



cityofnovi.org

CITY of NOVI CITY COUNCIL

**Agenda Item P
March 23, 2009**

SUBJECT: Approval of Amendment to Property Exchange Agreement between the City of Novi and the Novi Community School District, dated November 10, 2008, Recognizing Charter Amendment for financing.

SUBMITTING DEPARTMENT:

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

The November 10, 2008 Property Exchange Agreement between the School District and the City relating to the School District property at 11 Mile and Beck Roads and the City's Wildlife Woods Park (among other properties) contemplates two separate closings—one after the financing issues have been resolved with the May, 2009 election, and one more immediately relating to the exchange of leases between the City and the School for the approximately 1.77-acre Fuerst Park area (being leased to the City) and the approximately 4-acre area next to the currently-leased property behind the high school (being leased to the School District).

Section 1.J(2) of the Exchange Agreement contemplated that the exchange of leases with regard to those two areas would occur within 30 days of November 10, 2008. For a variety of reasons, the exchange did not take place. The attached amendment extends the time for the exchange of leases to 30 days from March 23, 2009. There does not appear to be any impediment to the exchange at this time.

Also, Section 3(c) of the Exchange Agreement included language for a "bond issuance contingency," relating to the City securing voter approval by way of an election no later than May 5, 2009 for issuance of general obligation bonds as a source of funds for the Signature Park improvements. As Council is aware, the mechanism by which the City is pursuing financing for the Signature Park improvements has changed somewhat, and is now set up as a charter amendment for a 0.5 mill for a period of 25 years. The attached amendment reflects that change, although it indicates that the election will still occur by May 5, 2009.

RECOMMENDED ACTION: Approval of Amendment to Property Exchange Agreement between the City of Novi and the Novi Community School District, dated November 10, 2008, Recognizing Charter Amendment for financing.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

AMENDMENT TO
AGREEMENT BETWEEN THE NOVI COMMUNITY SCHOOL DISTRICT AND
THE CITY OF NOVI REGARDING THE EXCHANGE OF PROPERTIES

The Agreement, dated November 10, 2008, regarding exchange of properties made and entered into by and between the City of Novi ("City"), a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, MI 48375, and the Novi Community School District ("School District"), whose address is 25345 Taft Road, Novi, MI 48374, for the exchange of certain properties located in the City of Novi according to the terms and contingencies set forth in the Agreement is hereby amended as follows:

1. The provisions of Paragraph 1.J(2), relating to the date for exchange of leases, shall be extended to a period ending thirty (30) days from the date hereof.
2. The provisions of Paragraph 3(c), relating to bond issuance contingencies, is amended to read as follows:

(c) Financing Contingency.

Except as otherwise provided in Paragraph 7 as to the Fuerst Park Area School District Property and the lease amendment for the Added Leased Property, this Agreement is contingent on the City securing financing, in an amount determined by the City in its sole discretion, for its initial proposed improvements to the property for establishment of a Signature Park (as determined by the City in its sole discretion) and for acquisition of certain additional properties in the area of the School District Property, through a charter amendment to authorize a 25-year, 0.5 mill parks and recreation millage, currently scheduled for a special City election on May 5, 2009. In the event the charter amendment is not approved by the voters at such election, this Agreement shall become null and void and of no further effect. Notwithstanding anything in the foregoing to the contrary, this contingency does not apply to Closing A as described in Paragraph 7 relating to the Fuerst Park Area School District Property and the lease amendment for the Added Leased Property.

3. The remaining terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of _____, 2009.

[signatures on following page]

“SCHOOL DISTRICT”

NOVI COMMUNITY SCHOOL DISTRICT,
Acting by and through its Board of Education

By: _____
Its: President
Dated: _____

By: _____
Its: Secretary
Dated: _____

“CITY”

CITY OF NOVI, a Michigan
municipal corporation

By: David B. Landry
Its: Mayor
Dated: _____

By: Maryanne Cornelius
Its: Clerk
Dated: _____