

Special City Council Meeting 7:00 PM, MONDAY, APRIL 4, 2016 City Council Chambers 23600 Liberty Street Farmington, MI 48335

SPECIAL MEETING AGENDA

1. CALL TO ORDER

Roll Call

- 2. APPROVAL OF AGENDA
- 3. PUBLIC COMMENT
- 4. PRESENTATION: BOSCH SMART CITY: KIM LINDSEY-FEAGIN AND SCOTT AVERITT, MANAGER OF GOVERNMENT RESEARCH AND DEVELOPMENT
- 5. CONSIDERATION TO APPROVE ESTIMATE FOR SANITARY OUTFALL SEWER
 - 1. Consideration to Approve CIPP Sewer Lining Estimate from Inland Waters Pollution Control (IWPC) for the City of Farmington Sanitary Outfall Sewer
- 6. DISCUSSION: IMPROVING WALKABILITY WITHIN KEY AREAS OF THE DOWNTOWN
- 7. CONSIDERATION OF SECOND OFFER TO PURCHASE LAND
 - 1. Consideration of Second Offer to Purchase Land Under Proposed Sale of Land Agreement from DA BUILDING, LLC, for the Former 47Th District Court Property on Ten Mile Road
- 8. OTHER BUSINESS
- 9. COUNCIL COMMENT
- 10. ADJOURNMENT

Motion To Adjourn

Farmington City Council Staff Report

Council Meeting Date: April 4, 2016

Reference Number (ID # 2155)

Submitted by: Chuck Eudy,

<u>Description:</u> Consideration to Approve CIPP Sewer Lining Estimate from Inland Waters Pollution Control (IWPC) for the City of Farmington Sanitary Outfall Sewer

Requested Action:

Move to approve CIPP lining from IWPC in the amount of \$8,957.60 for lining of the City of Farmington sanitary outfall sewer.

Background:

In August of 2014 the City of Farmington was in the process of renewing the sewage disposal contract with DWSD. During the negotiations, the City of Farmington requested DWSD to assume ownership of the 950 lineal feet of sanitary outfall sewer from the DWSD 84" interceptor to the DWSD Parshall Flume Meter. The City of Farmington produced documentation this section of sewer lies in the City of Detroit and provides sewer service to customers within the City of Detroit. This section of pipe is also downstream from the DWSD owned sewage meter. DWSD responded they would assume ownership and maintenance if the City of Farmington would CCTV and CIPP line the outfall sewer.

In 2015 The City of Farmington awarded a contract to CIPP line the outfall sewer from the Parshall Flume Meter to the last structure (manhole) prior to 84" DWSD interceptor. It was believed at that time our maintenance responsibilities ended at that point. This structure (manhole also has a DWSD cover in place).

Recently DWSD has produced documentation (as-built) for the 84" DWSD interceptor, which was constructed in 1950. The as-built documents do not indicate a tap or structure to provide sewer service for the City of Farmington. The City of Farmington outfall sewer was constructed in 1956.

DWSD/GLWA are committed to their limit of ownership does not extend beyond the 84" interceptor. This leaves a segment of 21" diameter sanitary sewer which needs to be CIPP lined for DWSD/GLWA to assume ownership of the 950 lineal feet of sewer pipe, in which the entire length of Berg Road is in excess of 25 feet deep.

The City Engineer and I recommend to proceed with lining of the remaining portion of sanitary outfall sewer. I would recommend to establish a contractual services fund of \$8,957.60 and a contingency fund of \$1,042.40. The City of Farmington would be invoiced from DWSD/GLWA for the cost of CIPP lining of this segment of pipe.

Following final inspection by DWSD/GLWA, an amendment to the City of Farmington Sanitary Sewer Contract will be recorded.

Agenda Review

Review:

Chuck Eudy Pending

Updated: 3/31/2016 2:58 PM by Melissa Andrade

Page 1

		0.1
Agenda Item (ID # 2155)	Meeting of April 4, 2016	
Agenda Item (ID # 2155) City Manager Pending	riceting of April 1, 2010	
City Manager Pending City Council Pending 04/04/2016 7:00 PM		
City Council Pending 04/04/2016 7:00 PM		
Updated: 3/31/2016 2:58 PM by Melissa Andrade	Page 2	
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ARCHITECTS. ENGINEERS. PLANNERS.

March 28, 2016

David Murphy City Manager City of Farmington 23600 Liberty Street Farmington, MI 48335

RE: Berg Road Sewer Outfall

Recommendation for GLWA to perform Lining

Dear Mr. Murphy:

As you know, the City of Farmington and OHM has been working with Detroit Water and Sewerage (DWSD) on turning over the gravity sewer from the meter (at 8 Mile and Rouge River Crossing) to the outfall on Berg Road in the City of Detroit since early 2013. After Farmington negotiated with the DWSD on the parameters, Farmington proceeded with televising and lining the gravity sewer as part of the agreement. Following a field inspection this winter, both DWSD and representatives from the Great Lakes Water Authority recognized that there was an additional 6 feet of 21-inch sewer that connects the furthest downstream manhole to the 84-inch diameter outfall. This 21-inch pipe "blind taps" the 84-inch diameter outfall sewer and since there is no access to this large diameter sewer at the tap it was not lined and always thought to be part of the original DWSD system.

After multiple meetings, further research and discussions with both DWSD and GLWA, it was determined that this is part of the Farmington gravity sewer and must be lined in order for GLWA to accept the sewer. DWSD/GLWA provided as-built drawings (pre-1950s) that shows that this 21-inch pipe was not part of the original interceptor construction and was indeed part of the Farmington installation.

OHM received a quote from Pipeline Management in the amount of \$9,250 to line this small section of pipe. GLWA then initiated discussion with their one of their contractor's (IWPC, who the City of Farmington has worked with) and they came up with an initial quote of approximately \$10,000. OHM and the City then negotiated with GLWA. They agreed to a prorated split of the mobilization and traffic control which then led to a final cost of \$8,957.60.

OHM recommends that the City authorize these funds for this final step in the process. The price is reasonable considering the difficult set up and access to the 21-inch sewer. Also, the fact that this is GLWA's contractor and they will be inspecting and administering this work also is added savings for the City and should insure acceptance of the pipe following the completion of this work.

Many meetings, investigations and projects have occurred as part of this lengthy process and at our last meeting in early March it was confirmed that this was the final step to turn over this sewer and help reduce Farmington's liability. The added complexity of GLWA being created and DWSD going through its transition did not help expedite this process however, I feel the people we have worked with at GLWA have done their due diligence in this matter and this is a fair resolution.

Mr. David Murphy March 28, 2016 Page 2 of 2



Should there be any questions, please contact this office at (734) 522-6711.

Sincerely, OHM Advisors

Matthew D. Parks, P.E.

cc: Chuck Eudy, Public Works Superintendent

Jon Kramer, P.E., OHM Advisors

File

C:\Users\parks\Desktop\Recommendation of lining with GLWA 3_25.docx



Date: March 4, 2016

Ref: IWPC/DWSD/03.04.2016

SUB: 8 Mile & Berg Rd. Sewer

Cost Proposal for CIPP Repairs

Mr. Pei Boayue Engineer (Project Manager) Detroit Water & Sewerage Department 6425 Huber St. Detroit, MI 48211

Dear Mr. Boayue,

Pursuant to your departmental request, we are pleased to provide the following proposal for CIPP repairs on 21" sewer at 8 Mile & Berg Rd. Scope of work anticipated is traffic control, cleaning, pre-inspecting, CIPP and post-inspection for 21-inch sewer. It is our understanding that DWSD will be directing our crews and instructing them to inspect and clean sewer to be followed by CIPP. All inspection reports (pre & post) will be generated by PACP certified technicians in PACP format. All our crews will be confined space trained. DWSD will be provided with links of all videos and reports in downloadable format after completion of work.

SCOPE OF WORK

Based on the information provided to us via email and phone conversations, following is included in our scope of work.

- 1. Mobilization
- 2. Traffic Control
- 3. Inspect 7'-0" sewer for ensure safe working conditions from entry to exit points
- 4. Clean and inspect 21" sewer
- 5. CIPP 21" sewer (IL: 617.20, depth = 24')
- 6. Post TV 21" sewer
- 7. Clean-up & Demobilization
- 8. Submit videos and reports

EXCLUSIONS

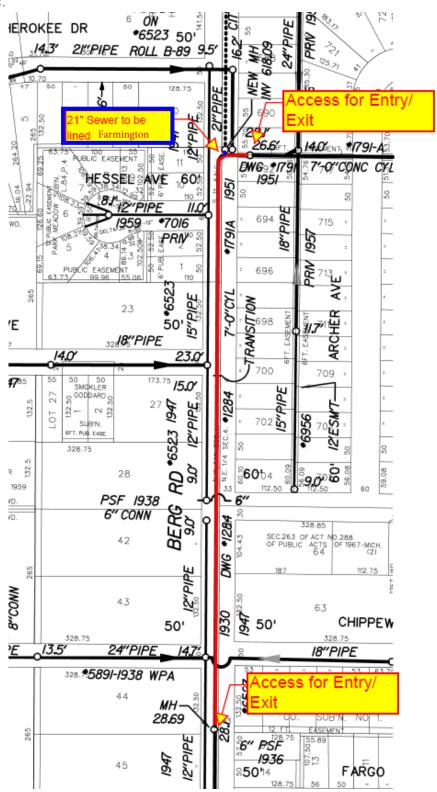
Following items are excluded from our scope of work.

- 1. Bypass/Flow control of 7'-0" sewer
- 2. Providing Fire Hydrant for water usage
- 3. Permits, Fees etc.
- 4. Making open cut access or new access to all pipe/s and structure/s
- 5. Restoration outside our scope of work
- 6. Traffic Control for 8 Mile Road, if required

4086 Michigan Ave. Detroit, Michigan 48210 Tel: 313-899-3014 Fax: 313-899-3011



INLAND WATERS POLLUTION CONTROL, INC.





Accordingly, we have been instructed to prepare and submit cost proposal to perform the necessary repairs. Estimated value of work is as below.

Item No.	Туре	Unit	Unit Price	Qty.	Total Cost
1	Mobilization & Demobilization	LS	\$3,500.00	1	\$3,500.00
2	Inspection of 7'-0" Sewer	LF	\$7.50	1250	\$9,375.00
3	Clean & TV 21" Sewer	LF	\$15.00	7	\$105.00
4	CIPP 21"x10.5mm	LF	\$97.00	7	\$770.00
5	Post Inspection of CIPP	LF	\$2.80	7	\$19.60
6	Blind Tie Premium	EA	\$4,500.00	1	\$4,500.00
7	Traffic Control	DAY	\$221.00	4	\$884.00
8	Disposal of sludge	CY	\$55.00	5	\$275.00
	Grand Total>>>>>>>>>>				\$19,428.60

Please note that all work will be performed as per DWSD specifications. This proposal provides for work listed above only. Final payment will be based upon actual installed quantities. DWSD personnel may verify any/all field quantities. This proposal is based on information provided to us via email/s. We have not physically inspected nor can we confirm the details. Any additional work will be provided for under separate correspondence and approved by DWSD prior to commencement of additional works.

