



Legislation Text

File #: 2022-265, **Version:** 1

Purchase of 36336 Eight Mile Road, Farmington, Michigan

Agenda of: June 22, 2022

Item No.: **2022-265**

Amount: \$340,000 plus brokerage fee, real estate and closing costs

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Randal M. Brown
General Counsel

DATE: June 20, 2022

RE: **Purchase of 36336 Eight Mile Road, Farmington, Michigan**

MOTION

Upon recommendation and opinion of Randal M. Brown, General Counsel, the Board of Directors (Board) for the Great Lakes Water Authority (GLWA) (1) approves the purchase of 36336 Eight Mile Road, Farmington, Michigan (the Property) between GLWA and Shirley Ferguson; and (2) authorizes for the Interim Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote, including the execution of the Purchase Agreement and accepting an assignment of an expired lease in a month-to-month holdover status, and renegotiating or terminating the lease.

JUSTIFICATION

For replacing the existing Newburgh Road Pumping Station with a new pumping station, GLWA needs to acquire land near the existing pumping station. Through its consultants, GLWA identified land in the vicinity of the current pumping station as the best property acquisition option for the new pumping station.

Previously, the parties agreed to a purchase price of \$320,000, plus GLWA paying the brokerage fee, real estate and closing costs for the Property, which the Board approved. However, the seller has

demanded an additional \$20,000 during negotiations of the Purchase Agreement, bringing the sale price to \$340,000. After discussions with GLWA's broker and project manager, moving forward with the increase purchase price is still in the best interest of GLWA.

In addition, GLWA assumes a lease for the ranch-styled home on the property. The lease term is expired, but continues on a month-to-month basis. Given the obligation under the lease for the landlord to make repairs to plumbing, electrical, heating equipment and fixtures and appliances that have been supplied by Landlord, GLWA will negotiate to have the tenant assume these responsibilities or will terminate the lease.

Acquiring Ms. Ferguson's property will be conditioned on a same day closing on the contiguous parcels that are owned by Green Hill Associates. All parcels are needed to build a new pumping station.

BUDGET IMPACT

There are sufficient funds allocated for the new Newburgh Road Pumping Station in the CIP to acquire the Property.

COMMITTEE REVIEW

This matter was originally presented to the Legal Committee on November 18, 2021 and then approved by the Board. It was presented to the Legal Committee on June 22, 2022 for consideration of the increased purchase price. The Legal Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This request does not impact the Shared Services Agreement.