

EXECUTION

AGREEMENT OF SALE

This Agreement of Sale (“Agreement”) is entered into as of the 31st day of May, 2018 (the “Effective Date”), by and between the **City of Ann Arbor**, a Michigan municipal corporation (“Seller”), having an address at 310 E. Huron, P.O. Box 8647, Ann Arbor, Michigan 48107, and **Core Spaces Ann Arbor Fifth LLC**, a Delaware limited liability company (“Purchaser”), having an address at 540 W. Madison Street Suite 2500, Chicago, Illinois 60661.

RECITALS:

A. Seller is the owner of a certain parcel of real property located in the City of Ann Arbor, Washtenaw County, Michigan, more particularly described on Exhibit A hereto (the “Library Lot Property”), upon which Seller has developed and constructed, and the City of Ann Arbor Downtown Development Authority (the “DDA”) operates, a 711 parking space underground and surface public parking garage (the “Parking Structure”).

B. On February 27, 2015, Seller issued, through CBRE Group, Inc. (“CBRE”), an Offering Memorandum (the “Offering Memorandum”) for the sale and development of the air space over and above the Parking Structure, all as more particularly set forth therein.

C. Purchaser submitted its response to the Offering Memorandum (“Offering Memorandum Submission”) prior to the response due date on May 15, 2015, was selected as one of two finalists, and was invited to submit a Best and Final Offer (“BAFO”), which it did on November 17, 2015.

D. Purchaser was selected as the successful applicant and, on January 19, 2016, Seller’s City Council passed Resolution R-16-021 (a copy of which is attached as Exhibit B), directing Seller’s staff to enter into contract negotiations with Purchaser regarding Scheme B as detailed in the BAFO, subject to certain additional community benefits requested as more particularly set forth in the Resolution.

E. Seller’s Staff and Purchaser entered into negotiations pursuant to Resolution R-1-021, resulting in a certain Memorandum dated March 9, 2017, from Purchaser to Seller (the “Deal Points Response”, a copy of which is attached as Exhibit C hereto), being a response by Purchaser to negotiated deal points.

F. Purchaser presented the project to Seller’s City Council at a council workshop on March 16, 2017, as reflected in and accompanied by the PowerPoint presentation attached as Exhibit D hereto (the “Workshop PowerPoint”).

G. On April 17, 2017, Seller’s City Council passed Resolution R-17-121 (the “Authorizing Resolution”, a copy of which is attached as Exhibit E hereto), authorizing and approving the sale contemplated sale of the Property (as defined hereinbelow) to Purchaser, all as more particularly set forth therein.

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Seller and Purchaser agree as follows:

1. INCORPORATION AND PRIORITY OF DOCUMENTS.

A. Seller and Purchaser acknowledge and agree that the terms and conditions of the transaction(s) contemplated in this Agreement and the project to be constructed by Purchaser (the “Project”) shall be defined and controlled by the following documents, and in the event of any conflict between or among such documents, the following order of priority shall control in their interpretation and meaning:

- (i) This Agreement;
- (ii) The Authorizing Resolution;
- (iii) The Deal Points Response;
- (iv) The Workshop PowerPoint;
- (v) The BAFO; and
- (vi) The Offering Memorandum Submission.

B. Notwithstanding the foregoing, resort to interpretation with reference to the documents listed in (ii) through (vi) in Subsection 1.A shall only apply in the event any such document is expressly referenced in this Agreement, or the clear intent of the parties is not discernable by a reading of this Agreement alone. The parties acknowledge, and agree that parts of documents (iii), (iv), (v), and (vi) contain conceptual architectural plans, designs, and renderings, as well as sample images of building exteriors (collectively the “Conceptual Design”). The parties agree that the Conceptual Design provides an overall concept for the Project in terms of architectural design, massing, materials, quality and vision that generally satisfies Seller’s planning and building expectations for the Project, but that the final design of the Project may be altered and redesigned in the Entitlements process subject to the rights of the parties set forth in Section 6. The parties also acknowledge and agree that parts of documents (iii), (iv), and (v) contain pictures and examples of proposed infrastructure, facilities and amenities for the required public plaza (collectively “Plaza Elements”). The parties agree that these Plaza Elements provide general examples of the type and quality of each improvement, and that the final Plaza Elements are subject to Section 12.D below, and to any modifications that may occur as part of the Entitlements process subject to the rights of the parties set forth in Section 6. In addition, the parties acknowledge and agree that estimated schedules, timelines and delivery dates provided in documents (v) and (vi) have been superseded by this Agreement. Purchaser agrees to submit plans for the Project that shall be for a mixed-use project containing, at a minimum, the following core components: (i) approximately 3,000 square feet of ground floor retail; (ii) approximately 20,000 square feet of office; (iii) approximately 70,000 square feet

of hotel; and (iv) approximately 250,000 square feet of multifamily residential apartments. The parties further acknowledge and agree that the actual plans, drawings, site plans, renderings and other information that is developed as part of the Entitlements process shall be binding on the Purchaser and the Seller to the extent approved by the Seller and to the extent accepted by the Purchaser as provided in Section 6 hereof. In such event, such approved and accepted plans shall replace, override and supersede anything therein conflicting with the matters set forth in the documents identified in Subsection 1.A.(ii) through (vi), but such documents shall otherwise remain in force and effect with respect to the matters set forth therein.

2. SALE; THE PROPERTY.

On the terms and subject to the conditions set forth in this Agreement, Seller hereby agrees to sell, convey and transfer to Purchaser, and Purchaser agrees to purchase and acquire from Seller, the Property. The term “Property” shall include and consist of one or more condominium units in the condominium project to be established in accordance with Section 7 hereof prior to or at Closing. The parties agree that the Property (i.e., Purchaser’s condominium unit or units) shall generally comprise the air rights over and above the Library Lot Property extending vertically from the existing top surface of the Parking Structure, but shall be subject to existing Library Lane, the Perimeter Drive, and the various vehicular and pedestrian ingress/egress drives, elevator lobby and stairways into and out of the Parking Garage, all as conceptually shown on Exhibit F hereto, each of which shall be established as part of a unit, common element (limited or general) or as an easement in accordance with the process set forth in Section 7 hereof. The parties agree that the Property shall be entitled to all Floor Area Ratio (“FAR”) rights and other zoning rights associated with the Library Lot Property, and if necessary, such rights shall be assigned to the Property at Closing. The conveyance will be subject to (i) the building envelope restriction depicted on Exhibit F, and (ii) the City’s reserved rights to place one or more antennae or other communication devices and related equipment (collectively the “Communication Equipment”) on the roof of the structure to be developed and constructed by Purchaser in a location that is determined by Purchaser in its reasonable discretion; and provided that (i) Purchaser shall have the right to approve, in its reasonable discretion, the size, weight, height and dimensions of the Communications Equipment; (ii) such Communications Equipment shall not be of such a size or nature that it would prevent Purchaser from installing its own antennae or other communications devices and related equipment on the roof of such structure; and (iii) such Communications Equipment will not interfere with residential common area amenities and/or mechanical systems.

3. PURCHASE PRICE; ADJUSTMENTS AND CREDITS.

A. The purchase price for the Property is Ten Million and no/100 Dollars (\$10,000,000.00) (the “Purchase Price”), which shall be payable as follows:

- (i) One Hundred Thousand and no/100 Dollars (\$100,000.00) (the “Deposit”) prior to or upon Purchaser’s execution of this Agreement, by wire transfer of immediately available federal funds to be deposited in an interest

bearing escrow account with Liberty Title Agency, attention: Thomas Richardson, at 111 North Main Street, Ann Arbor, Michigan 48104, as escrow agent for this transaction (“Escrow Agent”). The Deposit, and all interest earned thereon, shall be deemed fully earned and non-refundable except (x) in the event of damage, destruction or condemnation as permitted in Sections 21 and/or 22, below, or (y) in the event Seller defaults hereunder, or (z) if a Purchaser contingency or condition set forth in this Agreement is not satisfied or waived in writing by Purchaser, and/or if a termination right of Purchaser set forth herein is timely and properly exercised. In the event that this Agreement terminates based on (x), (y) or (z) above, the Deposit, together with all interest thereon, shall be delivered to Purchaser. At Closing (as hereinafter defined) the Escrow Agent shall deliver the Deposit, together with accrued interest thereon, to Seller and credit such amount against the Purchase Price.

- (ii) The balance of the Purchase Price, after deducting the Deposit plus interest, if any, earned thereon, and subject to adjustment for prorations and credits as provided in this Agreement, by wire transfer of immediately available federal funds, to the account of Seller or as Seller may otherwise direct, at Closing.

B. Seller shall pay the cost (if any) of the Title Commitment (defined in Section 4A), and the premium for a standard owner’s policy without “standard exceptions”. All state, county and local transfer taxes shall be paid by the party identified in the applicable law or local ordinance. Purchaser shall pay all recording costs for its mortgage and the Deed (defined in Section 11) and the cost of any additional endorsements requested by Purchaser. Seller and Purchaser shall each pay one-half of any escrow fees charged by the Title Company (defined in Section 4A) and shall be responsible for the fees of their respective attorneys and/or advisors. The obligations of the Parties to pay the foregoing costs and expenses shall survive the termination of this Agreement.

C. The Library Lot Property is currently exempt from real property taxes and assessments. All ad valorem taxes and special assessments levied and which become a lien on the Property after the Closing Date shall be Purchaser’s responsibility, all in accordance with the applicable provisions of the Michigan Condominium Act, being Act 59 of 1978, as amended (the “Condominium Act”).

D. Water and sewer use charges, if any, which relate to any period prior to the Closing Date shall be paid by Seller, and all water and sewer use charges against the Property which relate to any period after the Closing Date shall be paid by Purchaser, regardless of when any lien therefor accrues or attaches to the Property; and

E. Charges, if any, for utilities, electricity and natural gas with respect to the Property and relating to any period after the Closing Date shall be paid by Purchaser.

4. TITLE; SURVEY.

A. As evidence of title, as soon as reasonably practicable after the Effective Date, Seller shall cause to be issued and furnished to Purchaser a title insurance commitment dated subsequent to the Effective Date, from Liberty Title Agency as agent for Chicago Title Insurance Company (the "Title Company") (the "Title Commitment") covering the Library Lot Property, and will cause the Title Company to issue to Purchaser at Closing an ALTA Owner's Title Policy, without standard exceptions, covering the Property in the amount of the Purchase Price, naming Purchaser as the insured. The Title Commitment shall be accompanied by legible copies of any instruments of record or other instruments concerning title reflected in the Title Commitment (the "Title Documents"). Purchaser shall have thirty (30) days after the delivery of the Title Commitment and Title Documents in which to (a) examine title to the Property and (b) to notify Seller in writing of Purchaser's objection to any matter shown thereon. Upon notice from Purchaser of its foregoing objection to any matter shown on the Title Commitment, Seller shall have a period of thirty (30) days within which to give notice to Purchaser of which, if any, of the matters to which Purchaser has objected that Seller will cure, eliminate or obtain title insurance from the Title Company insuring against. Seller shall have no obligation to cure or eliminate any encumbrances or exceptions to which Purchaser objects. With respect to any such encumbrances or exceptions which Seller elects not to cure, Purchaser may, at Purchaser's option, and within ten (10) days after its receipt of Seller's notice (a) irrevocably waive its objections to and accept title subject to such encumbrances or exceptions; or (b) terminate this Agreement, whereupon the Deposit shall be promptly returned to Purchaser, and this Agreement shall thereafter be of no further force or effect. Failure by Purchaser to timely (x) object to any matter shown in the Title Commitment, or (y) give notice of its waiver of objections or termination of this Agreement as permitted in the foregoing sentence, shall be deemed to be an irrevocable waiver of all such matters to which Purchaser might have objected, or had objected, as the case may be, and an election by Purchaser to proceed to Closing. As to those encumbrances or exceptions which Seller elects to cure, Seller shall cause the same to be cured or insured over prior to or at Closing. Encumbrances or exceptions to title shown on the Title Commitment to which Purchaser does not timely object or which are waived and accepted by Purchaser, expressly or by implication hereunder, or which are insured over by Seller, are herein referred to as the "Permitted Exceptions". The cost of the title insurance policy, including without limitation any endorsements Purchaser wishes to obtain, shall be borne by Purchaser; however, the refusal or inability of the Title Company to provide any such endorsement(s) shall not be a basis for termination of this Agreement.

