



The City of *Saline*

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Memorandum

From: City Manager Swallow

Date: January 5, 2026

Subject: Davenport-Curtiss House Due Diligence

Background Brief: The attached documents provide comprehensive, professionally developed strategy for the potential acquisition, due diligence, financing, redevelopment, and activation of the Davenport-Curtiss House. Administration approached due diligence with the level of scrutiny appropriate for a major municipal acquisition. A multi-disciplinary team conducted a suite of inspections and evaluations designed to assess safety, risk, cost, and feasibility for public activation.

Please review the attached due diligence documents:

- Structural, electrical, fire/life safety, environmental, and code inspections
- Multi-departmental City review
- Financial modeling and bond analysis
- Historic preservation and architectural research
- Real estate advisory and public-private partnership planning
- Community engagement and activation strategy
- Long-term financial risk mitigation

The Davenport-Curtiss House is one of Saline's most significant historic assets and one of the few intact Victorian estates remaining in southeast Michigan. This documentation outlines the benefits of acquisition, how the City has assessed risk and viability, and how the property could be leveraged as a long-term community asset.

Previous Action: Approved the Purchase Agreement on September 2, 2025 for a purchase price of \$3,000,000.

Economic Impact: The Davenport-Curtiss House (1875) is a strategic community asset: 6.1 near-downtown acres with high historic value and outsized placemaking potential. If acquisition is approved, Administration recommends a layered decision framework that preserves options while protecting the asset:

Option 1 (Acquire → Resell with Controls): City purchases, then conveys to a

mission-aligned steward under historic deed restrictions and/or a recorded preservation easement, and integrates the parcel into a Washtenaw County Local Historic District for regulatory protection.

Option 2 (City Owns, Partner Operates): City retains fee title; operations delivered via County/EMU/Nonprofit partnership under a performance-based MOU/lease; grounds opened as public heritage park with phased activation.

Option 3 (City + Endowment/501(c)(3) Hybrid): City owns the real estate; a newly formed “Friends of Davenport-Curtiss” nonprofit (or County/EMU foundation) raises capital, holds an endowment, and co-governs programming via operating agreement.

Budget Line Items: The Finance Department has created the following line item in the General Fund, to budget for expenses related to this proposal: 101-900-985-041. However, currently there is only \$50,000 budgeted for the Purchase Agreement deposit.

Amendment Required: Yes. This was not a budgeted expenditure. If the suggested bond financing is selected, this will be a 20-25 year, \$200,000 annual budget commitment.

Cash Availability Analysis – Only General Fund Dollars Are Eligible

The Unassigned General Fund Balance was \$5,716,678 as of June 30 according to our recently completed audit and our FY 26 Budget projected General Fund Balance was \$5,699,353, before the \$1,115,866 cost for the DHU at the Recreation Center. This lowers our Unassigned General Fund Balance to \$4,583,487.

Therefore, paying cash would reduce the Unassigned Fund Balance to \$1,583,487. This would result in a General Fund Unassigned Fund Balance of 8.6% of FY 26 expenditures. The City's Fund Balance Policy (attached) states that the City will maintain its Fund Balance between 15-20% and that if it falls below that level, that Council will adopt a Plan to restore it to the targeted range. Therefore, City Council will need to adopt a plan through borrowing (bonding or installment purchase) to restore the Unassigned General Fund Balance.

Assigned Fund Balances – Potential Modification or Reassignment

There are existing General Fund Balance Assignments that could be modified by action of City Council (see below). This would improve the Unassigned Fund Balance, but negate the ability to utilize these funds for the previously assigned purposes.

- Sauk Trail Industrial Park: \$921,237
- Legislative Changes: \$2,394,376

Advantages of Utilizing Fund Balance:

- Transfer ownership immediately and preserve the historic asset,
- Engage a professional task force—real estate, economic development, planning, and financing experts—to design the highest and best uses, and
- Avoid interest accrual prior to establishing a redevelopment plan.

Once a concept plan, pro forma, phasing, and public benefits are defined, the City could then:

- Issue a Capital Improvement Bond, sized and structured around an adopted plan,
- Reimburse the General Fund under the Reimbursement Resolution, and
- Finance what is strategically needed—improvements, stabilization, and activation—rather than the raw acquisition.

Disadvantages of Utilizing Fund Balance:

- Reduces short-term liquidity,
- Lost interest revenue,
- Reduced flexibility for future/unknown expenditures, and
- Cash and/or borrowing capacity not available for other projects.

Recommended Motion:

Provide clear direction to City Administration on the potential acquisition of the Davenport-Curtiss House, and the preferred financing option if acquisition is recommended.

ATTACHMENTS:

[25-12-19 Summarized Davenport-Curtiss House.pdf](#)

[25-12-19 Financing Options Davenport-Curtiss.pdf](#)

[300 East Michigan Avenue - William H. Davenport House 03.03.1975.pdf](#)

[Davenport Curtiss House Walk Through.pdf](#)

[FW_Curtis Mansion Building_Trade inspections.pdf](#)

[Davenport House Report of Findings.pdf](#)

[City Owned Houses.pdf](#)