

TRUE COPY CERTIFICATE

Form C of D-16-CE

STATE OF MICHIGAN, }  
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, *Janice M. Winfrey*, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION

adopted (passed) by the City Council at session of

November 5, 20 14

and approved by Mayor

November 18, 20 14

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at Detroit, this 3<sup>rd</sup> day of December A.D. 20 14

*Janice M. Winfrey*  
CITY CLERK



*Line it #15*  
**77**

~~COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVE., SUITE 1126  
DETROIT, MICHIGAN 48226  
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October 27, 2014

HONORABLE CITY COUNCIL

**RE: Authorization to Acquire Real Property From the School District of the City of Det.  
77 Properties in Detroit, MI**

The Planning & Development Department ("P&DD") is hereby requesting the authorization of your Honorable Body to acquire and accept 77 properties within the City of Detroit ("Properties") from the School District of the City of Detroit ("District"). A list of the Properties is attached hereto as Exhibit A. 58 of the sites range from 0.2 to 10.69 acres in size and include at least 1 building ranging from 6,550 to 197,500 square feet in size. Buildings are generally in poor condition and are categorized in the District's property inventory for "Demolition". The remaining 19 of the sites are vacant lots ranging from 0.06 to 10.74 acres in size.

The City wishes to acquire the Properties in furtherance of its commitment to address the City's blight problems. These Properties present a barrier to effective and efficient clean-up and development of blighted neighborhoods within the City. The City plans to abate, demolish and/or redevelop the Properties.

The City and the District have agreed that the City will accept the Properties in satisfaction of all debt the District owes to the City for outstanding amounts charged and services rendered up to October 31, 2014 ("Debt"), not including amounts charged and services rendered by the Detroit Water and Sewerage Department. This does include, but is not limited to, roughly \$11,563,520.01 in certain debt that the District owes to the City for unpaid energy charges owed to the Public Lighting Department and unpaid fees owed to the Buildings, Safety Engineering & Environmental Department.

We respectfully request your approval to accept the District's seventy-seven (77) Properties in exchange for rendering the Debt owed to the City paid by adopting the following resolution with a Waiver of Reconsideration.

Respectfully submitted,

F. Thomas Lewand, Group Executive for Jobs & Economic Growth  
Mayor's Office on Behalf of the Planning & Development Department

cc: P. Mobley (Mayor's Office), M. Hollowell (Law Dept.), G. Brown (Mayor's Office)

10-30-14 Road at Toledo ... *Michael E. Duggan, Mayor*

#40 on  
Agenda  
latest  
copy

Roll Call  
Jones - No  
Leland - No/w stg  
Staff - No  
SPW - Yes  
Tate - Yes  
Benson -

RESOLUTION

BY COUNCIL MEMBER:

LELAND

Lopez - No  
Cush - Yes  
Jenkins - Yes

WHEREAS, the City of Detroit through the Planning & Development Department ("P&DD") wishes to acquire seventy seven (77) properties within the City of Detroit, MI more particularly described in the attached Exhibit A ("Properties") from the School District of the City of Detroit ("District"); and

WHEREAS, the acquired Properties will be abated, demolished and/or redeveloped by the City; and

WHEREAS, the District owes the City of Detroit for certain unpaid charges and fees, including Eleven Million One Hundred Forty Nine Thousand Ninety Seven and 15/100 Dollars (\$11,149,097.15) in unpaid energy charges owed to the Public Lighting Department and Four Hundred Fourteen Thousand Four Hundred Twenty Two and 86/100 (\$414,422.86) in unpaid fees owed to the Buildings, Safety Engineering & Environmental Department; and

WHEREAS, the City of Detroit has agreed to render paid all outstanding debt the District owes the City for all outstanding amounts charged and services rendered up to October 31, 2014 for all City departments ("Debt") in exchange for the Properties. The Debt does not include amounts charged and services rendered by the Detroit Water and Sewerage Department; and

WHEREAS, the Buildings, Safety Engineering and Environmental Department ("BSEED") has reviewed the environmental inquiry completed for the Properties; and

