

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS
SPECIAL MEETING

MONDAY, SEPTEMBER 9, 2024
4:00 P.M. – LANSING CENTER GOVERNOR'S ROOM
333 E. MICHIGAN AVENUE, LANSING, MI 48933

AGENDA

I. CALL TO ORDER

II. PUBLIC COMMENTS ON AGENDA ITEMS

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment.*

III. ACTION ITEM - DISCUSSION AGENDA

A. APPROVAL OF PURCHASE AGREEMENT FOR 511 S. WASHINGTON AVENUE (ROLL CALL VOTE)

PROPOSED MOTION: That the CATA Board of Directors authorize Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to approve the purchase agreement for 511 S. Washington Avenue, as written, in the amount of \$1,025,000, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

IV. PUBLIC COMMENT

Members of the public are welcome to speak to the Board on any CATA subject.

XII. ADJOURNMENT

ACTION ITEM – APPROVAL OF PURCHASE AGREEMENT FOR 511 S. WASHINGTON AVENUE

Over the last several months, Staff has been researching opportunities to have a larger presence in Downtown Lansing, especially near the CATA Transportation Center. The vision is for a new facility to house not only some CATA offices, primarily for customer-facing employees, but also provide a new area for public meetings, a resource center for customers, and potentially space for another community partner.

The property located at 511 S. Washington Avenue was originally built as a Greyhound bus station in 1950, and most recently housed a financial investment company. In good condition at just over 10,500 square feet, and in close proximity to the CATA Transportation Center, Staff visited the property and believe it to be a great fit for our transit-related aspirations in a centrally located facility.

With representation and counsel from both a professional, commercial real estate broker, as well as a real estate attorney, Staff engaged the seller about a possible purchase of the property. The resulting tentative Real Estate Purchase Agreement (“Agreement”) and supporting documents are enclosed.

The Agreement requires CATA to provide an initial, \$20,000 refundable deposit (“Earnest Money”). The entire purchase is contingent upon CATA Board approval and other terms. If approved, the purchase price would be \$1,025,000, which represents a cost of under \$100 per square foot, or approximately less than half the cost of constructing a new building. The purchase is also subject to a sixty (60) day due diligence review period for CATA to complete its appraisals, financial investigations, physical investigations and review of documents and records. The review period may be extended for an additional thirty (30) days, but only in the event that a Phase I Environmental Site Assessment (“ESA”) indicates the need for a Phase II ESA. CATA may proceed to close or terminate the Agreement and be entitled to the return of Earnest Money by written notice to the Seller. As of this writing, there are no state or local funds dedicated to this purchase; however, it is likely and even anticipated such funds can and will be used to support this entire project.

Staff is excited about possibly expanding our presence downtown and believes this facility’s condition, size, and location represents an excellent opportunity.

Staff recommends that the Board adopt the proposed motion set forth below.

PROPOSED MOTION: That the CATA Board of Directors authorize Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to approve the purchase agreement for 511 S. Washington Avenue, as written, in the amount of \$1,025,000, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

