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Prepared for presentation to City Council, September 19, 2011, regarding agenda item DC-1 **Resolution to Approve Agreement for the Sale of Strip of Land to the Ann Arbor Transportation Authority and Appropriate Funds (portion of 350 S. Fifth Ave.) (\$90,000.00) (8 Votes Required)**

Tonight, you are being asked to vote on a resolution to sell a small strip of city property to the AATA. I'm pleased to see that the property, which measures six feet by 132 feet, and is located on the north side of the old YMCA lot, was appraised as required by city code, and that the fair market value of \$90,000, or \$114 per square foot of land, is what the AATA will be asked to pay. I am not familiar with the specifics of what the AATA plans to do with the land. What I see appears to be an open, public discussion of the transfer of public land, in this case, to another public agency.

I saw that the plan is enter the \$90,000 into the General Fund. It would be good to know how the funds resulting from the sale will ultimately be used for our common good. I consider the appraisal and your vote to indicate that you will be acting as elected decision-making stewards of the land. The resolution for this sale indicates that the city is managing at least this particular strip of land in a business-like fashion.

I am here tonight to ask for consistency. Why not use the same approach for Fuller Road Park? Show us, the public, the business plan for the parking structure project that addresses the risks, costs and potential benefits of the project. Get an updated appraisal of the land, and propose its sale to the University, followed by the public vote on sale of park land that is required by our city charter.

We know that the parking structure is designed to last 75 years. We know that the University plans to use a minimum of 78% of the nearly 1000 parking spots. Access to the remaining 22% of the parking spaces has been only vaguely described. Use of our park land for 75 years essentially amounts to sale of the land. The public should decide whether that is what we collectively want to do with our park land.

We do not know where the city will come up with \$10 million for our share of construction costs, or the additional expenses related to infrastructure changes required to support a complicated project. We have seen no plan to address the value of the park land. Why would we avoid the opportunity to obtain fair market value for the land, as you are asking in the sale of land to the AATA? What is the gain for the city to spend \$10 million on yet another parking structure? We currently have over 200 spaces available to the public in the very same space. Why would we spend \$10 million, with the outcome of access to the same number of parking spaces?

Your plan to avoid excessive debt on the part of the city has yet to be revealed. Be open about your plan, as you appear to be with the sale of land to the AATA.

Reference:

Ann Arbor City Code

Chapter 14 - PURCHASING, CONTRACTING AND SELLING PROCEDURE ^[6]

1:321. - Real estate appraisals.

The City shall not purchase, sell or lease any real estate or any interest therein unless the City Council first receives an appraisal report concerning the fair market value of the real estate interest transferred. The appraisal report must be prepared by a qualified, independent real estate appraiser in accordance with instructions given by the City.

The qualifications of the appraiser shall include an appropriate designation from a recognized professional appraiser organization such as: "The Society of Real Estate Appraisers" and "The Institute of Real Estate Appraisers."

An appraisal report shall not be required for the following real estate transactions:

(1)

Leases requiring the City to pay a total of less than \$50,000.00.

(2)

Donations of real estate interests to the City.

(3)

Acquisition of any real estate interest by the City where all of the City's costs are less than \$10,000.00 for a single parcel or \$50,000.00 for a series of contiguous interests including easements, rights-of-way or partial takings.

(4)

The acquisition or disposal of any interest in real estate for which the Administrator gives a recommendation that there be no appraisal and the Council adopt a resolution specifying the reasons why an appraisal is unnecessary.

(Ord. No. 07-61, § 2, 1-22-08)