

City of St. Johns

- City Commission Work Session Meeting to Discuss the Wilson Center
- 6:00 p.m., September 12, 2023

Presenter: Chad A, Gamble, P.E., City Manager



Welcome & Thanks for Coming!

Presentation Objectives

1. Website Information and Summary
2. Summary & Status of Purchase Agreement
3. Considerations & Influences of Decisions
4. Wilson Center- “By the Numbers”
5. Review of Proposed Development Documents
6. Outstanding Questions

Special Meeting: Wilson Center Update

St. Johns City Commission
September 12, 2023 | 6 p.m.

St. Johns Police Department
409 S. Whittemore
St. Johns, MI 48879

The City Commission is holding this work session to discuss the Wilson Center project. This informational meeting will include:

- A presentation by the City
- A presentation by Dymaxion (the owner and developer of the Wilson Center property)
- A discussion of the final drafts of the legal documents
- An opportunity for public comments and questions

The following Wilson Center legal documents will be discussed:

- [Condominium Bylaws*](#)
- [Development Agreement*](#)
- [Master Deed*](#)

There will be no formal action taken at this special meeting.

After the meeting, City staff will compile answers to the questions raised at the meeting. This information will be available on the City's website by September 26th. Those who were not able to attend the meeting in person can submit questions by e-mail to csj@stjohnsmi.gov by noon on September 14th.

Next Steps

The City Commission will hold another special meeting on Tuesday, October 10th, 2023, at 6:00 p.m. to consider approving the legal documents to move forward with the Wilson Center project. This meeting will also be held at the St. Johns Police Department, located at 409 S. Whittemore, St. Johns, MI 48879.

Can't make it in person?
Join us virtually:

Dial: 1-929-205-6099

<https://zoom.us/j/2050014286>

Meeting ID: 205 001 4286

Note: Only in-person attendees will be able to participate in public comment during the meeting. If you're not able to attend in person, please send your questions to csj@stjohnsmi.gov by noon on 9/14.



*Scan for access
to Wilson Center
legal documents



100 East State Street - P.O. Box 477 - St. Johns, MI 48879-0477 - (989) 224-8944 - Fax (989) 224-2204 - csj@stjohnsmi.gov

Wilson Center Team Members



City of St. Johns/Purchaser/Unit #1 Owner



Condominium Development Architect



Attorney managing Development Agreement & Master Deed document production



Developer/Seller/Unit #2 Owner

1. Website Information & Summary

- a. Special Meeting Information
- b. Project Documents
- c. Project Summary
- d. Frequently Asked Questions

Wilson Center

Home / Departments / Community Development and Zoning / Wilson Center

Update: Special City Commission Meeting Scheduled

Wilson Center Special Meeting Announcement: 9/12/23

When: Tuesday, September 12, 2023, at 6:00 p.m.

Where: St. Johns Police Department, 409 S. Whittemore, St. Johns, MI 48879

Online Access:

Dial 1 929 205 6099

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Introduction

The Wilson Center project has been of significant interest to the St. Johns community. The City is grateful for the high level of resident feedback and engagement, and has created this webpage as a place where residents can learn about the project, get answers to their questions, and access important documents.

Click on the links below to reveal answers.

Updated as of: May 18, 2023

The Wilson Center Project Summary

[Dymason Development Purchases the Wilson Center](#)

[The City of St. Johns Explores Purchasing a Portion of the Wilson Center](#)

[The City Considers – and Decides Against – Moving Offices to the Wilson Center](#)

[Estimates for Renovations and Maintenance Costs](#)

[Key Milestones and Current Status](#)

Frequently Asked Questions

[What is the current scope of the Wilson Center project?](#)

In this Department

[Board of Appeals](#)

[Planning Commission](#)

[Property Review Committee](#)

[Wilson Center](#)

Topics of Interest

[Business Registration Requirements](#)

[Rental Housing Program](#)

[Signs](#)

[Zoning Map](#)

More Information

Find content and services related to this page.

