



## Legislation Text

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**File #:** 2020-332, **Version:** 1

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### **Request to Sell 235 South McKinstry and 4600 West Jefferson, Detroit, MI 48229**

**Agenda of:** September 23, 2020

**Item No.:** **2020-332**

**Amount:** \$1,500,000.00

**TO:** Legal Committee  
Great Lakes Water Authority

**FROM:** Randal M. Brown, General Counsel

**DATE:** September 23, 2020

**RE: Request to Sell 235 McKinstry and 4600 West Jefferson, Detroit, MI 48229**

#### MOTION

Upon recommendation and opinion of Randal M. Brown, General Counsel, the Legal Committee for the Great Lakes Water Authority (GLWA):

- 1) Recommends to the Board that GLWA sells 235 South McKinstry and 4600 West Jefferson, Detroit, MI 48229.
- 2) Authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote, including, if approved by the Full Board, executing the Purchase Agreement and any closing documents.

#### **JUSTIFICATION**

The 235 South McKinstry property contains a warehouse to store large equipment primarily for the Water Resource Recovery Facility (WRRF). 4600 West Jefferson property is a vacant parcel. GLWA does not use the parcel for any purpose, but it was sold to the DWSD as a part of the property acquisition in 2013.

The 235 South McKinstry warehouse needed significant improvements, including roofing and electrical improvements, however, the costs for improving the warehouse outweighs its future value. Concurrent with the sale of these properties, GLWA is attempting to secure a 3-5-year lease for a warehouse once it vacates 235 South McKinstry. Long term, GLWA intends to build a warehouse on or near WRRF.

Pursuant to the Regional Water Supply System Lease, Regional Sewage Disposal Lease, and the Master Bond Ordinance, GLWA has the right to sell Leased Water Facilities that it no longer needs to support the service to wholesale customers.

#### **BUDGET IMPACT**

To be determined upon the closing and consultation with Bond counsel.

**COMMITTEE REVIEW**

The Legal Committee reviewed details of the proposed transaction on September 23, 2020.

**SHARED SERVICES IMPACT**

There is no impact the Shared Services Agreement.