B. If Purchaser desires to obtain any survey in addition to that contained within the Condominium Subdivision Plan which will be prepared in connection with and included as part of the Master Deed of the Condominium of which the Property shall be one or more Units, it shall do so at its own cost and expense. Seller shall have no further obligation with respect to title to the Property or any survey matters not set forth in this Section 4.

5. PURCHASER'S DUE DILIGENCE.

A. Purchaser shall have the period of sixty (60) days after the Effective Date (the "Due Diligence Period") within which to conduct and complete any document review, feasibility and physical investigation of the Property as Purchaser may in its discretion undertake. If the results of Purchaser's review and investigation are not acceptable to Purchaser, in Purchaser's sole discretion and for any or no reason, then Purchaser may, at its option, cancel this Agreement by written notice to Seller prior to the expiration of the Due Diligence Period in full termination of this Agreement and neither party shall have any further obligations under this Agreement to the other party except for the obligations of Purchaser contained in this Agreement which expressly survive the Closing or termination of this Agreement. If Purchaser's due diligence has not been completed within the Due Diligence Period, Purchaser may have up to two (2) extensions of the Due Diligence Period of not more than thirty (30) days each, provided that Purchaser shall give written notice of its election to exercise such extension(s) prior to the end of the Due Diligence Period, as the same may be extended. Upon expiration of the Due Diligence Period (including any extensions thereof) without this Agreement being terminated, Purchaser shall be deemed to have been satisfied or waived any and all conditions to its obligation to close the transaction except as otherwise set forth herein, including without limitation, the rights of Purchaser to terminate based on Entitlements pursuant to and in accordance with Section 6, the conditions set forth in Section 18, and defaults of this Agreement by Seller.

B. Due Diligence Materials. During the Due Diligence Period, Seller will make available to Purchaser all historical documents and information relating to the Library Lot Property and the Parking Structure, including without limitation architectural and engineering drawings, specifications and related documents, construction documents, soils reports, engineering studies, submittals, testing data, and environmental reports and analyses (the "Due Diligence Materials"). Purchaser, its employees, attorneys and consultants, shall be provided access to the Due Diligence Materials during Seller's normal business hours. Purchaser, its employees, attorneys and consultants shall be entitled to view all Due Diligence Materials on-site, but shall not take or remove any Due Diligence Materials, provided, however, that Purchaser may upon request and at its sole cost and expense, make photocopies or other reproductions thereof. Seller shall reasonably cooperate with Purchaser and will provide electronic copies of any Due Diligence Materials that are in Seller's possession in the ordinary course. Seller makes no warranty or representation whatsoever with respect to the currency, accuracy or completeness of any or all of the Due Diligence Materials, and the existence or review of the Due Diligence Materials shall not relieve Purchaser of its obligation to make all necessary and appropriate independent investigations and conclusions with respect to the Property, its condition and adequacy thereof for Purchaser's intended use.

C. Limited Right of Entry. Seller grants to Purchaser and its employees, attorneys, engineers and consultants (collectively, "Consultants"), the license and permission to enter, from time to time, upon the Library Lot Property and the Parking Structure for the purpose

of conducting a physical inspection and an environmental investigation. Such entry, inspection and investigation shall be subject to the following:

- (i) Purchaser shall notify Seller by telephone or email at least two (2) business days in advance, in writing, of the time, date and purpose of any proposed entry and Seller shall be permitted, if it elects, to have its consultants or employees present at all times during such entry to observe the activities of Purchaser and its Consultants. Seller shall permit entry to the Library Lot Property as soon as reasonably practicable after receipt of Purchaser's notice, but in no event later than three (3) business days thereafter. Purchaser may, alternatively, provide to Seller a proposed schedule for such inspections and testing, by designating blocks of days or times during which it proposes to undertake such activities. Seller will not unreasonably withhold or delay its approval of such schedule(s), provided that the same do not unreasonably interfere with the regular operation of the Parking Structure. The failure of Seller, or its consultants or employees, to appear at the date and time of any entry, inspections or testing by Purchaser in accordance with the requirements set forth above shall not prevent Purchaser, or its Consultants, from undertaking such work.
- (ii) Should Purchaser, after initial due diligence and review of existing environmental data, determine a need for environmental sampling of soil, groundwater or other media at the Library Lot Property, then Purchaser shall notify Seller of the need and provide for Seller's approval a proposed work plan detailing the location and media to be sampled, the constituents to be analyzed for each sample, and the precautions that Purchaser and its Consultants will take to ensure safety and to minimize any disruptions or impact at the Library Lot Property. Seller shall not unreasonably withhold or delay consent to Purchaser's work plan. Purchaser shall be responsible for carrying out the work plan as approved by Seller and shall be responsible for the total cost of the work, which shall in no event damage the Parking Structure, nor disturb or interfere with the regular and unimpeded operation of the Parking Structure.
- (iii) In the event that Purchaser makes any soil borings on the Library Lot Property pursuant to an approved work plan, such bore holes will be filled and the Library Lot Property (and the Parking Structure) restored to its previous condition as soon thereafter as reasonably practicable given the nature and extent of the boring undertaken. All spoil resulting from the boring will be containerized, promptly removed from the Library Lot Property, and properly and legally disposed off-site by Purchaser or its Consultants at its cost.

- (iv) In the event that any temporary groundwater monitoring wells are installed on the Library Lot Property pursuant to an approved work plan, such temporary wells shall be removed, the bore holes filled, and the Library Lot Property (including without limitation the Parking Structure) restored to its original condition as soon thereafter as reasonably practicable given the nature and extent of the wells so installed. All spoil resulting from the installation of wells and all liquids resulting from production and/or sampling of wells, and all sampling waste will be containerized, promptly removed from the Library Lot Property, and properly disposed of off-site by Purchaser at its cost.

- (v) Purchaser's exercise of the right of entry herein granted shall be at Purchaser's sole risk and Purchaser hereby forever releases and discharges Seller, the DDA, their respective council and board members, officers, directors, agents, employees, consultants, and contractors from any liability to Purchaser, of any type whatsoever, resulting from loss or injury in the course of Purchaser's exercise of the right of entry herein granted, to Purchaser, its Consultants and its and their counsel and board members, officers, directors, agents, and employees. Purchaser hereby shall indemnify and save harmless Seller, the DDA, their respective officers, directors, agents, employees, consultants, and contractors from any loss, expense, cost, fine, or penalty whatsoever, including, without limitation, reasonable attorney fees, resulting from entry upon the Property for the purpose of conducting the environmental investigations and of Purchaser, its Consultants, and its and their officers, directors, agents, and employees, in the exercise of the right of entry herein granted. Notwithstanding the foregoing, Purchaser shall have no indemnification obligation with respect to the mere discovery or disclosure (if required by applicable law) of a pre-existing condition at the Library Lot Property by Purchaser. The obligations of Purchaser under this Section 5.C(v) shall survive the Closing or earlier termination of this Agreement.

- (vi) Except as set forth in Section 5.D, below, the limited license and permit to enter the Library Lot Property under this Section 5.C shall terminate and cease to exist upon expiration of the Due Diligence Period or termination of this Agreement for all activities included within the scope of Purchaser's right of due diligence hereunder; provided, however, that Purchaser shall have access to the Library Lot Property for non-due diligence related purposes (e.g., surveying and engineering necessary to the design of its project and other non-invasive activities, at reasonable times and upon such terms and conditions thereto as may be reasonably imposed by the DDA as operator of the Parking Structure).

- (vii) Prior to commencing such inspections and inspection related activities, Purchaser or its Consultants shall deliver to Seller and the DDA evidence that Purchaser and such Consultants maintain general liability insurance in an amount not less than one million dollars and, with respect to Purchaser, in an amount not less than two million dollars by an insurer with a minimum AM Best Rating of A-, VII, naming Seller and the DDA as additional insureds and shall maintain such insurance coverage at all times during the performance of such inspections and inspection related activities.

