

MEMORANDUM

TO: Mayor and City Council

FROM: Tom Crawford, Chief Financial Officer

DATE: September 24, 2007

SUBJECT: Resolution to Approve Parking Agreement with Village Green Residential Properties, L.L.C.

Attached for your review and approval is the negotiated Parking Agreement with Village Green Residential Properties, L.L.C. in connection with the redevelopment of the City-owned property at First and Washington.

City Council previously approved an Option Agreement to purchase the City-owned property at First and Washington with Village Green Residential Properties, L.L.C. (R-71-2-07). Under the terms of the Option Agreement, the Option may not be exercised by Village Green until all necessary approvals and supporting agreements have been negotiated, approved and executed. A Parking Agreement with the City and the Ann Arbor Downtown Development Authority (DDA) is the first of the supporting agreements to be negotiated and submitted for approval by the DDA and the City.

The Parking Agreement identifying the rights, duties and responsibilities of each of the parties in connection with the construction of a parking structure and the operation and maintenance of the private and public parking spaces comprising the parking structure. The Parking Agreement addresses the goals for redevelopment of the site by replacing public parking spaces on the site and incorporating alternative transportation space (i.e., zip car parking, bicycle storage).

The DDA approved the Parking Agreement at its regular meeting on September 5, 2007.

Approval of the Parking Agreement is recommended.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney
Reviewed by: Tom Crawford, CFO
Approved by: Roger W. Fraser, City Administrator

Attachment: DDA Resolution

RESOLUTION OF SUPPORT FOR A PARKING CONTRACT BETWEEN THE CITY OF ANN ARBOR AND VILLAGE GREEN

Whereas, The City of Ann Arbor owns a parcel of land at the corner of First and Washington Streets and it issued RFP #621 for the sale and redevelopment of this property;

Whereas, The primary goals of the RFP were to:

- Increase downtown residential density and diversity
- Replace public parking spaces on this site
- Maximize the financial return to the City for the sale of the land
- Maximize TIF revenue to the Ann Arbor Downtown Development Authority (DDA) for the redevelopment of this site;

Whereas, Three proposals were received and Village Green Companies was determined by the City to be the appropriate developer of the residential units on this site;

Whereas, City and DDA staff have worked with Village Green representatives to prepare a proposed parking agreement between the City, DDA, and Village Green on this site which includes the following elements:

- Village Green will construct no fewer than 205 parking spaces on this site. The number may actually range between 230 and 260 parking spaces, and optimally may even exceed that number.
- Village Green will also provide for bicycle parking as required under code plus alternative transportation (i.e. Zip Car) parking as part of this development.
- The building will be a condominium and a condominium agreement will be arranged between the two parties with details providing for common area maintenance and use.
- The DD will pay for all parking spaces and the City will own all parking spaces which will be one unit of this condominium. The DDA will pay \$35,000 for each parking space determined to be entirely or in part located above the lowest area of the site as currently excavated, which is determined to be 809 feet. The DDA will pay \$45,000 for each parking space determined to be entirely located below 809 feet. A parking structure parking space is defined to include the floor, walls and ceiling of each space.
- Village Green will contract with the City for 73 parking spaces out of the total using a standard contract formula that requires them to pay the standard monthly permit fee (currently \$125/month) plus a monthly surcharge which is initially set at \$30/month. This monthly surcharge will increase annually by the rate of inflation. Village Green will also pay a deposit for each permit card issued.
- Village Green may also request additional “overnight/off-peak” monthly permits for its residents at another City-owned facility.

Whereas, The DDA/City Partnerships Committee recommends approval of this parking agreement;

RESOLVED, The DDA approves the recommendations as set forward by the DDA/City Partnerships Committee, subject to review and comment by the DDA Attorney, and recommends approval of this agreement by the City.

A vote on the motion showed:

AYES: Boren, Collins, DeVarti, Greff , Gunn, Hall, Hieftje, Hewitt,
Lowenstein, Smith, Splitt

NAYES: None

Absent: None

Abstentions: Mouat

The motion carried.

September 5, 2007

RESOLUTION TO APPROVE PARKING AGREEMENT WITH VILLAGE
GREEN RESIDENTIAL PROPERTIES, L.L.C.

Whereas, Village Green Residential Properties, L.L.C. ("Village Green") was selected in response to RFP No. 621 to redevelop the City-owned property located at First and Washington Streets, Ann Arbor;

Whereas, City Council Resolution R-71-2-07 approved an Option Agreement for Purchase of Land with Village Green;

Whereas, Under the terms of the Option Agreement, Village Green may not be exercised by Village Green until all necessary approvals and supporting agreements have been negotiated, approved and executed, including a Parking Agreement between Village Green, the DDA and the City;

Whereas, The City Administration, the DDA, and Village Green have reached agreement on the rights, duties and responsibilities of each of the parties in connection with the construction of a parking structure and the operation and maintenance of the private and public parking spaces comprising the parking structure; and

Whereas, The DDA Board approved the Parking Agreement on September 5, 2007;

RESOLVED, That City Council approve the Parking Agreement between Village Green, the DDA, and the City for the construction of a parking structure and the operation and maintenance of private and public parking spaces comprising the parking structure as part of the Ann Arbor City Apartments development project; and

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Parking Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney.

Submitted: Finance and Administrative Services

Date: September 24, 2007

Approved: City Attorney