

City of Grand Ledge

# Priorities and Policies for Property Disposition 2021

Revised: July 13, 2021

The City of Grand Ledge will dispose of properties in a manner which will improve the quality of neighborhoods, increase land values, create diverse housing and/or economic opportunities, and return properties to the tax rolls. The disposition of properties acquired by the City and owned by the City shall be in the best interest of the City, at the sole discretion of the City, and governed by the following basic priorities and policies. The City reserves the right to collaborate with developers, contractors, and real estate professionals.

## **Priorities Concerning the Disposition of Properties**

The disposition of properties shall be based upon the intended or planned use of the property and the nature and identity of the transferee of the property. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities at the sole discretion of the City.

### **Priorities for Use of Property**

1. Homeownership with new construction of a single-family home, purchased by qualified homeowner, with Certificate of Occupancy issued within 24-months of the property sale
  - a. Property must be held as owner-occupied for two (2) years
2. Homeownership with new construction of a single-family home, purchased by qualified real estate developer, with Certificate of Occupancy issued within 24-months of the property sale
3. New construction of a single-family home without homeownership, with Certificate of Occupancy, issued within 24-months of the property sale

After a period of one year from the date a property becomes available for sale, given there are no applications to purchase a given property for the construction of a single-family home, the following priorities concerning the disposition of properties will be considered:

4. Construction of a new addition connected to the home located on adjacent property, purchased by the adjacent, qualified homeowner
5. Construction of a garage or other single-standing building, purchased by an adjacent, qualified homeowner
6. Additional greenspace to adjacent property, purchased by an adjacent, qualified homeowner

### **Priorities as to the Nature of the Transferee**

1. Individuals who will own and occupy the residential property with Homestead tax designation
2. First-time homebuyers
3. Qualified real estate developers (sell to a homebuyer who will own and occupy the residential property with Homestead tax designation)
  - a. Entities that are a partnership, limited liability corporation, or a joint venture comprised of a private nonprofit corporation and a private for-profit entity

4. Individual who will own and occupy as a second home, with a non-Homestead tax designation
5. Non-owner occupied, with a non-Homestead tax designation
6. Nonprofit institutions such as academic institutions and religious institutions

## **Factors in Determining Consideration due Upon Transfers**

The following factors shall constitute general guidelines for determination of the consideration to be received by the City for the transfer of properties. In each and every transfer of real property, the City shall require good and valuable consideration in an amount determined by the City in its sole discretion. The City will consider both the fair market value of the property and the property costs in its determination of consideration for each property. "Property Costs" shall mean the aggregate costs and expenses of the City attributable to the specific property in question, including costs of acquisition, maintenance, repair, demolition, marketing of the property, and indirect costs of the operations of the City allocable to the property.

The consideration to be provided by the transferee to the City shall be in the form of cash.

### **Transfers to Entities or Individuals Development**

- a. Transfers of property shall require consideration not less than the minimum bid.
- b. Consideration shall be established at a level between the minimum bid and the fair market value of the property.

## **Requirements of Land Transfers**

These policies pertain to transfers of property for development or occupied by the purchaser.

1. The transferee must not own any real property that has any citations or violations of the state and local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The transferee must not have been the prior owner of any real property in Eaton County that was transferred to the Treasurer or a local government as a result of tax foreclosure proceedings unless the City approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.
4. Parcels of property shall be transferred for consideration in an amount not less than the minimum bid.
5. All development projects should be started and completed within a timeframe approved by the City.
6. A precise narrative description of future use of the property with timeframe, in writing, is required.
7. Transactions shall be structured in a manner that permits the City to enforce recorded covenants or conditions upon title pertaining to the development and use of the property for a specified period of time.

8. The transferee must agree to pay all applicable future property taxes from the time of transfer as applicable.
9. The proposed use must be consistent with current zoning requirements.
10. Where new construction on a property by the transferee is a condition of the transfer, the requirement for such construction shall be in accordance with new construction standards as established by the City, and adequate completion of such new construction shall be a condition to the release of restrictions or lien securing such performance.

**The following additional policies shall apply to properties to be transferred to individual transferees as part of homeownership priority use:**

11. The owner-occupant must complete construction and move into the structure within a timeframe approved by the City.
12. The property may not be used as a rental property.

