



## MEMORANDUM

TO: Mayor and Councilmembers  
Chair, Center of the City Task Force

FROM: Howard S. Lazarus, City Administrator

SUBJECT: Update on Interim Use Proposal – Center of the City Commons

DATE: August 31, 2019

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**PURPOSE AND BACKGROUND:** This memorandum provides an update on Council Resolution [R-19-263](#), *Resolution Directing the City Administrator to Develop an Interim Plan for the Use of the Library Lot to Support Community Activities*. The resolution directs two outcomes:

- The City Administrator to work collaboratively with the Downtown Development Authority (DDA), City staff, the Library Green Conservancy (LGC), and the Center of the City Task Force to identify a process for regular scheduling of the Library Lot; development of a public-private partnership with the Library Green Conservancy, and the financial impacts of transitioning the site away from its current primary use for surface parking; and
- The City Administrator will provide regular updates to Council on the status of these efforts and provide a final interim plan to Council not later than September 30, 2019.

**DISCUSSION:** The following information is provided as an update:

- Regular meetings have been scheduled and are occurring concerning interim uses between Will Hathaway of the Library Green Conservancy and the City Administrator. Sally Petersen, Executive Advisor to the City Administrator, has joined these conversations. Heather Seyfarth, the City's facilitator, has also introduced the options below to the Center of the City Task Force.
- Three basic options have been identified for the interim use and management, discussed as follows:
  - Option 1 – No Change to Current Status: The lot still has as its primary purpose the generation of parking revenues and works with entities that seek to use the space on a case-by-case basis. We should consider if the net revenues (if any) should be placed in a dedicated account to fund the temporary improvements described in Options 2 and 3 below.
  - Option 2 – Install some temporary/movable “street furniture” that allows for passive use and events as the primary purpose, but still enables the space to be used for special event parking.

This changes the focus from a parking lot to a public space, but still provides for some flexibility. As in Option 1, we should consider whether or not to allocate the net revenues (if any) to a dedicated use.

- Option 3 – Perform some fixed improvements that preclude the space from being used for parking and manage solely as a passive use space with special event programming.
- The LGC has indicated support for a combination of Options 2 and 3. The temporary/movable furniture would allow for flexibility and occasional use for parking, but only until a recognizable pedestrian park can be established. The LGC is still in the formative stages of developing its business plan, and I've let Mr. Hathaway know that the viability of the LGC as a business partner is critical to the successful planning, programming, and maintenance of the space. I've received input from other stakeholders, including the Center of the City Task Force, the DDA, and the Ann Arbor District Library (AADL).
- Ms. Seyfarth has presented the above options to the Center of the City Task Force. The most heavily favored approach among Task Force members is Option 2, with some aspects of allowing continued parking to raise revenue under Option 1 also considered. Task Force members uniformly did not think placing permanent improvements under Option 3 was a wise choice at this time.
- The most feasible time to change the current use model is with the initiation of a new fiscal year (FY). This timeframe allows for planning in the shift of resources to occur for the next fiscal year. Changes to the City-DDA parking agreement can be proposed and discussed at the October annual partnership meetings prior to the initiation of the budgeting process. It does not appear at this time that a firm fixed date for the transition can be established right now.
- The partnership agreement between the City and the Treeline Conservancy can serve as a useful starting point to develop a similar arrangement with the LGC. However, as discussed with Mr. Hathaway, the LGC has some substantial organizational challenges to overcome before any agreement can be brought forth. These include organizing a board of directors, identifying a funding strategy, and developing an approach to operations and maintenance for the space.
- Programming: The City and the LGC will partner to recruit events to the Library Green space and to Liberty Plaza. The first recruitment targets will be existing events that might expand to the new location. Examples include Blooms Day, Sonic Lunch, Ann Arbor Art Center exhibitions, and youth programs. Potential partners include AADL, Ann Arbor Art Center, Public Art Commission, the University Musical Society, the Bank of Ann Arbor, and downtown merchant groups and property owners. The DDA should continue to manage the space until the LGC becomes a viable partner. Mr. Hathaway and Ms. Petersen are collaborating on developing a program of events for the coming year that will activate the space and begin to change the public perception of the space.

The use of the space for programmed events must be balanced against the need for quiet enjoyment of the space. Many see the primary purpose of a commons as an "oasis" where people can enjoy a shady place to sit, meet friends, bring a lunch and read, or connect with their mobile devices. While

the events will provide opportunities for fund raising to support the LGC, the LGC will also have to establish a donor network. The extent of City financial participation, as discussed in the following paragraph, also needs to be established.

As of now, the process to reserve the property for use lies within Community Services. The City receives applications, coordinates with the DDA and other stakeholders. DDA has typically not charged for the use of the lot. This process continues to be effective for the interim.

- Finances: During the interim period, financial concerns into the four areas discussed below. The numbers presented should be considered preliminary and subject to change.
  - Operations and Maintenance: The DDA carries a cost of ~\$70K per year for routine maintenance and utility (electric) bills. As the surface uses may impact the roof structure of the first level of the underground parking deck, DDA will always have an interest in maintaining the surface. However, changes in the use or configuration that create additional costs (e.g. landscaping) will need to be addressed. If the DDA is to continue as the primary caretaker for the space and any temporary/interim improvements, the parking agreement may need to be adjusted.
  - Loss of Annual Revenue: The DDA estimates that a day of parking on the Library Lot produces \$875 in revenue. Extrapolated to 312 parking days per year, the potential revenue loss is ~\$273K. The 20% loss to the City would then be \$54.6K.
  - Debt Service: The DDA has raised the concern that diversion of the surface use from parking may obligate the City to directly pay for a pro rata share of the debt service on the parking structure (City potential share estimated at ~\$132K per year). The City's CFO is reviewing the validity of this concern, and will provide input for inclusion in the report due to Council on September 30<sup>th</sup>.
  - Temporary/Interim Improvements: There is currently no funding source identified to pay for temporary/interim improvements. While the discussion above does propose setting aside parking revenues generated during the period of interim uses for these purposes, it is also reasonable to assume and expect the LGC will seek grants and donations. This matter needs to be addressed as the path forward is finalized.
- Temporary/Interim Improvements: The plan for temporary/interim improvements should be developed in alignment with the efforts of the Center of the City Task Force. Potential elements may include the following:
  - Internet connective should be provided at no cost.
  - Utilities services (electricity, water, and wastewater) need to be brought on site.
  - Public restrooms may be considered.
  - Performance space, both temporary and fixed, should be accommodated.
  - Passive use furniture will be required (installed tables, benches, et al).

- Play and game areas for all ages and barrier free should be included.
  - Space for bicycle parking should be allocated.
  - Generation of solar electricity should be included and incorporated into the design elements.
- Access: Library Lane, access to the parking structure, and the dedication of an alleyway along the north and east edges of the property must be provided. The design of these public easements in these areas can be accomplished in a way that contributes to the use of the space, allowing for temporary closures to support events as needed.

FOLLOW-UP: Additional coordination and collaboration among City staff, the LGC, DDA, and our partners will continue over the coming weeks so that a final set of recommendations can be provided by the September 30<sup>th</sup> date. Please do not hesitate contact to me directly if you have any thoughts or comments.

cc: J Fournier  
T Crawford  
H Seyfarth  
S Petersen  
D Delacourt  
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