

## PACKET SUPPLEMENT II

Regular Council Meeting, Monday, July 10, 2017, 7:00 P.M.

Paul D. Bueche Municipal Building, 8083 Civic Drive Swartz Creek, Michigan 48473

### ✓ HERITAGE VILLAGE UNIT SALES (*Business Item*)

We not only have a recommendation to proceed with unit sales from the Heritage Village Homeowners Association, we have a request to expedite the process so that a fall model can be built. With that said, I have prepared two purchase agreements and two quit claim deeds for city-owned units in Heritage Village. I am also attaching the request from the homeowners association (HoA) and a map that outlines their recommendations and locations respectively.

I understand that this is short notice, and if the council wishes to delay action until July 24<sup>th</sup>, that would not be unreasonable. However, the option exists to proceed quickly. The HoA and developer are wishing to speed things up because the city already imposes at 30 day public inspection of land sale instruments prior to final action by the city council, meaning that the final approval and sale cannot occur until the first meeting in August at the soonest.

The HoA is requesting the sale of two out of the six units to a local developer J.W. Morgan Construction, LLC. This developer is known to the city and is in good standing. The builder was selected by the HoA based upon their criteria. The price was negotiated upwards by the HoA and city to reflect a reasonable market value given the expectations of quality. The blue prints for home construction will be approved by the HoA as it relates to size, style, and materials. The city will obviously continue to enforce the building code and applicable site plan conditions as appropriate.

If the city council chooses not to amend the agenda or act on these, I will look to have the matter back on the July 24<sup>th</sup> agenda. If the city council proceeds, the waiting period would commence that enables comment on the instruments. This period is 30 days, placing the matter back before the council on August 14<sup>th</sup>. At that point, the city council would be presented with a final resolution to commence sales and enter into any other related agreements.

Once sales commence, the option to transfer additional properties remains. This could include the other four units owned by the city and the two additional tax reverted properties that are expected to transfer this year. The city will still need to deliberate on what to do with surplus proceeds from the sales. Note that the standing request is to offset infrastructure costs borne by the association/unit owners in the same manner as Springbrook East. This will be a different resolution at a future meeting.

As noted in previous reports, I think this is a solid plan. I believe the highest priority is ensuring the success of the Heritage Village development. New homes that complement the existing neighborhood will enable this. Relieving the city of these real estate assets will also limit our exposure to ongoing carrying cost, as well as to provide some new tax revenues. Lastly, the lot sales should be able to relieve some of the financial burden imposed upon the community by the road assessment that resulted from the housing crisis, should the city council choose to allocate proceeds in that manner.

### **Resolution No. 170710-8F**

### **RESOLUTION TO APPROVE THE SALE AND USE OF VACANT UNITS IN HERITAGE VILLAGE CONDOMINIUM**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the city acquired a total of six vacant units in Heritage Village Condominium, including the following units:

3284 Heritage Blvd

58-30-651-091

3278 Heritage Blvd	58-30-651-092
3270 Heritage Blvd	58-30-651-093
3264 Heritage Blvd	58-30-651-094
3323 Heritage Blvd	58-30-651-106
3329 Heritage Blvd	58-30-651-107

**WHEREAS**, the city determined that a public purpose existed for obtaining the lots, being control and guarantee for the collection of the special assessment fees, the preservation of property values for the existing homes in the subdivision and the control over the quality of housing constructed on said units; and

**WHEREAS**, the city previously found that the long term intent is to sell the lots to recover assessment costs and other administrative costs that may occur and to preserve property values consistent with the findings within this resolution; and

**WHEREAS**, the city permitted a negotiation between the Heritage Village Homeowners Association (HoA), local builders, and city staff to occur with the intent to develop these units in a manner that ensures quality and timely development of housing at a market sale price of each unit; and

**WHEREAS**, the HoA recommends sale of the units to J.W. Morgan Construction, LLC., with certain conditions, as outlined in their statement from July 6, 2017.

**NOW, THEREFORE, BE IT RESOLVED**, the Swartz Creek City Council hereby approves the sale of two units in Heritage Village to J.W. Morgan Construction, LLC., in accordance with the purchase agreements and quit claim deeds attached.