This completes our current proposal items. Upon your review of this proposal, please contact us with your comments. It is our understanding that DWSD is intent upon proceeding with this work as soon as possible. Upon receiving formal authorization for this work, we will proceed with a prompt response and schedule this work at our earliest availability. We appreciate the opportunity in reviewing this project and look forward to providing a rapid resolution for this important pipeline concern.

Respectfully,

Inland Waters Pollution Control, Inc.

Jignesh Madhani, P.E. Project Manager

Encl: CIPP Design

CC: Inland Waters, File

Fax: 313-899-3011

Cured-In-Place Pipe (CIPP) Wall Thickness Design and Hydraulic Capacity Calculations



_		
Project:	8 Mile & Berg	
Location:	8 Mile	Berg
Owner:	DWSD / Far	mington
Line Segment(s):	New MH	Blind Tie

Design Assumptions:

Condition of host pipe Inside diameter of host pipe (in) Ovality of host pipe (%) Slope of host pipe (ft/ft) Host pipe Manning's roughness (dimensionless) CIPP Manning's roughness (dimensionless) Constrained soil modulus of native soil in the pipe zone (psi)

	F-1216-03	Shaded cells are user-defined
	PD	PD = partially deteriorated, FD = fully deteriorated
D=	21	
q =		Default value is 2%; range = 0%-10%
s =	0.0039	
n _i =	0.015	varies from 0.013-0.030 (dependent on existing pipe material, geometry, diameter and condition
n _f =	0.010	varies from 0.009-0.013
1 _{sn} =	1,500	See table below for recommended values

Cohesive Native Soils						
Granular Native Soils		Unconfined compressive strength (q _u)			M _{sn}	
Blows/ft (per ASTM D1586)	Description	tons/sf	kPa	Description	psi	kPa
> 0 - 1	very, very loose	> 0 - 0.125	0 - 13	very, very soft	50	0.3
1 - 2	very loose	0.125 - 0.25	13 - 25	very soft	200	1.4
2 - 4		0.25 - 0.50	25 - 50	soft	700	4.8
4 - 8	loose	0.50 - 1.0	50 - 100	medium	1,500	10.3
8 - 15	slightly compact	1.0 - 2.0	100 - 200	stiff	3,000	20.7
15 - 30	compact	2.0 - 4.0	200 - 400	very stiff	5,000	34.5
30 - 50	dense	4.0 - 6.0	400 - 600	hard	10,000	69.0
> 50	very dense	> 6.0	> 600	very hard	20,000	138.0

Flexural modulus of Eelasticity of CIPP, initial (psi) Long-term retention of mechanical properties (%)
Flexural modulus of elasticity of CIPP, long-term (psi)
Design safety factor
Unit weight of soil (pcf)
Unit weight of water (pcf)
Depth of cover (ft)
Height of groundwater (ft)
Internal vacuum pressure (psi)
Internal pressure (psi)
Diameter of hole or opening in original pipe wall (in)
Poisson's ratio of CIPP
Flexural strength of CIPP, initial (psi)
Flexural strength of CIPP, long-term (psi)
Tensile strength of CIPP, initial (psi)
Tensile strength of CIPP, long-term (psi)
Enhancement factor (dimensionless)
Surface live loading condition

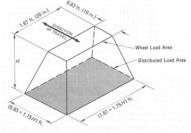
E =	250 000	Minimum value in 250,000 pai par ASTM 51216
E =	,	Minimum value is 250,000 psi per ASTM F1216
	50%	Default value is 50%
E _L =	125,000	Determined from long-term retention %
N =	2	Default value is 2.0
δ _s =	125	Applies to fully deteriorated designs only
δ _w =	62.4	
H =	22.0	Measured from ground surface to top of pipe
H _w =	18.0	Measured from top of pipe; Note: If water table is below top of pipe, input a negative number!
P _v =	0.0	Default value is 0
P =	0.0	Pressure pipe applications only! If no pressure, input 0
d =	0.0	Pressure pipe applications only! If no pressure, input 0
ν =	0.30	Average value for CIPP per ASTM F1216
$\sigma_i =$	4,500	Minimum value is 4,500 psi per ASTM F1216
σ _L =	2,250	Determined from long-term retention %
$\sigma_T =$	3,000	Pressure pipe applications only!
$\sigma_{TL} =$	1,500	Determined from long-term retention %
K =	7.0	Minimum value recommended per ASTM F1216
	H20	H20, E80 or airport
		-

H20 Calculations (Highway Loads) Impact factor for traffic load (dimensionless) Distributed load area over pipe at depth H (ft2)

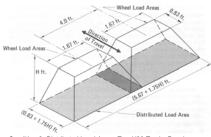
Total applied surface wheel load (lb) H20 live load transferred to pipe at depth H (psi)

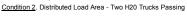
l _f =	1.0	From AASHTO Standard Specifications for Highway Bridges, 12th Edition
A _{LL} =	1913.9	See table and figures below
P _{LW} =	48,000	Based on critical loading configuration (see table below)
w _{LH} =	0.2	$W_{L} = (P \cdot I_f)/(144 \cdot A_{LL})$

Critical Loading Configurations for H20 loads (per AASHTO)					
Condition	H, ft	P, Ibs	A _{LL} , ft ²		
1	H < 1.33	16,000	(0.83 + 1.75H)(1.67 + 1.75H)		
2	1.33 ≤ H < 4.10	32,000	(0.83 + 1.75)(5.67 + 1.75H)		
3	4.10 ≤ H	48,000	(4.83 + 1.75H)(5.67 + 1.75H)		



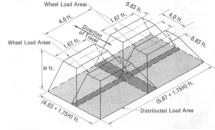






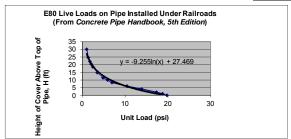
from graph below

0.00



Condition 3. Distributed Load Area - Alternate Loads in Passing Mode

E80 Calculations (Railway Loads)
E80 live load transferred to pipe at depth H (psi)



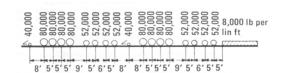


Figure 4.30. Spacing of Wheel Loads Per Axle for a Cooper E 80 Design Loading.

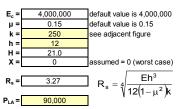
Packet Pg. 10

Airport Loads

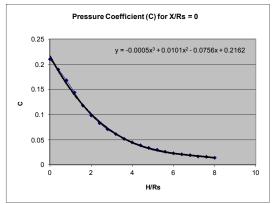
Modulus of elasticity of concrete (psi) Poisson's ratio of concrete (dimensionless) Modulus of subgrade reaction (lb/in3) Thickness of concrete pavement (in) Depth of cover, top of pipe to bottom of slab (ft) Horizontal distance from pipe centerline (ft)

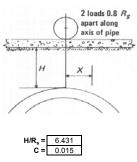
Radius of stiffness of the rigid pavement (ft)

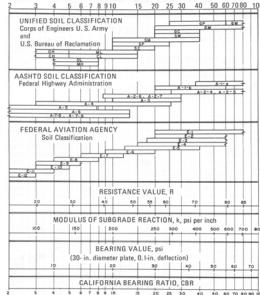
Wheel load (lbs)



Worst-case loading scenario is for 2 loads spaced 0.8Rs apart and is calculated below. For alternate loading conditions, see Concrete Pipe Handbook, 5th Edition







CALIFORNIA BEARING RATIO, CBR

Airport live load transferred to pipe at depth H (psi)

Wall Thickness Design Partially Deteriorated Gravity Pipe Condition

Ovality reduction factor (dimensionless)

External hydrostatic pressure from groundwater (psi)

Minimum thickness required, hydrostatic buckling

Minimum thickness required, ovality check

 $\left(\frac{1-q/100}{[1+q/100]^2}\right)$

0.00

0.76

$$P_w = \gamma_w \cdot (H_w + D/12)/144$$

 $t_1 = \frac{D}{(M_w + D/12)}$

 $W_{LA} = CP/R_s^2$

$$\begin{aligned} t_t = & \underbrace{\left[\begin{bmatrix} 2 \cdot K \cdot E_L \cdot C \\ \left[1 - \mathcal{V}_r^2 \right] \cdot N \cdot (P_w + P_r) \end{bmatrix}^{\frac{N}{2}} \right]}_{ASTM \ F1216, \ Equation \ X1.1} \end{aligned}$$

$$t_2 = 0.39$$
 in mm $= 9.87$ mm $= 54$

$$1.5 \cdot \frac{q}{100} \cdot \left(1 + \frac{q}{100}\right) \cdot SDR^2 - 0.5 \cdot \left(1 + \frac{q}{100}\right) \cdot SDR - \frac{\sigma_L}{P \cdot N} = 0$$
If $P_w = 0$, default $SDR = 100$

ASTM F1216, Equation X1.2

Quadratic factors for Eq. X1.2 a = 0.04635 -0.515 used to solve for SDR2 and t2: b =

Fully Deteriorated Gravity Pipe Condition

Total live load transferred to pipe at depth H (psi) = Water buoyancy factor (dimensionless) Total external pressure on pipe (psi) Coefficient of elastic support (in-lb)

Minimum thickness required, Luscher's buckling equation

Minimum thickness required, pipe stiffness

Partially Deteriorated Pressure Pipe Condition

Minimum thickness required to withstand internal pressure in spanning across any holes in the original pipe wall

Minimum thickness required by design check

Fully Deteriorated Pressure Pipe Condition

Minimum thickness required to withstand all external loads and the full internal pressure

CIPP Wall Thickness Design Summary

Host pipe condition

CIPP end use application

CIPP outside diameter (host pipe inside diameter) Minimum CIPP thickness calculated

Minimum CIPP thickness recommended

Nominal CIPP thickness to be supplied

From live load calculations 0.17 0.73 a. 22.67

 $R_w = 1 - 0.33(H_w/H)$ (min. value = 0.67) $q_t = 0.433H_w + \delta_s HR_w/144 + W_s$ B' = $1/(1+4e^{-0.065H})$

