



**Traverse City
Housing Commission**
a Public Housing Authority

COMMISSION MEETING MATERIAL

FOR THE SPECIAL MEETING
Monday, April 1, 2019 at 4:30 P.M.

LOCATION:

THIRD FLOOR COMMUNITY ROOM – RIVERVIEW TERRACE APARTMENTS
150 Pine Street, Traverse City, Michigan, 49684



**Traverse City
Housing Commission**
a Public Housing Authority

MEETING AGENDA

April 1, 2019



TRAVERSE CITY HOUSING COMMISSION

150 Pine Street, Traverse City, Michigan, 49684

T: (231) 922-4915 | F: (231) 922-2893

TDD: (800) 649-3777

TCHousing.org

NOTICE

**THE TRAVERSE CITY HOUSING COMMISSION WILL CONDUCT A SPECIAL MEETING
ON MONDAY, APRIL 1, 2019 AT 4:30 P.M.**

THIRD FLOOR COMMUNITY ROOM – RIVERVIEW TERRACE APARTMENTS

150 Pine Street, Traverse City, Michigan, 49684

(231) 922-4915

POSTED: MARCH 29, 2019

The Traverse City Housing Commission does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Please, contact the Traverse City Housing Commission Office, 150 Pine Street, Traverse City, Michigan, 49684, (231) 922-4915, to coordinate specific needs in compliance with the non-discrimination requirements continued in Section 35.087 of the Department of Justice Regulations. Information concerning the provisions of Americans with Disabilities Act (ADA), and the rights provided hereunder, are available from the ADA Coordinator. If you are planning to attend and you have a disability requiring any special assistance at the meeting, please notify the Executive Director immediately.

AGENDA

I CALL TO ORDER & ROLL CALL

II APPROVAL OF AGENDA

III PUBLIC COMMENT

IV NEW BUSINESS

A. Consideration of the Reciprocal Easement Agreement for the Shared Fire Lane / Common Drive with Pine Street Development One, LLC.

V PUBLIC COMMENT

VI COMMISSIONER COMMENT

VII ADJOURNMENT

NEXT SCHEDULED MEETING: Friday, April 26, 2019 at 8:00 A.M.



**Traverse City
Housing Commission**
a Public Housing Authority


NEW BUSINESS

Memorandum on Reciprocal Easement Agreement: Action Requested

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: April 1, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Shared Fire Lane Update

MESSAGE:

At last week's regular meeting of the Housing Commission, a Special Meeting was called by Commissioner Jim Friend and Commissioner Roger Putman in order to consider adopting a reciprocal easement agreement regarding the Shared Fire Lane on property owned by the Traverse City Housing Commission. This followed the decision by the Commission to accept the site plan proposed by the property owners of Pine Street Development One LLC (PSDO) and to use that site plan as a basis for all discussions and negotiations going forward. It was recommended that the TCHC Executive Committee would lead the conversation with PSDO about developing the appropriate language for the final draft of an easement agreement.

On Friday of last week, PSDO submitted draft language for this easement. Our attorney and the Executive Committee considered this language and met with the principals of PSDO to discuss the development of another draft of the agreement. What we have in this packet is that second draft of the agreement and this will be the basis of our conversations at this Special Meeting. Our attorney has reviewed this version of the document as well – he, or one of his associates, will be in attendance to assist us in our deliberations and to answer questions directly. It should also be mentioned that HUD attorneys in the Detroit Field Office have asked for the easement language but have not given us an official answer as to whether or not they would need to be involved in the approval of the document.


According to our Asset/Physical Plant Management Addendum [attached], we will need to adopt the final reciprocal easement agreement by way of resolution [attached] at the Special Meeting or, if necessary, at a future Special Meeting called by two Commissioner for later this week.

ATTACHMENT: Draft Language for a Resolution
Report from TCHC Staff
Reciprocal Easement Agreement
"Approved" Site Plan from Pine Street Development One LLC
TCHC Asset/Physical Plant Management Addendum

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: April 1, 2019
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director 
SUBJECT: Reciprocal Easement Agreement

MESSAGE:

For purposes of today's Special Meeting the following Resolution may be considered as the basis for discussions regarding the Reciprocal Easement Agreement proposed by PSDO.

TCHC staff, therefore, recommends adoption of the following:

**RESOLUTION TO APPROVE A RECIPROCAL EASEMENT AGREEMENT
CREATING A SHARED/Common DRIVE AND FIRE LANE ON TCHC PROPERTY**

April 1, 2019

WHEREAS, the Traverse City Housing Commission (TCHC) has received a request from the City of Traverse City and from Pine Street Development One, LLC (PSDO) to consider eliminating the number of curb cut access points on Pine Street by utilizing TCHC's existing Fire Lane to become a Shared/Common Drive and Fire Lane with the property owned by PSDO; and

WHEREAS, the Commission acknowledges the City's concern for the safety of its residents and for the safety of the general public utilizing the Pine Street corridor and agrees that by eliminating the number of access points the general safety will be improved; and

WHEREAS, the Commission has received, reviewed, and approved a detailed site plan from PSDO that significantly improves the existing Fire Lane with all expenses incurred for said improvements being the sole responsibility of PSDO; and

WHEREAS, the Commission has followed its Asset/Physical Plant Management Addendum from January 2016 to advise and inform its deliberations on this request; and

WHEREAS, the Commission has received generally positive and affirmative feedback from its residents through its open negotiations with PSDO during monthly Governance Committee meetings and in public comment periods at Regular TCHC Meetings; and

WHEREAS, the TCHC concurs in the recommendations of, and the feedback from, the Governance Committee, Executive Committee, and staff.

NOW, THEREFORE, BE IT RESOLVED by the Traverse City Housing Commission as follows:

The Traverse City Housing Commission approves the creation of a shared/common drive and fire lane and that the President and the Executive Director of TCHC, Andrew Smits and Anthony Lentych respectively, are duly authorized to negotiate and sign a final version of the Reciprocal Easement Agreement presented by Pine Street Development One, LLC on April 1, 2019 as it relates to the property located at 150 Pine Street, Traverse City, Michigan, 49684, pending final legal review by TCHC attorneys and if necessary, the U.S. Department of HUD attorneys working on behalf of the Detroit Field Office.

