



## Legislation Text

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File #: 2019-115, Version: 1

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### **Authorization for Sale of Leased Property Commonly Known as 11900 Freud and 11900 E. Jefferson, Detroit, Michigan to the Detroit Brownfield Redevelopment Authority**

Agenda of: March 13, 2019  
Item No.: **2019-115**  
Amount: TBD

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** March 12, 2019

**RE: Authorization for Sale of Leased Property Commonly Known as 11900 Freud and 11900 E. Jefferson, Detroit, Michigan to the Detroit Brownfield Redevelopment Authority**

### MOTION

Upon recommendation of Randal M. Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA) **authorizes the sale of leased property Commonly Known as 11900 Freud and 11900 E. Jefferson, Detroit, Michigan to the Detroit Brownfield Redevelopment Authority for the sum of One Million and no/100 Dollars (\$1,000,000.00) pursuant to the attached Real Property Purchase Agreement;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

On February 26, 2019, Fiat Chrysler Automobiles NV (FCA) and the City of Detroit announced FCA's intent to invest approximately \$4.5 billion in five automobile plants located in the State of Michigan.

Included amongst the proposed investments is approximately \$1.6 billion to be invested in the Jefferson North and Mack Avenue Engine Plants located within the City of Detroit. On February 26, 2019, the Detroit News reported that: "Under terms of a Memorandum of Understanding between the Detroit and FCA, city officials must assemble land, craft a community benefits agreement and finalize tax incentives." GLWA staff has been advised this Memorandum of Understanding requires the City to assemble the land for this project within 60 days or by April 25, 2019.

GLWA owns property located at 11900 Freud and 11900 E. Jefferson, south of FCA's Jefferson North Assembly Plant. This property was acquired to be available for potential future system improvements. The Detroit Brownfield Redevelopment Authority has indicated its desire to acquire the property for the FCA project at a price of One Million Dollars (\$1,000,000) pursuant to the attached Real Property Purchase Agreement and has asked GLWA to respond by March 13, 2019 to its proposed purchase of the property.

### **JUSTIFICATION**

The justification for this action is subject to an attorney-client privileged communication to the Board.

### **BUDGET IMPACT**

The sale of this property would not directly impact GLWA's proposed budget.

### **COMMITTEE REVIEW**

This matter was presented to the Legal Committee at its meeting on March 13, 2019.

### **SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.