Note: If $H_w < 0$, use $H_w = 0$ in this calculation Note: If $H_w < 0$, use $H_w = 0$ in this calculation

$$t_3 = 0.53$$
 in mm

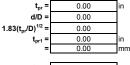
0.46

$$t = \left[\frac{(Nq_t)^2 \cdot D^3 \cdot 12}{32 \cdot R_w \cdot B \cdot M_w \cdot E_t \cdot C} \right]^{1/3} \quad \text{ASTM F1216, Equation X1.3}$$

 $t = D/(E/0.093 \cdot 12)^{1/3}$

ASTM F1216, Equation X1.4

ASTM F1216, Equation X1.6



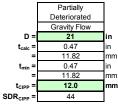
0.00 in 0.00

If d/D > 1.83· $(t_{pr}/D)^{1/2}$, ASTM F1216, Equation X1.5, then liner is in ring tension or hoop stress and fully deteriorated pressure pipe condition applies (ASTM F1216, Equation X1.7)

 $t_{or2} = D/((2 \cdot \sigma_{TL}/PN) + 2)$

 $t_{pr} = D/([(D/d)^2 \cdot (5.33 \cdot \sigma_L/PN)]^{1/2} + 1)$

ASTM F1216, Equation X1.7



Greatest value calculated from ASTM F1216 Equations X1.1 and X1.2 (gravity flow) or greatest of X1.1, X1.2, X1.6 or X1.7, as directed by X1.5 (pressure pipe)

Based on a maximum SDR = 100

Rounded up to the nearest 1.5 mm to reflect standard CIPP thicknesses supplied SDR = D/t Maximum recommended SDR for CIPP is 100 per ASTM F1216

DESIGNED BY

CHECKED BY



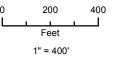
City of Farmingto Sanitary Sewei Lining Division / 8 Mile to Berg

Attachment: 8Mile_Berg_Map (2155 : Farmington Outfall Sewer) Sanitary Manhole

Televised Mar 20

Untelevised

CIPP Lining



Source: Data provided by Oakland County an City of Farmington. OHM Advisors does not we the accuracy of the data and/or the map. document is intended to depict the approx spatial location of the mapped features within

Coordinate System: NAD Michigan South FIPS 2113 IntlFeet



Attachment: PLM_BLD Quote_3_9_16 (2155: Farmington Outfall Sewer)

PIPELINE MANAGEMENT CO., INC.

Michigan Department of Transportation Prequalified Contractor Pipeline Inspection, Maintenance, Repair and Rehabilitation

Quotation

To:

Matt Parks, P.E.

OHM Engineering

34000 Plymouth Road

Livonia, MI 48150

Date:

3-9-16

Expiration Date:

30 Days From Submittal Date

Project Name:

DWSD Outfall

Payment Terms: Net 30 - 1.5% Int. Per Month Thereafter

UV S	pot Liner- 7'- Farmington, MI- 8 Mile	Job Description & Berg- DWSD Outfall- 2	1"		
		Itemized Estimate		1. 75	
No.	Description	Quantity	Unit Price		Extension
1	7'- 21" UV Spot Liner	1	\$ 9,250.00	\$	9,250.00
		Total	Quotation	\$	9,250.00

	Project Specific Notes
No.	Description
	Exclusions : Bypass Pumping, Water, Bonds, Traffic Control over signs and cones, Disposal Fees, Inspection & Permit Fees
	Inclusions: Insurance & Mobilization- Water will be accessed from the hydrants adjacent to the job site. Flow will be shutdown during spot linining by City of Farmington.

This proposal is based upon information provided by the Owner and subject to the conditions noted. Any agreement between the parties is expressly contingent upon the agreement containing only these terms. **To accept this proposal, sign below and return.**

Date

2673 E. Maple Road • Milford, MI 48381 • Ph.: 248-685-1500 • Fax: 248-685-7615 • www.pipeline.us.com

Farmington City Council Staff Report

Council Meeting Date: April 4, 2016

Reference Number (ID # 2156)

Submitted by: Kevin Christiansen, Economic Community Development Director

<u>Description:</u> Consideration of Second Offer to Purchase Land Under Proposed Sale of Land Agreement from DA BUILDING, LLC, for the Former 47Th District Court Property on Ten Mile Road

Requested Action:

Consideration of offer to purchase at this time.

Background:

The City has received a second offer to purchase the former 47th District Court courthouse property on Ten Mile Road east of Farmington Road. Council will recall that the City had entered into a purchase agreement for the property with Balfour Farmington a few years ago for a purchase price of \$425,000. The agreement required Balfour to submit a development proposal to the City within 90 days and included a good faith deposit of \$20,000 that was only refundable if the City failed to approve the development. The City did approve the development but Balfour eventually declined to move forward with the purchase. The City reviewed a purchase agreement from SDC Ventures, LLC at the March 7, 2016 City Council meeting. A copy of that packet/purchase agreement is attached.

The proposed purchase agreement from DA BUILDING, LLC is similar to the Balfour agreement. The proposed purchase price is \$450,000. The proposed \$20,000 good faith deposit is fully refundable to DA BUILDING up until the approval of a development by the City. The proposed agreement refers (as prior agreements have) to the PUD/development process.

Agenda Review

Review:

Kevin Christiansen Pending

City Manager Pending

City Council Pending 04/04/2016 7:00 PM

Updated: 3/31/2016 12:47 PM by Melissa Andrade

Page 1

CITY OF FARMINGTON DA BUILDING SALE OF LAND AGREEMENT

THIS SALE OF LAND AGREEMENT ("Agreement"), made and entered into this _____ day of April, 2016 ("Effective Date"), by and between the City of Farmington, a Michigan municipal corporation, whose address is 23600 Liberty Street, Farmington, Michigan 48335 (the "City"), and DA BUILDING, LLC, a Michigan limited liability company, whose address is 10619 Lighthouse Pt, South Lyon, MI 48178 ("Purchaser").

R-E-C-I-T-A-L-S:

- A. City is the owner of a certain parcel of real estate located in Farmington, Oakland County, Michigan, a legal description of which is attached hereto as Exhibit A and made a part hereof (the "Property"), at which location the 47th District Court previously operated in the building on the Property. The building is now vacant;
 - B. Purchaser desires to acquire the Property for development;
- C. City desires to sell the Property to Purchaser, or a permitted assign of Purchaser as described herein, in consideration for payment of the Purchase Price and compliance with the terms and conditions set forth in this Agreement; and
 - D. City and Purchaser desire to set forth their agreement in writing.

NOW, THEREFORE, in consideration of the mutual covenants and agreements for each party to the other hereinafter set forth, Purchaser and the City agree as follows:

- 1. For the Purchase Price and subject to the terms and conditions contained in this Agreement, City agrees to sell to Purchaser, and Purchaser agrees to purchase from City, the Property. For all purposes hereunder, the term "Property" shall incorporate the land described on **Exhibit A,** together with all improvements thereon, and all oil, gas and mineral rights, and all land divisions available to City as owner and permitted under the Michigan Land Division Act and all privileges, tenements, hereditaments, appurtenances and other rights and benefits belonging or in any way appertaining to the land.
- 2. The "Purchase Price" for the Property shall be Four Hundred Fifty Thousand Dollars (\$450,000.00) to be paid via wire transfer or certified funds to the City at the Closing. The Purchase Price was offered by Purchaser in its Proposal to purchase the Property and develop the site, a copy of which is attached hereto and incorporated herein by this reference as **Exhibit B** (the "Proposal"), except to the extent any terms or conditions differ from the terms and conditions stated in this Agreement, which shall control in the event of a conflict. As part of its Proposal, Purchaser deposited cash funds in the amount of Twenty Thousand Dollars (\$20,000.00) with the City as Bid Security, which funds shall be retained by First American Title Insurance Company, 100 Bloomfield Hills Parkway, Suite 195, Bloomfield Hills, Michigan 48304 ("Title Company") under this Agreement as Purchaser's good faith deposit ("Security Deposit"). The Security Deposit funds shall be credited to Purchaser at the Closing or otherwise applied pursuant to the terms of this Agreement.
- 3. As evidence of title, City agrees, at City's sole cost and expense, to furnish Purchaser, as soon as possible, but in no event later than thirty (30) days after the date hereof, a title commitment from the Title Company, along with copies of all back-up documentation, and to issue to Purchaser, at or as soon as possible after Closing, its standard form of Owner's Title

Insurance Policy, without standard exceptions (except that the standard survey exception will not be removed unless Purchaser provides the Title Company with an acceptable survey) in the amount of the Purchase Price, insuring title to the Property to be in good and marketable condition, except for the Permitted Encumbrances described below.

If Purchaser notifies City in writing within thirty (30) days after the date of receipt of the title commitment that the title is not in the condition required for performance hereunder, City agrees to provide Purchaser with a revised title commitment evidencing that such defect has been remedied in a manner either acceptable to the Title Company such that it is insured over or removed from the exceptions to coverage or acceptable to Purchaser. City will be required to use reasonable efforts to remedy any such objection within thirty (30) days from its receipt of Purchaser's title objections. If City is unable to remedy such objection after using reasonable efforts within said thirty (30)-day period, Purchaser shall have a period of ten (10) days after it receives written notice from City that such objection has not been remedied to elect in writing to either (a) proceed with this transaction, in which event the Deed for the Property will be executed and delivered subject to any such defects (the "Waived Defects"); or (b) to terminate this Agreement without further liability on the part of either party and to immediately receive a full reimbursement from the City of the Security Deposit as its sole and exclusive remedy. Failure of Purchaser to timely elect an option shall be deemed to mean that Purchaser has elected to proceed.

The Deed executed at the Closing will be delivered subject to the Waived Defects; other matters shown in the title insurance commitment or surveys which are not objected to by Purchaser as provided above; the parking lot and drive agreement between the Farmington Public School District and the Farmington Building Authority dated January 19, 1979; the lien of taxes not yet due and payable as of Closing; and liens arising out of the acts or omissions of Purchaser or any of its agents, contractors or employees (collectively, the "Permitted Encumbrances").

