



CITY OF NOVI CITY COUNCIL
SEPTEMBER 11, 2023

SUBJECT: Consideration to approve Purchase Agreement for four vacant properties on Eleven Mile Road, adjacent to Lee BeGole Drive, approximately 14.70 acres total, Parcel I.D. Nos. 22-14-451-012 and -013, and 22-14-451-015 and -017, for \$3,500,000, and to amend the budget accordingly.

SUBMITTING DEPARTMENT: City Manager's office

EXPENDITURE REQUIRED	\$3,500,000
AMOUNT BUDGETED	\$0
APPROPRIATION REQUIRED	\$3,500,000
LINE ITEM NUMBER	401-901.00-971.000

BACKGROUND INFORMATION:

Attached for City Council's consideration is a draft Purchase Agreement for the above-referenced properties, which are located on the north side of Eleven Mile Road, across Lee BeGole Drive from the DPW property. They are vacant but are in the area of the long-planned extension of Crescent Boulevard from Novi Road to Eleven Mile Road in that northeast quadrant.

The proposed agreement is similar to those the City has used for such purposes over the years. It allows the City time to do a survey and environmental reviews, as well as title work. The date by which the transaction must be closed is no later than December 15, 2024.

A couple of items bear closer review. The earnest money deposit (which is paid to the title company and forfeited in the event of a default by the City) is substantial—\$500,000. Also, the properties are currently owned by two different entities but are being sold for one price. The agreement requires the Seller to have under one ownership by the time of closing.

See the attached materials for more information on the properties.

RECOMMENDED ACTION: Approval of Purchase Agreement for four vacant properties on Eleven Mile Road, adjacent to Lee BeGole Drive, approximately 14.70 acres total, Parcel I.D. Nos. 22-14-451-012 and -013, and 22-14-451-015 and -017, for \$3,500,000, and to amend the budget accordingly.