



BOYNE CITY  
CITY COMMISSION  
CITY TOUR  
Boyne City Hall /Various locations  
Begin at 319 N. Lake Street

Tuesday, May 22, 2018 following the Noon regular City Commission Meeting

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. TOUR OF VARIOUS AREAS IN THE CITY
4. ACQUISITION OF TAX FORCLOSED PROPERTIES  
Consideration to acquire the property currently being offered by Charlevoix County in the amount of \$4,139.55 and authorize the City Manager and City Clerk to take the steps necessary to complete the transaction(s) and perform environmental assessments as the City Manager determines to be appropriate
5. ADJOURN

*Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance: Cindy Grice, City Clerk/Treasurer, 319 North Lake Street, Boyne City, MI 49712; phone (231) 582-0334*



Scan this QR Code or go to [www.gov.boynecity.com](http://www.gov.boynecity.com)  
for full agenda packet materials.

Click on 'Minutes and Agendas' on the left of the homepage and follow the links to  
City Commission Agendas/Agenda Packet

**City of Boyne City****MEMO**

Date: May 18, 2018

To: Mayor Neidhamer and the Boyne City City Commission

From: Michael Cain, City Manager *Mc*

Subject: Acquisition of tax foreclosed properties

Attached for the City Commission's review and consideration is correspondence from the Charlevoix County Clerk regarding their offering of two pieces of tax foreclosed property that they are offering to us for sale. Such offerings come to the City from time to time. Staff has reviewed and discussed these offerings and believes that we should consider acquiring both properties, but for different reasons.

Property #1 is adjacent to Rotary Park property on 3 sided, north, south and east. In the last couple of years we acquired the property to the south with the goal of expanding the park and looking to future parking improvements. We did so with the hope that at some point in the future other undeveloped property in the area would also become available. Apparently that time has come.

Property #2 is located at 635 East Main Street. There is currently a very tired house on it. It abuts the old railroad grade to the north (with a nice little creek running between the two) and a vacant (and very wet) City lot to the east. I see three possible uses for this property: 1) a 'workforce housing site; 2) drainage improvements and 3) access to the railroad grade for trails. With regards to #1 above I have already been in contact with Jane MacKenzie, Director of the BC Housing Commission and Northern Homes to see if they could use the property in this way. They are very interested in this possibility and it will be discussed by their Board on May 23<sup>rd</sup>. My thought process here is that we would buy the property and turn around and sell it to them for redevelopment. If there was a better way to execute such a transfer I would be open to that as well. If for some reason they did not want it I still think it would be worth us acquiring to market for such development. That way we could control what happens there and avoid the property being acquired for a vacant lot.

We are not allowed to make and keep a profit on the sale of properties we acquire this way.

The building on the lot would likely need to be demolished and we are estimating a cost of probably less than \$10,000 based on other recent demolition costs.

The annual taxes lost on each property would be \$155.75 for #1 and \$837.77 for #2 based on 2017 tax bills.

The cost to purchase each property would be \$1,186.55 for #1 and \$2,953.00 for #2 or \$4,139.55 for both. We would want to consider the possibility of phase 1 and 2 environmental surveys on either property based on what we learned going forward.

We have not budgeted funds for such an acquisition this year so the funds would need to come from our Fund Balance or from adjusting other currently budgeted funds. Given the opportunities here and how these acquisitions align with our existing and probable future goals I would recommend we proceed.

The County wants to hear back from us on this matter by the end of May.

I would further recommend that we visit both of these sites during our tour and then after the tour the City Commission consider action on this matter.

RECOMMENDATION: That the City Commission acquire the property currently being offered by the County for \$4,139.55 and authorize the City Manager and City Clerk to take the steps necessary to completion the transaction(s) and perform environmental assessments as the City Manager determines to be appropriate.

Options:

- 1) Postpone for further information or consideration (a special meeting would need to be held by May 31<sup>st</sup> to act on the matter, if desired).
- 2) Acquire only one of the properties.
- 3) Acquire none of the property
- 4) Other option(s) as determined by the City Commission.



A MICHIGAN HISTORICAL SITE

MARILYN COUSINEAU  
Charlevoix County Treasurer

301 STATE ST./COUNTY BUILDING  
CHARLEVOIX, MICHIGAN 49720

Telephone 231-547-7202  
Fax 231-547-7252

May 2, 2018

City of Boyne City  
Attention: Cindy Grice  
319 N. Lake Street  
Boyne City, MI. 49712

Dear City Council:

I have enclosed a list of parcels in the City of Boyne City that I foreclosed upon in Circuit Court in my capacity as the Foreclosing Governmental Unit under the authority of the General Property Tax Act. This foreclosure was made delinquent for real property taxes. This list is not final: there may be further court action to remove parcels from foreclosure or to extend the redemption period.

A public auction of these properties is tentatively scheduled for August 16, 2018. Minimum bids have been established and will include all delinquent taxes, fees, penalties, and interest plus any costs of preparing for and conducting the auction. The enclosed list includes a minimum bid for each auction item.

