

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Second Amendment of Purchase and Development Agreement for North Hamilton Project

**Manager's Recommendation:**

I recommend approval of the Second Amendment to the Purchase and Development Agreement with SSP Associates, Inc. ("SSP") with regard to the property at 314-406 N. Hamilton, and that the City Manager or his designee be authorized to execute all related documents. This Second Amendment has been approved by the City Manager as to substance and the City Attorney to form.

**Justification:**

On March 6, 2005, the City executed a Purchase and Development Agreement with SSP for the sale and development of two parcels of property commonly known as 314-406 N. Hamilton. SSP agreed to obtain certificates of occupancy for the minimum 10 residential units and a certificate of occupancy for the 3,000 square feet of commercial space by December 31, 2006. Many activities supporting the project have occurred since the signing of the original agreement. Saginaw Future has written and secured grant funds to acquire adjacent property and fund infrastructure improvements. Once the funds were secured, meetings were held with Consumers Energy to relocate obstructing utility lines, which were removed in 2006.

On July 10, 2006, the parties amended the original agreement and extended the time for occupancy to December 31, 2008. Due to the downturn in the economy and high foreclosure rates, the project has been delayed. SSP has requested that the City of Saginaw establish a Neighborhood Enterprise Zone as an incentive to potential

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residents of the development. City Council is now considering the request and SSP is prepared to move forward with the project following Council action.

Due to these circumstances, SSP has requested a Second Amendment to the Purchase and Development Agreement to extend the timeframe from December 31, 2008 to December 31, 2010 to complete construction of both the residential and commercial space and to obtain occupancy permits.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation from the City Manager be approved.