SHARED / COMMON DRIVE PROPOSAL – STAFF REPORT

In accordance with the Traverse City Housing Commission (TCHC) Asset / Physical Plant Management Addendum, this report is the summary of all activities to date and a summary of all materials collected associated with the request to allow for physical improvements to TCHC's current Fire Lane in order for it to become a "common" or "shared" drive utilized by both property's tenants and/or residents. This report has been compiled by TCHC staff and is intended to be a resource to Commissioners tasked with making any and all decisions regarding this request. This report will provide no recommendations or guidance relating to the necessary final decisions that may need to be made in order to implement or accept any requests or suggestions from the City of Traverse City or from the owners of the property to the north of the Fire Lane.

BACKGROUND

On December 18, 2015, Russ Soyring the planning director for the City of Traverse City contacted TCHC staff to inquire about the possibility to share the Fire Lane located on TCHC property with the property directly to the north of Riverview Terrace. TCHC Staff suspects that the origination of this request was a result of City Staff and representatives of the Woda Group, who had submitted site plans to the City of a possible 9% LIHTC project located on this neighboring property, having a conversation about the footprint of their proposed structure. While it may be impossible to find out how, exactly, the request was initiated, it can be stated with all certainty that the request did not come from TCHC. Regardless of origin, City Staff approached us with the following information:

"The City has for many years tried to limit driveways, especially in our downtown where pedestrian travel is frequent. Our goal is to minimize conflict points so we can make walking safer and more enjoyable. Our zoning code dictates that driveways must come from the alley if there is an alley. If there is no alley, than driveways may be no closer than 100 feet from each other if they there is no alternative access.... If driveways can be shared by adjacent property owners, we always encourage the sharing of a driveway to reduce the number of conflict points. Sharing driveways also helps to preserve on-street public parking which in turn also makes the sidewalks safer when there is a barrier of parked cars between pedestrians and moving vehicles."

This request from City Staff encouraged a lot of meetings and conversations between the two property owners, Joe Sarafa and Erik Falconer, and TCHC Staff about this idea. The concept was never fully explored as the development projects proposed for the site were delayed, cancelled, or abandoned for a variety of reasons. Over time, Sarafa and Falconer maintained contact with TCHC Staff in order to "check in" on the possibility of creating the shared drive. Without an actual project to discuss, it was nearly impossible to negotiate this concept because different uses of the property would create different utilization rates for the shared drive. A municipal parking deck, for example, would create a drastically different use pattern than an office/commercial building.

It should be noted here that both parties agree that a limiting factor to developing a site plan to truly “share” a common drive, was the City’s placement of underground utilities service boxes when the City buried the above ground power lines a few years earlier. This prevents us from carving out property from both parcels to create the space for the shared drive. Nearly all of the shared drive must be located on TCHC’s Fire Lane due to the placement of these utility boxes.

During this initial request period, TCHC created and adopted its Asset / Physical Plant Management Addendum in order to guide its decision making process when considering requests that had any kind of permanent (e.g., shared drive) or even temporary (e.g., construction easement) effect on its physical property. With the policy in full effect at the end of January 2016, our potential partners now had a ‘roadmap’ to working with TCHC on these issues.

CURRENT PROJECT

On November 26, 2018 Erik Falconer, now representing Pine Street Development One LLC (PSDO) submitted, in writing, a formal request for TCHC to consider sharing the Fire Lane as a shared drive. A new use for their property was on the table and their side was ready to negotiate. Falconer indicated to TCHC Staff that the property has been divided into two parcels, of which one has a project ready to proceed. It will be a four story/60 foot high commercial property with one tenant (the future owner of this parcel) utilizing two floors of the structure. It will have 18 parking spots behind the building that will run along Front and Pine Streets. The second parcel is being considered for residential development but no plans are ready at this time. Sharing the Fire Lane would significantly affect the site plan of both properties and the developers want to finalize the site plan of each development parcel.

Erik Falconer made his first presentation to the TCHC Governance Committee at a regular meeting on February 21, 2019. His presentation included site plans that demonstrated how his property would utilize a common or shared drive to access the two different parcels. Additionally there were a number of “improvements” to the Fire Lane that would make the shared drive a bi-modal asset for both properties. The following items were discussed and noted during the conversation:

- PSDO should provide a complete design of the Riverview Terrace service/maintenance area and refuse removal area prior to final approval.
- PSDP should provide a site plan showing the proposed buildings and property split for the property in question.
- The parking proposed on “Site B” should be restricted to employees of the building and not offered as public parking;
- PSDO should provide an “as is” drawing of both the TCHC property and the property in question. This drawing should depict existing conditions including buildings and topographical elevations.

- The developer should provide the square footage of the easement and the value of this concession should be determined.
- The developer should provide several street level views of the proposed fire lane.

After gathering this considerable feedback from the Committee, Erik Falcon made an additional presentation to the Traverse City Housing Commission the next morning, February 22, 2019 under “reserved” public comment.

At the March Governance Committee meeting held on March 14, 2019 at Riverview Terrace, Falconer returned to present another version of the site plan based upon the feedback received at the two February meetings. After another lengthy discussion, the Governance Committee moved to recommend the site plan as acceptable for the basis of negotiations. During its deliberations, the following items were specifically requested to be included in the negotiations:

- The “shared drive” should be a private road of some kind and it should be marked accordingly.
- There should be discussion between TCHC and PSDO to determine a common intent regarding any proposed river walk.
- Based upon the site plan that was emailed to TCHC staff on March 14, 2019 there is a noted 10 foot setback from the shared property line. This set back should be in the final document.
- There should be a timeline for the shared drive development and construction easements should not last in perpetuity regardless of the development status of the parcels.
- In the event that negotiations fail, this committee recommends that the Commission approve the 1st half of the shared drive only.

