

**CONSIDERATION TO SUBMIT A 2008 MICHIGAN NATURAL RESOURCE
TRUST FUND (MNRTF) GRANT
(DEVELOPMENT/ACQUISITION)**

An e-mail from Council Member Andrew Mutch was received concerning a land acquisition opportunity through a Michigan Natural Resources Trust Fund (MNRTF) Grant program. The following is a copy of a memo sent to City administration along with a copy of Mr. Mutch's e-mail and a map of the property.

MEMORANDUM



TO: PAM ANTIL, ASSISTANT CITY MANAGER
FROM: RANDY AULER, CPRP, DIRECTOR PARKS, RECREATION & FORESTRY
SUBJECT: LAND ACQUISITION OPPORTUNITY THROUGH MICHIGAN NATURAL RESOURCES TRUST FUND (MNRTF) GRANT PROGRAM
DATE: FEBRUARY 6, 2008

Council Member Andrew Mutch sent the attached e-mail outlining a land acquisition opportunity which can be submitted to the Michigan Natural Resources Trust Fund (MNRTF) Grant land acquisition program. The Novi Parks staff in conjunction with the Novi Parks, Recreation & Forestry Commission will review this opportunity and provide a recommendation whether or not it would be beneficial to the City of Novi to pursue this particular acquisition through the grant process.

Please be aware that preparation of this grant application would need to be outsourced to a grant writing vendor in order to meet the application submittal date.

c: Novi City Council

Auler, Randy

From: Andrew Mutch [andrewimutch@yahoo.com]
Sent: Tuesday, February 05, 2008 6:03 PM
To: Antil, Pam
Cc: Pearson, Clay; Auler, Randy
Subject: Land Acquisition opportunity
Attachments: acqprop.jpg

Pam,

Last week I had a meeting with Dennis Dickstein, a local realtor and one of two partners who own approximately 9.5 acres of land in Novi. I contacted Mr. Dickstein after seeing that he had listed a property that appeared to have potential as parkland for the city and had outlined to him how the city had been awarded grants through the Michigan Natural Resources Trust Fund to acquire parkland in other areas of the city. Mr. Dickstein agreed to meet to discuss the grant program and in our meeting, Mr. Dickstein expressed a willingness to sell the property to the city, possible via a Michigan Natural Resources Trust Fund grant.

As my focus this year is on seeing some parkland development items addressed, I decided not to bring this forward publicly as I did the MNRTF development grant request. Instead, I'm passing along what I know to administration to decide whether to pursue this opportunity. I would assume based on Randy's comments last night that any grant application would be contracted out so you may want to consider this opportunity in those discussions. If you have any questions, please let me know. Otherwise, I assume that administration will review this and provide feedback on whether they want to pursue this or not. I did let Mr. Dickstein know that while I would bring this forward for consideration that nothing would happen without direction and approval from Council. He's done development in Novi before so he understood this. If the administration decides not to pursue this, please let me know so that I can contact Mr. Dickstein.

Property Overview:

The property is approximately 9.5 acres that fronts on Pembine, 800 feet south of South Lake Drive and approximately 1/3 mile west of the main entrance to Lakeshore park. The partners own 4 contiguous parcels of land, the largest of which is an acreage parcel of 8 acres plus three 0.5 acre lots which include 2 houses and a garage. They also own a separate lakefront lot on Walled Lake, north of South Lake Drive. The properties that they own are highlighted in red on the attached map.

Development Plans:

The properties were first preliminarily approved for development back in 2002 as Scenic Pines Estates. They received final approval in 2005. The plan was approved for the construction of 24 units in a cluster development. I believe that their last final site plan extension expires in February. They never stated construction on this development. As you might expect in the current market, they don't have any immediate plans to develop the property.

City Properties:

The properties directly border the city's Lakeshore/North Novi Park properties on the south and west. The city-owned park properties are highlighted in light green on the map. Also, there's a separate city-owned parcel that is not currently designated as parkland that is separated from the rest of the Lakeshore properties by this property. That separate property is highlighted in the dark green. Acquiring these properties would make that property contiguous with the Lakeshore Park properties. This is easily the largest remaining vacant parcel contiguous to the properties we own at Lakeshore/North Novi Park. The next largest is the 5 acre parcel that Mr. Baer owns on 12 1/2 Mile Road.