FOR SALE



Todd M Kosta

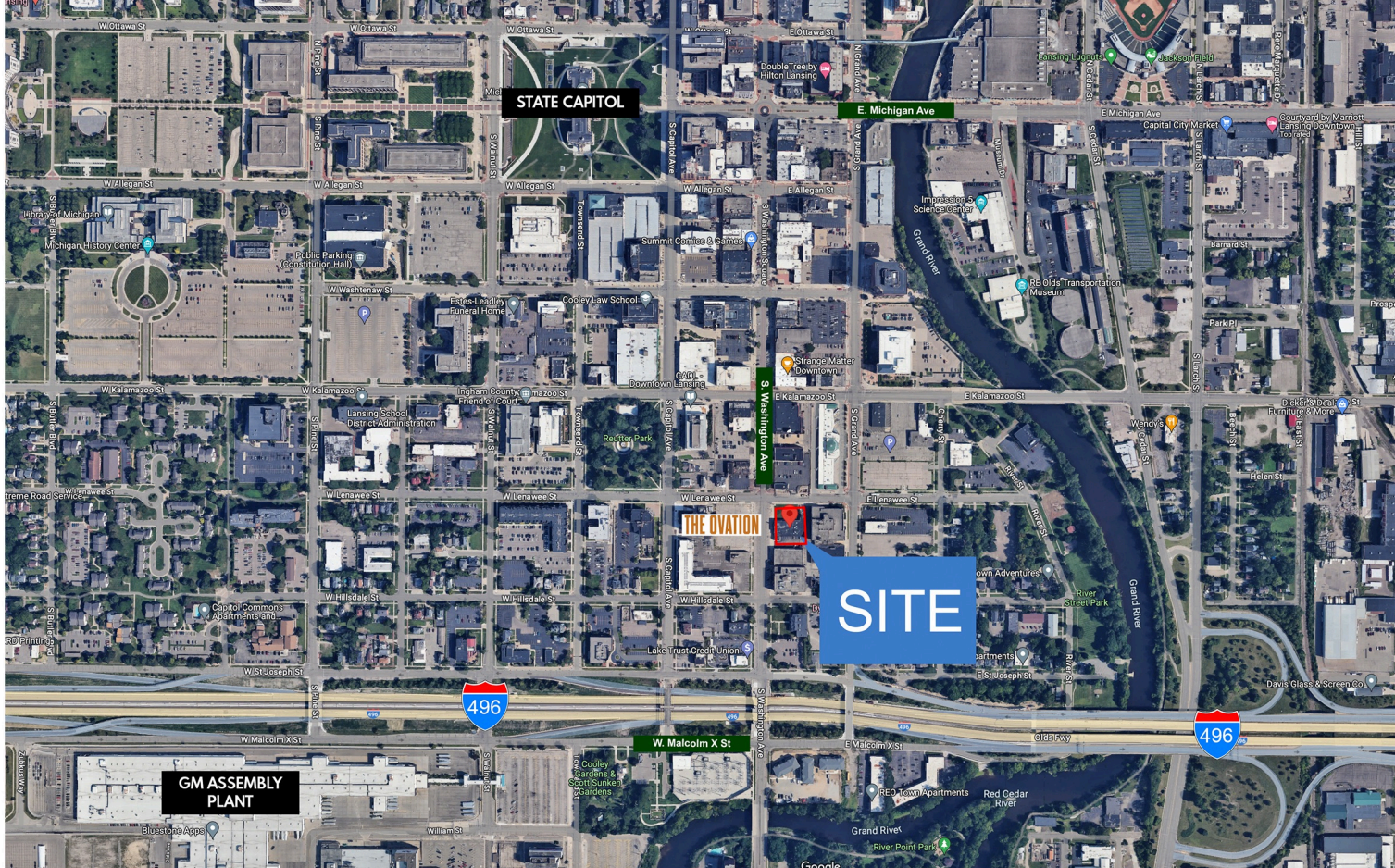
Senior Vice President of Brokerage Services
todd@woodworthcommercial.com

O: 517.679.8633

C: 310.633.3001

Historic Lansing Office Building
511 S. Washington, Lansing, MI 48933





PROPERTY INFORMATION

- 10,665 SF free-standing building
- 0.54 acres with 36 parking spaces
- Built in 1950; remodeled 2001
- Historic Centennial Building, former transportation station with original charm throughout the building; featuring high ceilings, beautiful staircase and large windows allowing natural lighting
- Main floor features welcoming reception/lobby area; multiple conference/meeting rooms, restrooms, mailroom, training room, multiple private offices and 22 cubicles. Second floor features a large break room/kitchen, private offices or conference rooms that over-look the main floor
- Located in the heart of downtown Lansing, walkable to the Capitol, government buildings, downtown businesses. Across the street from the planned "Ovation Music and Arts Center - a transformative venue coming to downtown projecting 154,000 visitors a year
- Convenient access to I-496