Provided that Purchaser has not terminated this Agreement under Paragraphs 3 or 4. 5, as soon as possible, but in no event later than sixty (60) days after the date hereof, Purchaser agrees, at its sole cost and expense, to fully and completely submit an application for approval of a Planned Unit Development ("PUD") on the Property that complies with City ordinance requirements for PUDs and that contains all plans, maps, elevations, details and information required under the City's Zoning Ordinance and other applicable ordinances. Such application for PUD approval shall substantially conform to the conceptual plans and narrative submitted as part of the Proposal submitted by Purchaser to the City, attached hereto as Exhibit B, which contemplates Duplex Style Residential Development and/or Apartment Development. Following submittal of such application, Purchaser shall supplement its application materials as necessary to address issues, if any, raised by the Planning Commission and City Council upon review and shall continuously pursue approval of said PUD. In the event Purchaser at any time fails to comply with this paragraph following the execution of this Agreement, after giving Purchaser notice and thirty (30) days to cure, the City may declare this Agreement to be without further force and effect and the Security Deposit shall be forfeited as liquidated damages to the City as its sole and exclusive remedy. City agrees to process and review Purchaser's submittals on a timely basis in accordance with applicable laws and ordinances. In the event the application for PUD approval is not approved within a six (6)-month period following the date of this Agreement, either party may declare this Agreement to be without further force and effect in a written notice to the other party and Purchaser shall receive a full reimbursement from the City of the Security Deposit as its sole and exclusive remedy. For purposes of the foregoing, the PUD shall be deemed approved when the City Council adopts a resolution approving Purchaser's final PUD plan and a PUD Agreement that is mutually satisfactory to Purchaser and City. The PUD Agreement shall provide that the Property shall be developed in accordance with its provisions and the PUD plan, that the PUD approval and PUD Agreement are binding on Purchaser and its successors and assigns, and that it shall be recorded at the Oakland County Register of Deeds and run with the land.

- Purchaser will have the right to make such tests on the Property as may be deemed reasonable by Purchaser for purposes of inspecting the condition of the Property and the feasibility of developing the Property as intended by this Agreement and preparing and submitting its PUD plan and application materials to the City; provided that Purchaser will be responsible for repairing any damage caused thereby in the event any party fails to consummate the transaction contemplated by this Agreement. It is agreed that, upon 24 hours' notice to the City, Purchaser, or its agents, contractors or employees shall have free access to the Property during regular City business hours for the purpose of performing said tests. Prior to any entry upon the Property, Purchaser shall obtain liability insurance, naming City as an additional insured thereon, in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and shall provide City with a certificate evidencing the procurement of such insurance. Purchaser shall indemnify, defend and hold City harmless from and against any and all claims, damages, liabilities and expenses, including but not limited to attorney fees, incurred by or asserted against the City which arise out of or are related to any of Purchaser's activities under this paragraph. The provisions of this paragraph shall survive the Closing of this transaction. If within sixty (60) days from the effective date of this Agreement, Purchaser, in its sole and exclusive discretion, determines that it is not satisfied with the condition of the Property, Purchaser shall have the right to terminate this Agreement by providing City with written notice of termination, which notice need not include the reasons for Purchaser's dissatisfaction with the condition of the Property. If Purchaser so elects to terminate, the Security Deposit shall be returned to Purchaser and the parties shall have no further rights or obligations under this Agreement.
- 6. Purchaser and City agree that this Agreement and the obligations hereunder are subject to and conditioned upon the occurrence of the following "Conditions Precedent" to the Closing:
 - A. Approval of the PUD Plan and a PUD Agreement in form and substance set forth mutually acceptable to Purchaser and City, with an approved final site plan to be attached to said PUD Agreement that is generally consistent with the conceptual plans (and narrative) submitted as part of Purchaser's Proposal; and
 - B. Receipt by Purchaser of a certified copy of the City's resolution evidencing such approval.

If the foregoing Conditions Precedent are not satisfied or waived within six (6) months from the date of this Agreement, either party may declare this Agreement to be without further force and effect in a written notice to the other party and Purchaser shall receive a full reimbursement from the City of the Security Deposit as its sole and exclusive remedy, provided that it is not otherwise in default, including as provided in paragraph 4 above.

Purchaser understands and agrees that it shall be required to comply with all applicable City ordinances and partake in one or more public hearings concerning its PUD proposal, and that this Agreement in no way constitutes, nor shall it be construed or interpreted to constitute, approval or a promise to approve the PUD or any development of any portion of the Property, as to which the City reserves the full right of its review and approval authority under ordinance and law. Additionally, this Agreement in no way vests, nor shall it be construed or interpreted to vest, any rights to own, occupy, use or develop any portion of the Property prior to the Closing. The provisions of this paragraph shall survive the Closing of this transaction.

7. Subject to the terms and conditions of this Agreement, the purchase/sale transaction contemplated under this Agreement shall be consummated at a meeting of the parties (the "Closing") which shall take place at the offices of the Title Company on a mutually agreed date and time within thirty (30) days after the occurrence of the Conditions Precedent set forth in Paragraph 6, above. At the Closing, City shall execute and deliver to Purchaser (as required) and Purchaser shall

execute and deliver to City (as required) the following:

- A. The representative of each party shall deliver to the other evidence of their authority to enter into and to consummate this transaction.
- B. A closing statement showing the prorations, adjustments, and credits as set forth in this Agreement. City shall pay the cost of the title policy, real estate transfer taxes and deed documentary stamps. Title Company closing and/or escrow fees shall be shared equally between City and Purchaser. Purchaser will pay all other closing costs and the costs of recording the Deed and any other documents requiring recordation. City and Purchaser shall be responsible for their own attorney fees up to and including the Closing, except Purchaser shall be responsible for any attorney fee charges, not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00), required under the City's development escrow ordinance, which may include attorney fees incurred by the City in connection with Purchaser satisfying the Conditions Precedent set forth in Paragraph 6 of this Agreement and otherwise in connection with the development review and approval process.
- C. A Limited Warranty Deed conveying marketable title to the real estate to Purchaser, subject only to the exceptions to title approved pursuant to this Agreement (the "Deed").
 - D. Payment of the Purchase Price (less any credits under this Agreement).
 - E. The signed instruments required under paragraph 9 of this Agreement.
- F. All required valuation and tax reporting documents and affidavits as required by law.
- 8. If the terms and conditions of this Agreement and the Conditions Precedent are satisfied and the City refuses to close, Purchaser shall have as its sole and exclusive remedy the right to a return of the Security Deposit plus reimbursement of its reasonable costs and expenses incurred in satisfying the Conditions Precedent. If the Conditions Precedent are satisfied and Purchaser refuses to close, the Security Deposit shall be forfeited to the City as its sole and exclusive remedy. In no event shall either party be entitled to relief in the form of specific performance under this Agreement, and both parties expressly waive any right they may otherwise have to such relief.
- THE PROPERTY IS BEING SOLD IN AN "AS IS" AND "ALL FAULTS" CONDITION including, but not limited to the environmental condition thereof, AS OF THE TIME OF CLOSING. Except as is specifically set forth in this Agreement and the Exhibits attached hereto (a) no statements or representations, express or implied, have been made or are made, and no information or documents supplied by the City are represented to be complete or accurate; and (b) no responsibility has been or is assumed by the City or by any affiliate, person, firm or agent acting or purporting to act on behalf of City as to: (i) the presence of or absence on, in, or beneath or about the Property of any minerals or other substances, including without limitation, any asbestos or any other "hazardous substances", (ii) the condition or repair of the Property, (iii) the value, expense of operation or income potential of the Property; or (iv) any other fact or condition which has or might affect the Property or the condition, repair, value, expense of operation or income potential thereof, including without limitation as to any fact, condition or defect which would be disclosed by a full, complete, and competent survey, investigation of all public and governmental agency's records and of the Property and each and every part or component thereof. For purposes of this Agreement, the term "hazardous substance(s)" shall mean any hazardous or toxic material, substance or waste, which is defined by or for which the production, processing, sale, handling and/or disposal thereof is

regulated as a hazardous or toxic material or waste under any applicable statute, law, rule or regulation of any federal, state or local governmental authority. The provisions of this paragraph shall survive the Closing of this transaction.

Purchaser shall deliver to City at Closing an instrument in writing executed by Purchaser wherein Purchaser unconditionally and irrevocably releases any and all claims which it then or may thereafter have against City, any prior or existing partners, joint venturers or members of City, any heirs, personal representatives, successors or assigns of City or any such partners, joint venturers or members, any agents, employees, directors, or officers of City, any such partners, joint ventures or members, or any of the heirs, personal representatives, successor or assigns of City or any such partners, joint venturers or members (the "City Released Parties") arising out of or in conjunction with or relating in any manner whatsoever to (a) the use, treatment, generation, storage, disposal, placement, release or transportation of any Hazardous Materials in, on, under, above, to or from all or any portion of the Property, regardless of whether any such use, treatment, generation, storage, disposal, placement, release or transportation occurred or occurs before, on or after the date of this Agreement or the Closing, (b) the presence of any Hazardous Materials in, on, under or above any portion of the Property, regardless of whether any such Hazardous Materials were or become present before, on or after the date of this Agreement or the Closing, or (c) the migration of any Hazardous Materials from all or any portion of the Property, regardless of whether such migration occurred or occurs before, on or after the date of this Agreement or the Closing (any use, treatment, generation, storage, disposal, placement, release, transportation, presence or migration of any Hazardous Materials described above is referred to herein as an "Environmental Condition"). Such instrument shall be binding on the successors and assigns of Purchaser and each successor in title to all or any portion of the Property which is a Purchaser Releasing Party (as defined below). A "Purchaser Releasing Party" shall mean (i) any person or entity directly or indirectly controlled by, controlling or under common control with Purchaser, (ii) any officer, director, employee, member, shareholder, partner, agent, successor or assign of Purchaser or any of the other persons or entities identified in (i) above, (iii) (A) any person in any degree of consanguinity to any of the persons identified in (i) or (ii), (B) any spouse of any person described in (A) of this sub-subparagraph (iii) or (C) any person in any degree of consanguinity to any person described in (B) of this subsubparagraph (iii), or (iv) any corporation, partnership, limited liability company, joint venture or any other entity directly or indirectly controlled by Purchaser and/or all, some or any of the persons or entities described in (i), (ii) or (iii) above. A person of the half-blood shall be treated as a person in any degree of consanguinity for purposes of sub- subparagraph (iii) above. Such instrument shall be in form reasonably satisfactory to City and be recorded with the Oakland County Register of Deeds immediately after the Closing. Notwithstanding anything to the contrary contained herein, Purchaser shall not be required to indemnify, defend, hold harmless or release City from and against any third party claims relating to the Environmental Condition of the Property that arose prior to Closing; provided, however, that such "third party claims" shall not include any claims, requirements, demands, or remedial activity required by any governmental or regulatory agencies with respect to the Property occurring after or as a result of any conduct or activity by Purchaser, including the alteration of topograpphy, excavation, or regulatory filings.