### **Sale of Vacant Properties**

1. A nonrefundable escrow deposit shall be required for all contracts for the disposition of property by the City. Such deposit shall be in an amount established by the City, but shall not be less than \$500.00, made payable to the “City of Grand Ledge”.
2. Closing of the transfer shall occur by the City with assistance from the City Attorney.
3. The City will develop a sales contract based on the bid proposal, as submitted.

# City of Grand Ledge 2021

## Sample Purchase Agreement, Quit Claim Deed, and Agreement for Property Development and Use Requirements, Conditions and Restrictions

## PURCHASE AGREEMENT

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Grand Ledge, a Michigan home rule city organized and operating under and operating under the provisions of the Home Rule City Act, MCL 117.1, *et seq.*, as amended, whose address is 310 Greenwood Street, Grand Ledge, Michigan 48837 (the "Seller") and [NAME], whose address is [ADDRESS] (the "Purchaser"), for the transfer by the Seller to the Purchaser of vacant real property located at [ADDRESS] within the City of Grand Ledge, Eaton County, Michigan, and legally described in Exhibit "A" attached (the "Property").

1. Property Transferred. The Purchaser shall purchase and receive and the Seller shall sell the Property, all easements, and all other interests and rights of Seller which are appurtenant to the real estate, including, but not limited to, all right, title, and interest, if any, of the Seller in and to any land lying in street, road or avenue in front of, within or adjacent to, or adjoining such land.

2. Purchase Price. The Property shall be purchased for the sum of [PURCHASE PRICE] and 00/100 Dollars ([DOLLAR AMOUNT]). The Purchaser agrees to pay this amount to the Seller in certified funds at closing.

3. Deposit. The Seller and the Purchaser acknowledge and agree that a deposit of five hundred and 00/100 Dollars (\$500.00) was received from the Seller, to the Purchaser on [DATE DEPOSIT RECEIVED]. The deposit will apply towards the purchase price.

4. Closing; Closing Costs; Possession. The closing of the sale described herein shall take place at the office of the Purchaser's City Manager, which closing shall occur within fifteen (15) days of the date of this Purchase Agreement. The Seller shall pay the cost of preparing the Quit Claim Deed and Agreement for Property Development and Use Requirements, Conditions and Restrictions. The Purchaser shall pay the cost of recording the Quit Claim Deed and Agreement for Property Development and Use Requirements, Conditions and Restrictions, and transfer tax (if any). Purchaser shall also be responsible for filing any required Property Tax Affidavits. The Purchaser shall be entitled to possession of the Property at closing.

5. "As-Is" Condition. At closing, the Purchaser agrees to take the property "as is" and in its present condition.

6. Property Taxes and Special Assessments. Property taxes and special assessments which are or become a lien on the Property before the date of closing shall be paid by the Seller. Property taxes and special assessments which become a lien on the Property on or after the closing date shall be paid by the Purchaser.

7. Quit Claim Deed. At the closing the Seller shall deliver to the Purchaser a quit claim deed, a copy of which quit claim deed is attached hereto and made a part hereof as Exhibit "B". The Quit Claim Deed shall incorporate by reference the Agreement For Property Development and Use Requirements, Conditions and Restrictions described in Paragraph 8, below.

8. Property Development and Use Restrictions. The transfer of the Property to the Purchaser shall be subject to the terms, conditions and restrictions contained in the Agreement For Property Development and Use Requirements, Conditions and Restrictions that is attached hereto

and made a part hereof as Exhibit "C" which includes but not limited to the new construction of an owner occupied single-family home, with Certificate of Occupancy issued within 24-months of property sale. A copy of this Agreement shall be recorded with the Quit Claim Deed at closing, at the Purchaser's expense, with the Eaton County, Michigan, Register of Deeds.

9. Time of Essence. Time is of the essence with respect to all dates and times set forth in this Agreement.

10. Default. In the event the Seller fails or refuses to comply with the terms of this Agreement, for any reason other than the Purchaser's default hereunder, the Purchaser may, in its sole discretion, elect to terminate this Agreement. In the event the Purchaser fails or refuses to comply with the terms of this Agreement for any reason other than Seller's default hereunder, the parties hereto agree that Seller may terminate this Agreement and retain the deposit and/or proceed with its legal or equitable remedies.

11. Drafting. Each party acknowledges that all parties hereto participated equally in the drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

12. Real Estate Brokers. The Seller has not retained a real estate broker for the transaction contemplated in this Agreement. To the extent permitted by law, the parties agree to indemnify and hold harmless each other for any real estate brokers who the parties have retained for this transaction.