SALE INFORMATION

- Sale: \$1,195,000
- Zoned: G-1, Business
- Taxing Authority: City of Lansing
- Assessed Value: \$407,800
- Taxable Value: \$312,934
- 2022 Taxes: \$22,971





AERIAL OF SITE AND SURROUNDING NEIGHBORHOOD



TIMELINE OF EVENTS

- **August 7, 2024:** Conversations began to indicate that CATA may not be able to co-locate with the City of Lansing in a new city hall building.
- **August 8, 2024:** Staff discovered that the former Greyhound station, located at 511 S. Washington Avenue, was for sale and fit many of the parameters needed for a downtown facility.
- **August 14, 2024:** CATA confirmed it would be unable to partner on the new city hall site, located across from the CTC.
- **August 16, 2024:** Staff confirmed an appointment to tour the former Greyhound station the following week.
- **August 19-23, 2024:** Staff toured the facility and determined it would be a good fit. Later, engaged with a real estate attorney for counsel and with a broker to represent CATA and begin work on a potential offer/purchase agreement.
- **September 4, 2024:** A tentative purchase agreement was formally accepted by both CATA and the seller, which commenced the sixty (60) day due diligence period.
- **September 9, 2024:** Earnest money deposit due in escrow as part of the property agreement.
- **September 9, 2024:** Special meeting of CATA's Board of Directors held to review and decide on moving forward with purchase of the property for a future downtown administration facility and potential community resource center.
- **September/October 2024:** Engage an architecture and engineering firm to begin assessing site, conducting survey(s) and environmental assessments. Property appraisal(s) would also be secured.
- **November 1, 2024 (approximately):** Close on the property transaction.
- **November/December 2024:** Confirm potential tenant partnership with another community partner.
- **December 2024:** Review architectural renderings of remodeled facility and begin to procure construction services and oversight.
- **Winter/Spring 2025:** Commence construction and remodeling.
- **Summer/Fall 2025:** Facilitate office and departmental moves.
- **January 2026:** Grand opening of facility.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT is made this 4th day of September, 2024, by and between **511 S. Washington, L.L.C., a Michigan limited liability company, (“Seller”)** whose address is **511 S. Washington, Lansing, Michigan 48933**, and **Capital Area Transportation Authority (“Purchaser”)** whose address is **4615 Tranter Street, Lansing, Michigan 48910**, to wit:

WITNESSETH:

Seller owns and desires to sell and Purchaser desires to purchase certain real estate known as the Centennial Office Building and located at 511 S. Washington, City of Lansing, County of Ingham, State of Michigan, together with all buildings, improvements, fixtures, equipment and personal property, including furniture and other personal property remaining in the building as of the date of Closing, now on or attached to the Premises, and all of Seller’s right, title and interest in adjacent streets, roads, avenues, alleys, and rights-of-way, whether open or proposed, rights to sewer and water taps, all of Seller’s interest in beneficial easements, and all other rights, privileges, or covenants appurtenant to or inuring to the benefit of the land (collectively the “Premises”), which is described as follows:

Land situated in the City of Lansing, County of Ingham, State of Michigan, described as follows:

SEE ATTACHED EXHIBIT A

Tax ID No. 33-01-01-16-435-031.

NOW THEREFORE, in consideration of their mutual covenants, the parties agree as follows:

1. **AGREEMENT:** Subject to the terms and condition of this Real Estate Purchase Agreement (“Agreement”), Seller agrees to sell and Purchaser agrees to purchase the Premises, as described on Exhibit A, for a purchase price of **One Million Twenty Five Thousand Dollars (\$1,025,000.00)** (“Purchase Price”) payable in accordance with Paragraph 6 and the other terms and conditions of this Agreement.

2. **EFFECTIVE DATE:** The effective date of this Agreement (“Effective Date”) shall be the date on which this Agreement has been executed by and delivered to both parties.

3. **EARNEST MONEY DEPOSIT:** Within three (3) business days following the Effective Date, Purchaser shall deposit with Transnation Title Agency of 6452 Millenium Dr., Suite 140, Lansing, Michigan 48917 (in this capacity, “Escrow Agent”) the sum of Twenty

Thousand Dollars (\$20,000.00), as Earnest Money which will be held by Escrow Agent. At closing, the Earnest Money shall be applied to the Purchase Price. If no closing occurs, the Escrow Agent shall distribute the Earnest Money in accordance with this Agreement.

4. REVIEW PERIOD: Purchaser will proceed with all due diligence to complete its appraisals, financial investigations, physical investigations and review of documents and records within sixty (60) days of the Effective Date ("Review Period"). During the Review Period, Purchaser shall also obtain approval of the purchase by its complete board of directors as required for all property acquisitions. Purchaser may extend the Review Period for an additional thirty (30) days, but only in the event Purchaser's Phase I Environmental Site Assessment ("ESA") indicates the need for a Phase II ESA. Purchaser shall provide written notice to Seller of its intention to extend along with a copy of the executed proposal for a Phase II ESA. At the conclusion of the Review Period, as the same maybe extended, Purchaser may proceed to close or terminate this Agreement and be entitled to the return of the Earnest Money by written notice to Seller of its intentions.

5. CLOSING: The Closing ("Closing") shall take place at the office of the Escrow Agent on or before fourteen (14) days following satisfaction of all conditions precedent to purchase or at such earlier date as may be designated by Purchaser upon five (5) days notice to Seller.

6. PAYMENT OF PURCHASE PRICE: At Closing, Purchaser shall pay the Purchase Price to Seller by wire transfer of immediately available funds. All adjustments and prorations required between the parties shall, at Closing, be deducted from or credited to (as the case may be) the Purchase Price.

7. RIGHT TO PERFORM TESTS, ETC.: Purchaser and its authorized representatives may at any reasonable time during the Review Period make surveys, site analysis, and core samplings for engineering and environmental reports. Seller agrees to furnish to Purchaser on request all information available to Seller concerning the condition of the Premises. Purchaser shall indemnify Seller for any loss or damage resulting from such testing, and if no Closing occurs, Purchaser shall restore the Premises to their pre-entry condition.

8. TITLE COMMITMENT: As soon as possible following the Effective Date, Seller shall, at Seller's expense, deliver to Purchaser a Commitment for Owner's Title Insurance issued by Transnation Title Agency of 6452 Millenium Dr., Suite 140, Lansing, Michigan 48917 (the "Commitment"), setting forth the state of title to the Premises and all exceptions, including easements, reservations, and other conditions, if any, affecting the Premises that would appear in an Owner's Title Policy if issued and the amounts of any real estate taxes and special assessments relating to the Premises and extent to which they are unpaid. Not less than five (5) days after receipt of the title commitment, Purchaser shall notify Seller of any objections to or defects in the state of title as revealed by the Commitment and Title Documents. If Purchaser fails to notify Seller of any objections or defects prior to the end of the Review Period, then Purchaser shall be

deemed to have waived such objections and defects. Within ten (10) days of such notice, Seller shall provide Purchaser with an updated Commitment revealing that the objections and defects specified by Purchaser have been cured or will be insured. Seller shall use reasonable efforts to cure all title objections or defects. If Seller fails to cure any objections or defects to Purchaser's satisfaction within the time provided, then Purchaser may cancel this Agreement and be entitled to a return of the Earnest Money in accordance with this Agreement. At Closing, Seller shall, at Seller's expense, deliver to Purchaser an endorsement to the Commitment (the "Endorsement") effective the time and date of Closing revealing that Seller can convey the Premises to Purchaser with marketable title in fee simple, subject to zoning ordinances, easements and building and use restrictions of record, and Seller shall also at Closing order and pay for an Owner's Policy of Title Insurance ("Title Policy") in the name of Purchaser to be issued pursuant to the Commitment and Endorsement, in the full amount of the Purchase Price, guaranteeing a marketable title in fee simple title, subject to zoning ordinances, easements and building and use restrictions of record. If Seller fails to fulfill any of its obligations under this Paragraph, all of which are conditions precedent to purchase, Purchaser may waive any defect(s) and enforce this Agreement, or terminate this Agreement and promptly receive a full refund of the Earnest Money.

9. SURVEY: The legal description, size and configuration of the Premises shall be confirmed by an ALTA survey ("Survey") obtained by Purchaser at Purchaser's sole cost and expense within thirty (30) days of the Effective Date hereof, certified to Purchaser and the title company and to a date later than the Effective Date, and containing a complete legal description, showing all boundary lines, the size and location of all improvements on the Premises, the location of all easements and rights-of-way affecting the Premises, all encroachments to the Premises, a statement as to the flood plan status of the Premises and all encroachments on the adjacent property by improvements to the Premises. If the Survey discloses any conditions that, in Purchaser's sole judgment, would render part or all of the Premises unusable for the proposed use, then Purchaser may terminate this Agreement by providing notice to Seller. In the event this Agreement is so terminated, Purchaser shall receive an immediate refund of the Earnest Money and neither party shall have any further liability to the other.

If no such termination occurs, the Survey's legal description, if different from that on Exhibit A, shall be substituted for that on Exhibit A and used also on the Commitment, Title Policy, and all other documents pertinent to this Agreement.

10. SELLER'S REPRESENTATIONS AND WARRANTIES: To induce Purchaser to enter into this Agreement, Seller, based on its best knowledge, represents and warrants the following to Purchaser from the Effective Date forward:

A. No litigation, condemnation proceeding, eminent domain proceeding or other proceeding affecting all or part of the Premises is pending, nor is Seller aware that any such litigation or proceeding is contemplated;

B. No violation of any federal, state or local law, rule, regulation, or ordinance affecting all or part of the Premises exists, nor has Seller received notice of any such violation;

C. At Closing, Seller will have good and marketable fee simple title to the Premises, free of all liens, encumbrances, easements, restrictions, exceptions and conditions (except those permitted in writing by Purchaser);

D. No unpaid charges, costs or expenses for improvements on or to the Premises exist that might give rise to a mechanic's, materialman's, laborer's, or artisan's lien or other statutory lien or claim of such lien;

E. All assessments and fees affecting the Premises that are due and payable shall be fully paid by Seller prior to Closing;

F. From the Effective Date to Closing, Seller shall maintain the Premises in its present state and permit no waste or dumping of refuse on the Premises and shall at Seller's expense remove any waste or refuse dumped during that period;

G. Seller has no knowledge of any existing violations of any laws, rules, regulations or ordinances, including without limitation, any Environmental Laws, against or upon the property. During the time that Seller has owned the Premises, neither Seller nor, to Seller's knowledge, any third party used, generated, managed, treated, stored or disposed of any Regulated Substance on, under or about the Premises, or transported any Regulated Substance to or from the Premises;

H. No lien, charge, assessment, sewer or water tap-in fee, payback agreement, or other similar capital installation obligation which is or may become a charge or lien upon the Premises or obligation of Purchaser. No commitment has been or will be made that would obligate Purchaser to contribute money or land or install or maintain improvements, that at the Closing there will be no outstanding contracts made by Seller for any improvements to the Premises which have not been fully paid for and that Seller shall cause to be discharged all mechanics' and materialman's liens arising from any labor or materials furnished prior to Closing which pertain to the Premises;

I. No contracts effecting the Premises which will be binding on Purchaser after Closing, including, but not limited to, any leases of the Premises; and

J. No unrecorded easements, or unrecorded building or use restrictions exist that might prohibit or interfere with the proposed use.

The foregoing representations and warranties are conditions precedent to Purchaser's obligation to purchase the Premises. If any representation or warranty becomes untrue prior to

Closing, Seller shall so notify Purchaser immediately and if any representation or warranty is not made true by Closing, Purchaser may in its sole discretion waive such representation or warranty, extend the time for making it true, or elect to terminate this Agreement by notice to Seller at or prior to Closing, in which event this Agreement shall be void, Purchaser shall receive an immediate refund of the Earnest Money, and the parties shall have no further obligation to each other. Such refund of the Earnest Money shall be the sole remedy of Purchaser of this Agreement. These representations and warranties shall survive the Closing for a period of one (1) year.

