



Legislation Text

File #: 15-1038, **Version:** 1

Resolution to Consent to Termination of an Easement for Ingress and Egress at the Michigan Theater and to Authorize the City Administrator to Enter into an Agreement for Alternative Easements **(8 Votes Required)**

On Friday, August 7, City staff were contacted by representatives of Cerca Trova LLC and the Michigan Theater Foundation seeking the City's consent to the termination of an easement for ingress and egress that runs north over property including 602 E. Washington St. and benefits the Michigan Theater property at 607 East Liberty St. The City has an interest in this easement because of a reverter that the City included when it deeded this property to the Michigan Theater Foundation in 2007, which provides that the property would revert to the City if certain conditions of the deed are not met.

Cerca Trova LLC wishes to release this easement to permit redevelopment of the properties at 600-604 E. Washington St., which are behind and north of the theater. The Michigan Theater Foundation has already agreed to termination of the easement. This matter comes before the Council at this time because the parties indicated that they only learned of the need for the City's consent from their title company at their closing, and option agreements on some of the properties are set to expire if the City does not grant its consent by August 19, 2015. Because of the complexities of the property issues, it has taken staff some time to review the proposal and arrange a satisfactory solution.

The Michigan Theater Foundation has indicated that it no longer needs this easement because it has obtained separate easements for ingress and egress. However, because the City does not have any rights in these separate easements, the Michigan Theater Foundation has stated that it is willing to enter into an agreement to grant the City alternative ingress/egress easements in case the property reverts to the City.

This resolution authorizes both the consent to termination of the easement and the City Administrator to enter into an agreement for alternative easements. Staff have reviewed the proposed termination and recommend approval of this resolution.

Prepared by: Christopher Frost, Assistant City Attorney

Approved by: Steven D. Powers, City Administrator

Whereas, The Michigan Theater Foundation and Cerca Trova LLC have requested the City's consent to release of an easement for ingress/egress north of the Michigan Theater;

Whereas, the City has an interest in this easement because of a possibility of reverter in a quitclaim deed from the City to the Michigan Theater Foundation recorded at Liber 4646, Page 419, Washtenaw County Records;

Whereas, the City has received a letter from the Executive Director of the Michigan Theater Foundation indicating that the foundation is willing to enter into an agreement to grant the City alternative ingress/egress easements;

RESOLVED, That the City Council consents to and authorizes and directs the Mayor and City Clerk to execute a consent to termination of the easement for ingress and egress over Lot 9, Assessor's Plat No. 27, City of Ann Arbor, as recorded in Liber 9 of Plats, Page 18, Washtenaw County Records, which is described under the heading "Parcel 7" in the quitclaim deed from the City to the Michigan Theater Foundation recorded at Liber 4646, Page 419, Washtenaw County Records;

RESOLVED, That the City Council authorizes the City Administrator to enter into an agreement to obtain functionally similar alternative easements for ingress and egress in the event that the property reverts to the City, upon terms approved by the City Attorney's Office.

Sponsored by: Mayor Taylor