



Legislation Text

File #: 18-1647, **Version:** 2

Resolution to Approve the Fuller Park Parking Lot Land Lease with the University of Michigan (**8 Votes Required**)

Attached for your review is a resolution to approve a land lease agreement with the University of Michigan to lease the three parking lots at Fuller Park.

The existing lease expired on August 31, 2018. The term of the new lease agreement is proposed to be for one year, with an option to renew the lease administratively for two additional one-year periods. The proposed new lease retains much of the same language as the expiring agreement, although the City no longer needs to give the University twelve-month's notice if it does not wish to renew.

The three lots are the existing parking lot south of Fuller Road adjacent to the railroad tracks (Lot A), the paved parking lot north of Fuller Road at Fuller Park (Lot B) and the unpaved parking lot also north of Fuller Road at Fuller Park (Lot C).

Lot A has been leased to the University for parking since 1993. Lots B & C have been leased since 2009. The primary function of the three parking lots is to provide parking for park visitors and the hours that the lots are available for University use is determined with this in mind. For example, Lot B, nearest the pool is not available for University use between Memorial Day and Labor Day.

The revenue derived from the lease is recognized in the Park & Recreation Services General Fund revenue budget. Annual revenue per terms of the lease will be \$94,248 for the September 1, 2018 - August 31, 2019 which is a 3% increase from the current year amount. If the lease is renewed administratively the lease is subject to annual 3% increases.

Exhibit A of the agreement contains provisions for maintenance, security and signage, and specifies the days and times of use. Lot A will be leased to the University from 4:00 am to 4:00 pm Monday through Friday. Lot B (paved lot) will be leased from 6:00 am to 5:00 pm Monday through Friday, two weeks after Labor Day through the Friday before Memorial Day, excluding holidays. For the two week period following Labor Day the two southernmost rows of Lot B will be leased to the University. Lot C (unpaved lot) will be leased from 6:00 am to 5:00 pm Monday through Friday, excluding holidays.

Prepared by: Colin Smith, Manager, Parks and Recreation

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, On September 29, 1993, an agreement was entered into between the City of Ann Arbor and University of Michigan for the establishment and operation of a parking lot on City-owned property at Fuller Park, located south of Fuller Road;

Whereas, The parking lots north of Fuller Road have been leased to the University since 2009;

Whereas, The lease generates significant revenue for the Parks & Recreation General Fund;

Whereas, It is the desire of the City and the University to continue the lease arrangement;

Whereas, The term of the agreement shall be one year, with an option to administratively renew the lease for one additional one-year term; and

Whereas, The Park Advisory Commission recommended at their September 18, 2018 meeting that City Council approve the Fuller Parking Lot Lease with the University of Michigan;

RESOLVED, That City Council approve the attached Fuller Park Parking Lot Land Lease with the University of Michigan ("Lease") for one-year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Lease after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to execute one one-year administrative renewal of the lease if deemed in the best interest of the City and to take such other actions necessary to implement this Resolution.

As Amended by Ann Arbor City Council on October 15, 2018