

## Legislation Text

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**File #:** 2020-466, **Version:** 1

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### **Purchase of 1001 Clairpointe, Detroit, MI (East Lake Baptist Church)**

**Agenda of:** December 17, 2020

**Item No.:** **2020-466**

**Amount:** \$1,380,000.00 plus brokerage fee (\$27,600.00), real estate and closing costs

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

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

**DATE:** December 15, 2020

**RE:** **Purchase of 1001 Clairpointe, Detroit, MI (East Lake Baptist Church)**

#### 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 1001 Clairpointe, Detroit, MI (the Property) between GLWA and East Lake Baptist Church; (2) a leaseback of the property to East Lake Baptist Church until February 28, 2023 and month-to-month thereafter; (3) the right for East Lake Baptist Church to deconstruct the buildings, with GLWA's written approval, prior to the expiration of the leaseback term; and (4) authorizes the 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.

#### **JUSTIFICATION**

For replacing the existing Conner Creek Pump Station with a new pump station, GLWA needs to acquire land near the existing pump station. Through its consultants, GLWA identified land adjacent to the current pumping station as the best property acquisition option for the new pump station. The parties agreed to a purchase price of \$1,380,000.00 for the Property. The address of the Property is 1001 Clairpointe, Detroit, MI. The Board previously approved the purchase 12400 East Jefferson, which is a contiguous parcel. The purchases of the Property and 12400 East Jefferson satisfies the land acquisition needs for the construction of the pump station.

The closing on the Property is contingent on several action items. First, East Lake Baptist Church needs to acquire land

from the Detroit Land Bank Authority to build a new Church and residential development. Second, East Lake Baptist Church seeks a meaningful discussion with Detroit Water and Sewerage Department employees regarding a geothermal project using a DWSD water or sewer line as the heating/cooling source for the residential development. The DWSD Director, Gary Brown, is facilitating the geothermal meeting. Third, East Lake Baptist Church will leaseback the Property until February 28, 2023 at a nominal lease rate. East Lake Baptist Church will be responsible for all utility costs, insurance, operations and maintenance during the leaseback term. Fourth, during the leaseback period, East Lake Baptist Church, with GLWA's written approval, may deconstruct the buildings on the Property prior to the expiration of the leaseback.

GLWA will be responsible for the brokerage fee of \$27,600.00 to JLL, GLWA's broker, and all real estate and closing costs.

#### **BUDGET IMPACT**

There are sufficient funds allocated for the new Conner Creek Pump Station in the CIP to acquire the land.

#### **COMMITTEE REVIEW**

This matter was presented to the Legal Committee on December 17, 2020. 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.