Land-locked Parcel:

There is a small property that lies between these properties and the city property to the west that is owned by another person. Mr. Dickstein stated that there is no easement across their property to this parcel. I don't believe that the development plans showed any access to that parcel either. Mr. Dickstein stated that they have no obligation to provide access to that property. He didn't know the history of how it came to be land-locked as it currently is.

Natural Resources:

The most of the acreage parcel includes woodlands and a smaller amount of wetlands. This property qualified for a cluster-option development which means that at least 50% of the property has regulated woodlands and wetlands although the wetlands are much less extensive than the woodlands. These woodlands and wetlands continue off to the east, south and west as part of the high-quality natural features that cover the city parkland. This property also is considered part of the core reserve habitat area (city's wildlife habitat master plan) and Priority One natural/conservation area as identified by the Michigan Natural Features Inventory for Oakland County.

MNRTF Priorities:

This property would qualify for three of the MNRTF Board Special Initiatives for 2008:

"Acquisition of ... land that connects or provides a buffer area to land that is already protected and that provides critical wildlife

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habitat or is of high ecological value. "

"Acquisition of land or development of facilities in urban areas, as defined by the U.S. Census Bureau based on the 2000 census."

[The 2007 grant that was approved did not score in this category due to its location in the city.]

"Fees charged to enter the proposed project site. Highest priority will be given to applications for projects for which no fee will be charged to enter the site or for which an effective fee waiver policy is in place. "

Owners' Position:

Mr. Dickstein indicated that they would be interesting in selling to the city - for the right price. He didn't give me a price and he didn't have a recent appraisal which I indicated would be something that the city would prefer to see, even though it's not required at this point of the application process by the MNRTF. He stated that they had put a significant amount of money into getting the property approved for development and for the total property, he left the impression that the \$1,250,000 asking price they have it listed for would cover their costs plus profits. That price is for all 5 parcels with the approval for development. He said they would be willing to talk prices once the city decided whether to proceed or not. He stated that they own the property and there's no mortgage on it so they are willing to sit on the property if necessary until the market returns. Mr. Dickstein said he would prefer to sell sooner rather than later but his majority partner, who is in Florida, has a longer-term view and is willing to wait until he gets the right price.

In terms of the 5 parcels, Mr. Dickstein said that they would be willing to sell all of the properties or just individual pieces of it. He said from an immediate value perspective, the lakefront is the most valuable and they could sell that to one of the neighbors on the lake. Next in value was the individual homes, which I believe are currently rented out. The acreage portion was the least valuable in their mind due to the current market. I explained that if we did acquire the acreage portion, we would likely want/need at least one point of access on Pembine. He didn't see any problem with that and I think would be willing to shave off the backs of the individual home lots down to the R-4 lot size from their current size, which is 0.5 acres each, to add that to the acreage portion. It appears that the area between the two lots is large enough to accommodate another lot at R-4 standards plus an area for access in case that was to be a discussion point for dealing with the value (creating a developable lot for them while still maintaining access to the acreage portion). He didn't have any problem with the city acquiring just the acreage parcel. I said that the parcels with the homes would be more problematic due to the Trust Fund requirements, if the city used that approach, because of the need to remove them in fairly quick order.

Other Issues:

I asked if there were any easements that would preclude use or development of the property. He said there were none.

I asked if there were any environmental pollution concerns with the property. He said there were none.

I asked if they would be willing to provide the local match through land value or some other way. He stated they would consider it as long as they got enough value from the land to make that feasible and that they could utilize the write-off that would come with a donation of a portion of the value.

I asked if there was any problems with the timeline associated with an MNRTF grant. He stated no but they would be looking for some assurances from the city that they would acquire the property if awarded the funding. I made clear that there's no obligation on their part to complete the process if a better offer comes along before the grant is awarded and the closing takes place on the property (per the MNRTF rules).

Contact Information:

Dennis Dickstein
 dpd@realestateone.com
 (248) 851-6900 (office)
 (248) 892-6900 (cell)

Real Estate listing:

<http://www.realtor.com/search/listingdetail.aspx?cid=11615&ml=3&iyp=30&sid=0a42408f663f4c6a8c100056545b350d&sdir=0&sby=2&lid=1066708238&lsn=5&srcnt=56#Detail>

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City of Novi Internet Mapping Portal



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