



Legislation Details (With Text)

File #: 19-2088 **Version:** 1 **Name:** 11/18/19 - Mary Street parking lot lease
Type: Resolution **Status:** Passed
File created: 11/18/2019 **In control:** City Council
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Title: Resolution Approving the Lease and Related Renewals Between the City of Ann Arbor and the University of Michigan For City-Owned Property Behind 926 Mary Street (\$4,120.00 annually) (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2014 Lease - Fully Executed.pdf, 2. 190201 Memo - Appraisals.pdf, 3. U-M Notice Exercising First Option to Renew Lease 6.21.2019.pdf

Date	Ver.	Action By	Action	Result
11/18/2019	1	City Council	Approved	Pass

Resolution Approving the Lease and Related Renewals Between the City of Ann Arbor and the University of Michigan For City-Owned Property Behind 926 Mary Street (\$4,120.00 annually) (8 Votes Required)

The City has leased the property behind the Mary Street Polling Place, 926 Mary Street, to the University of Michigan since 1979. The University uses the property as a student parking lot for its tenants at Fletcher Hall. The current lease agreement, dated January 28, 2014, provides a lease term through December 31, 2019 and gives the University the option to renew for two successive, one-year lease periods upon 90-days' notice to the City. The University has notified the City of its intent to exercise its renewal option for the lease period between January 1, 2020 to December 31, 2020. Because the resolution that authorized the current lease (R-14-030) was limited to five years, City Council approval is sought to extend the lease beyond such five-year term in accordance with the lease's terms.

This lease agreement is in line with other parking lot leases the City has negotiated recently with the University.

Approval of this resolution is recommended.

Prepared by: Jacqueline Beaudry, City Clerk

Reviewed by: Betsy Blake, Senior Assistant City Attorney

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City entered into a lease agreement with the University of Michigan, dated January 28, 2014, for the City-owned property behind 926 Mary Street, Lot 4, Block 4, J.F. Lawrence Subdivision, which provides 12 to 15 parking spaces ("Lease");

Whereas, The University utilizes these parking spaces for annual parking permits for its Fletcher Hall tenants;

Whereas, The Lease term began January 1, 2014 and runs through December 31, 2019, and gives the University the option to renew for two successive, one-year lease periods upon 90-days' notice to the City.

Whereas, The University has notified the City of its intent to exercise its renewal option and the parties have tentatively agreed to a 3% increase of the annual rent (\$4,120) for such renewal; and

Whereas, The resolution that authorized the Lease (R-14-030) was limited to five years, City Council approval is sought to extend the Lease beyond such five-year term and authorize the two successive, one-year renewals, in accordance with the Lease's terms;

RESOLVED, That City Council authorizes the attached Lease and related renewals;

RESOLVED, That an appraisal report is not necessary as the University's revenue from parking pass sales is publicly available and the City wishes to continue its relationship with the University; and

RESOLVED, That the City Administrator is hereby authorized to take all administrative action related to such Lease, including negotiation of the renewal rental rates and related renewals.