



Legislation Text

File #: 11-0177, **Version:** 1

Resolution to Approve Amendment No. 2 to the Parking Agreement between Village Green Residential Properties, LLC, the City of Ann Arbor and the Ann Arbor Downtown Development Authority

On September 21, 2007, City Council approved a Parking Agreement between the City, DDA and Village Green Residential Properties, LLC (hereafter "Village Green") concerning the design, construction and financing of a public parking garage in connection with Village Green's Option to redevelopment of the First and Washington property owned by the City. Subsequently, on April 7, 2008, Council approved Amendment No. 1 to the Parking Agreement clarifying design and construction "useful life" requirements and increasing the per space cost contribution for the construction of the public spaces within the parking garage.

On August 5, 2010, City Council approved Amendment No. 5 to the Option to Purchase Agreement with Village Green (hereafter "Amendment No. 5). In accordance with the terms of Amendment No. 5, the parties agreed to negotiate Amendment No. 2 to the Parking Agreement revising and updating its terms and conditions to coincide with the Option Amendments and other documents approved by the parties for development and construction of the turnkey parking garage and its ownership structure since the approval of Amendment No. 1 to the Parking Agreement.

Amendment No. 2 to the Parking Agreement restates the project goals in connection with the construction, operation and management of the parking garage. In addition specific terms and conditions have been negotiated in connection with:

- City/DDA access during construction including on-site inspection, record inspection, and attendance at contractor/construction management meetings.
- Clarification of construction standards and warranties
- City review of construction budgets and available financing resource documents to assure adequate funding is available at all times to complete construction of the project

Amendment No. 2 to the Parking Agreement will be acted upon by the DDA at its February meeting.

Approval of Amendment No. 2 to the Parking Agreement is recommended.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Reviewed by: Tom Crawford, CFO/Finance and Administrative Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, City Council Resolution R-453-9-07 approved a Parking Agreement between the Village Green Residential Properties, LLC ("Village Green"), the City of Ann Arbor and the Ann Arbor Downtown Development Authority for the design and construction of a parking garage as part of the Ann Arbor City Apartments development project;

Whereas, City Council Resolution R-08-141 approved Amendment No. 1 to the Parking Agreement between the parties increasing the DDA agreed-upon per space cost contribution to the construction costs for the parking garage and clarifying the required useful life of the structure when constructed;

Whereas, Since the approval of Amendment No. 1 to the Parking Structure, City Council has approved the PUD Site Plan for the development, amendment of the Option to Purchase Agreement with Village Green, and authorized the issuance of Parking Facility Capital Improvement Bonds;

Whereas, Amendment No. 5 to the Option to Purchase Agreement with Village Green required the parties to negotiate in good faith Amendment No. 2 to the Parking Agreement to revise and update the terms and conditions of the parking agreement to coincide with the Option Amendments and other documents approved by the parties for development and construction of the turnkey parking garage and its ownership structure since the approval of Amendment No. 1 to the Parking Agreement; and

Whereas, The City Administration, the DDA Administration, and Village Green have reached agreement on the rights, duties and responsibilities of each of the parties in connection with the proposed amendments;

RESOLVED, That City Council approve Amendment No. 2 to the Parking Agreement between Village Green, the DDA, and the City for the design and construction of a parking garage; and

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Amendment No. 2 to the Parking Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney.