



CITY OF NOVI CITY COUNCIL
JULY 7, 2025

SUBJECT: Approval of Resolution authorizing the purchase of a tax foreclosed property, parcel number 50-22-10-400-048, from Oakland County under Act 123 of 1999, as amended, for the amount of \$1,555,540 and to amend the budget.

SUBMITTING DEPARTMENT: City Manager

KEY HIGHLIGHTS:

- The cost of the foreclosed vacant parcel is the legally mandated fair market value (calculated as double the 2025 State Equalized Value of \$777,770)
- The City already owns adjacent parcel number 50-22-10-400-055, which forms a continuous wetland area with the subject parcel

FINANCIAL IMPACT

	FY 25/26
EXPENDITURE REQUIRED	\$ 1,555,540.00
BUDGET 1. CIP FUND , Land Acquisition 401-901.00-971.000	\$ 0
APPROPRIATION REQUIRED	\$ 1,555,540.00
FUND BALANCE IMPACT	\$ 1,555,540.00

BACKGROUND INFORMATION:

The City of Novi received notice from the Oakland County Treasurer identifying parcel number 50-22-10-400-048, located at Novi and Twelve Mile Roads, among properties that were recently tax foreclosed by Oakland County Circuit Court and by the Oakland County Treasurer under Public Act 123 of 1999, as amended. Under MCL 211.78(M)(1), the County is given a right of first refusal, and if it does not exercise that right the City gets the next "option" to purchase the property.

Due to statutory changes in 2020 and pending lawsuits, the foreclosed property purchases can no longer be available for the cost of unpaid taxes and interest. Current

policy requires the purchase price to be an amount equal to the fair market value, which is determined as double the 2025 state equalized value (SEV), or the appraised value, if an appraisal is completed by an Oakland County contracted vendor. Records indicate that the SEV on parcel # 22-10-400-048 is \$777,770, making the total cost due (2xSEV) \$1,555,540.

The City already owns the adjacent parcel number 50-22-10-400-055, purchased in 2016, which contains a large portion of wetland connected to that of the subject property.

Staff's recommendation is to purchase this property, as it may provide the City an opportunity to preserve areas of it and/or to utilize it in a manner that benefits the public and the City.

If the City wishes to exercise its statutory right of refusal and purchase parcel number 50-22-10-400-048, it is required to notify the Oakland County Treasury of its intent to purchase no later than Tuesday, July 8th, according to representatives of Oakland County.

RECOMMENDED ACTION: Approval of Resolution authorizing the purchase of a tax foreclosed property, parcel number 50-22-10-400-048, from Oakland County under Act 123 of 1999, as amended, for the amount of \$1,555,540 and to amend the budget.