



Legislation Text

File #: 17-1193, **Version:** 1

Resolution to Waive the Right of First Refusal for Unit 1 of Ann Arbor Tally Hall Condominium
McKinley has informed the City of a pending sale of its condominium unit in the Ann Arbor Tally Hall Condominium. The Ann Arbor Tally Hall Condominium is a two-unit condominium at 505 E. Liberty, consisting of office and retail space of approximately 58,715 square feet owned or controlled by McKinley, or a related entity ("Unit 1"), and the Liberty Square Parking Structure owned by the City ("Unit 2"). Unit 1 includes the retail space along Liberty that is currently occupied by Tomukun Noodle Bar, Tomukun Korean Barbeque, and FedEx Office. McKinley is selling Unit 1 of the Condominium together with the neighboring McKinley Towne Center at 401 E. Liberty.

The Bylaws of the Ann Arbor Tally Hall Condominium Association provide the City with a right of first refusal to purchase Unit 1 with identical terms as the pending sale. The sale price for Unit 1 and McKinley Towne Center is \$50,000,000, with both properties being sold as-is.

McKinley has requested that City Council waive the City's right of first refusal so that they can immediately close their pending transaction with a potential purchaser.

Prepared by: Kevin McDonald, Senior Assistant City Attorney

Reviewed by: Stephen K. Postema, City Attorney

Approved by: Howard S. Lazarus, City Administrator

Whereas, Ann Arbor Tally Hall Condominium is a two-unit condominium at 505 E. Liberty, consisting of office and retail space of approximately 58,715 square feet owned or controlled by McKinley, or a related entity ("Unit 1"), and the Liberty Square Parking Structure owned by the City ("Unit 2");

Whereas, McKinley has notified the City of the general terms of a pending sale of Unit 1, which is being sold together with McKinley Towne Center, at 401 E. Liberty, which consists of approximately 130,824 square feet of office and retail space;

Whereas, The sale price for Unit 1 and McKinley Towne Center is \$50,000,000, with the property being sold on an as-is basis, with the sale to close within 30 days of the end a 30 day due diligence period; and

Whereas, Article VI, Section 9 of the Bylaws of the Ann Arbor Tally Hall Condominium Association provides each owner of a condominium unit with a right of first refusal with respect to the sale of the other unit;

RESOLVED, That City Council elects not to exercise its right of first refusal to purchase Unit 1 of the Ann Arbor Tally Hall Condominium, together with McKinley Towne Center, with identical terms and conditions of the pending sale; and

RESOLVED, That City Council directs the City Administrator to sign a Release of Right of First Refusal consistent with this resolution, subject to approval as to form by the City Attorney, and to take any administrative actions necessary to implement this resolution.

Sponsored by: Christopher Taylor, Mayor