



Legislation Text

File #: 14-1549, **Version:** 2

Resolution Directing the City Administrator and the City Attorney to Negotiate a Lease with Fifth Fourth, LLC for a Short-Term Parking Area to be Added to the Municipal Parking System
Councilmembers Anglin, Eaton, Lumm, and Kailasapathy

Whereas, Resolution R-13-394 allocated the net proceeds from the sale of 350 S. Fifth Avenue (a/k/a the old Y lot) to the Affordable Housing Trust Fund;

Whereas, The new property owner, Fifth Fourth, LLC, has expressed an interest in partnering with the City of Ann Arbor for the establishment of a not to exceed 2 years short-term public parking lot on the vacant property with the right to terminate the lease early to commence construction activities;

Whereas, Fifth Fourth, LLC's ownership of the property is subject to the City's right of reversion if Fifth Fourth, LLC prior to April 2, 2018 fails to construct and obtain a final certificate of occupancy for a building consistent with covenants stated in the Warranty Deed transferring ownership of the property to Fifth Fourth, LLC;

Whereas, In offering the property for use as a short-term public parking lot, Fifth Fourth is requesting that the City assume all management and operational responsibilities for the lot and in turn Fifth Fourth, LLC is willing to donate one-half of all net revenues collected during the operation of the lot to the City's Affordable Housing Trust Fund;

Whereas, City Council supports public/private partnerships with the objective of meeting City Council priorities, one of which is funding affordable housing;

Whereas, The Ann Arbor Downtown Development Authority Development Plan and Tax Increment Financing Plan, approved by City Council on September 15, 2003, identifies as an objective of the Plans the encouragement and support of housing affordability;

Whereas, The City currently does not directly staff or operate any municipal parking facilities in the City;

Whereas, The City has contracted with the Ann Arbor Downtown Development Authority ("DDA") under a certain Parking Agreement, dated July 1, 2011, to manage, operate, and maintain its municipal parking system;

Whereas, The DDA currently contracts with Republic Parking to provide day-to-day operations of the municipal parking system; and

Whereas, The Parking Agreement between the City and the DDA allows the City to add parking areas to the municipal parking system on 30-days notice subject to written objection by the DDA which objection, if any, shall be mutually resolved;

RESOLVED, That the City Administrator is directed to provide the necessary notice to the DDA under the Parking Agreement of the City's intention to add the lot on a short term basis to the municipal parking system;

RESOLVED, That the City Attorney is directed to negotiate a lease agreement with Fifth Fourth, LLC and the DDA, which provides for management and operation of the Parking Agreement, which includes the following:

a. DDA management and operation of the parking area including any City/DDA mutually agreed upon terms resulting from settlement of any objections raised by the DDA on receipt of notice of addition of the parking area to the municipal parking system;

b. allocation of fifty percent (50%) of the net revenue from operation of the parking area to City's Affordable Housing Fund with the remainder payable to Fifth Fourth, LLC. Fifth Fourth, LLC shall repay the City all revenue generated by the lease agreement not previously allocated to City's Affordable Housing Fund if the City exercises its right of reversion for the property;

c. term of lease to be calculated from the execution date of the last party signing the document and ending September 30, 2016, with the right to terminate the lease early on 45-days notice based on an earlier construction commencement date;

d. approval of the negotiated lease by all parties governing bodies.

RESOLVED, That City Administrator and City Attorney will periodically report back during the negotiation process and provide City Council with the status of lease negotiations.

Sponsored by: Councilmembers Anglin, Eaton, Lumm, and Kailasapathy