In early March of 2019, TCHC staff requested an opinion from the City of Traverse City Fire Marshall about the possibility of the Fire Lane being suitable for future development. Fire Marshall Mike Sheets, citing international Fire Code, stated that it would be nearly impossible to make any improvements to the Fire Lane without violating the Fire Code. TCHC must provide this access for fire equipment to reach the building during a fire emergency and since Riverview Terrace is one of the largest buildings in the region we must accommodate the largest pieces of fire equipment, TCFD’s Ladder Truck, to reach the building and BOTH of its water hydrants. This feedback indicates that a “shared” drive might be the highest and best use for this part of TCHC’s property.

At its March 19, 2019 meeting, the TCHC Executive Committee, concurring with the Governance Committee, agreed that the item was ready for discussion at the next Regular Meeting of the Commission on March 22, 2019. Erik Falconer was invited to present his final site plan and the Commission was to entertain a motion to accept that site plan as the basis for final negotiations for two easement agreements. One easement for the “shared” or “common” drive and another easement to cover all “construction” issues during the development period. It was

decided that the construction easement may not cover construction on the second parcel thereby making a third easement negotiation necessary but at a later date – regardless, TCHC would commit to signing a construction easement for the second development site once all the specifics were known.

During its March 22, 2019 Regular Meeting, the Commission voted to accept the site plan as presented as the basis for the improvements proposed and to move forward with negotiations on some version of an easement agreement. The vote was unanimous. Commissioner Roger Putman and Commissioner Jim Friend, in accordance with TCHC By-Laws, called for a Special Meeting to be held on the afternoon of April 1, 2019 with the sole purpose being the consideration of any and all legal language necessary to create the shared/common drive and fire lane. That meeting was ultimately scheduled for 4:30 PM on April 1, 2019 and it was to be held at Riverview Terrace Apartments so the maximum number of residents could participate.

At the same meeting, the Commission also decided to delegate the negotiation process to the Executive Committee in order to expedite the process. In anticipation of a favorable review by TCHC, PSDO was ready with a “draft” reciprocal easement agreement and submitted that document to staff later that same day. Staff forwarded the document to TCHC attorney, Ward Kuhn, and to Executive Committee members Andy Smits and Heather Lockwood.

On March 26, 2019, the ownership of PSDO, Joe Sarafa and Erik Falconer, met the TCHC Vice President Heather Lockwood, and Executive Director, Tony Lentych. TCHC President Andy Smits was out of town but had submitted his notes from the review of the first draft to staff. Negotiations were held during that meeting and the results of which are included in the draft agreement that has been prepared for consideration at the Special Meeting being held on April 1, 2019. While there was much agreement during the negotiations that day, it should be noted that not everything in this “second” draft should be considered “approved by” TCHC. There are still a few items that need to be reviewed, discussed, and thoroughly vetted before proceeding any further with final approval.

TCHC Staff met with Attorney, Ward Kuhn on March 29, 2019 to discuss this second draft. Kuhn made the following notes after reviewing the document in detail:

- He is satisfied with the legal description of the easement.
- He is concerned that paragraph 3 allows Pine Street to use “construction easements” located outside the described easement area and that the only limitation is that the construction easements must be in the “*immediate area surrounding the Easement Area*”. He believes this language is too vague and suggests that any proposed construction easement be approved by TC Housing Commission separately and that language can be inserted in the agreement that approval will not be unreasonably withheld.
- He suggests deleting the phrase “*for any substantial period of time*” in paragraph 4 since any construction easement should be subject to TCHC approval as set forth above.

- He also suggests that the last sentence of paragraph 6 should be deleted and language making it clear that the \$50,000 goes to TCHC for whatever purposes determined by the Housing Commission upon execution of the easement agreement.

Mr. Kuhn will be available to us as needed to assist in the final negotiations.

To date, all negotiations with representatives of PSDO have been received professionally and with much curtesy. Regardless of the request, PSDO took the time to consider it and made every attempt to meet the spirit of the request in some fashion. It is because of this environment that TCHC staff believes that a final agreement can be reached between the parties that is mutually beneficial to everyone, including our residents.

ADDITIONAL INFORMATION

It should be noted that TCHC Staff has made an official inquiry to the HUD Field Office in Detroit if its staff needs to “approve” any easement language on the shared/common drive. Their initial reaction was that it was not necessary for staff to approve but requested to see the site plan and all supporting materials. They also indicated that they would check with their legal department for an “official” response. The involvement of HUD could delay our final agreements significantly but it is doubtful that it would change any significant aspects of the overall agreement. On March 26, 2019 Detroit Field Office staff reached out to staff and requested the “draft” reciprocal agreement stating that, “the lawyers just want to see” it. Their involvement still remains unclear at this time.

The original goal for a final agreement, which was discussed in January with PSDO, was on or about April 15, 2019. TCHC, however, has been recently notified that the eventual purchaser of the property has a “penalty” payment in its contract of \$1.5 million should certain aspects of the “project” change or are not met by a date in early May. A change in the site plan after this date would constitute a default in the agreement and require the developers to make that payment. As a result of this information, it was decided to seek a reciprocal easement agreement that bound the parties to sharing the fire lane but allowed some flexibility in finalizing all of the details to implement the site plan. And it became apparent that the final agreement would have to be reviewed and approved at a Special Meeting in order to meet that deadline. PSDO informed TCHC staff that should TCHC approve and sign the agreement at some point during the first week of April, which would be sufficient time for PSDO to move forward without penalty.

Submitted by,



Tony Lentych, Executive Director



RECIPROCAL EASEMENT AGREEMENT

This Reciprocal Easement Agreement is entered into this ____ day of _____, 2019, by and between the **Traverse City Housing Commission** of 150 Pine Street, Traverse City, Michigan 49684 (referred to herein as *Grantor*), and **Pine Street Development One LLC**, of 810 Cottage View Drive, Traverse City, Michigan 49684, (referred to herein as the *Grantee*) both of whom are collectively referred to as the *Parties*.