WHEREAS, in accordance with Chapter 2, Article I, Division 2. of the Detroit City Code: (1) the City Council finds that the Properties have received an environmental inquiry in accordance with the review referred to in the preceding paragraph; (2) pursuant to the request of P&DD, the City Council finds that despite the possibility of environmental contamination, acquisition of the Properties is necessary to protect the health, safety and welfare of the public; furthermore, acquisition of the Properties are necessary as they are included in a project plan and that acquisition of the Properties will not prejudice the right of the City to recover response costs from any potential responsible parties under State and/or Federal law; (3) the City Council finds and declares that the preservation of the promotion of the public health, safety, welfare or good outweighs the cost of the environmental assessment and therefore waives the requirement that the seller bear the cost of the environmental assessment; and (4) within 45 days of recording the deeds to the Properties, P&DD shall have prepared and submit to the Michigan Department of Environmental Quality a Baseline Environmental Assessments for the Properties; now therefore be it

RESOLVED, at closing, the Debt shall be satisfied and the City shall take responsibility for the Properties. However, title to the Properties shall remain in the District and the District shall place deeds to the Properties with an escrow agent. Ownership and title to the Properties shall remain in the District until the City has completed environmental assessments for each of the Properties. If an assessment for a respective property returns unexpected environmental concerns, the City, at its sole discretion, may refuse to accept that respective property and the title for said property shall

11-5-14 Read at Table - Approve

remain with the District, with the deed being returned to the District by the escrow agent. For respective properties that the City plans to accept after environmental assessments have been done, the deeds to those properties shall be given to the City by the escrow agent and promptly recorded; and be it further

**RESOLVED**, that the District shall return the property value amount to the City for any respective property that is returned to the District for unexpected environmental concerns. The property value for each of the Properties is outlined in Exhibit A. In lieu of return of the property value amount to the City for any respective property that is returned to the District for unexpected environmental concerns, the City may, at its sole discretion, accept from the District a substitute property. Acceptance of a substitute property must be approved by Detroit City Council under separate resolution; and be it further

**RESOLVED**, that Properties listed in Exhibit A include the common address and school name for each property being acquired, however the legal descriptions and parcel identification numbers shall be included on all deeds accepted by the City and the common addresses may be reconciled with the legal descriptions and parcel identification numbers prior to closing; and be it further

**RESOLVED**, that in accordance with the foregoing communication, the P&DD Director, or his authorized designee, be and is hereby authorized to accept and record deeds to the City of Detroit for the Properties, as well as execute any such other documents as may be necessary to effectuate transfer of the Properties from the District to the City of Detroit for relief of the Debt; and be it further

**RESOLVED**, that the Finance Director is hereby authorized to accept the Properties in satisfaction of the District's Debt; and be it further

**RESOLVED**, that the Finance Director is hereby authorized to update such City records as required to reflect that the District's Debt has been satisfied; and be it further

**RESOLVED**, for a period of five (5) years from the date of approval of this resolution, the City of Detroit shall not sell any of the Properties to a public school academy, commonly known as a charter school and created under and defined by Public Act 451 of 1976, that directly competes with a District school located within one (1) mile of the respective property that the City wishes to sell.

**A WAIVER OF RECONSIDERATION IS REQUESTED.**

(See Attached Exhibit A)

**EXHIBIT A**  
**List of Properties to be Acquired**

### Summary

	Property Type	# of Properties	Total Sq. Footage	Associated Acreage	Value
1	Properties with Buildings	53	2,954,957	188.7	\$ 7,627,464
2	Vacant Land	19	na	51.94	\$ 2,562,568
3	Properties with Cell Towers	3	173,025	8.73	\$ 585,154
4	Properties with Land Leases (Parking Lots)	2	255,868	6.05	\$ 351,241
	<b>Total</b>	<b>77</b>	<b>3,283,048</b>	<b>255.42</b>	<b>\$ 11,126,426</b>