13. Notices. All notices required or given under this Agreement shall be in writing and either delivered personally or mailed by regular mail addressed to the parties at their addresses specified above. Mailed notices shall be effective upon mailing.

14. Whole Agreement. This Agreement constitutes the entire agreement between the parties and shall be deemed to supersede and cancel any other agreement between the parties relating to the transactions herein contemplated. Each party acknowledges that no representation, inducement or condition not set forth herein has been made or relied upon by either party.

15. Amendments. This Agreement may be amended or modified only by a document in writing executed by each of the parties named above.

16. Successors and Assigns. This Agreement shall bind and benefit the parties hereto and their respective successors and assigns.

17. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

18. Effective Date. This Agreement shall become effective as of the date upon which the last of the parties listed below shall have signed this Agreement.

19. Counterpart Signatures. This Agreement may be executed in one or more counterparts, including facsimile copies, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

*[SIGNATURES APPEAR ON FOLLOWING PAGE]*



**SELLER:**

**CITY OF GRAND LEDGE,  
a Michigan home rule city**

By: \_\_\_\_\_

Adam Smith

Its: City Manager

Dated: \_\_\_\_\_, 2021

**PURCHASER:**

[NAME]

By: \_\_\_\_\_

[NAME]

Dated: \_\_\_\_\_, 2021

### **LEGAL DESCRIPTION OF PROPERTY**

Real property located at [PROPERTY ADDRESS] within the City of Grand Ledge, Eaton County, Michigan, and legally described as follows:

[PROPERTY DESCRIPTION] CITY OF GRAND LEDGE

Property Identification No. [PROPERTY ID] (the "Property")

## QUIT CLAIM DEED

City of Grand Ledge, a Michigan home rule city organized and operating under and operating under the provisions of the Home Rule City Act, MCL 117.1, *et seq.*, as amended, whose address is 310 Greenwood Street, Grand Ledge, Michigan 48837, whose address is 310 Greenwood Street, Grand Ledge, the Michigan 48837 (the "Seller") quit claims to [NAME] whose address is [ADDRESS] (the "Purchaser"), for the transfer by the Seller to the Purchaser of real property located at within the City of Grand Ledge, Eaton County, Michigan, and legally described as follows:

### LOT 9. BLOCK 4. HALBERTS ADDITION CITY OF GRAND LEDGE

Property Identification No. [PROPERTY ID] (the "Property")

for the consideration of [AMOUNT OF PURCHASE] and 00/100 Dollars ([DOLLAR AMOUNT]).

This transfer of the Property shall be subject to the terms, conditions, and restrictions contained in in the Agreement for Property Development and Use Requirements, which is attached hereto and made apart hereof as Attachment "1".

The Seller grants to the Purchaser the right to make all permitted divisions under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967.

The Property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act, MCL 286.471, *et seq.*, as amended.

**[SIGNATURE APPEARS ON FOLLOWING PAGE]**

**Seller:**

**CITY OF GRAND LEDGE,  
a Michigan home rule city**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Adam Smith

Its: City Manager

Acknowledged before me, this \_\_\_\_ day of \_\_\_\_\_, 2021, by Adam Smith, City Manager for the City of Grand Ledge, a Michigan home rule city.

\_\_\_\_\_(signature)

\_\_\_\_\_(printed)

Notary Public, Eaton County, Michigan

My Commission Expires: \_\_\_\_\_

Acting in the County of \_\_\_\_\_

<b>When Recorded Return To:</b>	<b>Send Subsequent Tax Bills To:</b>	<b>Prepared By (Without Opinion):</b>
Purchaser	Purchaser	Gordon W. VanWieren, Jr., Esq. Thrun Law Firm, P.C. P.O. Box 2575 East Lansing, MI 48826-2575

## **Attachment "1" to Quit Claim Deed**

### **AGREEMENT FOR PROPERTY DEVELOPMENT AND USE REQUIREMENTS, CONDITIONS AND RESTRICTIONS**

This Agreement for Property Development and Use Requirements, Conditions and Restrictions (the "Agreement" or this "Agreement") is made this \_\_\_ day of \_\_\_, 2021, by the City of Grand Ledge, a Michigan city organized and operating under the provisions of the Home Rule City Act, MCL 117.1, *et seq.*, as amended, whose address is 310 Greenwood Street, Grand Ledge, Michigan 48837 (the "City") and [NAME] whose address is [ADDRESS] ("Purchaser").

