



CITY OF NOVI CITY COUNCIL
JUNE 23, 2025

SUBJECT: Approval of the First Amendment to Purchase Agreement to extend the selling date to July 15, 2025 of a portion of Parcel 22-23-151-029 to Novi Industrial, LLC for \$68,000.

SUBMITTING DEPARTMENT: City Manager

KEY HIGHLIGHTS:

- Temperform, located at 25425 Trans X Road, wishes to install a sand silo/storage tower adjacent to the north end of their building.
- During the initial concept meeting with the applicant, Staff determined that the base of the tower had already been installed, partially on the City's property, and the tower would not be able to be approved as contemplated.
- The applicant asked to purchase a portion of the City's property to facilitate the installation of the tower and has worked with the City Attorney on the necessary documents for the land sale.
- The City Attorney worked with Planning, Assessing, and Parks and Recreation staff to determine a suitable parcel split that will facilitate further development for Temperform, while maintaining access to the City's water tower for service of the cell tower equipment and general maintenance of the water tower.
- On February 10, 2025, City Council approved the Purchase Agreement to sell Novi Industrial, LLC, a Portion of Parcel 22-23-151-029 for \$68,000. The purchaser has requested additional time to complete due diligence for the purchase of the property with the intent to close on the property no later than July 15, 2025 (original close date was April 30, 2025).

BACKGROUND INFORMATION:

Novi Industrial, LLC, the owner of the property at 25425 Trans-X Road seeks to purchase an unused portion of the City's Water Tower Park property (Parcel 22-23-151-029) from the City in order to place a sand silo in the area where their tenant, Temperform, has placed a concrete pad under the belief that it was part of the leased parcel. The property in question is the southeast part of the City's Water Tower Park, located at the southeast corner of Novi Road and Trans-X Road. The 0.783 acre-area that is proposed to be purchased does not include the developed portions of the Water Tower Park or the water tower itself. If transferred from the City to Novi Industrial, LLC, access from Trans-X Road to the water tower must be maintained at all times for the City and its agents to obtain access to the Water Tower and improvements in that vicinity.

After meeting with the City and investigating options for relocating the tower to a location on the Temperform/Novi Industrial, LLC site, Temperform determined that

placement on the current Temperform site would require variances from the Zoning Board of Appeals. Temperform indicates that even with variances, however, the tower will not fit properly on its own site. So, it has requested that the City sell a portion of the site to it. Temperform has obtained an appraisal of the portion of the City-owned property, a portion of which is attached. The appraised value of the portion Temperform wants to purchase is \$68,000. The Appraisal was conducted by RS Thomas & Associates, an appraisal firm that has been used by the City for various property acquisitions.

City Staff and consultants visited the site to confirm the location of an Ingress/Egress Easement to be retained by the City to access the base of the City's Water Tower. If the Purchase Agreement is approved by City Council, the City will record the attached Declaration of Ingress and Egress and Utility Easement prior to closing on the sale of the property.

Once the property transfer has taken place, the applicant will need to follow the site plan submittal and review process to seek approval of improvements on the site, including the location of the new sand silo that was initially contemplated. The applicant will need to resolve any remaining concerns regarding the installation of the concrete pad over a recorded sewer easement on the property and may need to request a variance for the height and setback of the silo, following review and approval by the Planning Commission. The initial sketch and staff review letters are attached for reference only.

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The attached First Amendment to the Purchase Agreement was prepared by the City Attorney's Office.

RECOMMENDED ACTION: Approval of a First Amendment to Purchase Agreement to Sell a Portion of Parcel 22-23-151-029 to Novi Industrial, LLC for \$68,000, for the area shown in the attached survey, and to authorize the City Manager to work with the City Attorney's Office to take all actions necessary to complete closing of the sale no later than July 15, 2025, so that the applicant may submit for site plan consideration and approval.