

Legislation Text

File #: 2021-211, **Version:** 1

Purchase of approximately 4.28 acres of vacant land next to Springwells Water Treatment Plant from Conrail

Agenda of: June 23, 2021

Item No.: **2021-211**

Amount: \$278,070.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 24, 2021

RE: Purchase of approximately 4.28 acres of vacant land next to the Springwells Water Treatment Plant from Conrail

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 vacant land next to the Springwells Water Treatment Plant from Conrail; and

(2) 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 and closing documents.

JUSTIFICATION

To expand the fence line of the Springwells Water Treatment Plant and to build a new 120Kv electrical substation, GLWA contacted Conrail to purchase approximately 4.28 acres of vacant land.

In 2017, Conrail sold approximately 75 acres of land to the City of Detroit for the Joe Louis Greenway Project. The land desired by GLWA is the remainder that was unsold to the City of Detroit between Tireman Road and Warren Avenue and contiguous to the Springwell Water Treatment Plant. In 2017,

Detroit paid approximately \$56,842/acre. Originally, GLWA offered to pay the same per acre amount. The offer was rejected and countered by Conrail at \$65,000/acre. After consultation with GLWA's broker and subject to Board approval, GLWA agreed to Conrail's proposed purchase price.

In addition to the purchase price, GLWA will be responsible for all closing costs and JLL's brokerage fee.

BUDGET IMPACT

There are sufficient funds allocated for these Springwells Water Treatment Plant improvements in the CIP to acquire the land.

COMMITTEE REVIEW

This matter was presented to the Legal Committee on May 26, 2021.

SHARED SERVICES IMPACT

This request does not impact the Shared Services Agreement.