	Property Sites	Address	Location East or West	Site Acres	Bldg (GSF)	Year Built	Actual Appraised Value	Appraisal Year	Estimated Value Based on Avg. Appraised Pricing	
1	Arthur Middle	10125 King Richard Street	E	3.8	37,472	1930	\$ 85,000	2014	-	
2	Bathune Primary	10783 Parker	W	3.8	82,130	1922	-	-	\$ 139,853.30	
3	Dirney Elementary	4055 Richlon, 4094 Duane	W	5.8	65,001	1983	\$ 140,000	2014	-	
4	Blackwell Middle	5950 Cadillac	E	0.3	11,390	1983	\$ 20,000	2014	-	
5	Burt PK-8	20710 Pligum Street	W	3.4	49,750	1925	-	-	\$ 84,575.00	
6	Cadillac Middle	15125 Schoolcraft Street	W	2.8	48,192	1918	-	-	\$ 81,928.40	
7	Carstens Elementary	2250 Coplin	E	2.1	91,277	1915	\$ 182,000	2014	-	
8	Chandler PK-5	9227 Chapin Street	E	2.9	53,975	1905	-	-	\$ 91,787.60	
9	Colley K-8	19300 Lindsay	W	3	47,484	1925	-	-	\$ 80,888.90	
10	Coolidge Elementary	14901 Elmira	W	8	67,328	1925	-	-	\$ 97,797.60	
11	Crockett High School	8950 Saint Cyril	E	2.2	129,592	1924	\$ 175,000	2014	-	
12	Crosman (included City /fp)	9027 John C Lodge	W	2.15	43,998	1911	\$ 89,000	2014	-	
13	Crosman (included City /fp)	1501 Hazakwood	W	10.89	138,058	1920	\$ 415,000	2013	-	
14	Detroit Open	21501 Fisbee St	W	1.77	35,500	1925	-	-	\$ 60,350.00	
15	Detroit Transition East	13000 Dequindre	E	5.44	88,400	1924	260,000.00	2014	-	
16	Detroit Transition West	4800 Coalingwood Street	W	1.34	58,223	1928	-	-	\$ 95,979.10	
17	Dixon K-8	19590 Tirman Street	W	3.7	60,554	1930	-	-	\$ 102,941.80	
18	Finney High School	3970 Marlborough	E	3.58	133,603	1927	\$ 190,000	2014	-	
19	Fisher Magnet / Burbank	15800 E. State Fair	E	3.9	80,448	1930	-	-	\$ 136,701.60	
20	Fox Elementary	17300 Fargo Street	W	0.2	6,550	1962	\$ 100,000	2010	-	
21	Garvey K-8	7701 Sylvester	E	4.0	48,441	1962	-	-	\$ 81,839.70	
22	Geopars Elementary	20601 W. Davison 17501, 17415, 17435 Brush Street, 41-185 Louisiana, 92-140 E Longwood	W	0.67	29,519	1954	\$ 370,000	2011	-	
23	Greenfield Park Elementary and its surrounding vacant land	17501, 17415, 17435 Brush Street, 41-185 Louisiana, 92-140 E Longwood	E	3.6	72,298	1916	-	-	\$ 122,903.20	
24	Guyton Elementary	955 Phillip	E	4.4	47,284	1921	\$ 233,000	2014	-	
25	Hanneman Elementary	6420 McGraw Street	W	1.8	45,968	1916	-	-	\$ 78,145.80	
26	Healy International	12901 Beaverland Street	W	4.2	17,828	1949	\$ 235,000	2014	-	
27	Higinbotham Commerce	20119 Wisconsin	W	5.0	61,400	1928	-	-	\$ 104,380.00	
28	Holcomb Elementary	18100 Daniler Street	W	5.8	48,241	1924	\$ 230,000	2014	-	
29	Hosmer Elementary	4385 Newport Avenue	E	3.7	48,920	1921	-	-	\$ 83,184.00	
30	Hubart Elementary	14825 Lamphero	W	6.3	72,770	1921	275,000.00	2014	-	
31	Hutchinson Elementary	5221 Montclair	E	2.4	55,872	1917	\$ 580,000	2011	-	
32	J. R. King Elementary	18800 Cheyenne	W	4.4	82,100	1930	\$ 250,000	2014	-	
33	Jamison PK-8	2900 W. Philadelphia Street	W	4.0	84,930	1981	-	-	\$ 110,381.00	
34	Jamison - OLD	8230 Plainview Avenue	W	3.2	39,935	1924	\$ 230,000	2014	-	
35	JTPA Nursing	8741 John C. Lodge	W	1.3	58,059	-	-	-	\$ 95,300.30	
36	Kosciusko Elementary	20380-90 Tirman Street 7575, 7801 Palmetto Street, 11821 Van Dyke 7575	W	1.8	31,222	1955	-	-	\$ 53,077.40	
37	Lynch Elementary	7575, 7801 Palmetto Street, 11821 Van Dyke 7575	E	1.8	43,032	1914	\$ 75,000	2014	-	
38	Macomb Elementary	12021 Evanston	E	2.1	25,188	1928	\$ 50,000	2014	-	
39	Malcom X Academy	6311 Chicago	W	2.2	37,700	1924	\$ 180,000	2013	-	
40	Mark Twain Elementary	12001 Gleason	W	5.7	47,982	1981	\$ 80,000	2014	-	
41	Marsh Elementary	11743 Groenivaw	W	3.85	23,296	1955	-	-	\$ 39,603.20	
42	Marshall, J Elementary	1285 E State Fair	E	2.7	60,088	1928	\$ 270,000	2013	-	
43	McFarlane PK-5	8900 Cheyenne Street	W	4.3	59,008	1925	-	-	\$ 100,313.80	
44	McKinney Day Treatment	11131 Kercheval Street	E	4.0	48,092	1984	-	-	\$ 81,758.40	
45	Monclair Elementary	13600 Ward Street	W	3.9	60,413	1923	-	-	\$ 85,702.10	
46	New Middle IAFPA East	17201 Annott Street	W	2.2	46,789	1948	\$ 82,000	2014	-	
47	Parker Elementary	12744 Elmira Street	W	7.1	70,528	1926	-	-	\$ 119,897.80	
48	Parkman Elementary	15000 Mackenzie	W	3.7	42,758	1940	-	-	\$ 72,888.60	
49	Sampson Elementary	8075 Baggle St	W	2.5	89,897	1979	\$ 170,000	2014	-	
50	Sherill Elementary	7300 Garden Street	W	8.3	73,000	1923	-	-	\$ 124,100.00	
51	Stephens Elementary	5974 Seneca	E	1.7	83,400	1913	-	-	\$ 141,780.00	
52	Weatherby Elementary	12099 Fraiding	W	3	25,621	1955	\$ 45,000	-	-	
53	Wilkins Elementary	12400 Nashville, 12501 Hamburg	E	4.0	48,801	1925	\$ 245,000	-	-	
				188.7	2,954,957		\$ 8,157,000		\$ 2,470,463.80	
									Total Portfolio Value	\$ 7,627,464
									Avg. Cost/sq.ft.	2.58

