



October 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: * Revised - Property Sale of 20110 Woodward, Detroit, MI
Request for Authorization to Amend 2020-21 Budget**

Honorable City Council:

The City of Detroit ("City"), through its Planning and Development Department ("P&DD"), has received an offer from State Fair Partners, LLC ("Purchaser"), a Delaware limited liability company, to purchase certain City-owned real property at 20110 Woodward (the "Property"), formerly known as the Michigan State Fairgrounds, for the purchase price of Sixteen Million and 00/100 Dollars (\$16,000,000.00) ("Purchase Price").

The Purchaser proposes to initially redevelop an approximately 78-acre portion of the Property into a new 3.8 million square-foot anchor tenant facility to be used by Amazon as a distribution center. It is anticipated that this proposed use of the Property will bring approximately 1,200 new jobs to Detroit. The remainder of the Property will be redeveloped into potential spaces for automotive industry suppliers or other light industrial uses that create additional jobs at the Property. Currently, the Property is within a B4 zoning district (General Business District). The Purchaser's proposed use of the Property will be consistent with the allowable uses for which the Property is zoned, however it is anticipated that the Purchaser may eventually seek a rezoning of the Property for any proposed future uses that are inconsistent with the current zoning. The City has committed to conducting two public meetings within the community before any conditional land use or rezoning hearings will be approved for uses on the remainder of the Property. Furthermore, the City will conduct a health assessment of the Property that includes air quality baseline testing, so that results can be made available should any future industrial uses be proposed on the Property.

To improve the passenger experience of bus riders and serve the transportation needs of the area, the City has proposed to design and construct a new state-of-the-art transit center ("Transit Center") to replace the current one on Woodward Avenue. Design and construction of the new Transit Center will be completed by the Detroit Building Authority ("DBA") under an agreement that will be brought before this Honorable Body for separate approval. The City will work with the Purchaser to design and construct certain dedicated interior roadways within the Property that utilize complete streets standards and that provide pedestrian and non-motorized connections to the Transit Center. Such connections will also be studied and, if appropriate, the City will encourage the creation of other pedestrian and non-motorized connections elsewhere within the Property. Additionally and as part of the demolition and environmental remediation work required



for the new Transit Center, the City will conduct a 3-month feasibility study of certain historic structures that may require demolition.

In addition to the new Transit Center, the City's General Services Department has committed to undertaking two park improvement projects within the surrounding communities of the Property by either rehabbing an existing park or constructing a new park near the Property with bond funds to be borrowed in 2020 for public park improvements.

To support capital projects, the City requests that the Fiscal Year 2020-2021 Budget be amended for Appropriation No. 20507 – Capital Projects to accept and appropriate for expenditure Fourteen Million and 00/100 Dollars (\$14,000,000.00) of the Purchase Price. The City plans to use capital funding to support the design and construction of the new Transit Center (estimated at \$7,000,000.00), to reimburse the City Capital Project Fund for the initial Property acquisition payment made to the State of Michigan Land Bank Fast Track Authority ("MLBFTA") (\$3,500,000.00) and to make the final Property acquisition payment to the MLBFTA (\$3,500,000.00). The Property acquisition payments are consistent with the resolution approved by Detroit City Council on July 24, 2018 that approved the City's acquisition of the Property.

The remaining Two Million and 00/100 Dollars (\$2,000,000.00) of the Purchase Price will be accounted for as surplus land sale revenue. With each recommended budget, the Office of Budget completes a reconciliation procedure as determined by the Deputy CFO / Budget Director to determine the appropriation to the Detroit Affordable Housing Development and Preservation Fund in accordance with Sec. 22-3-7(c) of the 2019 Detroit City Code.

We hereby request that your Honorable Body adopt the attached resolution to: (1) authorize the P&DD Director to execute a quit claim deed, Agreement of Purchase and Sale, and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Purchaser and (2) amend the Fiscal Year 2020-2021 Budget for Appropriation No. 20507 to accept and appropriate a portion of the Purchase Price for capital projects, and (3) authorize the City to pay the balance owed to the MLBFTA for the Property.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

APPROVED:

Tanya Stoudemire
Deputy CFO/Budget Director
City of Detroit

10/07/2020

Date

cc: Avery Peebles (Mayor's Office)

RESOLUTIONBY COUNCIL MEMBER Tate

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves the sale of certain real property at 20110 Woodward, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to State Fair Partners, LLC ("Purchaser"), a Delaware limited liability company, or its affiliates, for the purchase price of Sixteen Million and 00/100 Dollars (\$16,000,000.00) (the "Purchase Price"); and be it further