- 10. City and Purchaser each represent and warrant to the other that no broker, finder or like party has been engaged by it in connection with the transaction contemplated by this Agreement, with the exception of Dan Blugerman of Thomas Duke. City shall pay the brokerage commissions of the Broker pursuant to a separate agreement with such broker. City and Purchaser shall each indemnify the other against any costs, liabilities or expenses, including but not limited to attorneys' fees, arising out of the breach of the foregoing representation and warranty by the indemnifying party.
- 11. Except as is specifically set forth in this Agreement (a) no statements or representations, express or implied, have been made or are made, and no information or documents

supplied by the City are represented to be complete or accurate; and (b) no responsibility has been or is assumed by the City or by any affiliate, person, firm or agent acting or purporting to act on behalf of City as to: (i) presence of or absence on, in, or beneath or about the Property of any minerals or other substances, including, without limitation, any asbestos or any other "hazardous substances;" (ii) the condition or repair of the Property; (iii) the value, expense of operation or income potential of the Property; or (iv) any other fact or condition which has or might affect the Property or the condition, repair, value, expense or operation or income potential thereof, including, without limitation, as to any fact, condition or defect which would be disclosed by a full, complete, and competent survey, investigation of all public and governmental agency's records and of the Property and each and every part or component thereof.

- 12. Purchaser is responsible for paying all costs and expenses related to the demolition of the existing building on the Property and the design, planning, engineering, permitting and submission of the PUD to be proposed on the Property.
- 13. All real estate taxes and assessments, if any, that become payable prior to the date of Closing shall be paid by the City. Any special assessments that constitute a lien against the Property prior to Closing shall be paid by City, regardless of whether such special assessment may be paid in installments. All real estate taxes and assessments becoming due and payable on and after the date of Closing shall be the responsibility of Purchaser.
- 14. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the other party.
- 15. This Agreement and the exhibits attached hereto embody the entire Agreement between the parties in connection with the sale of the Property to Purchaser and there are no oral or parole agreements existing between the parties relating to this transaction which are not expressly set forth and covered hereby. This Agreement may not be modified except in writing signed by both parties.
- 16. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by such party of any of its rights hereunder. No waiver by any party at any time, expressed or implied, of any breach of any provision of this Agreement shall be deemed to be a waiver or a breach of any other provision of this Agreement or a consent to any subsequent breach of the same or any other provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on any one occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any action on the same or any subsequent occasion.
- 17. No third party, other than the City and Purchaser, their heirs, personal representatives, successors and permitted assigns, shall have any rights to enforce or rely upon this Agreement, which is binding upon and made solely for the benefit of the City and Purchaser, their heirs, personal representatives, successors and permitted assigns, and not for the benefit of any other third party.
- 18. All notices required to be given hereunder shall be in writing. Notice shall be deemed as given hereunder: (a) upon personal delivery to the addresses set forth below; or, (b) upon receipt (or affirmative refusal to accept) if properly addressed and sent certified mail, return receipt requested; or (c) upon depositing such notice in the custody of a nationally-recognized overnight delivery service and sent by overnight delivery. Notice shall be deemed properly addressed if sent to the following addresses:

If to City:

City of Farmington

c/o Mr. David Murphy, City Manager

23600 Liberty Street

Farmington, Michigan 48335

With a copy to:

Mr. Thomas R. Schultz, Esq.

Johnson Rosati Schultz & Joppich, P.C. 27555 Executive Drive, Suite 250 Farmington Hills, Michigan 48331

If to Purchaser:

Daniel C. Allor III DA Building, LLC 10618 Lighthouse Pt

South Lyon, Michigan 48178

With a copy to:

Steven D. Sallen, Esq.

Maddin, Hauser, Roth & Heller, P.C. 28400 Northwestern Highway, Third Floor

Southfield, Michigan 48034

- 19. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan that are applicable to agreements made and to be performed in that state. Should any court action be commenced at any time involving or concerning this Agreement, it is hereby agreed that jurisdiction and venue shall be in the State of Michigan Circuit Court in Oakland County.
- 20. Purchaser may not assign this Agreement, in whole or in part, without the prior written consent of City. Such consent shall not be unreasonably withheld if the assignment is to an entity that is wholly owned or commonly owned (with Purchaser owning more than 50% of the total shares or with the current members of Purchaser having an ownership interest). In all other instances, such consent shall be in the sole and absolute discretion of the City. If City consents to such assignment, the assignee shall be considered a "permitted assign" under this Agreement and shall be bound by all of the terms and conditions of this Agreement.
- 21. This Agreement may be executed in counterparts. Facsimile and electronic copies of signatures shall have the same effect as original signatures.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESSES:	a Michigan municipal corporation,
·	By William Galvin, Mayor
	By Susan Halberstadt, City Clerk
WITNESSES:	PURCHASER, LLC a Michigan limited liability company By Daniel C. Allor III, Member

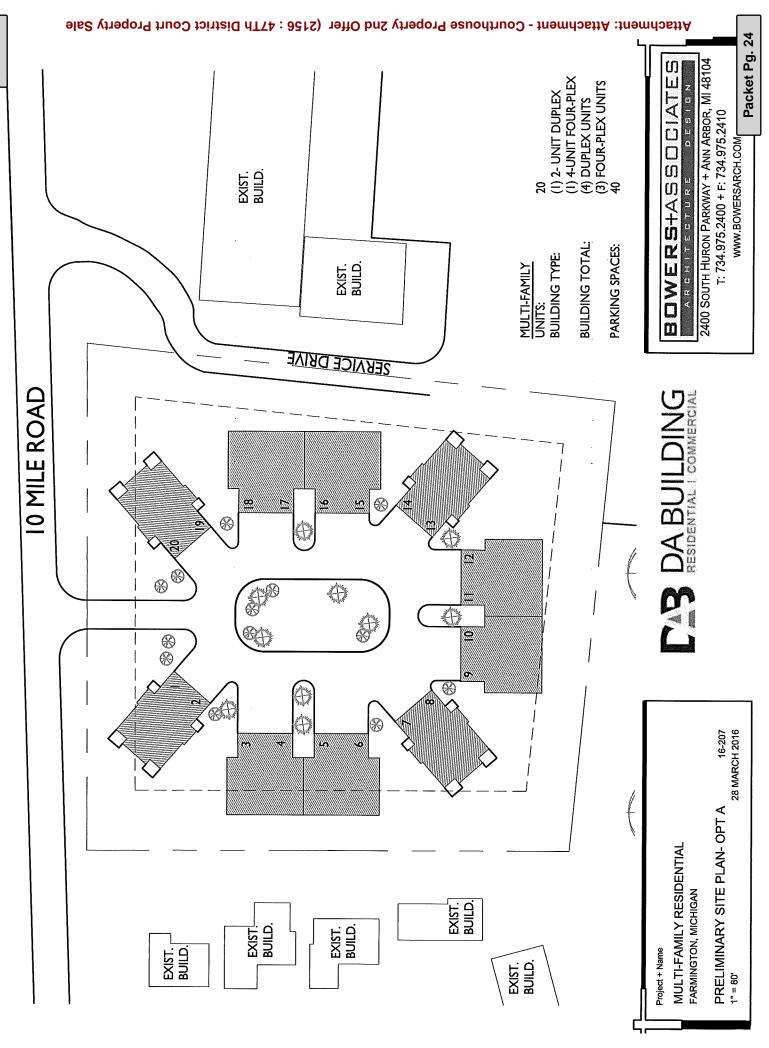
EXHIBIT LIST

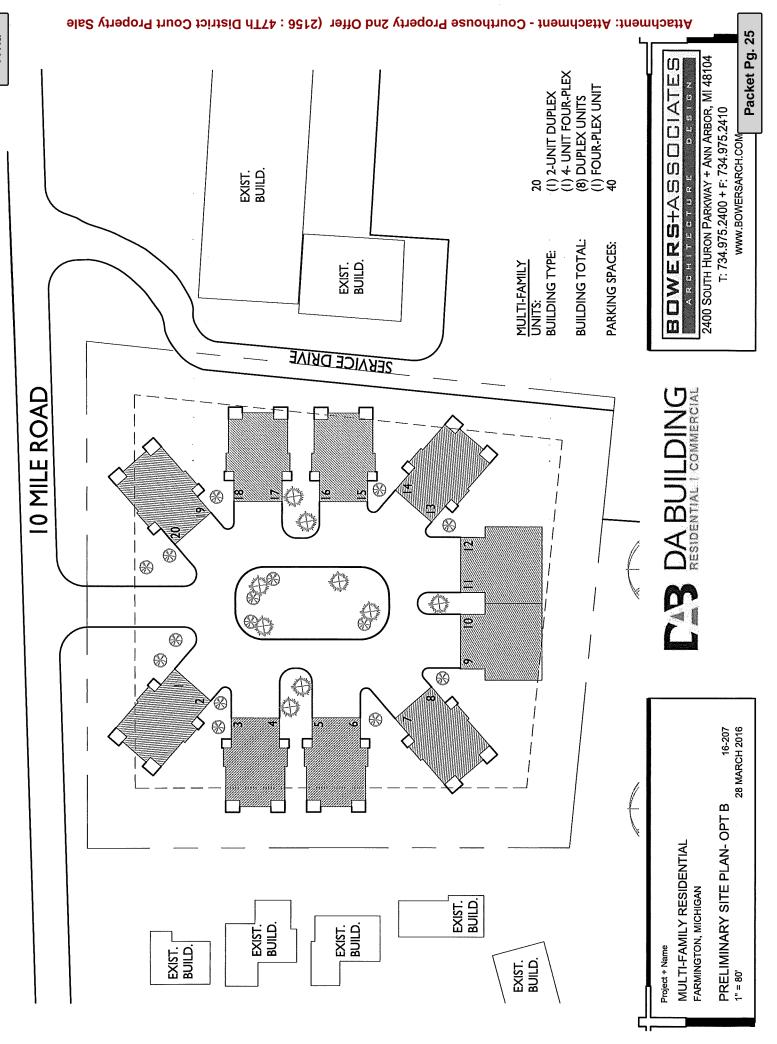
EXHIBIT A Legal description of entire Property (exclude existing and future right-of- way