The General Property Tax Act establishes a procedure for the State and for local municipalities to purchase foreclosed property prior to public auction. The purchase must be for a governmental purpose and public use. The law establishes the following order of preference:

1. The State of Michigan has first right of refusal and must pay the higher of the minimum bid or the market value of the property.
2. The City, Village, or Township (in that order) in which the property is located can purchase the property if the State declines and must pay the minimum bid.
3. The County may purchase the property if the City, Village, or Township declines and must pay the minimum bid.

If the City, Village, Township, or County purchases a property under this process and later sells the property for more than the purchase price, plus the cost of any improvements, the excess proceeds are due back to the Treasurer to replenish the tax foreclosure fund.

I have enclosed 2 forms one is if you decided you don't want the parcels and the other is if you decided you want the parcels. Please fill out whichever form applies and return it to me as soon as possible.

If I don't receive a reply I will assume that you don't want the parcel and it will go to auction.

Sincerely,

A handwritten signature in cursive script that reads "Marilyn Cousineau".

Marilyn Cousineau  
Charlevoix County Treasurer

Rec'd 5-4-18

FORECLOSURE LIST FOR CHARLEVOIX COUNTY  
For 2018 Foreclosures of 2015 and prior taxes  
BOYNE CITY  
Interest Computed As Of Foreclosure Date

PARCEL	TAX DUE	INTEREST/FEES DUE	TOTAL DUE	CURRENT SEV	CURRENT ASSESSED	CURRENT TAXABLE	TAX YEARS	DELINQUENT
051-235-053-00	475.56	710.99	1,186.55	12,400	12,400	2,748	2017 2016 2015	
Property Address: TAYLOR ST BOYNE CITY MI # 1 Owner: CHARLEVOIX COUNTY TREASURER								
051-335-108-00	1,981.86	971.14	2,953.00	16,800	16,800	14,774	2017 2016 2015	
Property Address: 635 MAIN ST E BOYNE CITY MI # 2 Owner: CHARLEVOIX COUNTY TREASURER								
PARCEL COUNT: 2	2,457.42	1,682.13	4,139.55	29,200	29,200	17,522		

