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## MEMORANDUM

TO: Jeff Irwin, Chair  
Ways & Means Committee

FROM: Robert E. Guenzel  
County Administrator

DATE: July 6, 2005

SUBJECT: Resolution approving the sale of County-owned property at 102 N. Hamilton Street in Ypsilanti, Michigan to Ozone House and authorizing the County Administrator to take any action needed to complete the sale.

### **BOARD ACTION REQUESTED:**

County Administration is requesting that the Board of Commissioners approve the sale of County-owned real estate located at 102 N. Hamilton Street in Ypsilanti, Michigan to Ozone House and authorize the Administrator to take any action needed to complete the sale.

### **BACKGROUND:**

The County owns property located at 102 N. Hamilton in Ypsilanti, Michigan. The house located on the property was used by the County to provide mental health and other community services, both directly and by leasing the house to non-profit organizations. Most recently, the County leased this property to JOSHUA, a faith based non-profit that provided the Youthbuild program which is aimed at providing education, personal development and job opportunities for low income high school drop outs. This lease expired at the end of December, 2003. Since that time, the house has remained vacant and has fallen into some disrepair.

Earlier this year, Ozone House ("Ozone") approached the County about purchasing the house at 102 N. Hamilton Street. Ozone was interested in the property as a base to run its operations. Before moving ahead with the sale of the property, Ozone wanted to obtain a special use permit from the City of Ypsilanti to insure they would be able to conduct business at that site. Ozone applied for and received the special use permit from the City of Ypsilanti. As such, Ozone is now ready to proceed with the sale.

As noted above, the house is in some disrepair. The property appraised for \$125,000. However, the County's Facilities Management Department determined that approximately \$42,600 dollars in repairs needed to be done to the house. The County and Ozone have negotiated these repairs and tentatively agreed to the following sharing of costs: The County would replace the roof, gutters, windows and 3 exterior doors for a cost of approximately \$16,600. Ozone would be responsible to paint the exterior of the house and completely renovate the interior of the house, including painting, replacing kitchen cabinets and countertops, providing appliances and paying for all permit and other fees required by the City. The approximately cost of the Ozone responsibilities is \$26,000.

Ozone has agreed to pay the appraised price of \$125,000 for the property. After the cost of County repairs and other costs such as appraisal fee and general clean-up are included, the County will net approximately \$102,000 from the sale.

**DISCUSSION:**

Ozone provides a much needed drop-in center with related services for teenagers in Washtenaw County. It is currently in need of a new facility. Ozone believes the property at 102 N. Hamilton is perfectly located for its new base of operations. This property has been used to provide a variety of much needed public services by both the County and non-profit organizations ever since the County purchased the property. By selling this property to Ozone, the County will insure that such public services will continue to be offered at this site.

**IMPACT ON HUMAN RESOURCES:**

Approval of this Resolution will have no impact on human resources in the County.

**IMPACT ON BUDGET:**

Approval of this Resolution will result in the County receiving \$125,000 from the sale of the property. After, County costs are deducted, the County will net approximately \$102,000 from this sale. This money will be placed into the Housing Contingency Fund.

**IMPACT ON INDIRECT COSTS:**

There are no indirect costs associated with this Resolution.

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:**

Approval of this Resolution will permit Ozone to establish its headquarters at 102 N. Hamilton and provide much needed teenage drop-in services at that location.

**CONFORMITY TO COUNTY POLICIES:**

This Resolution conforms to all County policies

**ATTACHMENTS:**

The proposed sales agreement with Ozone for the sale of 102 N. Hamilton Street is attached

A RESOLUTION APPROVING THE SALE OF COUNTY-OWNED PROPERTY AT 102 N. HAMILTON STREET IN YPSILANTI, MICHIGAN TO OZONE HOUSE AND AUTHORIZING THE COUNTY ADMINISTRATOR TO TAKE ANY ACTION NEEDED TO COMPLETE THIS SALE

WASHTENAW COUNTY BOARD OF COMMISSIONERS

JULY 6, 2005

WHEREAS, the County currently owns the real estate consisting of a house and surrounding lot located at 102 N. Hamilton in Ypsilanti, Michigan; and

WHEREAS, the County has used this property in the past to provide public services, either directly or by leasing to a non-profit entity; and

WHEREAS, this property currently sits vacant and is in need of some repair; and

WHEREAS, Ozone House has approached the County about purchasing this property for use as a teenage drop-in center in the community; and

WHEREAS, the City of Ypsilanti has approved Ozone House's request for a special use permit thus clearing the way for Ozone to purchase the property; and

WHEREAS, the County and Ozone have agreed on a sales price of \$125,000, which is the appraised value of the property; and

WHEREAS, the County and Ozone have further agreed on a split of the cost of the repairs needed to be completed on the property, with the County paying for the cost of the roof, gutters, windows and three exterior doors and Ozone paying for exterior painting and all interior improvements, cost of appliances and permit fees and costs charged by the City; and

WHEREAS, the County and Ozone have memorialized their negotiations into a Sales Agreement which is attached to this Resolution; and

WHEREAS, this matter has been reviewed by the Office of Corporation Counsel, the Finance Department, the Facilities Management Department, the County Administrator's Office and the Ways & Means Committee

NOW THEREFORE, BE IT RESOLVED that the Washtenaw County Board of Commissioners approves Washtenaw County's sale of 102 N. Hamilton Street, Ypsilanti, Michigan to Ozone House pursuant to the terms of the attached Sales Agreement and authorizes the County Administrator to sign any documents and take any other action needed to complete this sale to be filed with the County Clerk.