RESOLVED, that the final legal description of the Property to be sold to Purchaser pursuant to this resolution may be reduced at the discretion of the Director of the Planning and Development Department ("P&DD"), or his authorized designee, by a certain identified area of real property that will be retained by the City of Detroit ("City") for the City's construction and operation of a new transit center ("Transit Center"); and be it further

RESOLVED, that any such reduction in the final legal description of the Property to be sold to Purchaser shall not reduce the Purchase Price. The Purchase Price shall be Sixteen Million and 00/100 Dollars (\$16,000,000.00) regardless of the size of the final legal description of the Property; and be it further

RESOLVED, that the P&DD Director, or his authorized designee, is authorized to execute a quit claim deed, Agreement of Purchase and Sale, and such other documents as may be necessary or convenient to effect the transfer of the Property to Purchaser consistent with this resolution; and be it further

RESOLVED, that the Fiscal Year 2020-2021 Budget is hereby amended for Appropriation No. 20507 – Capital Projects to accept and appropriate Fourteen Million and 00/100 Dollars (\$14,000,000.00) of the Purchase Price to support capital projects, such as the Transit Center, land acquisition or other capital projects; and be it further

RESOLVED, that the City is hereby authorized to pay the State of Michigan Land Bank Fast Track Authority ("MLBFTA") Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00) from Appropriation No. 20507 – Capital Projects ("Balance Amount") to cover the remaining balance owed on the City's acquisition of the Property pursuant to that certain separate resolution approved by Detroit City Council on July 24, 2018; and be it further

RESOLVED, that for clarification purposes, the Purchase Price revenue will be allocated by the City as follows:

1. \$14,000,000.00 accepted and appropriated in Appropriation No. 20507 – Capital Projects;

2. \$2,000,000.00 accepted in Appropriation No. 00014 – HRD Community Development as surplus land sale proceeds.

RESOLVED, that the P&DD Director, or his authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular portions of the Property) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it further

RESOLVED, that the quit claim deed and Agreement of Purchase and Sale will be considered confirmed when executed by the P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form; and be it further

RESOLVED, that, upon the City's receipt of the Purchase Price, the Office of the Chief Financial Officer is hereby authorized to pay the Balance Amount to the MLBFTA; and be it further

RESOLVED, that the City's General Services Department ("GSD") shall initiate two park improvements projects within the surrounding communities of the Property; and be it further

RESOLVED, that the City will allow a 3-month period for a feasibility study of those certain buildings known as the Dairy Cattle Building, Coliseum and Agriculture Building (Joe Dumars Fieldhouse) prior to the demolition of any such buildings to make way for the Transit Center, enabling advocates, P&DD and the DBA to evaluate potential reuse or relocation of those buildings; and be it further

RESOLVED, that the City will conduct a health assessment consisting of the following: (1) air quality baseline testing in and around the Property prior to completion of the first phase of construction on the Property and subsequent to the start of operations, so that results can be made available should any future industrial uses be proposed on the Property that are in addition to the proposed new Amazon distribution center contemplated for the Property, and (2) verify the accuracy of the existing sound and lighting assessments based on the actual conditions of operations; and be it further

RESOLVED, that the City will work with the Purchaser to design and construct certain dedicated interior roadways within the Property that utilize complete streets standards and that provide pedestrian and non-motorized connections to the Transit Center. Further, the City will work with the Purchaser to study such connections and, if appropriate, encourage the creation of other pedestrian and non-motorized connections elsewhere within the Property; and be it further

RESOLVED, that upon notification by the City's Buildings, Safety Engineering and Environmental Department ("BSEED"), P&DD or GSD of an administrative hearing, or a Board of Zoning Appeals ("BZA") proceeding or a City Planning Commission ("CPC") proceeding for a land use or rezoning proceeding for the Property related to future uses of the Property that are in addition to use for an Amazon distribution center, the City will: (1) host up to two community

meetings total if any such hearing or proceeding is requested and (2) at such community meetings, solicit community input and present industrial buffering methods, which the City will recommend to BSEED, BZA or the CPC if an applicant seeks applicable land use or rezoning approvals for the Property; and be it finally

RESOLVED, that the Office of the Chief Financial Officer be and it hereby authorized to increase the necessary accounts and honor expenditures and vouchers, when presented in accordance with this resolution and standard City procedures.

