

MEMORANDUM

TO: Park Advisory Commission

FROM: Colin Smith, Parks & Recreation Services Manager

DATE: July 18, 2017

SUBJECT: Resolution to Recommend Approval of the Fuller Park Parking Lot Land Lease with the University of Michigan

Attached for your review and recommendation 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 expires on August 31, 2017. The term of the lease agreement will be for one year, with an option to renew the lease administratively for four additional one-year periods. The proposed new lease retains the same language as the expiring agreement with minor operational updates reflecting the extended Fuller Pool season.

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 \$91,502 for the September 1, 2017 – August 31, 2018 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.

RESOLUTION TO RECOMMEND APPROVAL OF THE FULLER PARK PARKING LOT
LAND LEASE WITH THE UNIVERSITY OF MICHIGAN

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 four additional one-year terms;

RESOLVED, That the Park Advisory Commission recommends that City Council approve the Fuller Parking Lot Lease with the University of Michigan.