



## Legislation Text

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**File #:** 24-1432, **Version:** 1

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### Resolution to Direct the City Administrator to Contract for Real Estate Brokerage or Seller's Agent Services for the Sale of 415 W. Washington

Attached for your consideration is a resolution to direct the City Administrator to select and contract with a commercial real estate brokerage or seller's agent for the sale and development of 415 West Washington. As part of the investigation into the utilization of City properties to develop affordable housing, it was determined that this property was best used for a residential housing development, partnering with a private development team. Also, staff pursued entitlement prior to partnering with a developer ensuring community goals were incorporated into the project prior to a sale.

Staff entitled the project through the Planned Unit Development (PUD), process assuring the minimum goals of the community were part of the zoning and development regulations. Subsequent to that approval, staff worked with a local development team to investigate the opportunity to apply a unique concept for energy provision to the site. Council approved a six-month window to evaluate that opportunity. The development team recently withdrew its offer for the site.

Staff recommends, as the next step in the development process, partnering with a broker or seller's agent to pursue competitive offers for the site. Offers will be based on the requirements of the PUD and will identify any additional affordable and sustainable elements desired by the community.

Prepared by: Derek Delacourt, Community Services Area Administrator

Reviewed by: Kevin McDonald, Chief Deputy City Attorney

Approved by: Milton Dohoney Jr., City Administrator

Whereas, On April 1, 2019 via Resolution R-19-138 City Council directed the City Administrator to collaborate with the Executive Director of the Ann Arbor Housing Commission to create affordable housing units and explore options to provide dedicated public space for other public uses;

Whereas, On August 19, 2019 via Resolution R-19-376 appropriated and directed a contract to conduct public engagement, develop building concepts, and evaluate the feasibility and viability of 415 West Washington to support the city's housing needs;

Whereas, During an extensive public engagement and technical review process it was determined that the site was not ideal for traditional affordable housing due to the presence of floodplain, environmental conditions, and additional public desires such as preservation of the chimney swift habitat, architectural expectations, and realization of a portion of the Treeline Trail on the site;

Whereas, It was determined that the best utilization of the site to address the City housing demands was to pursue a residential development on the site;

Whereas, It was further recommended that the city lead the entitlement of the project, with collaboration with the Ann Arbor Housing Commission and Downtown Development Authority to ensure the recommendations are community driven and consistent with the goals identified in the public engagement process that culminated with the designation of the site as a Planned Unit

Development District on April 17, 2023 via Ordinance 23-10;

Whereas, The Planned Unit Development Agreement (PUD) for the site dictates development of the site including requirements that mandate a minimum of 15 or 15% of homes designated as Affordable Dwelling Units (whichever is greater), that limit the development of homes with a maximum of three bedrooms and two bathrooms per unit, the maintenance of a minimum of 60% of the site for open space, a maximum of one vehicle parking space per unit, and the construction of a net-zero ready building;

Whereas, City Council previously approved a six-month negotiating period with a private development team for sale of the lot;

Whereas, Subsequently that development team withdrew their offer from consideration; and

Whereas, Staff recommends pursuit of a competitive offer from a preferred development team using a commercial real estate broker or seller's agent;

RESOLVED, That City Council authorizes and directs the City Administrator to select, following City procurement policies, commercial real estate brokerage or seller's agent services to solicit competitive offers for the sale of 415 W. Washington that are consistent with the approved Planned Unit Development Agreement and Community identified goals for the site;

RESOLVED, That City Council authorizes the City Administrator to execute a contract for services with the firm whose response is in the best interest of the City, subject to approval of the contract as to form by the City Attorney;

RESOLVED, That the City Council authorizes 415 W. Washington property to be listed for sale; and

RESOLVED, That contract costs shall be paid from the proceeds of sale of the property.