11. DELIVERY OF DOCUMENTS: Within ten (10) days of the Effective Date, Seller shall deliver to Purchaser whatever contracts, agreements, maps, surveys, soil reports, plats or other materials describing the Premises are in Seller's possession. If this Agreement is terminated prior to Closing, all such materials shall be returned to Seller.

12. DELIVERY OF POSSESSION: Upon the Closing of the sale provided for herein, Purchaser shall pay to Seller the Purchase Price, whereupon Seller shall deliver and Purchaser shall accept vacant, quiet and peaceable possession of the Premises. At Closing, Seller shall execute a Warranty Deed to the Premises transferring title to the Purchaser.

13. RISK OF LOSS: Until Closing, the risk of loss or damage to the Premises by fire or other casualty shall be on Seller. If any material loss or damage to the Premises occurs prior to Closing, Purchaser may, in its sole discretion and within thirty (30) days following its receipt of notice of the loss, elect to terminate this Agreement, in which event this Agreement shall be void, all Earnest Money shall be promptly returned to Purchaser and the parties shall have no further obligation to each other, but if Purchaser elects not to terminate the Closing occurs, the amount of any insurance proceeds resulting from the loss or damage to the Premises shall be credited at Closing to Purchaser.

14. TAXES AND PRORATIONS: All rents and current property taxes shall be prorated and adjusted as of Closing in accordance with local custom. Seller shall pay the following: all special assessments affecting the Premises imposed prior to the date of Closing; all property taxes and water and sewer charges that are due and payable at Closing; and all state and county transfer taxes imposed upon the transfer of title to the Premises.

15. CONDEMNATION PRIOR TO CLOSING: Seller shall immediately notify Purchaser of any threatened or existing action or proceeding in eminent domain or condemnation pertaining to all or part of the Premises. If any part of the Premises is taken prior to Closing by eminent domain or condemnation proceeding, Purchaser may terminate this Agreement by notice to Seller within ten (10) days of receiving notice of such taking, and all Earnest Money shall be immediately returned to Purchaser. If Purchaser does not terminate, the proceeds of the condemnation or any sale shall be credited against the Purchase Price, and any proceeds over the Purchase Price shall be paid to Purchaser.

16. **NO FURTHER ENCUMBRANCES:** Prior to Closing, Seller shall not enter into or permit any lease or tenancy of the Premises, nor shall Seller in any way adversely affect title to the Premises.

17. **BROKERS:** Seller and Purchaser represent and warrant to each other, which representation and warranty shall survive Closing, that there are no claims or amounts due for any brokerage or sales commission or fee or for any finder's fee in connection with this Agreement or the transaction underlying it, except for the commission due to Woodworth Commercial of 116 W Main St Suite 203, Owosso, Michigan 48867 to be split with Colliers- West Michigan of 2501 Coolidge Rd., Suite 300, East Lansing, Michigan 48823, which shall be paid by Seller pursuant to a separate agreement. Seller further agrees to indemnify and hold and save Purchaser harmless therefrom and from any other claim or demand for commission and/or fee incurred by Seller, and Purchaser agrees to indemnify and hold and save Seller harmless for any commission or fee incurred by Purchaser in connection with this Agreement and the transaction underlying it.

18. **HEADINGS:** The headings, captions, and numbering system are inserted as a matter of convenience only and cannot be considered in interpreting this Agreement.

19. **RIGHT TO ASSIGN AND BINDING EFFECT:** Purchaser can at any time assign all or part of the Purchaser's rights in this Agreement to a person or persons or an entity or entities affiliated with Purchaser and Seller shall accept performance by such assignee(s) instead of Purchaser. Any assignment to an entity not affiliated with Purchaser shall require Seller's consent. This Agreement is binding upon and shall inure to the benefit of the parties and their heirs, legal representatives, successors, administrators, and assigns.

