

COUNCIL COMMUNICATION

From: The City Manager

Subject: Second Addendum to Development Agreement with Wolgast Corporation

Manager's Recommendation:

I recommend that the Second Addendum to the Purchase and Development Agreement with Wolgast Corporation be approved and that the City Manager or his designee be authorized to execute all documents necessary. This second purchase and development agreement addendum has been approved by the City Manager as to substance and the City Attorney as to form.

Justification:

On December 5, 2005, the City of Saginaw entered into a purchase and development agreement with Wolgast Corporation for property located in the 3200, 3300, 3400, 3500, and 3600 block of Douglass St. on the southeast side of the City. Due to the initial lack of success in obtaining tax credits, the project was delayed, and the agreement amended. The Michigan State Housing Development Authority ("MSHDA") has now approved Wolgast's application, but the process has taken longer than expected. MSHDA did not process the Summer 2007 applications until January 2008. For that reason, the time requirements for the start and completion of construction need to be changed to a corresponding amount of time.

Council Action:

Council_____ moved that the recommendation of the City Manager be approved.