[Action Center](#)

[Document Center](#)

[News & Notices](#)

[Useful Links](#)

2. Summary & Status of Purchase Agreement

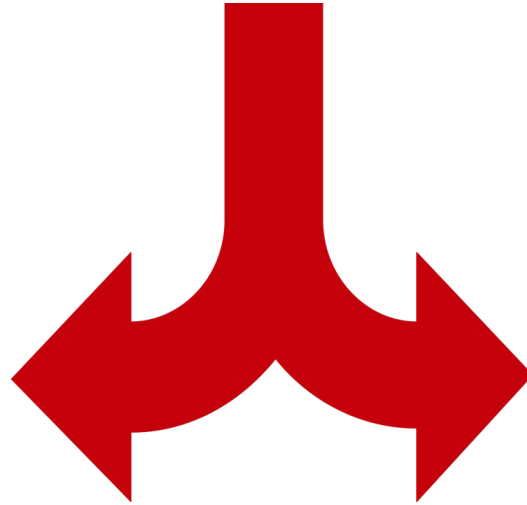
- **September 15, 2022** – Purchase Agreement between 101 W. Cass LLC (Dymaxion) & the City of St. Johns - Approved by Commission
- **April 4, 2023** – City decides to not consider the option to purchase additional office space in the Wilson Center

2. Purchase Agreement At a Glance

- Purchase price \$550,000 (for Gym and Auditorium only)
 - City made \$200,000 deposit, per agreement, to Diversified National Title
- When documents are in final form and accepted – City has 30 days to deposit \$350,000
- Dymaxion (seller) contracts to perform remediation of building
 - Remediation items include: (building caulks, Transite sheeting, floor tiles, pipe insulation, roofing materials, mortar patch, vermiculite insulation, fire doors)
 - *Paragraph 1.b. Prohibits any additional increases from remediation to be passed along to the city.*
 - Paragraph 1.b. “Seller must provide to Purchaser (City of St. Johns) clearance testing results from Tri-Terra (Environmental consultant) (i.e. the seller must prove via testing results that the site has been fully remediated as a condition of closing.)
- Once the testing has been certified and remediation is clean, and all other conditions of closing have been met, the Closing of the property will take place

Purchase Agreement Options

City Defaults on Purchase Agreement: Must Pay the Earnest Money Deposit of \$200,000, 50% of costs of development of purchase documents, possible additional legal exposure



City moves forward with the decision to purchase property in accordance with the purchase agreement

3. Considerations & Influences of Decisions

- How will this development impact the City – Strategically

- 2020 Strategic Plan - Land Use Development

- Goal #3 - ENCOURAGE ECONOMIC DIVERSITY AND JOB CREATION THAT WILL LEVERAGE ST. JOHNS' GEOGRAPHIC AND CULTURAL ASSETS.

- a. Rezone vacant or underutilized property in and near neighborhoods to encourage redevelopment that is compatible in use and intensity with the existing neighborhood.
- b. Support and encourage efforts to diversify the economic base of St. Johns.
- c. Facilitate economic development activities that will strengthen neighborhoods, provide educational training and employment opportunities and provide necessary support systems.

- Goal #4 - PROVIDE ECONOMIC OPPORTUNITIES IN DEVELOPMENT AND REDEVELOPMENT AREAS.

- b. Identify vacant and underutilized areas and plan to maximize their development
- e. Continue downtown revitalization efforts by encouraging a mix of housing, retail, and complementary services.



3. Considerations & Influences of Decisions

- How will this development impact the City – Strategically (Continued)
 - 2020 Strategic Plan – Neighborhoods
 - GOAL #2: PROVIDE A HOUSING STOCK THAT MEETS THE NEEDS OF A DIVERSE CITY POPULATION WITH SUPPORTING AMENITIES.
 - e. Provide housing for all ages. Including younger families and the aging population.
 - g. Increase housing stock for growing work force.
 - i. Promote and control the further development of living units in the downtown.
 - GOAL #4: MAINTAIN AND PRESERVE HISTORIC PROPERTIES WITHIN THE CITY.
 - e. Use historical buildings to promote the up-and-coming thriving City.
 - 2020 Strategic Plan – Parks and Recreation
 - GOAL #2: CONTINUE TO PROVIDE ALL RESIDENTS OF THE CITY OF ST. JOHNS WITH HIGH QUALITY RECREATION PROGRAMS AND OPPORTUNITIES.
 - a. Update and develop recreational programs that serve the needs of persons of all ages.



3. Considerations & Influences of Decisions (Cont.)

How will this development impact the City – Historically

Jesse Wig bought an abandoned high school for \$100,000 and with two other partners converted it into stunning apartments.

[Formerly Abandoned School Transformed Into Unique Apartments \(mymodernmet.com\)](https://www.mymodernmet.com)

March 28, 2023



“Tearing down old buildings won’t make our cities more affordable or inviting,” writes Meeks in *City Lab*. “It’s time to make better use of the buildings and spaces we already have. “When a much-beloved building is restored to life, the surrounding neighborhood shares in this invigoration. The impact on residents can also be profound. There is something reaffirming about living in a community landmark, particularly one that so clearly exhibits the care that went into its restoration.”

