CITY OF NOVI CITY COUNCIL
SEPTEMBER 14, 2026

SUBJECT: Consideration to Approve a Purchase Agreement to Sell a Portion of Parcel 22-23-151-029 to Novi Industrial, LLC for $68,000 for Placement of a Storage Tower.

SUBMITTING DEPARTMENT: City Manager

KEY HIGHLIGHTS:

- The City would sell 0.783 acres of unused Water Tower Park property to Novi Industrial, LLC for its appraised value of $68,000. The sale excludes the developed park areas and the water tower, and City access to the tower from Trans-X Road must be maintained at all times.
- In addition to the purchase price, the buyer has agreed to reimburse the City $16,000 in attorneys' fees incurred over the past two years in preparing the transaction documents.
- Approving the sale does not approve the sand silo. The owner and Temperform must still go through site plan review, resolve the concrete pad's placement over a recorded sewer easement, and may need variances for the silo's height and setback following Planning Commission review.

BACKGROUND INFORMATION:

Novi Industrial, LLC, owner of the property at 25425 Trans-X Road, is requesting to purchase an unused portion of the City's Water Tower Park property (Parcel 22-23-151-029). Its tenant, Temperform, placed a concrete pad in this area believing it was part of the leased parcel, and the owner now seeks to acquire the land in order to place a sand silo there.

The property is located in the southeast part of Water Tower Park, at the southeast corner of Novi Road and Trans-X Road. The proposed 0.783-acre purchase area does not include the developed portions of the park or the water tower itself. If the property is transferred, access from Trans-X Road to the water tower must be maintained at all times so the City and its agents can continue to maintain the tower and nearby improvements.

After meeting with the City and exploring options for relocating the silo elsewhere on its own site, Temperform determined that doing so would require variances from the Zoning Board of Appeals. Temperform indicates that even with variances, the silo would

not fit properly on its current site. As a result, it has requested that the City sell a portion of the adjacent property to accommodate the silo.

Temperform obtained an appraisal of the City-owned portion, which is attached. The appraised value is $68,000. The appraisal was conducted by RS Thomas & Associates, a firm the City has used for various property acquisitions. Temperform and Novi Industrial have also provided an updated survey, including information requested by the Assessing Department to adjust the parcel boundaries.

The Purchase Agreement was prepared by the City Attorney's Office, with minor modifications proposed by the purchaser. Temperform requested two amendments to the agreement to extend the timeframe for environmental due diligence and is now ready to move forward. Temperform has also agreed to reimburse the City $16,000 in attorneys' fees incurred over the past two years in preparing the transaction documents.

If the property is transferred, the owner and Temperform will need to follow the City's site plan submittal and review process for any improvements on the site, including the location of the proposed sand silo. The applicant will need to resolve any concerns about the concrete pad's installation over a recorded sewer easement, and may need to request variances for the silo's height and setback following review and approval by the Planning Commission.

RECOMMENDED ACTION: Approval of a Second Amendment to Purchase Agreement to Sell a Portion of Parcel 22-23-151-029 to Novi Industrial, LLC for $68,000, for the area shown in the attached survey, and to authorize the City Manager to sign the Purchase Agreement and work with the City Attorney's Office to take all actions necessary to complete closing of the sale.

SECOND AMENDMENT TO PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AGREEMENT (this "Second Amendment") is made and effective as of _____,___, 2026 (the "Effective Date"), by and between the CITY OF NOVI (the "Seller"), and NOVI INDUSTRIAL LLC, a Michigan limited liability company (the "Buyer").

RECITALS

A. The parties entered into a certain Purchase Agreement dated February 5, 2025 (the "Purchase Agreement") for the sale and purchase of Property located at 25460 Trans-X Drive, Novi, Michigan;

B. The parties entered into a certain First Amendment to Purchase Agreement dated June 23, 2025 which amended the closing date for the sale of the Property (the "First Amendment");

C. The sale transaction contemplated by the Purchase Agreement and the First Amendment was scheduled to close not later than July 15, 2025;

D. Buyer identified, diligently pursued and recently completed certain due diligence and environmental investigations relating to the Property; and

E. Seller and Buyer desire and agree to extend the closing date and to amend the Purchase Agreement as described herein.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein, and other good and valuable consideration as set forth herein, the receipt and sufficiency of which is hereby acknowledged, the Buyer and Seller hereby agree as follows:

1. The paragraph entitled "Closing" of the Purchase Agreement is amended as follows:

The closing deadline shall be extended to occur not later than September 30, 2026.

2. The paragraph entitled "Payment of Fees, Closing Costs, Etc." of the Purchase Agreement is amended as follows:

> Buyer shall pay all closing fees and all costs associated with recording the required Deed and any loan documents. The parties agree that the Title Company shall prepare the required Deed and closing documents necessary to complete this transaction, that the Title Company shall conduct the closing, and that the cost of same, together with any settlement, document preparation, or disbursement fee, shall be borne by Buyer. Buyer shall also pay the required transfer tax, the cost of an owner's commitment and policy of title insurance, and recording fees relative to the discharge of Seller's mortgage, if any. At closing, the parties shall execute closing statements prepared by the Title Company and all income or other tax reporting documents as required by the Title Company. Buyer shall pay at closing

$16,000.00 toward the cost of preparation and review of this Agreement and any closing documents by Seller's attorney.

3. Except as expressly modified by this Second Amendment, all terms, conditions and provisions of the Purchase Agreement and First Amendment shall remain unaltered, and the parties hereby ratify the Purchase Agreement, as amended by the First Amendment and hereby, and agree that the Purchase Agreement, as amended, shall remain in full force and effect, and that neither party currently has any claims against the other for breach of any terms under the Purchase Agreement or First Amendment.

4. This Second Amendment shall be construed as to both validity and performance and enforced in accordance with and governed by the Laws of the State of Michigan, without regard to any applicable principles of conflicts of law that might require the application of the laws of any other jurisdiction.

5. This Second Amendment may be executed in two (2) or more counterparts, in each case including by facsimile or portable document format (.pdf), each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

6. Capitalized terms appearing in this Second Amendment that are not defined herein shall have the meaning attributed to them in the Purchase Agreement.

7. The term “Purchaser” in the First Amendment, and the term “Buyer” in the Purchase Agreement and this Second Amendment, shall both mean Novi Industrial LLC.

* * * * *

[Signatures appear on the following page(s)]

INTENDING TO BE LEGALLY BOUND, the parties have executed this Second Amendment to the Purchase Agreement as of the Effective Date.

SELLER:

CITY OF NOVI

By: _____
Name: Justin P. Fischer
Its: Mayor

By: _____
Name: Cortney Hanson
Its: Clerk

BUYER:

NOVI INDUSTRIAL LLC
a Michigan limited liability company

By: _____
Name: Matt Ryan
Its: Manager

[Signature Page to Second Amendment to Purchase Agreement]