(See Attached Exhibit A)

EXHIBIT A

Description of Property

LEGAL DESCRIPTION - AS SURVEYED

Said Land being further described as follows:

A parcel of land in a part of the Northwest and Northeast Quarters of Section 2, Township 01 South, Range 11 East, City of Detroit, Wayne County, Michigan, being described as:

Commencing at the Northwest corner of said Section 2, thence South 02 degrees 34 minutes 24 seconds East, 33.00 feet along the West line of said Section 2 to the South right-of-way line of Eight Mile Road (width varies), being the North line of GERMAN'S MONTROSE-PARK SUBDIVISION as shown in Liber 29 of Plats, page 83 of the Wayne County Records; thence North 87 degrees 11 minute 23 seconds East (Basis of Bearings), 1323.68 feet along said South right-of-way line of Eight Mile Road and the North line of said GERMAN'S MONTROSE-PARK SUBDIVISION to the Northeast corner of said subdivision and the POINT OF BEGINNING; thence continuing along said south right-of-way line North 87 degrees 11 minutes 23 seconds East, 1249.15 feet to the Southwesterly right-of-way line of the CN Railroad (formerly Grand Trunk Western Railroad); thence along said right of way the following five courses: 1) South 32 degrees 02 minutes 36 seconds East, 169.96 feet; 2) South 45 degrees 07 minutes 32 seconds East, 110.43 feet; 3) South 32 degrees 02 minutes 36 seconds East, 2503.17 feet; 4) South 02 degree 04 minutes 21 seconds East, 40.04 feet; 5) South 32 degrees 02 minutes 36 seconds East, 188.24 feet to north line of State Fair Avenue (66 feet wide); thence along said north line South 88 degrees 20 minutes 01 seconds West 1405.91 feet; thence continuing along said north line to the east line of a 5 acre parcel, described in a Resolution passed on July 24, 2018 and Certified by the City Clerk's Office on August 2, 2018, said line being the northerly extension of the westerly right of way line of Ralston Avenue (66 feet wide) South 87 degrees 46 minutes 09 seconds West, 1325.45 feet, thence along the lines of said 5 acre parcel the following three courses: 1) North 02 degree 34 minutes 57 seconds West, 277.92 feet; 2) South 87 degrees 46 minutes 08 seconds West, 588.68 feet; 3) North 02 degree 13 minutes 52 seconds West, 86.11 feet to the South line of the DNR Pocket Park, as described in Liber 36120, page 404 of said Wayne County Records; thence along the lines of said DNR Pocket Park the following five courses: 1) North 87 degrees 18 minutes 04 seconds East, 53.51 feet; 2) North 01 degree 17 minutes 09 seconds West, 252.35 feet; 3) South 87 degrees 54 minutes 36 seconds West, 169.82 feet; 4) North 02 degree 05 minutes 24 seconds West, 13.00 feet; 5) South 87 degrees 34 minutes 25 seconds West, 251.60 feet to the easterly right-of-way line of Woodward Avenue (204 feet wide); thence North 27 degrees 25 minutes 30 seconds West, 290.70 feet along said easterly line to the south line of an 11 acre parcel, as described in a Resolution dated August 2, 2018; thence along the lines of said 11 acre parcel the following six courses: 1) North 87 degrees 31 minutes 34 seconds East, 531.35 feet; 2) North 02 degree 26 minutes 39 seconds West, 312.98 feet; 3) North 87 degrees 50 minutes 31 seconds East, 30.51 feet; 4) North 02 degree 26 minutes 39 seconds West 30.01 feet; 5) North 35 degrees 27 minutes 14 seconds East, 28.78 feet; 6) North 02 degree 26 minutes 39 seconds West 306.83 feet to the South line of STATE FAIR SUBDIVISION NO. 2, as shown in Liber 28 of Plats, page 20 of said Wayne County Records; thence North 88 degrees 22 minutes 33 seconds East, 490.27 feet along said South line to the East line of said STATE FAIR SUBDIVISION NO. 2; thence North 02 degree 30 minutes 30 seconds West 1008.14 along the East lines of said STATE FAIR SUBDIVISION NO. 2, and said GERMAN'S MONTROSE-PARK SUBDIVISION to the POINT OF BEGINNING.