[Transforming Old Buildings into New Affordable Housing - Salud America \(salud-america.org\)](https://www.salud-america.org)

September 20, 2019

4. Wilson Center By the Numbers

- How will this development impact the City – Monetarily – Expenses

Wilson Center Project Costs

Item	Cost	Source
Preliminary Engineering - 50% of Documents Preparation	\$ 107,000.00	Actual
Purchase Price Paid to Date	\$ 200,000.00	Actual
Purchase Price (acquisition and partial remediation)	\$ 350,000.00	Purchase Agreement
Final Construction Drawings and Specifications	\$ 110,000.00	Consultant Estimated
Bidding Services	\$ 10,000.00	Consultant Estimated
Contribution Towards common space design	\$ 25,000.00	In Agreement
50% of Common Space Construction Costs & Landscaping	\$ 214,000.00	Preliminary Cost Estimated
Construction Engineering and Inspection	\$ 113,000.00	Consultant Estimated
Construction of Improvements to Gym and Auditorium	\$ 1,691,355.00	Professional Estimate by Concord
Total Project Costs	\$ 2,820,355.00	

4. Wilson Center By the Numbers (Continued)

- Best information required for important decisions.

Construction of Improvements to Gym and Auditorium	\$ 1,691,355.00
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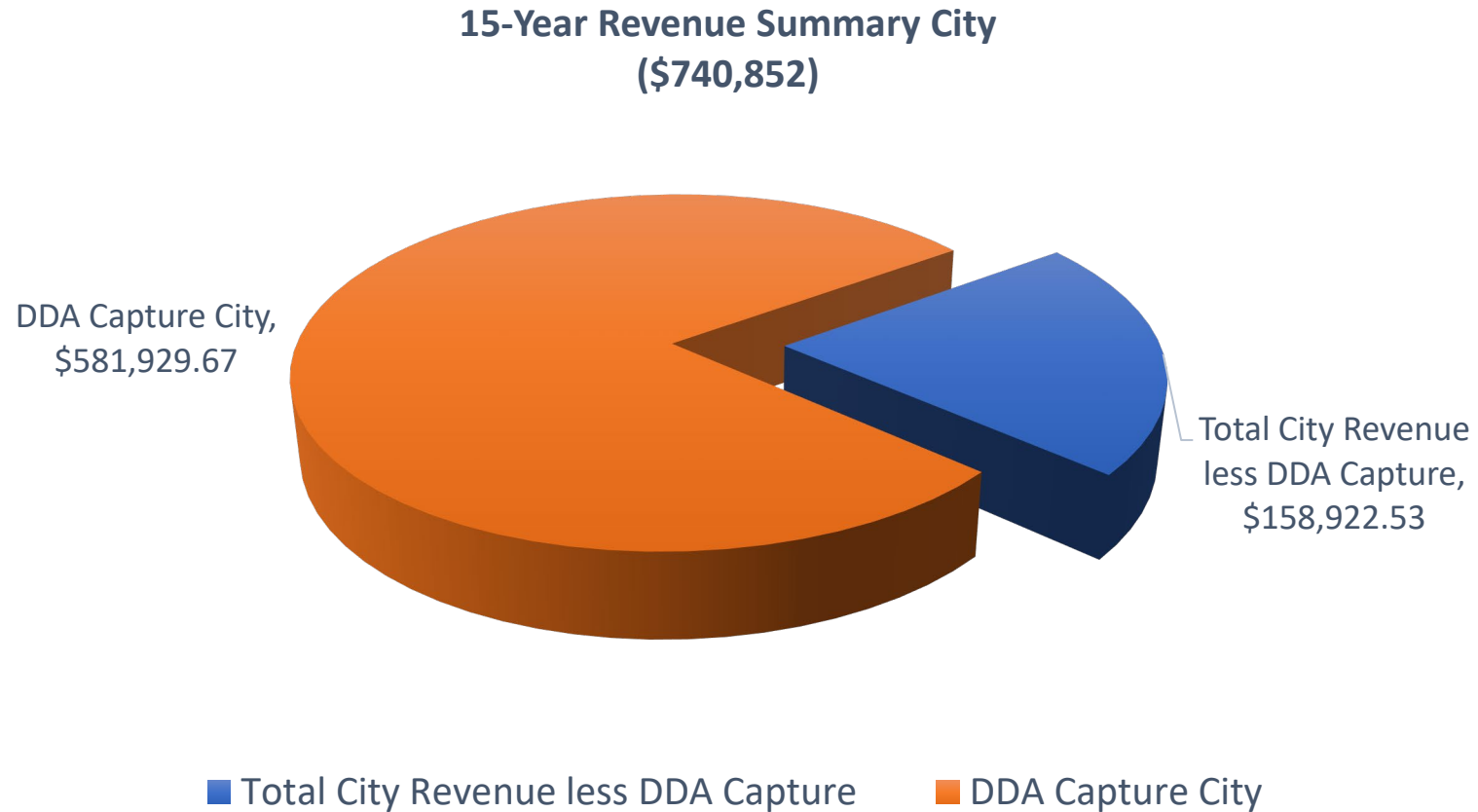
- Previous cost estimates were *conceptual* costs from early 2022.