**BE IT FURTHER RESOLVED**, that the council directs staff to make said sale instruments available for public inspection and comment for no less than 30 days, in accordance with city charter, at which point the sales shall be reviewed by the city council.

**BE IT FURTHER RESOLVED**, that the council directs staff to account the surplus proceeds from said sales and report these back to the city council for a deliberation regarding use of said funds.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

## Adam Zettel

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**From:** Ted Kramer <ted@posmich.com>  
**Sent:** Thursday, July 06, 2017 12:02 PM  
**To:** Adam Zettel  
**Subject:** Heritage Village lot sale

Adam,

Please let this email act as the trigger to start the process of getting our lots sold to J W Morgan Construction.

**The board has agreed that we would like to move forward with J W Morgan of Swartz Creek to purchase two of the available lots in Heritage Village.**

### **Stipulations.**

1. **J W Morgan Construction of Swartz Creek is our choice.**
2. **Price will be \$11,000.00 per lot (plus any applicable taxes) to include repair of drainage issue discussed by Ted Kramer and Jeremy Morgan.**
3. **Subject to approval of blueprints for homes to be built**
4. **Construction of homes on both lots must be started within 12 months of purchase. With at least one of the homes to be completed in that 12 month period.**
  - a. **Purchase of additional lots to be triggered by selling of each newly constructed homes, price of \$11,000.00 will be honored as long as this requirement is met.**
  - b. **If additional lots are not purchased within 30 days of closing on newly constructed home, Heritage Village has the right to:**
    - i. **Renegotiate price**
    - ii. **Seek another builder to purchase lots.**
    - iii. **The above two conditions will hold true for any additional lots that become available in Heritage Village.**

*Ted Kramer Jr.*

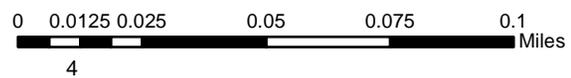
Vice President of Sales & Marketing  
POS of Michigan  
10761 S. Saginaw Street  
Suite E  
Grand Blanc, Michigan 48473  
Office 810.422.5598 Cell 810.577.1655  
www.posmich.com





# City of Swartz Creek Heritage Units

City Council Packet Supplement 1



## REAL ESTATE PURCHASE AGREEMENT

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between **J.W. MORGAN CONSTRUCTION, LLC.**, a Michigan limited liability company, with principal offices at 7152 Seymour Road, Swartz Creek, Michigan 48473 (“Buyer”) and the **CITY OF SWARTZ CREEK**, a Michigan Municipal Corporation, with principal offices at 8083 Civic Drive, Swartz Creek, Michigan 48473 (“Seller”).

**WHEREAS**, Seller is the owner of certain property described herein and desires to sell that property to Buyer under the terms and conditions which follow.

**NOW, THEREFORE**, Seller and Buyer hereby agree as follows:

1. **Property Description.** Buyer agrees to buy from Seller the property legally described as UNIT 104 HERITAGE VILLAGE (06) FR 5836300007
2. **Sales Price.** Buyer shall pay the sum of Eleven Thousand Dollars (\$11,000.00) to Seller no later than September 30, 2017.
3. **Title Evidence.** The Seller agrees to quit claim the property to Buyer.
4. **Taxes and Assessments.** There are no unpaid real estate taxes or assessments on the property.
5. **Building Conditions and Restrictions.**
  - (a) all construction shall take place within the building envelope and consistent with the architectural style approved by the Heritage Village Condominium Association;
  - (b) buyer shall complete construction and obtain a final Certificate of Occupancy no later than September 30, 2018;
  - (c) buyer shall assume responsibility for all incomplete infrastructure within Phase One (inclusive of phase 1A & 1B) of the Project and take all action necessary to bring it to final development specifications no later than July 31, 2018; and
6. **Default.** If Buyer defaults, all right, title and interest in the property shall revert to Seller in addition to any other legal remedies that Seller may pursue.
7. **Heirs and Successors.** This contract binds Buyer, Seller, their personal representatives and heirs, and anyone succeeding to their interest in the property. Buyer shall not assign this contract without Seller’s prior written permission.