	Site Name	ADDRESS	Location East or West	Site Acres	Actual Appraised Value	Appraisal Year	Estimated Value Based Upon Avg. Appraised Pricing	Year of Domo	Year built	Year school closed	Date purchased
1		1117 CLAY	E	0.08	\$4,000	2012	-	r/a	r/a	r/a	1915
2	Moat (Robinson)	12700 GROVER	E	3.78	-		\$177,728	2009	1924	2007	
3		19249 JOHN R	E	0.09	-		\$4,324	r/a	r/a	r/a	Jun-99
4		2510 BROOKLYN	W	0.06	\$40,000	2012	-	r/a	r/a	r/a	Jun-99
5	Owon	3019 16TH ST, 3027 16TH, 3035 16TH, 3043 16TH	W	3.30	-		\$155,100	2010	1984	2008	r/a
6		3500 E SEVEN MILE	E	0.45	-		\$21,150	r/a	r/a		1929
7	Joy	4819 FAIRVIEW	E	10.74	\$460,000	2014	-	2009	1984	2007	
8	Woodward	6209 LAWTON	W	3.14	-		\$147,368	2010	1983	2005	
9	Tappan	7501 WEBB, 7515 ELMHURST, 7600 BURLINGAME, 7601 WEBB, 10530 BRYDEN	W	5.75	\$305,000	2013	-	2000	1928	1990	
10		8323 HOLMUR	W	1.88	-		\$88,360	1988	1988	uk	
11		8830 PETOSKEY	W	1.03	-		\$48,598	2010	1988	2003	
12		3769 E CANFIELD	E	5.76	\$250,000	2014	-	r/a	r/a	r/a	1910
13	Grayling	744 E ADELINE	E	2.95	\$185,000	2013	-	2013	1917	2005	
14	Trombly II	7630 E EDESEL FORD	E	3.07	\$180,000	2014	-	2005	1985	2005	
15	Ford	9663 MARLOWE	W	3.89	-		\$182,830	2005	uk	uk	1955
16		1040 WOODMERE	W	0.09	-		\$4,371	r/a	r/a	r/a	Aug-04
17		3733 STURTEVANT	W	0.10	-		\$4,700	2010	1985	2005	
18		6230 SHERIDAN	E	0.09	-		\$4,042				1955
19	Sanders	8700 Byron	W	5.70	\$300,000	2013		2010	1985	2005	1965
			TOTAL	\$1.94	\$1,724,000		\$	838,568			
					Total Portfolio Value		\$	2,562,568			
					Avg. Price/acre		\$	49,333			