BACKGROUND

- A. The *Parties* are the owners of adjacent parcels of real property located within the City of Traverse City, Grand Traverse County, Michigan.
- B. The *Parties* wish to establish an easement over their *Parcels* which will benefit and burden each parcel.

- 1. **BURDENED PROPERTIES.** The *Grantor* and *Grantee* are the owners of the following described parcels of property located in the City of Traverse City, County of Grand Traverse, State of Michigan which are hereinafter referred to as the *Burdened Properties*:

Grantor's Parcel

THT PRT OF BLK 1 ORIG PLAT DES AS COM AT C/L STATE & PINE STS TH N 0 DEG 15' W 15 FT TH S 89 DEG 47' W 33 FT TO POB TH S 89 DEG 47' W 100 FT TH S 0 DEG 17' E 60.5 FT TO TRAVERSE LINE ALG BOARDMAN R160.5 FT TO TRAVERSE LINE ALG BOARDMAN RIVER TH N'LY ALG TRAVERSE LINE FOL COURSES: N 68 DEG 55' W 63 FT; N 75 DEG 25' 30" W 140.27 FT; N 53 DEG 08' 30" W 145 FT; N28 DEG 07' W 50 FT; N 0 DEG 49' W 47.4 FT; TH E 433.81 FT TO PINE ST TH S 0 DEG 15' E 175.52 FT ALG PINE ST TO POB SAID PARCEL EXTENDS TO WATERS EDGE OF BOARDMAN RIVER WITH FULL RIPARIAN RIGHTS THERETO.

AND

Grantee's Parcel

PARCEL A:

PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY

DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID BLOCK 1; THENCE S89° 56' 57"W ALONG THE SOUTH RIGHT OF WAY LINE OF FRONT STREET, 134.74 FEET; THENCE S00° 15' 00"E, 208.84 FEET; THENCE S89° 58' 57"E, 134.74 FEET TO THE WEST RIGHT OF WAY LINE OF PINE STREET; THENCE N00° 15' 00"W ALONG THE WEST RIGHT OF WAY LINE OF PINE STREET, 209.00 FEET TO THE POINT OF BEGINNING.

PARCEL B:

PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID BLOCK 1; THENCE S89° 56' 57"W ALONG THE SOUTH RIGHT OF WAY LINE OF FRONT STREET, 134.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S89° 56' 57"W ALONG THE SOUTH RIGHT OF WAY LINE OF FRONT STREET, 134.74 FEET TO THE BANK OF THE BOARDMAN RIVER; THENCE S28° 35' 30"W ALONG THE BOARDMAN RIVER, 80.77 FEET; THENCE S41° 36' 59"W ALONG THE BOARDMAN RIVER, 102.44 FEET; THENCE S35° 28' 38"W ALONG THE BOARDMAN RIVER, 75.06 FEET; THENCE S89° 58' 57"E, 285.90 FEET; THENCE N00° 15' 00"W, 208.84 FEET TO THE POINT OF BEGINNING.

2. **BENEFITTED PROPERTIES.** The *Grantor* and the *Grantee* are the owners of the following described parcels of property located in the City of Traverse City, County of Grand Traverse, State of Michigan which are hereinafter referred to as the *Benefitted Properties*:

Grantor's Parcel

THT PRT OF BLK 1 ORIG PLAT DES AS COM AT C/L STATE & PINE STS TH N 0 DEG 15' W 15 FT TH S 89 DEG 47' W 33 FT TO POB TH S 89 DEG 47' W 100 FT TH S 0 DEG 17' E 60.5 FT TO TRAVERSE LINE ALG BOARDMAN R160.5 FT TO TRAVERSE LINE ALG BOARDMAN RIVER TH N'LY ALG TRAVERSE LINE FOL COURSES: N 68 DEG 55' W 63 FT; N 75 DEG 25' 30" W 140.27 FT; N 53 DEG 08' 30" W 145 FT; N28 DEG 07' W 50 FT; N 0 DEG 49' W 47.4 FT; TH E 433.81 FT TO PINE ST TH S 0 DEG 15' E 175.52 FT ALG PINE ST TO POB SAID PARCEL EXTENDS TO WATERS EDGE OF BOARDMAN RIVER WITH FULL RIPARIAN RIGHTS THERETO.

AND

Grantee's Parcel

PARCEL A:

PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID BLOCK 1; THENCE S89° 56' 57"W ALONG THE SOUTH RIGHT OF WAY LINE OF FRONT STREET, 134.74 FEET; THENCE S00° 15' 00"E, 208.84 FEET; THENCE S89° 58' 57"E, 134.74 FEET TO THE WEST RIGHT OF WAY LINE OF PINE STREET; THENCE N00° 15' 00"W ALONG THE WEST RIGHT OF WAY LINE OF PINE STREET, 209.00 FEET TO THE POINT OF BEGINNING.

PARCEL B:

PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID BLOCK 1; THENCE S89° 56' 57"W ALONG THE SOUTH RIGHT OF WAY LINE OF FRONT STREET, 134.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S89° 56' 57"W ALONG THE SOUTH RIGHT OF WAY LINE OF FRONT STREET, 134.74 FEET TO THE BANK OF THE BOARDMAN RIVER; THENCE S28° 35' 30"W ALONG THE BOARDMAN RIVER, 80.77 FEET; THENCE S41° 36' 59"W ALONG THE BOARDMAN RIVER, 102.44 FEET; THENCE S35° 28' 38"W ALONG THE BOARDMAN RIVER, 75.06 FEET; THENCE S89° 58' 57"E, 285.90 FEET; THENCE N00° 15' 00"W, 208.84 FEET TO THE POINT OF BEGINNING.

3. **GRANT OF EASEMENT.** The *Grantor* hereby grants to the *Grantee* and the *Grantee* hereby grants to the *Grantor*, and their successors and assigns an easement which is described as follows and referred to as the *Easement Area*:

AN EASEMENT FOR INGRESS, EGRESS, AND UTILITIES IN PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID BLOCK 1 THENCE S00° 15' 00"E ALONG THE WEST RIGHT OF WAY LINE OF PINE STREET, 209.00 FEET TO THE POINT OF BEGINNING; THENCE N89° 58' 57"W, 358.00 FEET; THENCE S00° 15' 00"E, 25.00 FEET; THENCE S89° 58' 57"E, 212.49 FEET; THENCE S67° 47' 10"E, 13.24 FEET; THENCE S89° 58' 57"E,

133.28 FEET TO THE WEST RIGHT OF WAY LINE OF PINE STREET; THENCE N00° 15' 00"W ALONG THE WEST RIGHT OF WAY LINE OF PINE STREET, 30.00 FEET TO THE POINT OF BEGINNING.

The *Parties* also convey to one another temporary construction easements upon the *Burdened Properties* for the benefit of the *Benefitted Properties* outside of the boundaries of the *Easement Area* to be used as necessary and on a temporary basis for a construction work area, including contractor equipment, excavation activities, handling and placement of facilities in the *Easement Area*, handling and removal of any excess soils and other related work activities upon a *Benefitted Property*. This construction easement shall be limited to the immediate area surrounding the *Easement Area*. Details of any subsequently needed construction easement shall be negotiated by the *Parties* in good faith. After construction has been completed the construction easement areas shall be restored to its condition prior to construction.

4. **USE.** The *Easement Area* is to be used for ingress and egress to the *Benefitted Properties* and for the installation of public and private utilities which benefit either of the *Benefitted Properties*. While construction is occurring on either of the *Benefitted Properties* the *Easement Area* may also be used as necessary and on a temporary basis for a construction work area, including contractor equipment, excavation activities, handling and placement of facilities in the permanent easement area, handling and removal of any excess soils and other related work activities upon a *Benefitted Property*, provided that these activities shall not interfere for any substantial period of time with a *Parties'* right of ingress and egress. This construction easement shall be limited to the immediate area surrounding the *Easement Area*. The *Parties* agree to keep the *Easement Area* open and free of impediments and neither the *Parties* nor their guests or invitees shall park vehicles in any portion of the *Easement Area* nor use it in a manner such that another *Party's* right of passage is in any way impeded. A sign shall be erected at the entrance to the *Easement Area*, on its south side, which advises that the *Easement Area* is a PRIVATE DRIVE.

5. **EXCLUSIVITY AND MAINTENANCE.** The *Easement Area* shall be for the exclusive use of the *Parties* and the guests and invitees of the *Parties* and subsequent owners of the *Burdened* and *Benefitted Properties* only. The *Easement Area* shall be maintained by the *Grantor* and its successor and assigns. The cost of maintenance which shall include repair, snow removal, replacement and striping shall be paid for sixty percent (60%) by the *Grantee* and its successors and assigns and forty percent (40%) by the *Grantor* and its successors and assigns. Should the *Easement Area* be damaged as a result of usage or installation of utilities by a *Party* or that *Party's* guests or invitees, the *Party* causing the damage shall be solely responsible for the cost of repairs. Initial improvements to the *Easement Area*, which shall be agreed to by the *Parties*, shall be paid for by the *Grantee* either directly or with the monies placed in escrowed pursuant to paragraph 6. Thereafter, improvements to the *Easement Area* shall be paid for by the *Party* requesting the improvement.

6. **COST ESCROW.** The *Grantee* shall escrow with an escrow agent acceptable to *Grantor* and the *Grantee* the sum of \$120,000. Seventy Thousand 00/100's Dollars (\$70,000) of this amount shall be used by the *Grantee* to construct the common driveway and to make improvements (sidewalks, lighting, or landscaping) to the north side of the *Easement Area*. The balance of the escrowed funds shall be used by the *Grantee* to complete agreed to improvements on the south side of the easement drive, unless the Parties are unable to agree on the improvements on the south side within 90 days of this Agreement, in which case the Grantor shall be able to use the balance of the funds to make improvements to this space as it desires.. The escrowed funds will be made available to the *Grantor* from the date of this Agreement up to December 31, 2020.

7. **SET BACK.** Any building constructed on Parcel B shall be located not less than ten (10) feet from its south boundary line

8. **USE RESTRICTIONS.** The following uses shall not be permitted on Parcel B:

9. **BOARDWALK.** The City of Traverse City is considering the construction of a boardwalk along the riparian boundaries of the *Parties'* parcels and has sought from both *Parties* an easement to do so. *Grantee* agrees, that so long as it is the owner of Parcel B that it will be directed by the *Grantor* in determining whether or not to grant an easement to the City for this purpose.

10. **TERM OF EASEMENT.** The *Parties* agree that this Reciprocal Easement Agreement shall be permanent and in perpetuity and may be only amended or revoked by agreement of the *Parties*.

11. **INTEREST IN REAL PROPERTY.** The *Parties* agree that both the burden and the benefit granted by this Reciprocal Easement Agreement are appurtenant to both the *Burdened* and *Benefited Properties* shall run with the land and shall be binding upon the *Parties* and successors and assigns.

IN WITNESS WHEREOF, the *Parties* have signed this Reciprocal Easement Agreement on the dates below.

[Remainder of this page left intentionally blank; signature pages follow]

GRANTOR:

Traverse City Housing Commission

By: _____
Its: Chairperson

By: _____
Its: Secretary

STATE OF MICHIGAN)
) SS
COUNTY OF GRAND TRAVERSE)

On this ___ day of _____, 2019, before me, a notary public in and for said County, personally appeared _____ and _____, the Chairperson and Secretary, respectively, of the Traverse City Housing Commission as Grantor, to me known to be the same persons described in and who executed the foregoing instrument and acknowledged that they executed it as their free act and deed.