Professional Estimator contracted to obtain increased level of accuracy in construction estimated for proposed improvements to Wilson Center Unit #1 improvements

4. Wilson Center By the Numbers (Continued)

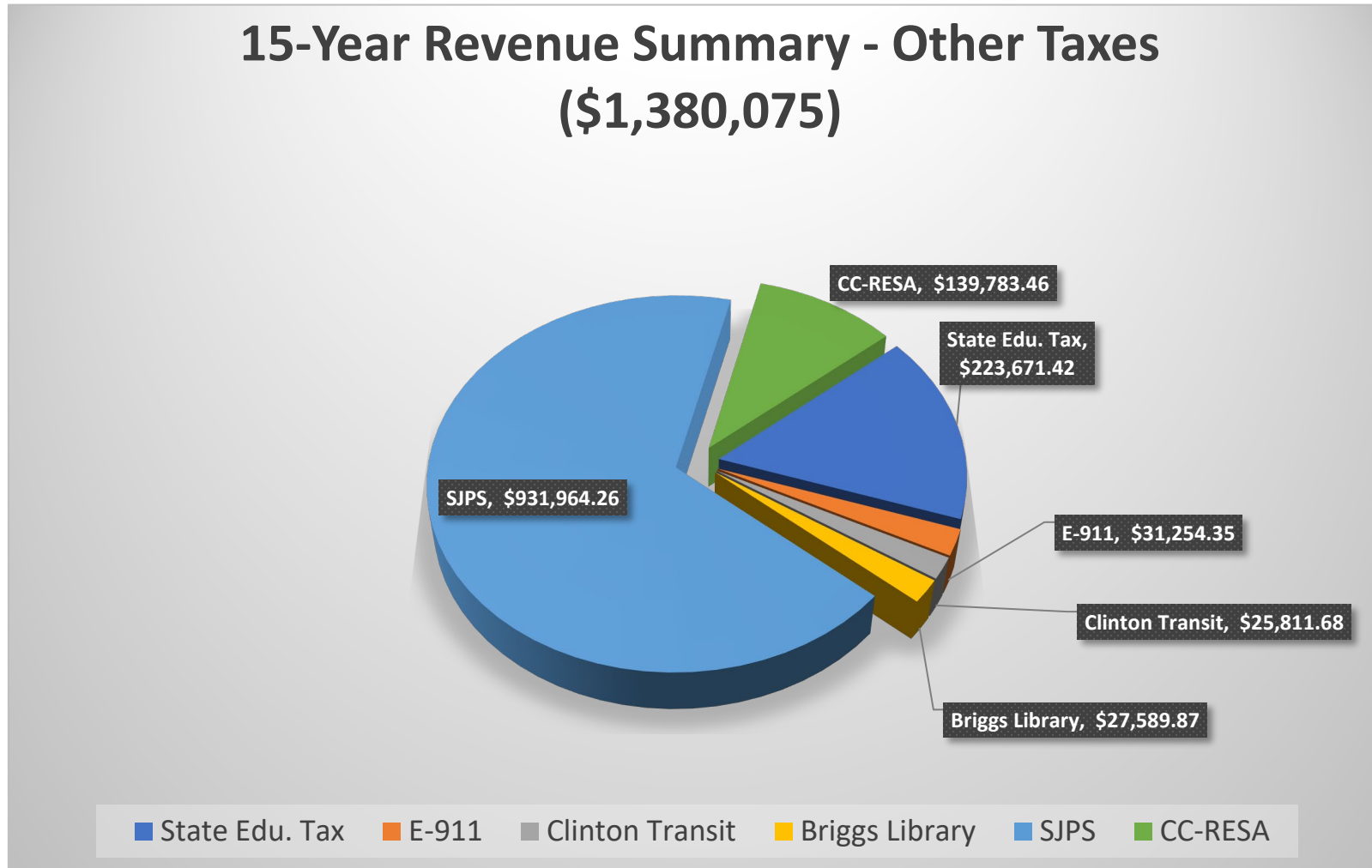
- How will this development impact the City – Monetarily – Revenue*