#### **WITNESSETH:**

**WHEREAS**, the City is the owner of certain real property located within the City of Grand Ledge, Eaton County, Michigan, which property is more particularly described in the legal description that is attached hereto and made a part hereof as Attachment "1" (collectively, the "Property");

**WHEREAS**, the City and Purchaser have entered into a Purchase Agreement for the transfer of the Property to the Purchaser; and

**WHEREAS**, to promote the efficient, harmonious, and beneficial development and use of the Property, the City and the Purchaser agree to impose upon the Property the requirements, conditions, and restrictions contained herein.

**NOW, THEREFORE**, the City hereby declares and the Purchaser agrees that the Property and any part thereof shall be held, improved, developed, transferred, dedicated, leased, subleased, occupied, sold, and conveyed subject to the following covenants, conditions, reservations, and restrictions, which shall run with the land and shall be binding upon an inure to the benefit of all parties owning, occupying, and otherwise having any interest (including a mortgage interest) in land within the Property and their respective heirs, personal representatives, successors, and assigns.

#### **ARTICLE I USE RESTRICTIONS**

Section 1.1. Use Restrictions. The City and the Purchaser agree that no part of the Property, or any building, structure, or improvement on the Property, shall be used for other than the following:

- (a) A single-family home in compliance with the City of Grand Ledge Medium Density

Residential (R-MD) Zoning and Certificate of Occupancy issued for the new construction within 24-months of the Property sale.

(b) Any other use approved by the City that is otherwise permitted by the City Ordinances, including specifically the permissible use provisions contained in the City's Zoning Ordinance and compliance with City Codes.

## **ARTICLE II** **ENFORCEMENT, REMEDIES AND REVERTER CLAUSE**

Section 2.1. Standing to Enforce Violations, Hold Harmless, and Indemnification. The City or its assigns shall have the right and the standing to enforce any or all of the requirements, conditions, restrictions, and other provisions of this Declaration. In addition, the City may, in its sole discretion, assign to any third party its rights to enforce any of the restrictions contained herein. The Purchaser agrees not to challenge the standing of any City assignee to enforce these restrictions. The Purchaser agrees to indemnify and hold harmless the City, its City Council, administrative officers, and agents from any costs and expenses, including attorney's fees, incurred as a result of any individual or other entity's enforcement of any requirements, conditions, or restrictions contained herein.

Section 2.2. Remedies Available to City. The Purchaser and all other owners, lessees, mortgages or other parties having any interest in the Property hereby authorize and empower the City or its assigns after reasonable notice in writing and opportunity to cure, and to enter upon any part of the Property, including any building or structure thereon, for the purpose of correcting, remedying, completing, or abating any violation of the covenants, conditions, restrictions, and other provisions of this Agreement.

Section 2.3. City's Entitlement to Reimbursement. The City or its assigns shall be entitled to reimbursement for all actual costs, including out-of-pocket costs and attorneys' fees, incurred by it in correcting, remedying, preventing, or abating any violation of this Agreement, including taking any of the actions described in Section 2.2 above. It shall be the responsibility of the Purchaser or any owner of the Property on which the violation occurs to make such reimbursement, whether or not the Purchaser or other property owner was responsible for the violation or is able to obtain reimbursement from the party responsible for the violation. The Purchaser or other property owners' obligation to make such reimbursement shall constitute a lien on the Property, and such lien may be foreclosed by appropriate judicial proceedings but is subordinate to the first mortgage lien of any institutional lender.

Section 2.4. Injunctive Relief; Costs. If the City or its assigns seek to enforce any of the covenants, conditions, restrictions, or other provisions of this Agreement, it shall be entitled to immediate (including preliminary) injunctive relief against any actual or probable violation of or noncompliance with the provisions contained in this Agreement. If one or more owners of, or one or more institutional lenders holding a first mortgage lien on any of the parcels within the Property, seeks to enforce any restriction, prohibition, or other provision contained herein, any request for injunctive relief shall be subject to the customary judicial standards for determining whether injunctive relief is appropriate. The City shall be entitled to all costs attendant upon any enforcement of the terms of this Agreement, including reasonable attorneys' fees.

Section 2.5. Liquidated Damages. The City and the Purchaser agree that due to the difficulty of quantifying the damages that the City will incur as a result of the Purchaser's breach of the development restrictions, the Purchaser, and its successors and assigns agree to pay the City \$500 per day as liquidated damages, not as a penalty, for any day for which the Property is in breach of any of the use restrictions contained in Article I above.