20. **TIME OF ESSENCE:** Time is of the essence as to this Agreement.

21. **SEVERABILITY:** If any provision of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, such finding will not affect the other provisions of this Agreement, all of which shall remain in full force and effect.

22. **COUNTERPARTS:** This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original.

23. **ENTIRE AGREEMENT; WAIVER AND MODIFICATION:** This Agreement constitutes the entire agreement between Seller and Purchaser as to the Premises; there are no other oral or written conditions or agreements between Seller and Purchaser regarding the premises. Purchaser may, in Purchaser's sole discretion, waive any condition precedent to Purchaser's performance or extend the time for Seller's performance by providing written notice of such waiver to Seller. Any other modifications to this Agreement must be in writing and signed by all parties.

24. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** The representations and warranties contained in this Agreement shall survive Closing.

25. **NOTICES AND DELIVERY OF DOCUMENTS:** Any notice permitted or required under this Agreement shall be in writing. Any such notice and any delivery of document pursuant to this Agreement shall be by hand-delivering the same or mailing it postage prepaid, by certified mail, return receipt requested, to the party to receive it at the party's address as given on page one of this Agreement or as changed by prior written notice to the party sending the notice or document. If the notice or document is mailed, the date of the postmark on the return receipt shall be deemed the date of notice.

26. **GENDER:** In this Agreement, the word "it" shall include the words "his," "hers," "their," and "theirs" and the singular shall include the plural.

27. **NO JOINT VENTURE:** Neither party is the agent, partner, or joint venture partner of the other; neither party has any obligation to the other except as specified in this Agreement.

28. **NON-FOREIGN AFFIDAVIT:** Seller shall furnish to Purchaser prior to or at Closing an Affidavit executed by Seller under oath and penalty of perjury containing Seller's United States taxpayer identification number and stating that Seller is not a foreign person within the meaning of the Internal Revenue Code. If Seller fails to timely deliver such Affidavit, Purchaser shall deduct and withhold from the Purchase Price the amount of tax required to be withheld pursuant to Section 1445 and other relevant sections of and regulations promulgated pursuant to the Internal Revenue Code.

29. **GOVERNING LAW:** This Agreement shall be governed by and construed under the laws of the State of Michigan.

30. **SELLER'S DEFAULT:** If Seller defaults under this Agreement, Purchaser may require specific performance of this Agreement or return of the Earnest Money Deposit.

31. **PURCHASER'S DEFAULT:** In the event of any default by the Purchaser hereunder, Purchaser and Seller agree that the actual damages, including any attorney's fees and damage for withdrawing the Premises from the market for Purchaser's failure to perform hereunder by reason of any default of Purchaser would be extremely difficult to measure and that Seller's sole remedy shall be termination of this Agreement and retention of the Earnest Money Deposit.

32. **WITHDRAWAL FROM MARKET AND CONFIDENTIALITY.** Seller agrees to cease all marketing activities related to the sale and/or lease of the Premises during the term of this Agreement. The parties mutually agree that the existence and terms of this Agreement shall remain confidential during the term of this Agreement.

33. EFFECTIVE DATE: This Real Estate Purchase Agreement shall be in effect until 5:00 p.m. EDT on September 4, 2024 and if not executed by Seller and returned to Purchaser by that date it shall be considered void and of no further force and effect.

34. TELECOPIED/ELECTRONIC MAIL SIGNATURES. A counterpart of this Agreement signed by one party to this Agreement and telecopied or sent by electronic mail to another party to this Agreement or its counsel (i) shall have the same effect as an original signed counterpart of this Agreement, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

SELLER:

511 S. Washington, L.L.C., a Michigan limited liability company

By: Sal Durso
Sal Durso, Its Manager

PURCHASER:

Capital Area Transportation Authority

By: Bradley T. Funkhouser
Bradley T. Funkhouser, AICP
Its: Chief Executive Officer

AND

By: Nathan Triplett
Nathan Triplett
Its Board Chair

EXHIBIT A – LEGAL DESCRIPTION

TO BE INSERTED UPON EXECUTION