


MEMORANDUM

TO: Erin LaPere, City Manager

FROM: Thomas M. Hitch, City Attorney 

RE: **Offer to Purchase 220 W. Shaw**

DATE: August 31, 2021

The purpose of this memorandum is to discuss the offer to purchase 220 W. Shaw, Charlotte, Michigan, received by the City, a copy of which is attached. The offer was made by the City's Assessor, Randy Jewell. He has offered \$4,000 to purchase this vacant lot. It is my understanding that the City received this parcel from the Michigan Department of Treasury as a result of a tax foreclosure in 2011. Mr. Jewell has indicated that there has been some interest in this property. However, it is my understanding that there has never been an offer made on the property up until now.

It is also my understanding that under the provisions under which the City received this property from the Michigan Department of Treasury, the City is entitled to receive whatever its allowable expenses were, as it relates to the acquisition of the property. It is my understanding that the City has the first position and if the offer is insufficient to cover the City's costs, the City has no obligation to share any proceeds with the Michigan Department of Treasury. However, it is also my understanding that once the City has been repaid for whatever its allowable expenses were, the Michigan Department of Treasury receives the balance of the proceeds. Thus, the City's recovery in the sale of a tax foreclosure such as this is capped at its allowable expenses.

The provisions regarding the sale of land are controlled by the City Charter at Section 15(B). At subsection 1, the resolution authorizing the sale of the property shall be completed in the manner in which it is to be finally passed, and remains on file with the Clerk for public inspection for 25 days before the final approval by the City Council. At subsection 2, upon presentation to City Council, it requires at least five members voting in favor. As this is not a park or cemetery, the provisions of subsection 3 do not apply.

It should also be noted that there is no obligation to put this property out for bids. In Section 15(C), there are requirements for bidding for "personal property" but none for real property. It should be noted that in Mr. Jewell's offer to purchase, he stated there had been some interest over the years in this parcel. That is an indication that there is at least some knowledge in the public at large of the availability of the property. The fact that the City has received no offers is clearly evidence that there has been no demand to acquire this parcel.

There is one final point. As you and I have noted, the City's recovery is limited to its allowable expenses. It is my opinion that there is no conflict in Mr. Jewell, as City Assessor,

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acquiring this property. Under different circumstances, an appraisal of the property might be warranted in order to have a record demonstrating that the purchase price was at its fair market value. As this property has been available for purchase for ten years, with no offers, that is evidence of a very low market value.

Please contact me if you have any further questions.

mld

July 29, 2021

To: Erin LaPere, City Manager

From: Randy Jewell

Re: Offer to Purchase 220 W. Shaw

Erin,

As you know this is a vacant parcel of land the City acquired from the Michigan Department of Treasury via a tax foreclosure in 2011. This property has had some interest over the years and has never sold.

I am offering to purchase this property for \$4,000 and would respectfully request that you discuss this with the Mayor/Council for their consideration.

Sincerely,



Randy Jewell, Assessor