*Estimated Taxable Value \$2,000,000

4. Wilson Center By the Numbers (Continued)

- How will this development impact the City – Monetarily – Revenue*

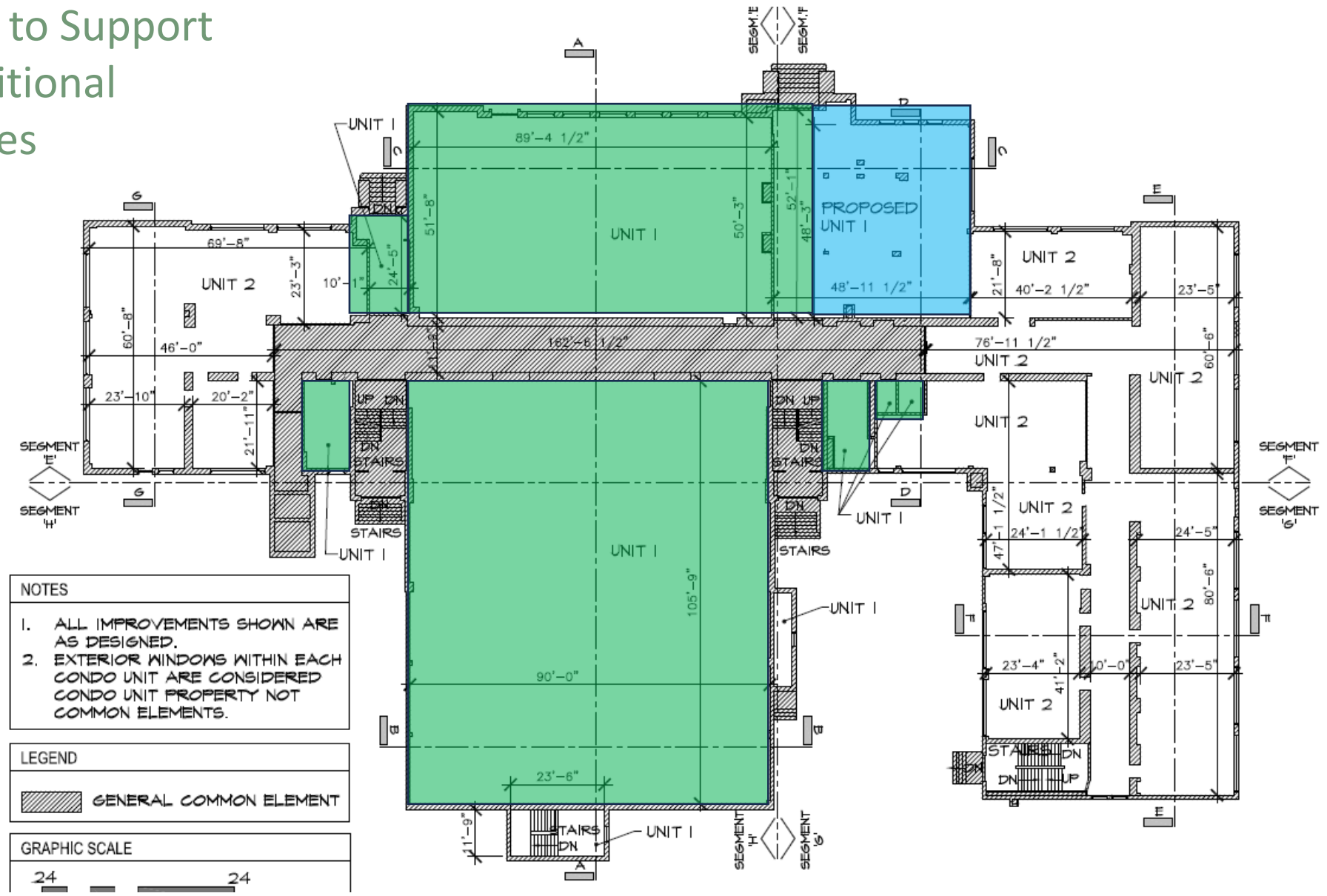


*Estimated Taxable Value \$2,000,000

Optional Additional Space to Support Auditorium/Gym and Additional Programming Opportunities