_____, Notary Public
_____, County, MI
Acting in _____ County, MI
My Commission Expires: _____

GRANTEE:

Pine Street Development One, LLC

By: Erik J. Falconer
Its: Managing Member

STATE OF MICHIGAN)
) SS
COUNTY OF GRAND TRAVERSE)

On this ___ day of _____, 2019, before me, a notary public in and for said County, personally appeared **Erik J. Falconer**, Managing Member of Pine Street Development One, LLC, to me known to be the same person described in and who executed the foregoing instrument and acknowledged that he executed it as his free act and deed.

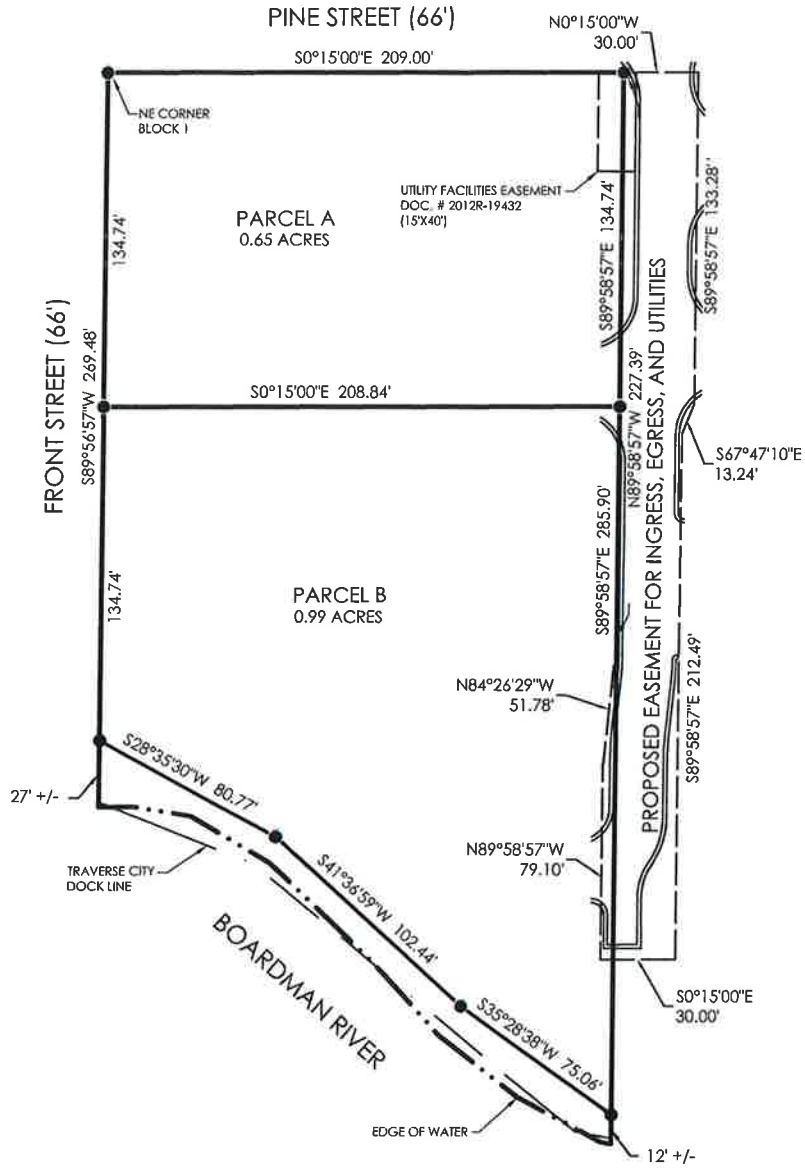
_____, Notary Public
_____, County, MI
Acting in _____ County, MI
My Commission Expires: _____

Drafted by:
Robert W. Parker, Attorney
PARKER HARVEY PLC
901 S. Garfield Ave., Suite 200
Traverse City, MI 49686
Phone: 231-929-4878

EXHIBIT A
EASEMENT AREA

[To be provided by Mansfield Planning Consultants]

Survey Sketch



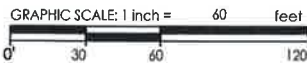
PROPOSED EASEMENT FOR INGRESS, EGRESS, AND UTILITIES:
 AN EASEMENT FOR INGRESS, EGRESS, AND UTILITIES IN PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID BLOCK 1; THENCE S00° 15' 00"E ALONG THE WEST RIGHT OF WAY LINE OF PINE STREET, 209.00 FEET TO THE POINT OF BEGINNING; THENCE N89° 58' 57"W, 227.39 FEET; THENCE N84° 26' 29"W, 51.78'; THENCE N89° 58' 57"W, 79.10'; THENCE S00° 15' 00"E, 30.00 FEET; THENCE S89° 58' 57"E, 212.49 FEET; THENCE S67° 47' 10"E, 13.24 FEET; THENCE S89° 58' 57"E, 133.28 FEET TO THE WEST RIGHT OF WAY LINE OF PINE STREET; THENCE N00° 15' 00"W ALONG THE WEST RIGHT OF WAY LINE OF PINE STREET, 30.00 FEET TO THE POINT OF BEGINNING.