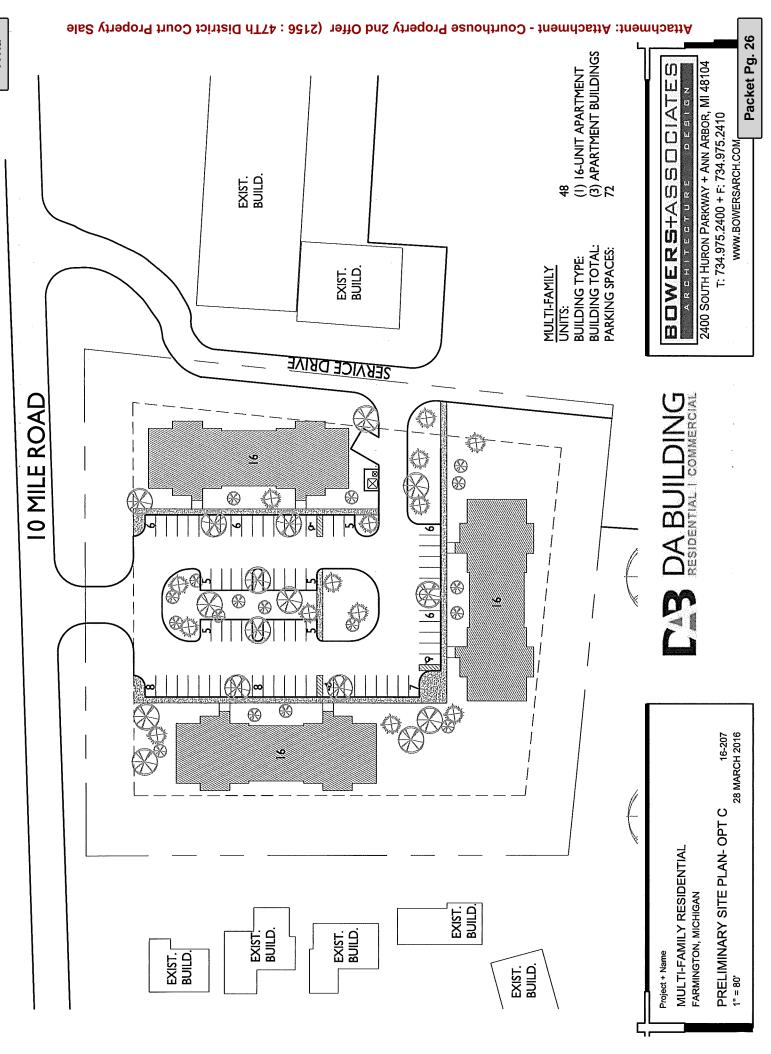
for Ten Mile)

EXHIBIT B Purchaser Proposal to acquire and develop the Property, including

Conceptual Plans and elevations.









ABOUT Bowers & Associates:

We offer architecture, planning, and interior design services. Our unique ability to be architecturally diverse yet unified in our design approach allows us to solve complex problems, regardless of the project's specifics. Since our inception in 1987, our firm has worked on a wide spectrum of projects including commercial, office buildings, multi-family, mixed use developments, senior housing, hotels, and educational facilities. We work closely with our clients, consultants and contractors to provide a full service professional team. We strive to fulfill our clients' needs and goals successfully while contributing to the community.

SERVICES

Bowers + Associates offers clients a wide range of professional services. The following performed services showcase our extensive expertise and capabilities:

- Architecture, Planning, Master Planning, Interior Design, Feasibility Studies,
- Programming, Space Planning, Specifications, Cost Analysis, Value Engineering, Site Analysis, Graphic Design, Construction Administration

Scott M. Bowers, AIA, NCARB, License # 1301032575, http://bowersarch.com

ABOUT DA Building LLC:

We offer over 35 Years' experience in the building industry with projects consisting of Single Family Residential, Multifamily and Commercial buildings.

SERVICES

- Land Development
- Turn Key New Single and Multi-Family homes
- Commercial building and Build Outs
- Project and Property Management

PORTFOLIO

- Sherwood Oaks II, 24 lot Single family development
- Ryan's Woods, 9 lot Single family development
- Barclay Park Condos is a large community of 291 two and three bedrooms' brownstone-style condo
- Carlton Forest Condominiums is located in Novi with 75 condos
- Cherry Hill Village, Plymouth Multi and single family community

Daniel C. Allor III, License #2101205682 Scott D. Gronevelt, License #2101088143

Farmington City Council Staff Report

Council Meeting Date: March 7, 2016

Reference Number (ID # 2137)

Submitted by: David Murphy, City Manager

<u>Description:</u> Consideration of Offer to Purchase Land Under Proposed Sale of Land Agreement from SDC Ventures LLC, for the Former 47Th District Court Property on Ten Mile Road.

Requested Action:

Consideration of offer to purchase at this time.

Background:

The City has received an offer to purchase the former 47th District Court courthouse property on Ten Mile Road east of Farmington. Council will recall that the City had entered into a purchase agreement for the property with Balfour Farmington a few years ago for a purchase price of \$425,000. The agreement required Balfour to submit a development proposal to the City within 90 days and included a good faith deposit of \$20,000 that was only refundable if the City failed to approve the development. The City did approve the development but Balfour eventually declined to move forward with the purchase.

The proposed purchase agreement from SDC Ventures is similar to the Balfour agreement. The proposed purchase price is \$420,000. The proposed \$25,000 good faith deposit is fully refundable to SDC Ventures up until the approval of a development by the City. The proposed agreement does not refer (as prior agreements have) to the PUD/development process, and therefore would likely need to be the subject of further negotiation.

The City Manager and Economic and Community Development Director have been informed that there are other potential purchasers inquiring about the property.

Agenda Review

Review:

David M. Murphy Skipped 03/09/2016 2:23 PM City Manager Skipped 03/09/2016 2:23 PM City Council Completed 03/07/2016 6:00 PM

Updated: 3/4/2016 1:31 PM by Melissa Andrade

OFFER TO PURCHASE

This Offer to Purchase	(the "Offer") is made on February 11, 2016 by SDC
Ventures LLC, 31300 Orchard	Lake Road, Suite 200, Farmington Hills, MI 48334
(the "Purchaser"), to	, whose address is
	("Seller"), as follows:

- 1. Offer to Purchase. The Purchaser hereby offers and agrees to purchase from Seller approximately 3.87 acres plus or minus of land which is located in the City of Farmington, Oakland County, Michigan, and which is more particularly described in exhibit "A" attached hereto and incorporated by this reference (the "Land"), together with all improvements thereon, all land division rights, all tenements, hereditaments, appurtenances, easements and all other real property rights therein.
- 2. <u>Acceptance</u>. This Offer will be deemed accepted by Purchaser and Seller, upon both parties executing and delivering a fully executed copy of this Offer to Purchase to the other party. The time for acceptance (the "Acceptance") shall operate until February 26, 2016 at 5:00 p.m., local time, and if not accepted within such time shall become null and void. Upon acceptance by both Purchaser and Seller, the Offer shall constitute a binding agreement, which may only be terminated in the manner provided herein. (The Offer and Acceptance collectively are the "Purchase Agreement").
- 3. <u>Purchase Price</u>. The Purchase Price of the Land shall be Four Hundred Twenty Thousand (\$420,000) Dollars. The Purchaser shall pay the Purchase Price in full at closing.
- 4. <u>Deposit</u>. The Purchaser shall pay to New Castle Realty (the "Escrow Agent") the sum of Twenty-five Thousand (\$25,000) Dollars within three (3) business days following the Seller's Acceptance, which amount shall be held in escrow and applied to the Purchase Price at closing.
- 5. <u>Conditions to Purchaser's Obligations Hereunder.</u> Purchaser's obligations hereunder are conditioned upon the occurrence of each of the following within one hundred-twenty (120) days following the Acceptance (the "Contingency Period"):
 - (a) Within ten (10) days of Seller's Acceptance of this Offer,

Seller shall provide a title insurance commitment from a title company acceptable to Purchaser (the "Title Company") showing title of Land to be vested in Seller and committing the Title Company to insure title in Purchaser, in the amount of the Purchase Price, together with copies of any instruments referred to as exceptions therein. If the title commitment delivered to Purchaser shall contain any exceptions from coverage which are not acceptable to Purchaser, Purchaser shall so notify Seller within ten (10) days from the date Purchaser receives such title insurance commitment, and Seller shall have thirty (30) days in which to eliminate any such exception. If Seller is unable to eliminate any exceptions to which Purchaser has objected, Purchaser may, at Purchaser's sole option, either permit Seller to obtain affirmative insurance with respect to the matter objected to, waive such objections, or terminate this Offer which shall thereupon be null, void and of no further force and effect, and the Deposit and all other monies paid by Purchaser shall be promptly refunded to Purchaser. The title insurance commitment shall be for the issuance of an ALTA Form B, without standard exceptions.

- (b) Purchaser may obtain a copy of the survey of the Land which shows the metes and bounds description of the Land, which calculates the acreage of the Land and shows that the Land is not subject to any encroachments, gaps, gores, strips or other defects of title. If the survey shows any such condition, the Purchaser shall provide the Seller written notice of such objection within ten (10) days and the Seller shall have the right, but not the obligation, to eliminate any such objections until the end of the Contingency Period.
- (c) Purchaser shall be reasonably satisfied that all utilities are available at the site, adequate in size and capacity to service a multi-unit residential development on the Land;
- (d) Purchaser shall obtain a soils engineering report and Purchaser shall determine in its sole discretion that the condition of the soil will permit the construction of single family homes with basements on the Land;
- (e) Purchaser shall obtain an environmental report and be satisfied that the Land has not been used for the storage or disposal of pollutants, contaminants, toxins or other hazardous materials and that there is no condition of the Land which may constitute a violation of federal, state or local environmental statutes or regulations;
- (f) Purchaser shall be satisfied, in Purchaser's sole judgment, that all governmental and municipal approvals are available for residential construction on the Land.

In the event any of the conditions referred to in Paragraph 5 of this Purchase Agreement remain unsatisfied for more than one hundred-twenty days from the date of acceptance hereof, Purchaser shall have the right to declare this Purchase Agreement null and void, and to receive back any and all payments theretofore made to Seller hereunder or Purchaser may, at his sole election, waive any or all of such requirements and proceed to consummate the sale; provided, however, in the event Purchaser is in the process of satisfying himself as to said conditions, but no final determination has been made with respect thereto, but Purchaser is diligently pursuing same, then the time period for satisfaction of such conditions shall be automatically extended for an additional sixty (60) day period.