ALSO described AS

LEGAL DESCRIPTION

(Per First American Title Insurance Company Commitment No. 1002-304695-RTT Revision 1.
Commitment

Date May 19, 2020)

The land is described as follows: Part of the Northwest and Northeast Quarters of Section 2, Township 1 South, Range 11 East, City of Detroit, Wayne County, Michigan, being described as: Commencing at the Northwest corner of said Section 2; thence South 01 degree 45 minutes 13 seconds East, 33.00 feet along the West line of said Northwest Quarter to the South right of way line of Eight Mile Road being the North line of GERMAN'S MONTROSE-PARK SUBDIVISION as shown in Liber 29 of Plats, page 83 of the Wayne County Records; thence North 88 degrees 00 minute 34 seconds East (Basis of Bearings), 1323.68 feet along said South right of way line of Eight Mile Road and the North line of said GERMAN'S MONTROSE-PARK SUBDIVISION to the Northeast corner of said subdivision and the POINT OF BEGINNING; thence North 88 degrees 00 minute 34 seconds East, 1249.15 feet continuing on said South right of way line of Eight Mile Road, to the Southwesterly right of way line of the Grand Trunk Western Railroad; thence along said right of way the following five courses: 1) South 31 degrees 13 minutes 25 seconds East, 169.96 feet; 2) South 44 degrees 18 minutes 21 seconds East, 110.43 feet; 3) South 31 degrees 13 minutes 25 seconds East, 2503.17 feet; 4) South 01 degree 15 minutes 10 seconds East, 40.04 feet; 5) South 31 degrees 13 minutes 25 seconds East, 188.24 feet to North line of State Fair Avenue (66 feet wide); thence South 89 degrees 09 minutes 12 seconds West, along said North line, 1405.91 feet; thence South 88 degrees 35 minutes 20 seconds West, 1325.45 feet continuing along said North line to the East line of a 5 acre parcel described in a Resolution passed on July 24, 2018 and Certified by the City Clerk's Office on August 2, 2018 said line being the Northerly extension of the Westerly right of way line of Ralston Avenue (66 feet wide); thence along the lines of said 5 acre parcel the following three courses: 1) North 01 degree 45 minutes 46 seconds West, 277.92 feet; 2) South 88 degrees 35 minutes 19 seconds West, 588.68 feet; 3) North 01 degree 24 minutes 41 seconds West, 86.11 feet to the South line of DNR Pocket Park as described in Liber 36120, page 404 of said Wayne County Records; thence along the lines of said DNR Pocket Park the following five courses: 1) North 88 degrees 07 minutes 15 seconds East, 53.51 feet; 2) North 00 degree 27 minutes 58 seconds West, 252.35 feet; 3) South 88 degrees 43 minutes 47 seconds West, 169.82 feet; 4) North 01 degree 16 minutes 13 seconds West, 13.00 feet; 5) South 88 degrees 23 minutes 36 seconds West, 251.60 feet to the Easterly right of way line of Woodward Avenue (204 feet wide); thence North 26 degrees 36 minutes 19 seconds West, 290.70 feet along said Easterly right of way line to the South line of an 11 acre parcel as described in said Resolution dated August 2, 2018; thence along the lines of said 11 acre parcel the following six courses: 1) North 88 degrees 20 minutes 45 seconds East, 531.35 feet; 2) North 01 degree 37 minutes 28 seconds West, 312.98 feet; 3) North 88 degrees 39 minutes 42 seconds East, 30.51 feet; 4) North 01 degree 37 minutes 28 seconds West, 30.01 feet; 5) North 36 degrees 16 minutes 25 seconds East, 28.78 feet; 6) North 01 degree 37 minutes 28 seconds West, 306.83 feet to the South line of STATE FAIR SUBDIVISION NO. 2, as shown in Liber 28 of Plats, page 20 of said Wayne County Records; thence North 88 degrees 22 minutes 33 seconds East, 490.27 feet along said South line to the East line of said STATE FAIR SUBDIVISION NO. 2; thence North 01 degree 41 minutes 19 seconds West, 1008.14 along the East lines of said STATE FAIR SUBDIVISION NO. 2, and said GERMAN'S MONTROSE-PARK SUBDIVISION to the point of beginning.

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

#15 NB

		YEAS	NAYS
Janee	AYERS	✓	
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ		✓
Gabe	LELAND	✓	
Roy	MCCALISTER, JR.	✓	
*Mary	SHEFFIELD		
Andre	SPIVEY	✓	
James	TATE		
Brenda	PRESIDENT JONES		✓
*PRESIDENT PRO TEM			
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TRUE COPY CERTIFICATE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Wrobley

, City Clerk of the City of Detroit, in said

State, do hereby certify that the annexed paper is a TRUE COPY OF Resolution

adopted (passed) by the City Council at session of

October 20, 20 20

and approved by Mayor

October 28, 20 20

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

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 29th

day of October A.D. 20 20

Janice M. Wrobley
CITY CLERK