



September 28, 2020

Council Meeting of October 6, 2020
Subject: Sale of City-owned Property,
640 Algonquin Court

The Honorable Mayor
and
City Council Members

Ladies and Gentlemen:

Comcast of Michigan has made an offer to purchase a portion of the city-owned parcel located at 640 Algonquin Court. The sale price is \$7,344.00 and the offer is contingent on the City vacating an alley through the property, approval of a land division and Comcast’s successful purchase of property held in the Muskegon County Land Bank at 760 W. Broadway Avenue. Staff recommends sale of the property as the parcel has little value to the City and it will improve and enhance Comcast’s service center location on Broadway Avenue.

Attached is a resolution for City Council’s consideration authorizing the City Administrator to sign the letter of intent from Comcast to purchase the property and authorize the Mayor and City Clerk to execute a buy/sell agreement and related closing documents acceptable to the City Attorney.

Respectfully submitted,

Mark C. Meyers
City Administrator

/ss
Attachments

| | | | | | |
|---|--------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|
| Administration/City Clerk (231) 798-4391 | Assessing Division (231) 799-6806 | Building Division (231) 799-6801 | Finance/Treasurer (231) 799-6805 | Fire Prevention (231) 799-6809 | Fire Department (231) 798-2255 |
| Parks/Recreation (231) 799-6802 | Planning/Zoning (231) 799-6800 | Police Department (231) 733-2691 | Public Works (231) 799-6803 | Streets Division (231) 798-2156 | Water/Sewer (231) 799-6804 |

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the City Administrator is authorized to sign a letter of intent from Comcast of Michigan for the purchase of a portion of 640 Algonquin Court for the approximate sale price of \$7,344.00; and

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to execute a buy/sell agreement with Comcast of Michigan for the property at 640 Algonquin Court when all contingencies have been met and the agreement is deemed acceptable to the City Attorney.

At a regular meeting of the Norton Shores City Council, held remotely, on the 6th day of October 2020, the foregoing resolution was moved for adoption by Council Member _____. The motion was supported by Council Member _____.

Ayes:

Nays:

Resolution declared adopted/denied.

Shelly Stibitz, City Clerk



Internal Memo

September 28, 2020

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator

SUBJECT: Sale of 640 Algonquin Court

Comcast is interested in purchasing a portion of the city-owned lot located at 640 Algonquin Court. The property is just north of Broadway Avenue and east of Henry Street. It is an odd shaped lot in an unusual location and is not a good candidate for marketing for economic development purposes.

The property is made up of an east/west alley off of Henry Street and portions of it were the former Cherry Court right-of-way. Comcast wishes to enlarge the footprint of its Broadway Avenue service center and improve ingress and egress to their existing property. The sale price is approximately \$7,344. It should be noted that the sale is conditional on several things including, vacation of the alley running through the property, approval of a land division and the buyer's successful closing on the Muskegon Landbank property located at 760 W. Broadway.

Staff has been working with Comcast on this property sale for approximately two years. The lot has an unusual history and it took some time to sort it out. However, staff supports selling the property to Comcast as it has little value on its own and will enhance and improve Comcast's service center site.

Therefore, staff requests that City Council authorize me, as City Administrator, to approve the letter of intent to sell the property to Comcast of Muskegon and, further, authorize the execution of a buy/sell agreement by the Mayor and City Clerk that is consistent with the letter of intent and acceptable to the City Attorney.

September 15, 2020

Mark Meyers
City of Norton Shores
4814 Henry Street
Norton Shores, MI 49441

Re: Non-Binding Letter of Intent for a portion of the property located at 640 Algonquin Ct. Norton Shores, MI, Parcel No. 27-445-000-0060-00, as shown on attached Exhibit A, and an alley to be vacated, as shown on attached Exhibit B.

Dear Mr. Meyers:

This letter ("Letter of Intent") is a non-binding expression of the basic terms and conditions we propose for the purchase and sale of the Property described below, which may be incorporated into a binding purchase and sale agreement (the "Purchase and Sale Agreement").

Seller. City of Norton Shores, Michigan, a municipal corporation ("Seller").

Buyer. Comcast of Muskegon, a Michigan partnership ("Buyer").

Property. A portion of the property located at 640 Algonquin Court, Norton Shores MI, Parcel Number 27-445-000-0060-00, as shown on Exhibit A (the "Subdivided Parcel"), along with that portion of the alley to be vacated by the City as shown on Exhibit B (the "Alley") as to which title will vest one-half in Seller and one-half in the adjacent property owners upon vacation of the Alley by virtue of its ownership of the Subdivided Parcel (such portion of the Alley as to which title will vest in Seller, together with the Subdivided Parcel, collectively, the "Property"). The square footage of the Subdivided Parcel will be confirmed once the Property has been surveyed. The legal description of the Property shall be determined by a survey prepared by a surveyor retained by Buyer.

Purchase Price. Sixty-eight cents (\$.68) per square foot of the Subdivided Parcel (the "Purchase Price"), which shall be paid by wire transfer at Closing, subject to applicable adjustments and prorations. Approximate Purchase Price for the Subdivided Parcel is seven thousand three hundred and forty-four dollars (\$7,344). Price will be confirmed upon completion of Buyer's ALTA survey. The Alley shall be vacated by Seller at no cost to Buyer.

