

# **City of Ann Arbor Special Parking Districts Policy for Contributions in Lieu of Required Parking**

## Purpose

It is the intent of the City Council and the Downtown Development Authority (DDA) to promote a full range of development choices and flexibility in the downtown. This flexibility includes parking alternatives when it is infeasible or undesirable to construct parking spaces on a downtown site.

Consistent with Chapter 59 (Off-Street Parking), Section 5:169 Special Parking Districts, this Council policy implements the motor vehicle “contribution in lieu” provisions in Paragraph (3):

“The required bicycle or motor vehicle parking shall be provided on-site, off-site as described in this Chapter, through the execution of a contract for parking permits within the City’s public parking system or payment of a contribution in lieu of the required parking consistent with the requirements adopted by City Council, or any combination thereof, consistent with the requirements of this section.”

The City Council has determined that, if the provisions of the Contribution in Lieu (CIL) policy, as outlined below, are implemented, these arrangements meet the intent of the City Master Plan to provide a full array of transportation alternatives in the downtown.

## Contribution in Lieu Space Requirements

1. For each required parking space proposed to be provided through a CIL arrangement, the petitioner may request one of the following options:
  - a. A monthly parking permit in the City of Ann Arbor Parking System. The cost of the monthly parking permit(s) shall be the standard system rate, in addition to a contribution equal to 20% of the monthly parking permit cost. The petitioner shall sign a contract with the City and/or DDA committing to payment of the monthly parking permit(s) and the contribution for 15 years.
  - b. A contribution in lieu of parking. The contribution for each required parking space shall be set at \$55, 000 per space, to be paid prior to a request for a Certificate of Occupancy.
2. The contributions collected by the DDA through the CIL arrangement shall be used by the DDA to maintain or improve the downtown parking system or provide transportation options for downtown businesses and property owners.

## Procedures

1. Upon determining that a CIL permit arrangement is desired for a proposed development, the petitioner shall submit to the DDA an application indicating the number of spaces requested under the City’s CIL policy and the requested location of the spaces.

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2. The DDA shall research the availability of spaces and location and determine if there are spaces available to satisfy the request. The DDA shall provide a response to the petitioner and Planning & Development Services with either a proposal for spaces and location or an explanation as to why the request cannot be supported.
3. If the petitioner is in agreement with the DDA proposal, the specific provisions shall be incorporated into a development agreement for the project.
4. City Council shall consider the CIL arrangement when it takes action on the development agreement. City Council may approve the proposed CIL arrangement if it determines that adequate parking is available in the City of Ann Arbor Parking System to satisfy the requirement and that this arrangement is in the best interest of the downtown.
5. Prior to the issuance of any permits for a development, the petitioner shall execute a contract with the City and/or DDA consistent with the provisions of the development agreement.

DDA Responsibilities

1. As managers of the public parking system, the DDA shall evaluate petitioner requests based on its monthly parking permit policies and projections for future parking need.
2. The DDA is authorized to enforce CIL contracts.
3. If the petitioner fails to make payments for the required CIL parking, the City or DDA may terminate the use of monthly parking permits and take legal action to enforce the contract provisions.
4. The DDA shall deposit the collected contributions from CIL payments into the DDA's Parking and Transportation Fund. These funds shall be used to enhance multi-modal transportation services and facilities that serve the downtown, including parking maintenance, new parking construction, bicycle and pedestrian facilities and transit enhancements.

As adopted by the Ann Arbor City Council on April 2, 2012