the attached Purchase Agreement, authorizing the Board Chair and Executive Director to execute the agreement and effect a closing on its terms. All Funding for the purchase from GL 404-901-971-000 Capital Outlay – Building.