Legislation Text

File #: 25-1396, **Version:** 1

Resolution to Approve the Third Amendment to Professional Services Agreement with Miller, Canfield, Paddock and Stone, PLC, for Legal Services Related to the Arbor South Project and Appropriate Funds ($100,000.00) **(8 Votes Required)**
The City has engaged in negotiations with the developer of the property at 2845 S. State Street regarding a proposed 1,000+ multi-family housing development that includes a hotel and commercial space (the “Arbor South Project”).

The Arbor South Project is proposed as a public-private partnership that includes City participation through ownership of three parking decks funded in part by limited tax general obligation bonds, and a Brownfield Plan to capture tax increment from the site.

The City has retained the services of Miller, Canfield, Paddock and Stone, PLC to represent the City in negotiations with the developer, advise on bonding and Brownfield Plan matters, and prepare agreements, including a public-private partnership agreement, for Council consideration.

Including amendments 1 and 2, the contract with Miller, Canfield, Paddock and Stone, PLC, has reached $75,000 for legal services.

Although the amount of time and cost of legal services going forward cannot be predicted with certainty, the total cost of the firm’s additional legal services is expected to be approximately $100,000 for a total contract amount of $175,000.

Miller, Canfield, Paddock and Stone, PLC, complies with the City of Ann Arbor’s Non-Discrimination and Living Wage Ordinances.

Approval of this third amendment in the amount of $100,000.00 to the professional services agreement with Miller, Canfield, Paddock and Stone, PLC, for legal services related to the Arbor South Project is recommended.

Budget/Fiscal Impact: It is being requested that the funding be appropriated from the General Fund unobligated fund balance to fund outside legal services in support of the Arbor South Project.
Prepared by: Nicole Vargas, Assistant City Attorney
Reviewed by: Atleen Kaur, City Attorney
Approved by: Milton Dohoney Jr, City Administrator
Whereas, The City is engaged in negotiations with the developer for a public-private partnership to develop the property at 2845 S. State Street, which is anticipated to include 1,000+ units of multi-family housing, a hotel and commercial space, public parking decks, and a Brownfield Plan (the “Arbor South Project”);

Whereas, City Council Resolution R-25-118 authorized the City Administrator to negotiate City

participation in the Arbor South Project, including the potential for City ownership and operation of three public parking decks;

Whereas, City Council Resolution R-25-257 directs the City Administrator to continue negotiations with the developer of the Arbor South project to issue bonds for construction of the public parking decks;

Whereas, The Miller, Canfield, Paddock and Stone, PLC, law firm is well qualified to provide legal services representing the City relative to the Arbor South Project, including negotiations with the developer, advising on the limited tax general obligation bonds, advising on the Brownfield Plan, and contract drafting;

Whereas, The City and firm entered into an initial contract for legal services, which has been amended two times for a total contract amount of $75,000;

Whereas, The City Attorney recommends a third amendment in the amount of $100,000 to continue those legal services for a total contract amount of $175,000;

Whereas, Funding is available in the General Fund Unobligated Fund Balance to support outside legal services associated with the Arbor South Project; and

Whereas, Miller, Canfield, Paddock and Stone, PLC complies with the City of Ann Arbor's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That a third amendment to the professional services agreement for legal services with Miller, Canfield, Paddock and Stone, PLC, be approved in the amount of $100,000.00 to provide continuing legal services related to the Arbor South Project;

RESOLVED, That $100,000.00 be appropriated from the General Fund Unobligated fund balance to the FY 2026 City Administrator's General Fund expenditure budget;

RESOLVED, That funding is available without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized to execute the third amendment to the professional services agreement with Miller, Canfield, Paddock and Stone, PLC, subject to approval as to form by the City Attorney; and

RESOLVED, That the City Attorney and City Administrator be authorized to take the necessary administrative actions to implement this resolution.