Legislation Details (With Text)

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Title: Resolution to Authorize the City Administrator to Negotiate the Sale and Development of 415 West Washington Street and 309 South Ashley Street

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
9/15/2025	1	City Council	Approved	Pass

Resolution to Authorize the City Administrator to Negotiate the Sale and Development of 415 West Washington Street and 309 South Ashley Street

This resolution authorizes the City Administrator to enter into negotiations for the sale and redevelopment of two City-owned parcels: Kline's Lot, a 1.31-acre surface parking lot located at 309 South Ashley Street, and 415 West Washington Street, a 2.5-acre site formerly used as the City's Parks and Recreation operations center. In February 2025, Council retained CBRE, Inc. as the City's real estate broker for both sites. Following distribution of offering memorandums to CBRE's network and subsequent negotiations, CBRE presented the most responsive proposals for each site to Council at a Work Session in July 2025. After review, the City Administrator recommends Hines Development as the preferred bidder for Kline's Lot and BaseBld as the preferred bidder for 415 West Washington. The resolution authorizes the City Administrator to negotiate final agreements with these preferred bidders, with such agreements subject to City Council approval.

Budget / Fiscal Impact: The sale of Kline's Lot and 415 West Washington is anticipated to generate significant one-time revenue to the City through the purchase price proceeds, subject to final negotiated agreements. In addition, redevelopment of the sites could result in new property tax revenue streams to the City upon project completion, thereby strengthening the City's long-term fiscal base. Final fiscal impacts, including allocation of sale proceeds, reimbursement of brokerage fees, potential use of TIF, and projected tax revenues, will be determined through negotiated agreements and subsequent Council approvals. No immediate expenditure of General Fund resources is required to implement this resolution beyond existing appropriations for brokerage services previously authorized.

Prepared by: Joseph R. Giant, Director of Economic Development
Reviewed by: Milton Dohoney Jr., City Administrator
Marti Praschan, CFO
Atleen Kaur, City Attorney

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City of Ann Arbor ("City") owns an approximately 1.31-acre parcel at 309 South Ashley Street ("Kline's Lot") in downtown and an approximately 2.5-acre parcel at 415 West Washington Street ("415 Washington") west of downtown (together, the "Sites");

Whereas, On February 18, 2025, City Council adopted Resolution R-25-049 approving a Professional Services Agreement with CBRE for brokerage services to market and facilitate the sale and development of the Sites, recognizing that vacant land and surface parking are extremely inefficient uses of valuable land in and around downtown;

Whereas, CBRE received multiple offers for both Kline's Lot and 415 Washington and presented summaries of the most responsive offers at a City Council Work Session on July 18, 2025;

Whereas, The most responsive proposals for Kline's Lot were submitted by (i) Hines Development, (ii) Champion Development Group, (iii) Banner Multifamily, and (iv) Quad Capital Partners / First Martin Capital, and the most responsive proposals for 415 Washington were submitted by (i) BaseBld, (ii) Annex Group, and (iii) Lincoln Avenue Communities;

Whereas, The City Administrator recommends Hines Development as the preferred bidder for Kline's Lot based on factors including: (i) the highest overall purchase price, (ii) the largest number of proposed new dwelling units, (iii) a strong national track record of comparable projects, (iv) demonstrated success with public-private partnerships, and (v) incorporation of sustainable design features; and

Whereas, The City Administrator recommends BaseBld as the preferred bidder for 415 Washington based on factors including: (i) the highest overall purchase price, (ii) strong emphasis on sustainability, (iii) adherence to the PUD approved by Council in April 2023, (iv) extensive due diligence and responsiveness to site constraints, context, and community priorities, and (v) relevant project experience in peer communities;

RESOLVED, That the City Administrator is authorized to enter into negotiations with Hines Development for the sale and development of Kline's Lot, and with BaseBld for the sale and development of 415 Washington, with final agreements to be submitted to City Council for consideration; and

RESOLVED, That the City Administrator is authorized to take all necessary actions to implement this resolution.