Section 2.6. Reversion of Property. In the event that the Purchaser breaches any of the requirements, conditions, restrictions, and other provisions of this Agreement, including specifically the use restrictions contained in Article I, above, and such breach is not cured within thirty (30) days from the date that the City provides written notice to the Purchaser of the breach, the Property shall automatically revert to the City.

Section 2.7. City's Remedies Cumulative. The City's remedies as contained in this Article II shall be in addition to and cumulative of any other remedies or forms of relief otherwise available to the City.

### **ARTICLE III** **DISCLAIMER OF LIABILITY**

Section 3.1. Disclaimer of the City's Liability. The terms of this Agreement granting the City the authority to take action with respect to Property are intended solely to enable the City to achieve and maintain what it deems to be the proper use and development of the Property. The City shall have no liability or obligation for any act or failure to act with respect to the subject matter of this Agreement including (without limitation) any act or omission.

### **ARTICLE IV** **MISCELLANEOUS**

Section 4.1. Titles. The titles of sections are intended merely for the purpose of providing convenient reference and shall not be considered interpreting or construing any provision of this Agreement.

Section 4.2. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan.

Section 4.3. Conflict With Applicable Law. The requirements, conditions, and restrictions contained in this Agreement shall not be taken as permitting any action or anything prohibited by the applicable zoning laws, any laws, ordinances, or regulations of any governmental authority or by specific restrictions otherwise imposed. In the event of any conflict, the most restrictive provision shall govern and control.

Section 4.4. Invalidity. If any provision contained in this Agreement shall be held invalid, such invalidity shall not affect any of other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions contained herein are severable.

Section 4.5. Binding Effect. The provisions contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 4.6. Notices. Any notices or approvals of any kind required or permitted under this Agreement shall be in writing and shall be deemed duly delivered. If delivered in person or if mailed by Certified Mail, Return Receipt Requested, postage prepaid to the appropriate party as follows:

- (a) If to the City: City of Grand Ledge  
Attention: City Manager  
310 Greenwood Street  
Grand Ledge, Michigan 48837
  
- (b) If to the Purchaser [NAME]  
[ADDRESS]

Or at such other address or to the attention of such other individual as shall be specified by the respective parties, their successors and assigns, by written notice.

Section 6.1. Governmental Immunity. Nothing contained in this Declaration is intended to, or shall constitute, any waiver of the protections afforded the City under a claim of governmental immunity.

**ARTICLE VII**  
**DURATION**

Section 7.1. Duration of Covenants. This Agreement shall be in full force and effect until January 1, 2025. Thereafter, the use of the Property shall be subject to the City Ordinances then in effect, including specifically the permissible use provisions contained in the Zoning Ordinance.

This Agreement is exempt from real estate transfer tax pursuant to MCL 207.505(h)(i) and from real estate transfer tax pursuant to the provisions of MCL 207.526(h)(i).

***[SIGNATURES APPEAR ON FOLLOWING PAGE]***



**IN WITNESS WHEREOF**, the City of Grand Ledge has executed this Agreement for Property Development Requirements, Conditions and Restrictions effective on the \_\_\_ day of \_\_\_\_\_, 2021.

**CITY OF GRAND LEDGE,  
a Michigan city**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Adam Smith

Its: City Manager

Acknowledged before me on \_\_\_\_\_, 2021, by Adam Smith, City Manager, the City of Grand Ledge, a Michigan City.

\_\_\_\_\_(signature)

\_\_\_\_\_(printed)

Notary Public, Eaton County, Michigan

My Commission Expires: \_\_\_\_\_

Acting in the County of \_\_\_\_\_

**PURCHASER**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

[NAME]

Acknowledged before me on \_\_\_\_\_, 2021, by [NAME].

\_\_\_\_\_(signature)

\_\_\_\_\_(printed)

Notary Public, Eaton County, Michigan

My Commission Expires: \_\_\_\_\_

Acting in the County of \_\_\_\_\_

**Prepared by and after  
recording return to:**

Gordon W. VanWieren, Jr., Esq.

Thrun Law Firm, P.C.

P.O. Box 2575

East Lansing, Michigan 48826-2575

(517) 484-8000

### **LEGAL DESCRIPTION OF PROPERTY**

Real property located at [ADDRESS] within the City of Grand Ledge, Eaton County, Michigan, and legally described as follows:

[LEGAL DESCRIPTION] CITY OF GRAND LEDGE

Property Identification No. [PROPERTY ID] (the "Property")