

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Third Amendment to Development Agreement with Wolgast Corporation

**Manager's Recommendation:**

I recommend that the Third Amendment 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 Third Amendment to the Purchase and Development Agreement 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") approved Wolgast's application, but the process took longer than expected, and the Agreement was amended again on February 27, 2007. The recent difficulties in the credit market have occasioned a further delay and this proposed amendment would allow Wolgast Corporation to extend the closing date until July 1, 2009.

**Council Action:**

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