8. **Contingency.** The sale is contingent upon approval by resolution of the Swartz Creek City Council.

BUYER:

JEREMY MORGAN

By: \_\_\_\_\_

By: \_\_\_\_\_

Witness:

\_\_\_\_\_

SELLER:

CITY OF SWARTZ CREEK, a Michigan  
Municipal Corporation,

By: \_\_\_\_\_

Its Mayor

By: \_\_\_\_\_

Its City Clerk

Witness:

\_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Michael J. Gildner, City Attorney

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**WHEREAS**, Seller is the owner of certain property described herein and desires to sell that property to Buyer under the terms and conditions which follow.

**NOW, THEREFORE**, Seller and Buyer hereby agree as follows:

1. **Property Description.** Buyer agrees to buy from Seller the property legally described as UNIT 105 HERITAGE VILLAGE (06) FR 5836300007
2. **Sales Price.** Buyer shall pay the sum of Eleven Thousand Dollars (\$11,000.00) to Seller no later than September 30, 2017.
3. **Title Evidence.** The Seller agrees to quit claim the property to Buyer.
4. **Taxes and Assessments.** There are no unpaid real estate taxes or assessments on the property.
5. **Building Conditions and Restrictions.**
  - (a) all construction shall take place within the building envelope and consistent with the architectural style approved by the Heritage Village Condominium Association;
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BUYER:

JEREMY MORGAN

By: \_\_\_\_\_

By: \_\_\_\_\_

Witness:

\_\_\_\_\_

SELLER:

CITY OF SWARTZ CREEK, a Michigan  
Municipal Corporation,

By: \_\_\_\_\_

Its Mayor

By: \_\_\_\_\_

Its City Clerk

Witness:

\_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Michael J. Gildner, City Attorney

**QUITCLAIM DEED**

On \_\_\_\_\_, 2017, the City of Swartz Creek, a home rule city, whose address is 8083 Civic Drive, Swartz Creek, Michigan 48473 ("Grantor"), quitclaims to J.W. MORGAN CONSTRUCTION, LLC., whose address is 7152 Seymour Road, Swartz Creek, Michigan 48473, ("Grantee"), the real property commonly known as Unit 105 of Heritage Village, in the City of Swartz Creek, County of Genesee, Michigan, and described as:

UNIT 104 HERITIAGE VILLAGE (06) FR 5836300007

("the Property"), Parcel No. 58-30-651-106

For a sum of Eleven Thousand Dollars (\$11,000.00),

subject to any easements and building and use restrictions of record and the lien of taxes not yet due and payable.

Grantor grants to Grantee the right to make all divisions of record under Section 108 of the Land Division Act, PA 228 of 1967.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

This transfer is exempt from real estate transfer taxes under MCL 207.526(a) and 207.505(a).

This transfer is being made to Grantee with the understanding and agreement that Grantee will use and develop the Property as specified in the Purchase Agreement executed by the parties and on file at City Offices and, in the event that the Property is not used and developed as such, all right, title and interest in the Property will revert to the City.

City of Swartz Creek

Dated: \_\_\_\_\_

By: \_\_\_\_\_

STATE OF MICHIGAN}  
COUNTY OF GENESEE}

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_ 2017, by the City of Swartz Creek, by \_\_\_\_\_, Its \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, Genesee County, Michigan  
Acting in Genesee County, Michigan  
My commission expires:

When Recorded Return to  
and send subsequent tax bills to:

Prepared By:  
Michael J. Gildner  
Simen, Figura & Parker, P.L.C.  
5206 Gateway Centre, Suite 200  
Flint, Michigan 48507  
(810) 235-9000

Tax Parcel No. \_\_\_\_\_ Recording Fee \$ \_\_\_\_\_ Revenue Stamps

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UNIT 105 HERITIAGE VILLAGE (06) FR 5836300007

("the Property"), Parcel No. 58-30-651-107

For a sum of Eleven Thousand Dollars (\$11,000.00),

subject to any easements and building and use restrictions of record and the lien of taxes not yet due and payable.

Grantor grants to Grantee the right to make all divisions of record under Section 108 of the Land Division Act, PA 228 of 1967.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

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By: \_\_\_\_\_

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