- 6. <u>Closing</u>. If the conditions of purchase described in Paragraph 5 have been met and/or waived, the closing shall occur on a date which shall be no more than ten (10) days from the end of the Contingency Period (the "Closing Date"). The closing shall occur at the offices of the Title Company, on the Closing Date. At closing, the following shall occur:
- (i) Seller shall execute, acknowledge and deliver to the Purchaser a warranty deed for the Land conveying to Purchaser marketable fee simple title free of all liens, easements, covenants, conditions, restrictions, or encumbrances except as have been accepted by the Purchaser pursuant to Paragraph 5(a). Seller shall deliver possession of the Land to Purchaser at closing.
- (ii) Purchaser shall pay the Purchase Price to Seller by cashier's check, certified check, or federal wire transfer.
- (iii) Seller shall pay all real estate taxes or special assessments which have been assessed against the Land and are due as of the Closing Date and current real estate taxes shall be prorated to the Closing Date in accordance with the due date basis of the taxing entity in which the Land is located.
- (iv) The Deposit described in Paragraph 4 shall be credited against the Purchase Price.
- (V) Seller shall execute a real estate valuation affidavit reciting the consideration paid for the Land and shall pay the cost of state and county transfer taxes. Purchaser shall pay the recording fee for the warranty deed.
- (vi) The Seller shall order the policy of title insurance and pay the premiums therefore pursuant to the title commitment, which shall be updated by the Title Company as of the Closing Date.
- 7. Right of Entry. Throughout the term of this Purchase Agreement, Purchaser shall have the right, at its own peril and risk and with no liability to be

incurred by Seller, to enter upon the Land for purposes of surveying, making such soil boring or other tests or engineering studies, collecting architectural data and generally doing such other work as Purchaser deems necessary or desirable to determine the Land's suitability for the conduct of Purchaser's business thereon, after having provided reasonable notice to Seller of such entry. If Purchaser does not purchase the Land, Purchaser will restore the Land to substantially the same condition as exists on the date hereof to the extent such restoration is necessary due to Purchaser's actions. Purchaser shall indemnify and hold Seller harmless from any and all claims, costs, loss, liability, demands or expenses resulting from such entry on the Land by Purchaser, or its agents, employees or assigns at no expense to Seller. In the event Purchaser does not close on the purchase of the Land, then Purchaser shall provide copies to Seller of all surveys, studies, plans and other documents which it has obtained in its activities related to development of the Land.

8. Representations and Warranties of Seller.

- (a) Seller is the owner of good and marketable title to, the entire right, title, and interest in the Land, subject only to exceptions permitted by Purchaser or this Purchase Agreement.
- (b) Seller has entered into no agreements, oral or written, and is subject to no judgment or decree of a court of competent jurisdiction, or threatened action which would limit or restrict Seller's right to enter into and carry out this Purchase Agreement or which would encumber Purchaser's title to and use of the Land.

9. Default.

- (a) In the event of Seller's default under this Purchase Agreement, the Purchaser in addition to other remedies provided by law, shall be entitled to a refund of the Deposit or, in its discretion, may elect to enforce performance of this Purchase Agreement by judicial decree without regard to the adequacy or availability of any other legal remedy.
- (b) In the event of Purchaser's default, Seller shall be entitled to the Deposit which except for the Purchaser's default under Paragraph 7, shall be the Seller's sole and exclusive remedy.
- 10. <u>Survival</u>. All representations, warranties, covenants and obligations contained herein shall survive the closing and the acceptance of a deed by Purchaser.
- 11. <u>Notices</u>. Any notice required or permitted to be given to either party by the other pursuant to this Purchase Agreement shall be deemed to be

sufficient if in writing and sent by certified or registered mail, postage prepaid to the address shown on Page 1 of this Offer or at such other address as either party shall designate by written notice to the other. Such notice shall be deemed given two (2) days after it is posted.

- 12. <u>Demolition</u>. Seller shall be responsible for the demolition of the building structure on the site and the removal of the hard surface.
- 13. <u>Brokers</u>. Seller and Purchaser each represent that they have not dealt with any broker with respect to this Purchase Agreement other than Dan Blugerman of Thomas A Duke Company and, as a covenant surviving settlement, agree to indemnify and hold the other harmless from any fees or commissions claimed by any other parties with whom it has so dealt.

To evidence their intention to be bound by the terms and conditions of this Purchase Agreement, the parties have signed this Purchase Agreement on the date appearing below each of their respective names.

WITNESSES:	PURCHASER:
	SDC Ventures A Michigan LLC
	BY: fly M
	Røger Sherr Dated: 2-//- /6
	ACCEPTED BY SELLER:
	Ву:
	Dated:
	By:
	Dated:





CONCEPTUAL FRONT ELEVATION SHERR DEVELOPMENT

ALEXANDER V. BOGAERTS & ASSOCIATES



32795 W 10 Mile Rd

Farmington, Michigan

FOR SALE

Exclusively listed by

Dan Blugerman, CCIM

Vice President T: 248.476.3700 F: 248.476.3560

dblugerman@thomasduke.com

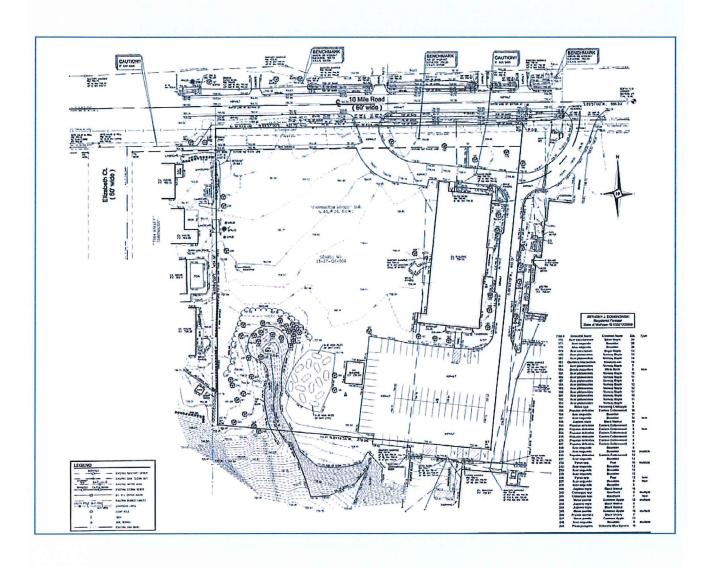
THOMAS A. DUKE COMPANY
COMMERICAL & INVESTMENT REALTORS

TABLE OF CONTENTS

PROPERTY DESCRIPTION	3
SURVEY	4
APPROVED VISION PLANS	5-6
CONCEPTUAL PLANS	7-8
AERIAL	9
AREA MAP	10
DEMOGRAPHICS	11-12

PROPERTY DESCRIPTION	
PROPERTY ADDRESS	32795 W. 10 Mile Road, Farmington, MI
LOCATION MARKET	On the south side of 10 Mile Road, east of Farmington Road, west of Power Road.
PARCEL ID NUMBER	23-27-126-004
LEGAL DESCRIPTION	T1N, R9E, SEC 27 FARMINGTON WOODS ALL THAT PART OF LOTS 1 TO 4 INCL & LOTS 25 TO 29 INCL & LOTS 49 & 50 ALL DESC AS BEG AT PT DIST S 89-52-02 W 886.53 FT FROM N 1/4 COR, TH S 05-58-12 W 475.18 FT, TH N 84-19-53 W 379.78 FT, TH N 00-19-14 E 434.11 FT, TH N 89-52-02 E 424.92 FT TO BEG
ZONING	R1 - Residential
	Multi Family, Single Family, Duplex, and other uses possible. Seller is City of Farmington, which will consider all uses compatible with surrounding areas.
UTILITIES	City Water and Sewer
SURROUNDING BUSINESSES	Farmington Public Schools central office and transportation center (will move out in next 1 or 2 years). Our Lady of Sorrows Church and School.
SIZE	Land: 3.87 Acres
OCCUPANCY	Seller wants proposal that includes demolition of current 15,652 SF building. The price has been adjusted to allow for this expense to Purchaser.
SALE PRICE	\$450,000.00
TERMS	Seller will consider the income from future real estate taxes and the addition of new households to the community when evaluating purchase and development proposals.
ENVIRONMENTAL & SURVEY	Recent Phase I and Phase II available. ALTA survey also available

SURVEY



COMMERICAL & INVESTMENT REALTORS

APPROVED VISION PLAN

03 DEVELOPMENT PLAN

DRAFT 8.24.15

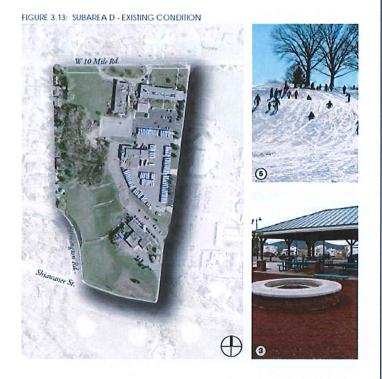
DEVELOPMENT AREA D

DESCRIPTION

A unique medium density residential development that integrates existing natural features and areas that enhances the character and connections within the Shiawassee Road Corridor

PROGRAM

- · Medium density residential uses
- Maintained existing sledding hill
- Wooded area
- Greenspace connections to natural areas and Shiawassee Park
- · Improved intersection to create a gateway
- · Context sensitive design



42 CITY OF FARMINGTON DOWNTOWN AREA PLAN

COMMERICAL & INVESTMENT REALTORS

APPROVED VISION PLAN

DRAFT 8.24.15





Site Area: +/- 18.8 Acres M.F. Residential: 120 d.u.

Parking Required Parking Provided 180 sp. Residential: 1.5/du. 240 sp.

Total Required: 180 sp. Total Provided: 240 sp.



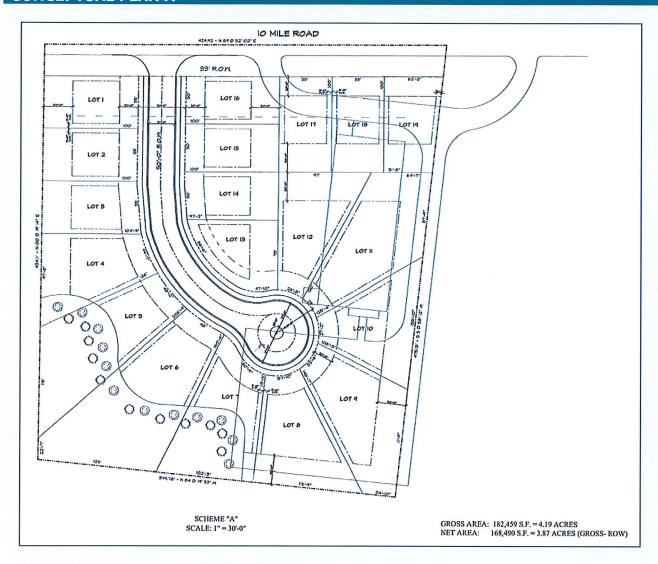
LEGEND

- 1. 1-2 Story Residential 8 Units / Building
- 2-3 Story Residential 12 Units / Building
- Pool
- Community Pavilion / Fire pit
- 5. Existing Sledding Hill
- **Existing Wooded Area**
- Future public parking and improved recreational space
- 8. Proposed intersection enhancements (pedestrian crossing and aesthetics)



