

COUNCIL COMMUNICATION

From: The City Manager

Subject: Approval of Purchase and Development Agreement for Michigan Healthpark

Manager's Recommendation:

I recommend approval of the Purchase and Development Agreement with Michigan Healthpark Development, LLC with regard to the property on Davenport Avenue (see attached map), and that the City Manager or his designee be authorized to execute all related documents. This Agreement has been approved by me as to substance and the City Attorney as to form.

Justification:

The City owns several large parcels of land that are generally unimproved, except for some storage facilities and a stormwater retention basin. The property is subject to Orders of Abatement from the Michigan Department of Environmental Quality ("MDEQ"), pursuant to which the City is required to implement a remedial action plan.

Michigan Healthpark Development, LLC is interested in acquiring this property so that it can develop it into a medical health park, including physician offices and other healthcare facilities, a hotel, retail stores and other related facilities. In exchange for the transfer of this property for \$1, Michigan Healthpark Development, LLC will invest a minimum of \$10 million to complete the project, create approximately 40 new medical jobs and potentially more in other areas. The project would be completed by December 31, 2013. If Michigan Healthpark Development, LLC does not fulfill its obligations, the property would be returned to the City.

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The proposed Purchase and Development Agreement contains provisions ensuring that the City is able to maintain environmental control over the property to satisfy all conditions imposed or to be imposed by the MDEQ, as well as providing a suitable development site for Michigan Healthpark Development, LLC.

Council Action:

Council _____ moved that the recommendation from the City Manager be approved.