Purchase Option: \$130,000
 Estimated Construction Budget: \$350,000
 Total Investment: \$480,000

- Original Unit #1
- Optional additional space for community room, concession area/kitchen, storage (1,728 square feet +/-)



An aerial photograph of a large, multi-story brick building with a flat roof. The building has several air conditioning units on the roof and a central entrance with a decorative archway. In front of the building is a large, well-maintained lawn with a circular garden bed in the center. An American flag flies on a tall pole in the courtyard. Several people are visible walking on the sidewalks around the lawn. The background shows residential houses and trees.

5. Review of Proposed Development Documents

1. Development Agreement

2. Master Deed

1. Exhibit A – Condominium Bylaws

2. Exhibit B – Condominium Subdivision Plan

5. Review of Proposed Development Documents (Cont.)

Development Agreement

(Governs Relationship prior to Original Condominium Construction Project Completion)

1. Sec. 3 - Requires 50/50 split of design and construction costs between seller and buyer of Public Improvement/ Common Elements (PICE)
2. Sec. 3 - **City runs and is responsible for obtaining bids for PICE**
3. Sec. 3 - Seller/Buyer must agree on design of PICE
4. Sec. 4 - PICE completion date permits access to City Unit #1 by 12/31/24, all other areas 7/1/25
5. **Sec. 5 - Unit Improvements – require developer to make improvements to existing parking lot (101 W. McConnell) to provide for 83 parking spaces to replace previous 69 on-street parking spaces.**
6. Sec. 7 – requires PICE to begin 3 months after environmental clearance in accordance with purchase agreement
7. Sec. 7 – Requires developer to provide “proof of construction financing” prior to starting construction
8. Sec. 10 – Requires seller and purchaser to maintain insurance no less than \$2 Million and to indemnify each other.

5. Review of Proposed Development Documents (Cont.)

Master Deed (MD)

1. Exhibit A – Condominium Bylaws (BL)

2. Exhibit B – Condominium Subdivision Plan (CSP)

(Governs Relationship after original Condominium Construction Project Completion)

1. MD Article IV – Defines Common Elements and Limited Common elements (i.e. individual condo units) and sets 50/50 split of value of condominium association ownership
2. MD Article VII – Governs how subdivision of units #1 (City) or Unit #2 (developer) takes place
3. BL (Governs day to day operations of condominium association)
 1. Establishes annual budgets for routine maintenance, cleaning, lawn maintenance, winter maintenance, etc.
 2. Provides for dispute resolution and general aesthetics and alternation protocols.
 3. Provides for how the condominium association board of directions is formed and how it votes. (1 vote for Unit #1 – 1 vote for Unit #2)
4. CSP indicates graphically how Unit #1, Unit #2 and the Common Spaces are proposed to be divided

Timeline moving forward with Wilson Center

(if approved at the October 10, 2023 meeting)

October, 2023

- Execute Development Agreement documents
- Begin final Design of Architectural Drawings & Specs.

December, 2023

- Remediation of Wilson Center Begins

Spring, 2024

- Finalize and bid out planned improvements

Winter, 2024/2025

* Construction Complete

January, 2025

- Construction Complete - Occupy and operate facility



6. Outstanding/Popular Questions from Community

1. **Who wrote the agreements?** (Pursuant to paragraph 4.b. of purchase agreement – seller was original drafter of all documents. However, City has significantly revised agreements in last two months to approval of Senior Staff and City Attorney.)
2. **Why is City Contributing \$550,000 to seller when they only paid \$50,000?** (City elected to structure development deal to avoid complete tax capture and repayment of brownfield tax abatement originally proposed by seller. This would negate revenues to DDA, City and other Taxing entities for upwards of 20+ years as detailed in slide #13 and #14.) *(Wilson Center By the Numbers – Revenue)*

Grant Applications Submitted by the City to Date



Consumers Energy Prosperity Awards / Consumers Energy Foundation
(\$1,000 - \$250,000)



Michigan Department of Labor and Economic Opportunity –Michigan
Community Center Grant (Grant funds request of \$1,910,000)



Thank you for your attention and being engaged in the happenings of our Community!