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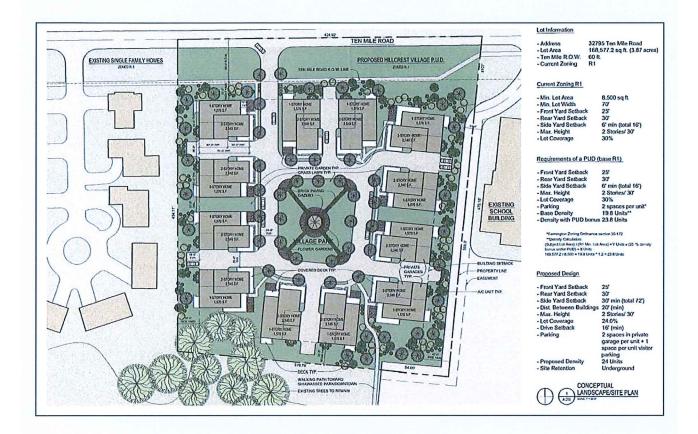
CONCEPTUAL PLAN A



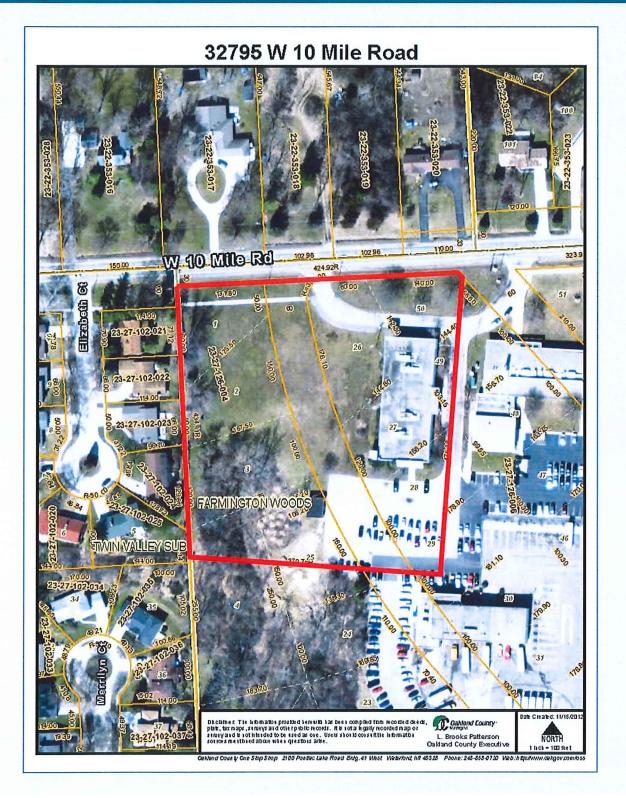
Packet Pg. 43

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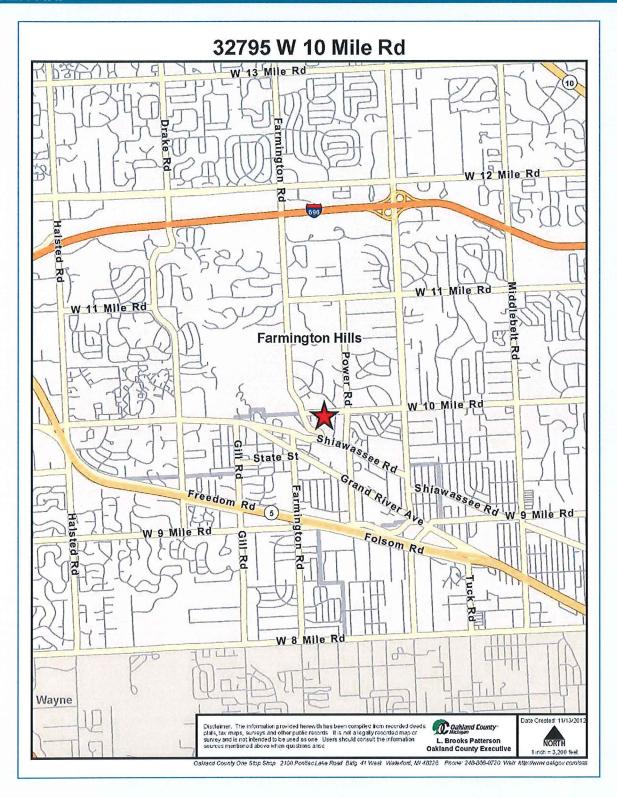
CONCEPTUAL PLAN B



AERIAL



AREA MAP



Packet Pg. 46



Executive Summary

Prepared by Thomas Duke

Latitude: 42.469759 Longitude: -83.3716

32795 W 10 Mile Rd 32795 W 10 Mile Rd, Farmington, MI, 48336 Ring: 1, 3, 5 Miles

-	1 mile radius	3 miles radius	5 miles radius
2010 Population			
Total Population	6.643	75,129	198,660
Male Population	46.5%	48.3%	48.2%
Female Population	53.5%	51.7%	51.8%
Median Age	46.7	41.1	41.6
2010 Income			
Median HH Income	\$72,613	\$75,140	\$75,149
Per Capita Income	\$41,997	\$39,761	\$39,804
Average HH Income	\$90,365	\$92,092	\$96,193
Average III III.come	000,000	φ32,032	φ30,130
2010 Households			
Total Households	2,943	32,009	81,992
Average Household Size	2.21	2.31	2.39
2010 Housing			
Owner Occupied Housing Units	73.3%	58.6%	63.6%
Renter Occupied Housing Units	21.6%	34.6%	28.9%
Vacant Housing Units	5.2%	6.8%	7.5%
Population			
1990 Population	6,744	69,759	185,372
2000 Population	6,737	75,394	200,018
2010 Population	6,643	75,129	198,660
2015 Population	6,565	74,330	196,034
1990-2000 Annual Rate	-0.01%	0.78%	0.76%
2000-2010 Annual Rate	-0.14%	-0.03%	-0.07%
2010-2015 Annual Rate	-0.24%	-0.21%	-0.27%

In the identified market area, the current year population is 198,660. In 2000, the Census count in the market area was 200,018. The rate of change since 2000 was -0.07 percent annually. The five-year projection for the population in the market area is 196,034, representing a change of -0.27 percent annually from 2010 to 2015. Currently, the population is 48.2 percent male and 51.8 percent female.

Households			
1990 Households	2,865	28,507	73,402
2000 Households	2,927	31,740	82,121
2010 Households	2,943	32,009	81,992
2015 Households	2,923	31,774	81,066
1990-2000 Annual Rate	0.21%	1.08%	1.13%
2000-2010 Annual Rate	0.05%	0.08%	-0.02%
2010-2015 Annual Rate	-0.14%	-0.15%	-0.23%

The household count in this market area has changed from 82,121 in 2000 to 81,992 in the current year, a change of -0.02 percent annually. The five-year projection of households is 81,066, a change of -0.23 percent annually from the current year total. Average household size is currently 2.39, compared to 2.40 in the year 2000. The number of families in the current year is 52,269 in the market area.

Housing

Currently, 63.6 percent of the 88.684 housing units in the market area are owner occupied; 28.9 percent, renter occupied; and 7.5 percent are vacant. In 2000, there were 85,269 housing units - 67.3 percent owner occupied, 29.0 percent renter occupied and 3.7 percent vacant. The rate of change in housing units since 2000 is 0.38 percent. Median home value in the market area is \$156,548, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 0.6 percent annually to \$161,314. From 2000 to the current year, median home value changed by -1.71 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.

@2011 Esn

11/15/2012

Page 1 of 2

COMMERICAL & INVESTMENT REALTORS



Executive Summary

Prepared by Thomas Duke

32795 W 10 Mile Rd 32795 W 10 Mile Rd, Farmington, MI, 48336

Ring: 1, 3, 6 Miles

Latitude: 42.469759 Longitude: -83.3716

	1 mile radius	3 miles radius	5 miles radius
Median Household Income			
1990 Median HH Income	\$40,487	\$45,842	\$47,926
2000 Median HH Income	\$61,683	\$61,093	\$62,661
2010 Median HH Income	\$72,613	\$75,140	\$75,149
2015 Median HH Income	\$84,034	\$87,069	\$85,314
1990-2000 Annual Rate	4.3%	2.91%	2.72%
2000-2010 Annual Rate	1.6%	2.04%	1.79%
2010-2015 Annual Rate	2.96%	2.99%	2.57%
Per Capita Income			
1990 Per Capita Income	\$21,085	\$22,492	\$23,130
2000 Per Capita Income	\$34,932	\$32,816	\$33,335
2010 Per Capita Income	\$41,997	\$39.761	\$39,804
2015 Per Capita Income	\$47,957	\$45,176	\$45,152
1990-2000 Annual Rate	5.18%	3.85%	3.72%
2000-2010 Annual Rate	1.81%	1.89%	1.75%
2010-2015 Annual Rate	2.69%	2.59%	2.55%
Average Household Income			
1990 Average Household Income	\$47,015	\$54,324	\$58,734
2000 Average Household Income	\$77,569	\$76,589	\$80,907
2010 Average HH Income	\$90,365	\$92,092	\$96,193
2015 Average HH Income	\$102,629	\$104,292	\$108,911
1990-2000 Annual Rate	5.13%	3.49%	3.25%
2000-2010 Annual Rate	1.5%	1.81%	1.7%
2010-2015 Annual Rate	2.58%	2.52%	2.51%

Households by Income

Current median household income is \$75,149 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$85,314 in five years. In 2000, median household income was \$62,661, compared to \$47,926 in 1990.

Current average household income is \$96,193 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$108,911 in five years. In 2000, average household income was \$80,907, compared to \$58,734 in 1990.

Current per capita income is \$39,804 in the market area, compared to the U.S. per capita income of \$28,739. The per capita income is projected to be \$45,152 in five years. In 2000, the per capita income was \$33,335, compared to \$23,130 in 1990.

Population by Employment

 Total Businesses
 466
 3,665
 11,150

 Total Employees
 3,793
 43,481
 141,946

Currently, 87.4 percent of the civilian labor force in the identified market area is employed and 12.6 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 89.8 percent of the civilian labor force, and unemployment will be 10.2 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 86.7 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.0 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 77.4 percent in white collar jobs (compared to 61.6 percent of U.S. employment)
- 11.0 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 11.6 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 88.6 percent of the market area population drove alone to work, and 2.6 percent worked at home. The average travel time to work in 2000 was 25.1 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2010, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 6.5 percent had not earned a high school diploma (14.8 percent in the U.S.)
- 19.7 percent were high school graduates only (29.6 percent in the U.S.)
- 6.9 percent had completed an Associate degree (7.7 percent in the U.S.)
- 26.6 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 19.9 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esti forecasts for 2010 and 2015. Esti converted 1990 Census data into 2000 geography.

₩2011 Esn

11/15/2012

Page 2 of 2