



Legislation Details (With Text)

File #: 25-0715 **Version:** 1 **Name:** 4/7/25 - Resolution to Approve Sale of Air Rights over 616 S. Forest Ave
Type: Resolution **Status:** Passed
File created: 4/7/2025 **In control:** City Council
On agenda: 4/7/2025 **Final action:** 4/7/2025
Enactment date: 4/7/2025 **Enactment #:** R-25-123

Title: Resolution to Approve an Agreement for Sale of Air Rights over a Portion of 616 S. Forest Ave. to CS Acquisition Vehicle, LLC for No Less than \$1,200,000.00 (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Air Rights Purchase Agreement w exhibits (signed by Purchaser).pdf, 2. Air Rights map.pdf, 3. Optional Future Air Rights map.pdf

Date	Ver.	Action By	Action	Result
4/7/2025	1	City Council	Approved	Pass

Resolution to Approve an Agreement for Sale of Air Rights over a Portion of 616 S. Forest Ave. to CS Acquisition Vehicle, LLC for No Less than \$1,200,000.00 **(8 Votes Required)**

The City of Ann Arbor has been approached by the purchaser who desires to develop and build a multi-story, mixed-use commercial and residential development (the "Proposed Development") that would extend over and occupy a portion of the air space located above the City's property at 616 S. Forest Avenue, which currently serves as a non-public "alley" behind the Forest Ave parking structure. City staff investigated the consequences of such a sale and determined that the air rights are not of strategic importance to the City and a proposed residential development on the site would support new housing development in the City. The agreement transfers a portion of the air rights for the first phase of development, with purchaser being granted an option to purchase a small amount of additional future air rights if it proceeds with a second phase of development. If the purchaser does not construct the Proposed Development within 5 years, the air rights revert to the City. The City will retain ownership of the ground-level property and up to 25 feet above.

Prepared by: Atleen Kaur, City Attorney

Reviewed by: Christopher Frost, Senior Assistant City Attorney

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City of Ann Arbor is interested in supporting efforts to increase the supply of housing in the City, per direction from Council Resolution R-24-108;

Whereas, The Proposed Development is intended to create additional housing near campus, and the developer will be able to increase the developable space by use of certain air rights over 616 S. Forest;

Whereas, The City is retaining ground-level property rights and has no strategic need for the air rights above the property;

Whereas, An independent property appraisal concluded that the market value of the property is

\$1,200,000.00 in compliance with City Code 1:321; and

RESOLVED, That City Council approves the sale of air rights and optional future air rights 25 feet above the following area of 616 S. Forest Avenue, for a price not lower than \$1,200,000.00:

AIR RIGHTS

Land situated in the State of Michigan, County of Washtenaw, City of Ann Arbor and Commencing at the Southwest corner of Lot 6, Block 1, R. S. Smith's Second Addition to the City of Ann Arbor, as recorded in Liber 48 of Deeds, Page 40, Washtenaw County Records, Washtenaw County, Michigan; thence N01 °11 '02"W 170.97 feet along the West line of said Lot 6, Block 1 and the East right-of-way line of Church St. (66 feet wide) to the POINT OF BEGINNING;

thence continuing N01 °11 '02"W 24.04 feet along said West line of Lot 6, Block 1 and the East right-of-way line of Church St.;

thence N88°56'04"E 102.27 feet;

thence S01 °09'05"E 62.80 feet;

thence S88°48'58"W 36.02 feet;

thence N01 °09'43"W 39.08 feet along the East line of said Lot 6, Block 1, R. S. Smith's Second Addition to the City of Ann Arbor;

thence S88°43'1 0"W 66.23 feet to the POINT OF BEGINNING. Being part of the SW ¼ of Section 28, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan; and

OPTIONAL FUTURE AIR RIGHTS

Commencing at the Southwest corner of Lot 6, Block 1, R. S. Smith's Second Addition to the City of Ann Arbor, as recorded in Uber 48 of Deeds, Page 40, Washtenaw County Records, Washtenaw County, Michigan; thence N01 °11 '02"W 195.01 feet along the West line of said Lot 6, Block 1 and the East right-of-way line of Church St. (66 feet wide) to the POINT OF BEGINNING;

thence continuing N01 °11'02"W 2.96 feet along said West line of Lot 6, Block 1 and the East right-of-way line of Church St.;

thence N88°43'1 0"E 102.28 feet along the North line of Lot 7 of said R.S. Smith's Second Addition to the City of Ann Arbor;

thence S01 °09'05"E 3.34 feet;

thence S88°56'04"W 102.27 feet to the POINT OF BEGINNING. Being part of the SW 1/4 of Section 28, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan. Being subject to any easements and restrictions of record, if any.

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute an agreement for sale of the air rights and optional future air rights with CS Acquisition Vehicle, LLC as well as any other necessary documents to complete the purchase, including a covenant deed and a reservation of easements, as necessary, after approval by the City Administrator and City Attorney;

RESOLVED, That the proceeds from the sale shall be deposited as miscellaneous revenue within the General Fund, less any closing costs; and

RESOLVED, That the City Administrator is authorized to take all appropriate action to implement this resolution, including execution of all appropriate documents and exercise of all determinations permitted to the City under the signed agreement of sale, such as termination, exercise of options, or

granting of any necessary extensions.