Maddy Lane

Vogel

Edwin

Union

Clark

North

Hannah

Taylor

Rotary Park

State

Brown

Knollwood

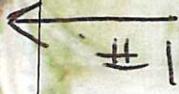
River Ridge

Poplar

Oak

Adams

Spring





Main

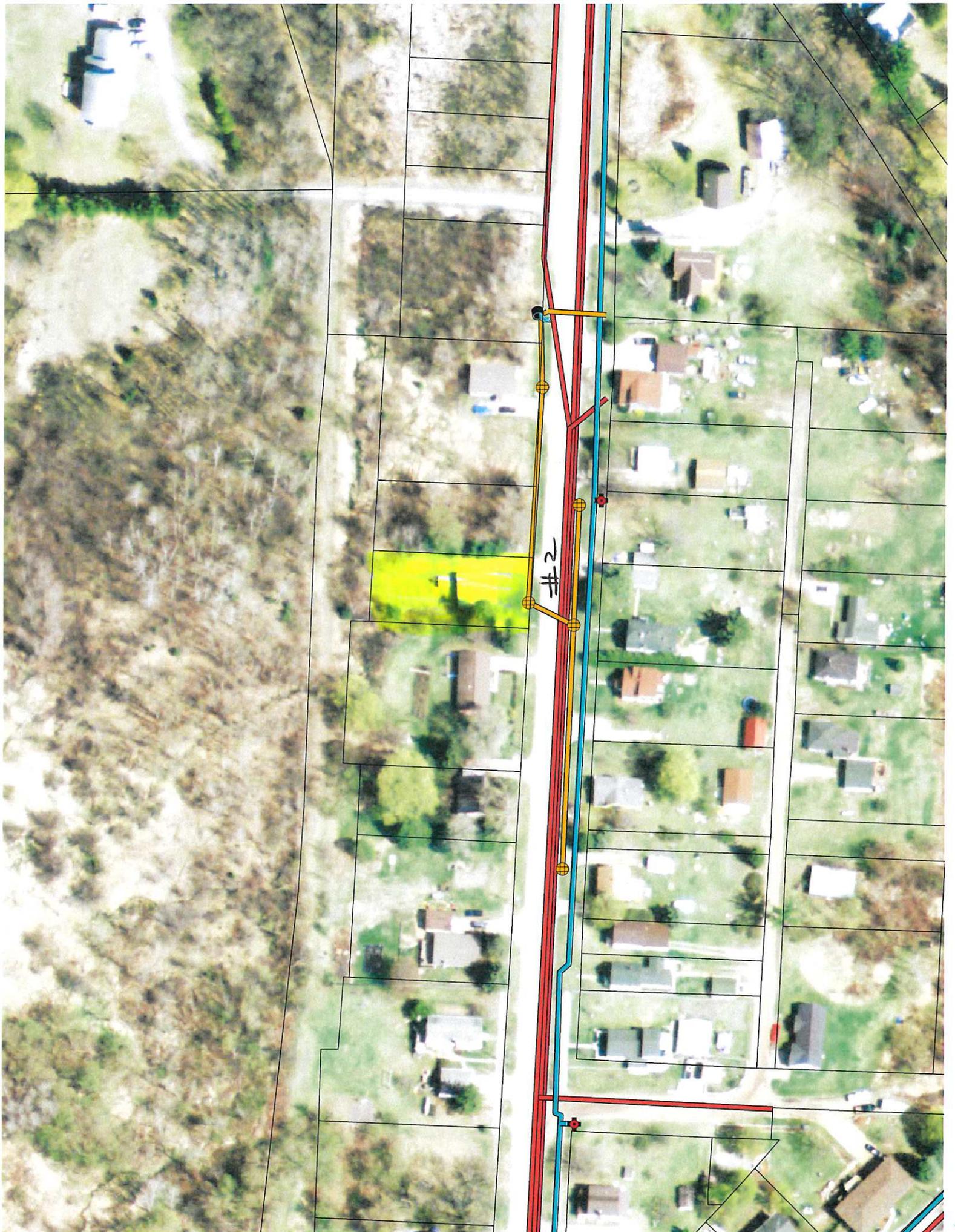
Grace

Forest

Hemlock

Lincoln

Boyne



# Application to obtain Real Estate for Public Purpose

Pursuant to Michigan Compiled Laws, Section 211.78m

Name, Address, Phone number, and Contact Person of Local Unit making application.

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Local Unit \_\_\_\_\_

## Parcel Information:

Tax ID# \_\_\_\_\_

Charlevoix County                      City/Village/Township Name \_\_\_\_\_

Street Address: \_\_\_\_\_

Public Purpose for acquiring this property is (Describe in detail):

This acquisition \_\_\_ has \_\_\_ has not been specifically authorized by resolution of the governing body of the Local Unit. (Attach minutes and resolution.)

The Local Unit \_\_\_ does \_\_\_ does not plan to resell or transfer this property to another person entity or group.

Entity is:

\_\_\_ N/A \_\_\_ Individual(s) \_\_\_ A non-profit entity \_\_\_ A for profit entity  
\_\_\_ A government Board, Commission, Agency, or Department.

**Name and address of Purchaser (if know at this time):**

**If property is being sold or transferred, please state end-users Public Purpose of this property.**

**Will property be returned to the tax roll? \_\_\_\_ Yes \_\_\_\_ No**

**Application regulation Disclosure:**

**The Foreclosing Governmental Unit (FGU) discloses that MCL 211.78m requires:**

- **That a sale/transfer under this section must be for a “PUBLIC PURPOSE”**
- **That if the property is sold or transferred at a profit (as therein defined), that such profit MUST be returned to the FGU and deposited in its delinquent tax property sales proceeds account for the year in which the property was purchased by the City, Village, Township, or County.**

**The Foreclosing Governmental Unit (FGU) requires, as a condition of this application, that the Local Unit agrees to:**

- **Fully indemnify the FGU and its agents for any and all costs, damages, awards, fees and other matters which may arise from, or as a consequence of, the foreclosure through which the property was obtained, including (but not limited to): title defense actions, environmental remediation, and boundary disputes.**
- **Maintain and perpetuate the “Public Purpose” use of the property.**
- **Re-convey the property to the FGU (at the unilateral option of the FGU, without “profit” as defined in MCL 211.78m at any time it is no longer used for the specific “public purpose” given herein, unless a suitable alternate “public purpose” has been approved by the FGU.**

- Obtain approval of the FGU for any sale or transfer of this property not herein disclosed, at any time in the future that it may occur, at least 14 days prior to such event.
- Provide copies of all transfer documents and financial settlement statements regarding any sale or transfer, within 30 days of such event, without further request.
- Compensate the FGU for any “profit” (as defined in MCL 211.78m) in this same time period if the property is sold or transferred.

These conditions must be agreed to by the Applicant, and will be made covenants/restrictions to such transfer in the conveyance documents.

The applicant  Agrees  Does not agree to the terms disclosed above, and consents to their inclusion in the documents of conveyance.

Submitted by:

Signature: \_\_\_\_\_

Name and official capacity:

Application Dated: \_\_\_/\_\_\_/\_\_\_

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For FGU Use

Received: \_\_\_/\_\_\_/\_\_\_

Response  Approved  Denied

Signature \_\_\_\_\_  
Charlevoix County Treasurer

Date: \_\_\_/\_\_\_/\_\_\_

## WAIVER OF FIRST RIGHT OF REFUSAL

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Date

Charlevoix County Treasurer  
301 State Street, Suite 3  
Charlevoix, MI. 49720

Charlevoix County Treasurer:

SUBJECT: Act 123, P.A. 1999

In accordance with Act 123, The City has the "first right of refusal" to acquire tax-foreclosed parcels. At this time, we are waiving our first right of refusal to all parcels that were foreclosed upon in March 2017.

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(Title)