Deposit. Five hundred and 00/100 (\$500.00) payable to the Title Company as escrow agent within ten (10) business days after mutual execution and delivery of the Purchase and Sale Agreement (together with any interest thereon, the "Deposit"). The Deposit shall be applied to the Purchase Price at Closing. If Buyer exercises a

termination right granted it in the Purchase and Sale Agreement, the Deposit shall be returned to Buyer. If the Purchase and Sale Agreement is terminated for a Buyer default, the Deposit shall be paid to Seller as Seller's sole and exclusive remedy.

Investigation Period. Subject to the paragraph below entitled "Additional Contingencies", Buyer shall have sixty (60) days from the mutual execution and delivery of the Purchase and Sale Agreement to complete its due diligence with respect to the Property and to satisfy any financing or other requirement Buyer may have with respect to this purchase (the "Investigation Period"). Buyer shall have the right to terminate the Purchase and Sale Agreement at any time prior to expiration of the Investigation Period, for any reason or no reason. Seller shall reasonably cooperate with Buyer in Buyer's inspections, investigations and evaluations of the Property and shall provide Buyer with copies of all surveys, environmental reports, leases, governmental or quasi-governmental permits and approvals and title and zoning information in its possession with respect to the Property within five (5) business days after Seller's execution and delivery of the Purchase and Sale Agreement.

Additional Contingencies. Buyer's obligation to pay the Purchase Price and otherwise close the transaction contemplated by the Purchase and Sale Agreement shall be contingent upon satisfaction of all of the following contingencies (the "Additional Contingencies"): (a) the City vacating the Alley shown on Exhibit B in accordance with terms and conditions acceptable to Buyer, (b) the Norton Shores City Council approving the division of the larger parcel of which the Subdivided Parcel is a part upon terms and conditions satisfactory to Buyer, and (c) Buyer closing on the purchase of certain property commonly known as 760 West Broadway Avenue, Norton Shores, Michigan simultaneously with or prior to the closing on the purchase of the Property by Buyer. If one or more of these Additional Contingencies is not satisfied within four (4) months after the expiration of the Investigation Period, Buyer shall have the right at any time thereafter to terminate the Purchase and Sale Agreement, in which event the Deposit shall be returned to Buyer.

Closing. Closing on the purchase and sale shall occur within thirty (30) days after the later of: (i) satisfaction of the Additional Contingencies, and (ii) the expiration of the Investigation Period.

Title Company. Fidelity National Title Insurance Company (the "Title Company"), acting through its office selected by Buyer, shall be the title insurer and escrow holder for this transaction.

Condition of Title. Title to the Property shall be good and marketable and conveyed to Buyer free and clear of all liens, restrictions, easements, encumbrances, leases, tenancies and other title objections, except for a utility easement to be established in the Alley and such exceptions as have been approved by Buyer during the Investigation Period ("Permitted Exceptions").

Closing Documents. Title to the Property shall be conveyed by covenant deed, subject only to Permitted Exceptions. Seller shall also deliver a FIRPTA certificate and

such certificates, organizational documents and affidavits required by the Title Company to evidence Seller's authority to perform its obligations under the Purchase and Sale Agreement and to issue to Buyer the owner's policy of title insurance required by Buyer.

Adjustments and Expenses. Apportionable expenses shall be prorated as of the Closing date. Title and survey costs shall be paid by the Buyer. Each party shall be responsible for the fees and expenses of any attorneys and other consultants retained by it in connection with this transaction.

Commissions. Each of Seller and Buyer shall represent in the Purchase and Sale Agreement that they have not dealt with any real estate broker or other finder with respect to this transaction other than Compass Commercial (the "Broker"). Neither Seller nor Buyer shall be responsible for any real estate commission due Broker in connection with the sale of the Property.

Effect of Letter. This Letter of Intent is intended only as a non-binding outline of the major terms and conditions for the sale of the Property and, whether countersigned or not, is not a binding agreement by either party to buy or sell the Property. The obligations of Seller and Buyer to complete the transactions contemplated by this Letter of Intent are subject in all respects to negotiation and mutual execution and delivery of a binding Purchase and Sale Agreement, which shall be prepared by Buyer on its standard form. As a result, neither party shall have any legal obligation or liability to the other party with respect to the matters set forth in this Letter of Intent unless and until a mutually agreed upon Purchase and Sale Agreement is fully executed and delivered by both parties. Each party agrees that it is proceeding at its sole cost and expense and that either party may terminate negotiations at any time and for any or no reason without liability or obligation whatsoever. Neither party shall treat this Letter of Intent as a promise by the other. Neither party shall rely on this Letter of Intent to its detriment or make a claim of promissory estoppel based on this Letter of Intent. This Letter of Intent may be modified or withdrawn by either party at any time. Notwithstanding anything to the contrary herein, neither party shall have an obligation to negotiate in good faith.

Very truly yours,

Comcast of Muskegon

By: _____

Name: Gerald C O'Brien

Title: Vice President, Real Estate

Accepted:

City of Norton Shores, MI

By: _____

Name:

Title:

Date: _____

CC: Frances Danese
Carl Vozza

640 Algonquin Ct Norton Shores part of lot 27-445-000-0060-00

9-11-20

Exhibit A