Legend

- Iron Found
- Monument Found
- Nail Found



Mansfield
 Land Use Consultants
 Planners - Civil Engineers - Surveyors

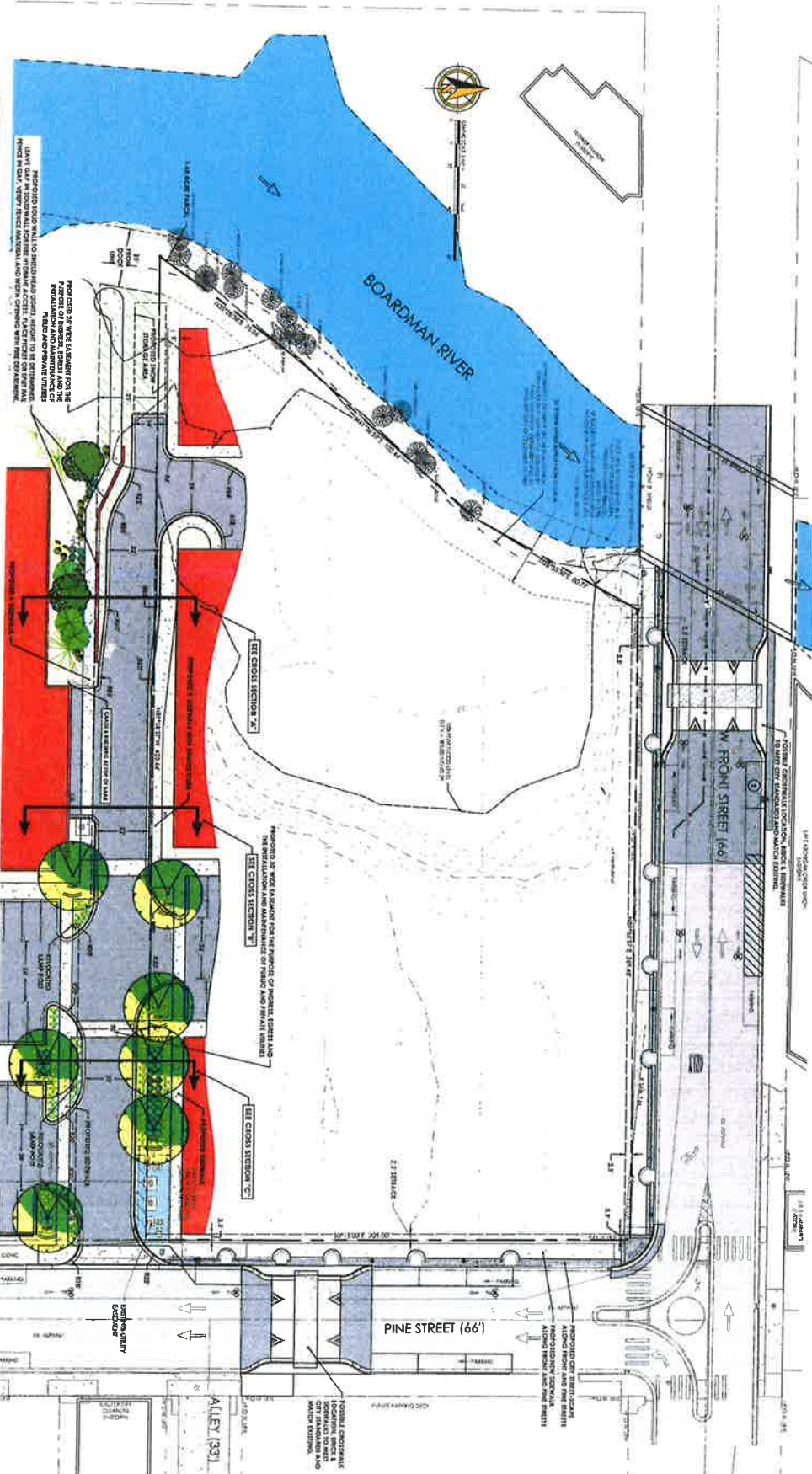
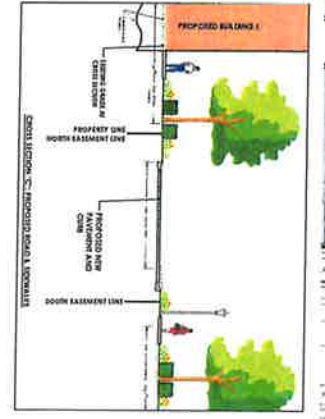
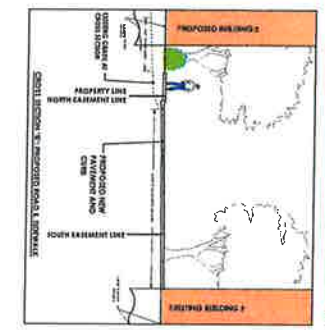
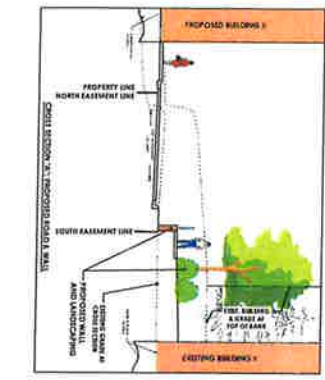
PO Box 4015
 830 Cottageview Dr., Suite 201
 Traverse City, MI 49685
 Ph: (231) 946-9310
 Fax: (231) 946-8926
 www.maacps.com

Pine Street Development One, LLC		DRN: RWB	CKD: MKG
Part of Block 1 of the Original Plat of Traverse City		3/29/2019	
Section 3, T27N, R11W		16225	
City of Traverse City, Grand Traverse County, Michigan		SHT. 1 OF 1	

AN EASEMENT FOR INGRESS, EGRESS, AND UTILITIES IN PART OF BLOCK 1 OF THE ORIGINAL PLAT OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING MORE FULLY DESCRIBED AS FOLLOWS:

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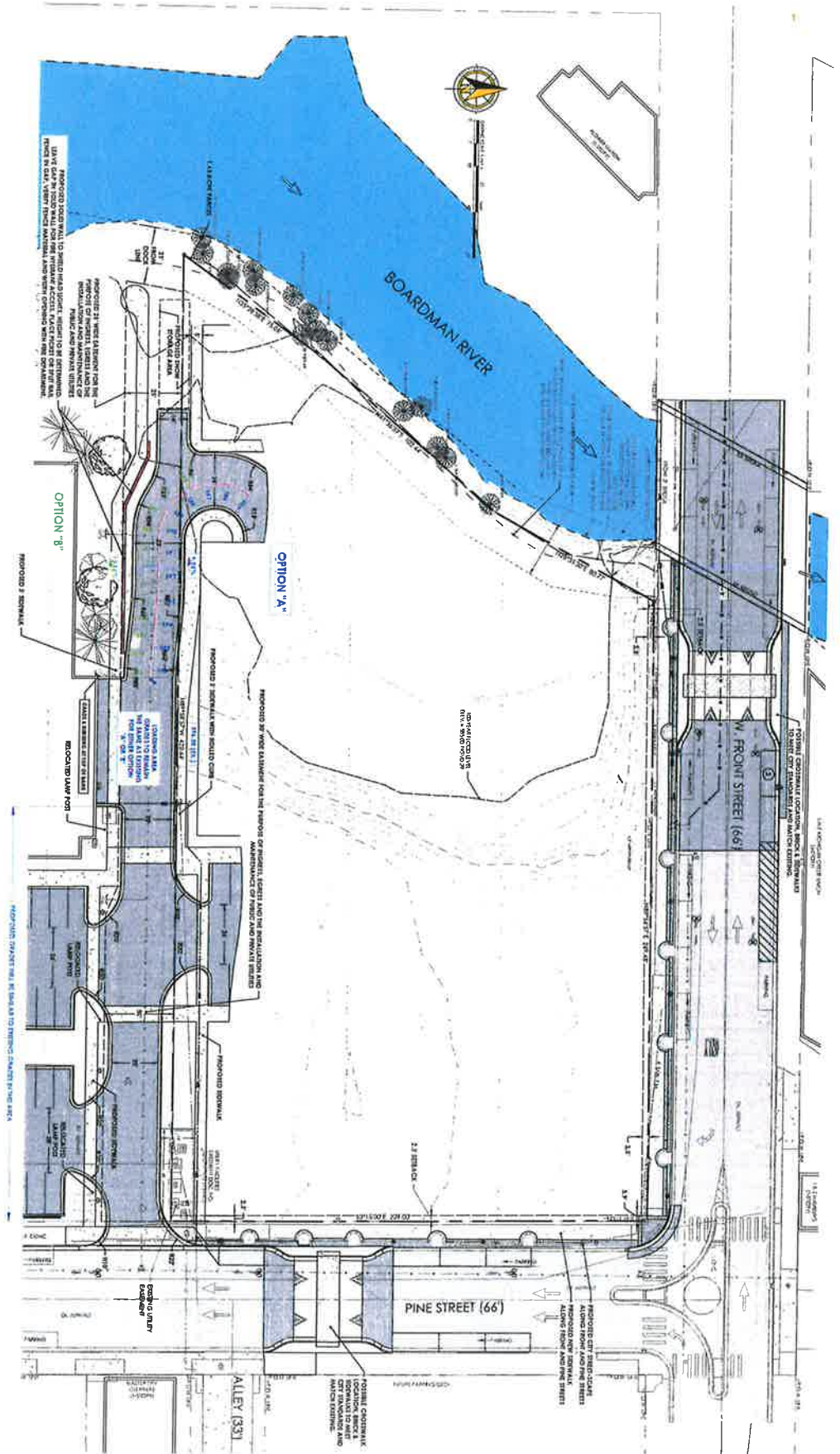
PRELIMINARY
1/6/25
SHT 2 OF 2

Pine Street Development One, LLC
 305 West Front Street
 Joint Easement Exhibit
 Section 03, Town 27 North, Range 11 West
 City of Traverse City, Grand Traverse County, Michigan

NO.	DATE	REVISIONS

Mansfield
 Land Use Consultants

830 Collingwood Dr., Ste. 201
 P.O. Box 405
 Traverse City, MI 49684
 Phone: 231-946-9310
 www.mansfield.com
 info@mansfield.com



PRELIMINARY
1.6.2015
SHEET 1 OF 2

Pine Street Development One, LLC
305 West Front Street
Joint Easement Exhibit
Section 03, Town 27 North, Range 11 West
City of Traverse City, Grand Traverse County, Michigan

NO.	DESCRIPTION	DATE	BY

Mansfield
Land Use Consultants

830 Constance Dr., Ste 201
P.O. Box 1015
Traverse City, MI 49685
Phone: 231.946.9310
www.mansfieldco.com

Traverse City Housing Commission

Asset / Physical Plant Management Addendum

1. **Purpose.** It is the intent of this policy addendum to clarify how the Traverse City Housing Commission (TCHC) will address non-traditional and special request for changes or modification to real property owned by the Commission and third party uses of the property. This scope of this policy will only apply to projects that fall outside of the Commission's regular and on-going work on its Capital Improvement program.
2. **Limitations.** Per HUD policy, TCHC is not allowed to modify its physical plant without the explicit approval of the Regional Manager. To the extent that this level of approval applies to the requested project, TCHC cannot control the timing of such approvals, nor can it control the final decision itself.
3. **Procedure.** All requests to the Housing Commission that fall under this policy will not be considered unless the following procedures are addressed:
 - A. Requests for such projects shall be in writing.
 - B. Requestor(s) shall be identifiable as well as the known beneficiaries of the proposed project.
 - C. When appropriate, professionally produced drawings and/or design documents are required prior to any final discussions or decisions.
 - D. TCHC staff will be charged with producing the final presentation for the Housing Commission and all interested parties. Staff will refrain from recommending a final course of action to the Commission but is allowed to utilize third-party sourced materials for its final presentation.
 - E. Regardless of the impact of the proposed project, residents will be given the opportunity to provide comment on the project prior to its approval.
 - F. The Housing Commission will approve of the proposed project at one of its regularly scheduled monthly meetings.
 - G. The Housing Commission may delegate to staff the final negotiations and/or implementation of the approved project.
4. **Charges / Fees.** When possible, the TCHC will require and realize monies from the requesting entities. These charges and fees shall, at a minimum, reimburse the Housing Commission for its real costs for both consideration of the project (e.g., legal fees) and true cost of impact upon the overall asset owned by the Housing Commission (e.g., long-term loss of access to property). The Housing Commission may waive part or all of this section but will do so only by way of Commission Resolution.
5. **Final Approvals and Notifications.** In addition to the Regional Manager from HUD, the duly appointed Housing Commission will be notified of, and approve of, all projects and the major modifications to approved projects that fall under the scope of this policy prior to the commencement of any and all work. At the conclusion of the approved project, a brief "final report" will be created by TCHC staff and submitted to the Housing Commission.

Approved: January 22, 2016