



Detroit Water and Sewerage Department

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Legislation Text

File #: 21-0444, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **the lease of the property located at 17161 Mack Avenue, in Detroit, Michigan to the Laethem Automotive Group.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of April 21, 2021

Item No. 21-0444

Proposed Lease Agreement

Lessee: Laethem Automotive Group

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Debra N. Pospiech, Chief General Counsel and Chief Administrative Officer
Water and Sewerage Department

RE: Proposed Lease Agreement between DWSD and Laethem Automotive Group

MOTION

Upon recommendation of Debra N. Pospiech, Chief General Counsel and Chief Administrative Officer, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **the lease of the property located at 17161 Mack Avenue, in Detroit, Michigan to the Laethem Automotive Group.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

DWSD owns the property located at 17161 Mack Avenue in Detroit, Michigan. The property was previously leased to the Bob Maxey Group as an automotive dealership. The property currently is vacant and has been vacant for almost three years. The DWSD Facilities group, currently maintains the parcel of land, which is just over 1 acre and houses two separate structures. The first structure is a one story office building approximately 4,500 square feet and the second structure is a one story “garage” area approximately 5,000 square feet. The acre of land is directly in front of Blue Hill Pumping Station with a 11’9” intake running under the 17161 Mack Location. This underground sewer is very much active, and is the reason, DWSD will only enter into a lease

agreement. Any and all clients are aware of the intake and will have to be granted permission from DWSD before changing the layout of the grounds.

PROCUREMENT METHOD

This contract was procured through the Detroit Building Authority (DBA) Intergovernmental Agreement (Contract No. 6001548). The Detroit Building Authority (DBA), issued a competitive real estate listing under its agreement with the Summit Commercial Group. The Summit Group, with approval from DBA/DBA, listed the attached marketing package in September 2020. Seven Companies submitted bids. The successful awardee was Dortch Enterprise, however after further review, they withdrew the offer. Summit then reached out to Ray Laethem Automotive Group, to begin negotiations. While this agreement is within the Director's approval threshold, DBA requested a certified resolution from the Board of Water Commissioners.

SUMMARY

- A. Lease No.: 21-
- B. Lessee: Laethem Automotive Group
- C. Lease Term: 120 months
- D. Rental Rate:

Period	Monthly Payment	Fixed Annual Rent	Months 1-60	Months 61-120
	\$3,000.00	\$36,000.00		
	\$3,150.00	\$37,800.00		

This proposed contract was presented to the DWSD Finance Committee on April 7, 2021.