

Real estate question

Inbox



township supervisor <supervisor.clt@gmail.com>

Sep 26, 2021,
11:49 PM (5
days ago)

to Bryan

The Crystal Lake Township Board would like your legal opinion of a situation involving a constituent wanting to buy a piece of township-owned land.

Many years ago, and under a wholly different administration, a tax paying resident gave the township a lot adjoining his own.

First, here's some background how the township acquired this parcel in question: in the 1980's, a land owner kept the plot of land on which his cottage sat, flat and next to the shores of Crystal Lake, but deeded the steep, unbuildable slope behind his cottage to the township. Why the township board accepted the land, and thereby took it off the tax roll, is anybody's guess at this point. Descendants of the original land owner now reside on the land/in the cottage which was kept; it has been passed down within the family. If you need the papers associated with this transaction, I can supply them. But the fact that CLT owns this particular parcel is really besides the point at this juncture.

Second, here's the current situation: Other landowners now reside in their own cottage atop this steep slope. After doing their own research as to ownership of the parcel in question, right in front of them, they have contacted the township about either selling it to them or giving them permission to trim trees for a better view of the lake. (See the attached letter to the township board.) We have a zoning process in place if the board were to decide to give permission for tree trimming.

What we are asking you is the legality and feasibility of selling township owned land to a private citizen for private acquisition. This would not be for the community good, not for public usage. How can we justify doing this? Would you advise doing this? Should we first advertise it on the open market or can we favor these adjacent land owners simply because they approached the township, and no one else ever has? Is there any legal government process we would go about following to determine a fair price? Do we get a real estate agent? We welcome your thoughts.

Please remember to reply to both the clerk and the treasurer, as well as myself.

Thank you,

Amy

--

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Bryan E. Graham

Peter R. Wendling

M E M O R A N D U M

TO: Crystal Lake Township Board **VIA EMAIL**
FROM: Bryan E. Graham *BEG*
DATE: September 30, 2021
SUBJECT: Sale of township-owned property

Based on an email message from Supervisor Ferris dated September 26, 2021, I have been asked to address whether the township can legally sell township-owned property (05-045-003-01) to a private citizen. The simple answer to the question posed is that the township does have the legal authority to sell its property to a private citizen.

MCL 41.2(3) provides:

By resolution of the township board, **a majority of the members serving may** acquire property for public purposes by purchase, gift, condemnation, lease, construction, or otherwise and may **convey** or lease **that property** or part of that property **not needed for public purposes**. (Emphasis added.)

Based on the letter I have been provided dated September 18, 2021 from Jerry Fishman and Andi Lipson, they have offered up to \$8,000 for the purchase of this property. This amount is greater than the current value of the property, as determined by the township assessor.

Therefore, if the township board decides that this property is no longer needed for public purposes, then the board has the legal right to sell the property for the amount offered. I would recommend that the township convey the property by a quit claim deed. However, if the proposed purchasers desire a warranty deed, then those proposed purchasers should pay the cost of the required title insurance. I also suggest that these proposed purchasers pay all of the township's expenses, including legal expenses, necessary to complete this transaction.

There are no legally required procedures for the sale of this property. The township can negotiate a private sale, as has been proposed. The township also can solicit sealed

bids for the purchase of the property. If sealed bids are solicited, the township should place a statement on the bid solicitation information that it reserves the right to reject any and all bids. This will allow the township to reject very low bids for the property. Whether the board negotiates a private sale or uses a sealed bid process is a policy choice by the township board.

Concerning the proposed purchase price, the township assessor has established a current value of \$6,800. The township can rely on the assessor's valuation for determining whether the proposed price of \$8,000 is a fair price.

You have also asked my advice concerning whether the township should sell the property. Based on the description of the property being very steep, I do not readily see a public use for the property. Therefore, because the proposed purchase price is higher than the current value of the land, I would recommend that the township sell the property. This sale would turn a township asset with very little or no value to the public into cash that can easily be used by the township board to support needed township projects that would benefit the public.

If the township board does not want to sell the property, then as part of its management authority over that property, it can enter into a licensing agreement with the property owners that would authorize selective trimming of trees on the township's property. If this approach is desired, I would need more information to prepare the necessary licensing agreement.

If there are further questions related to this matter, please let me know.

BEG



townshipassessing@gmail.com

Mon, Oct 4, 2:31 PM (8 days ago)

to me, township, Bill, Rick, Sue, Jill, Sondra, Tom, Jill

We concur that selling the property would bring additional value onto the tax roll and subsequently additional annual tax revenue.

~Jill Brown, MAAO



township supervisor <supervisor.clt@gmail.com>

Mon, Oct 4, 2:35 PM (8 days ago)

to Assessing

What price should we ask, if we decide to sell?



townshipassessing@gmail.com

Mon, Oct 4, 2:55 PM (8 days ago)

to me

Obviously it wouldn't make sense to ask any less than what the original offer to purchase is, and it's a tricky one because the value really is what someone is willing to pay for it. It's not a buildable piece of property and has aging trees that seem like they could be more of a liability than anything else.

The offer is coming from someone who would benefit from controlling the trees/view, not sure that would be valuable to anyone else?

The Township could do the sealed bids or auction it, however, that may backfire too and bring in less than what is being offered.



Construction Project Resources

Thu, Oct 7, 11:54 AM (5 days ago)

to township, Bill, Rick, Sue, Jill, Sondra, Jill, me

To all ----

The land is steeply sloped and is not buildable.

Clearly, the buyer's only interest is in removing vegetation to obtain a better (clear?) view of the Lake.

I have no idea of how much tax revenue selling this land might bring to the Township. I doubt that it would be over \$100 or \$200.

I also don't know how to evaluate the damage that would be done to the steep slope if significant vegetation (not just trees) is removed....

The newly adopted Article 24 would limit vegetation removal and tree removal anyway. If sold, the Township should require a letter from the buyers that they will comply with the newly adopted ordinance requirements -- that is, that tree topping is prohibited and they must obtain a plan from an arborist to remove vegetation and submit it to the zoning administrator.

I would also require that an affidavit be attached to the deed alerting future owners of their responsibility to protect the steeply sloped land and comply with the ordinances.

Tom Kucera

CLT Zoning Administrator