

# Memo

**To:** City Council  
**From:** Bryan Myrkle, Community Development Director  
**Date:** March 10, 2017  
**Re:** Michels Corporation proposal to purchase property

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Michels Corporation is a utility contractor which has secured a 5-year contract with Consumer's Energy to perform work in Mid-Michigan. It has been looking for a home-base in the region, and has settled on a purchase of the former Hearn's Enterprises & Eaton Heavy Duty site on the corner of Packard Highway and Lipsey Drive at the south entrance to the Combs Industrial Park.

The site is well-suited to Michels Corporation's needs, but by itself is not large enough to house all of its equipment. Therefore, it is proposing the purchase of a small, city-owned parcel of approximately 3.29 acres directly east of the Hearn's Enterprises site. Michels intention is to create a gravel storage lot with lighting and security fencing on the City site to securely store its fleet of utility trucks, which would be maintained and serviced in the existing building at Hearn's Enterprises.

Michels (represented in this sale by 2000 PTSK Holdings LLC) has prepared a purchase agreement, which has been reviewed and approved by City Attorney Hitch. It is included here for your information. Also included is an aerial photo highlighting both parcels, as well as a Resolution the City Council must approve to authorize the sale.

The sale price negotiated is \$38,000 for the City site, which we believe to be a fair value for a Combs Park site with Packard Highway frontage. Most sales within the park have been at \$10,000 per acre, so this represents a small premium over that.

There is a 25 day waiting period required before finalizing property sales by the City. It is my intention to convene a meeting of the LDFA Board during those 25 days to review and make a recommendation to the Council on this sale. The Council would have the second reading and adoption of the resolution on its agenda after the 25 day period has elapsed.

You can learn more about Michels Corporation at [www.michels.us](http://www.michels.us).

I believe this is a good proposal that should be accepted by the City, as it helps accomplish several things. It keeps the Hearn Enterprises site from sitting vacant for any significant period of time, and increases Combs Park employment levels. While most of the work will be done outside of Charlotte itself, the community will enjoy the benefits of this site being the home base of these operations for the next five years. The added investment will increase the value of these two sites and make them more saleable in five years if the contract is not extended. It also adds a currently vacant public site to the tax rolls. Finally, the investment will also improve the appearance and upkeep of the Hearn site, which has been ill kept, resulting in complaints and code enforcement activities by the City.