	Property Sites	Address	Location East or West	Site Acres	Bldg (GSF)	Year Built	Demolition Rating(1-4)	Actual Appraised Value	Appraisal Year	Price per sq ft	Estimated Value Based on Avg. Appraised Pricing
1	Courtnig (ced tower)	18010 St Aubin	E	5.1	79,691	1921	2	-	-	0.00	\$ 135,174.70
2	Mason (ced tower)	16035 Hitched	E	1.1	46,870	1938	4	-	-	0.00	\$ 79,079.00
3	Oakman Orthopedic (ced tower)	12920 Wadsworth	W	2.5	46,464	1942	1	\$ 370,000	2013	7.50	-
				8.7	173,025			\$ 370,000			215,153.70

**Total Portfolio Value \$ 535,154**

	Status	Property Sites	Address	Zip Code	Location East or West	Site Area	Status	Blkg (GSF)	Year Built	Demolition Rating(1-4)	Actual Appraised Value	Appraisal Year	Price per sq ft	Value Based on Avg. Appraised Pricing
1	Demolition	Elementary	16745 Lynnhers Street	48223	W	3.4	Available	58,368	1924	2				99,225.00
2	Demolition	Deerol City High Longfellow	13141 Rose Parks Blvd	48238	W	2.65 8.1	Available	197,500 255,088	1916	1	\$ 250,000	2014	1.27	-

Total Portfolio Value | \$ 381,241

**EXHIBIT B**  
**Terms Sheet**

**TERMS SHEET**  
**Acquisition of 77 Properties throughout Detroit, MI**

**Property Addresses:** See Exhibit A

**Property Descriptions:** 58 sites ranging from 0.2 to 10.69 acres in size that include at least 1 building ranging from 6,550 to 197,500 square feet in size. Buildings are generally in poor condition and are categorized in the Seller's property inventory for "Demolition".

19 vacant lots ranging from 0.06 to 10.74 acres in size.

**Seller:** Detroit Public Schools

**Buyer &  
Proposed Buyer's Use:** City of Detroit

The City wishes to acquire the properties in furtherance of its commitment to address the City's blight problems. These properties present a barrier to effective and efficient clean-up and development of blighted neighborhoods within the City. With access to greater resources, the City is in better position to abate, demolish and/or redevelop the properties.

**Appraised / Approximated  
Value:**

\$11,126,426\*

\*Figure based on actual DPS appraisals for some properties and approximated value based on average appraised pricing per sq. ft. for the remainder of properties.

**Proposed Purchase Price:**

Satisfaction of all debt DPS owes to the City for outstanding amounts charged and services rendered up to October 31, 2014 for all Departments with the exception of DWSD.

To include, but not limited to:

\$11,149,097.15 in outstanding energy charges owed to PLD  
\$414,422.86 in outstanding fees owed to BSEED

**Other Conditions:**

The City plans to conduct a minimal environmental inquiry of all properties sufficient to merit Detroit City Council approval of the transaction under the condition that further environmental assessments will be conducted by the City on each property prior to the City taking title. The City has the option to refuse any property that it finds with unexpected environmental concerns.

At closing, DPS will receive a Certification of Satisfaction of Debt letter and the City will have full responsibility for the properties. DPS will deposit the deeds for the properties in escrow with a title company. The City will take title to each respective property over time as environmental assessments are completed and in the event it does not find any unexpected environmental concerns for that respective property. The District shall return the purchase price to the City or provide a comparable substitute property for any respective property that is returned to the District for unexpected environmental concerns.

ADOPTED AS FOLLOWS  
COUNCIL MEMBERS

		YEAS	NAYS
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ		✓
*George	CUSHINGBERRY, JR.	✓	
Saunteel	JENKINS	✓	
Gabe	LELAND		✓
Mary	SHEFFIELD		✓
Andre L.	SPIVEY	✓	
James	TATE	✓	
Brenda	PRESIDENT JONES		✓
*PRESIDENT PRO TEM			
		5	4