D. Environmental Update. Notwithstanding the foregoing, the Purchaser shall have the right to conduct investigations in connection with the update of environmental studies, reports or analysis of the Library Lot Property within forty-five (45) days prior to Closing (“Environmental Update Period”). In connection with such updates, the Purchaser shall have the same Limited Right of Entry as is set forth in Section 5.C. (i)-(v) above during such period. In the event such updates to the environmental studies or analysis reveal a material and adverse change in the environmental condition of the Library Lot Property when compared to the original environmental reports, studies or analysis, then Purchaser shall the right to terminate this Agreement by providing written notice to Seller prior to the expiration of the Environmental Update Period. In such event, this Agreement shall terminate, the Deposit including all interest thereon shall be refunded to Purchaser and the parties shall be released and discharged from any and all obligations hereunder with the exception of such terms and conditions that are expressly intended to survive termination of this Agreement.

E. Confidentiality. Except as and to the limited extent, if any, expressly set forth in this Agreement, any and all information furnished by Seller to Purchaser, its employees, attorneys, consultants and contractors (including the Due Diligence Materials), and any and all information acquired by Purchaser in the course of its investigation of the Property pursuant to this Agreement, shall be strictly maintained by Purchaser as confidential. Purchaser may reveal any of said information to its lenders, investors, members, officers, trustees, employees, attorneys, consultants and contractors engaged in advising Purchaser; provided, however, that Purchaser shall inform all such officers, trustees, employees, attorneys and third parties of the confidentiality obligations applicable to them. The parties acknowledge that Seller is subject to the Michigan Freedom of Information Act, P.A. 442 of 1976, as amended, and the Michigan Open Meetings Act, P.A. 267 of 1976, as amended, as well as other applicable federal and state laws regarding information that upon request, shall be made available to the public. Any and all documents and records provided to Seller may be released by Seller [or its agents] subject to state or federal law. Purchaser shall not be required to maintain the confidentiality of information that (i) is or becomes publicly available other than as a result of acts by it in breach of this Agreement, (ii) is in its possession prior to disclosure by Seller (other than as a result of prior disclosure to the receiving party by Seller), (iii) is disclosed to the receiving party by a third party on a non-confidential basis, provided that the source of such information is not to be prohibited from transmitting such information to the receiving party by a contractual, legal, fiduciary or other obligation to Seller, (iv) is independently derived by the receiving party

without the aid, application or use of the information disclosed by Seller, (v) has been approved for release by prior written authorization of Seller (which approval may be in the form of an e-mail), or (vi) is required to be disclosed pursuant to law, statute or regulation.

6. ENTITLEMENTS PERIOD.

A. During the Entitlements Period, which “Entitlements Period” is defined to be the period that runs from the Effective Date of this Agreement and ends on the date that is three hundred sixty (360) days from the Effective Date, Purchaser shall promptly develop and draft applications, initiate, file and diligently pursue all reasonable actions necessary to obtain the Entitlements from the appropriate governmental agencies. As used herein, “Entitlements” shall mean and refer to all required zoning, site plan and other permits and approvals of governmental bodies and agencies having jurisdiction thereover, necessary for Purchaser’s contemplated development of the Property as a multi-use complex as contemplated by and set forth in this Agreement. Seller agrees to reasonably cooperate with Purchaser in connection with Purchaser’s efforts to obtain the Entitlements; provided however that nothing herein or in any of the various documents referred to or incorporated herein shall be construed as a warrant, guarantee, or a commitment by Seller that any such Entitlements will be approved by Seller. Purchaser further acknowledges and agrees that Seller’s deliberations with respect to land use, zoning and/or site-planning requests are separate and not dependent on Seller’s decision with respect to entering into this Agreement. Furthermore, in no event shall Purchaser’s efforts impede or impact Seller’s exclusive right and title to the Property or modify the existing zoning of the Property prior to Closing and conveyance of title to Purchaser. Without limiting the foregoing, Purchaser acknowledges, covenants and agrees that it shall be obligated to follow and adhere to the City of Ann Arbor Downtown Design Guidelines, and in particular but not by way of limitation Purchaser shall present the Project to the Ann Arbor Design Review Board. The Project shall be reviewed by the Seller’s Design Review Board consistent with the requirements of the Ann Arbor City Code. In addition to this required review, Purchaser shall present the Project to the Design Review Board a second time in order to provide an additional opportunity for review and comment by the Board.

B. Notwithstanding the foregoing, the parties agree that Purchaser shall have the exclusive right to develop and submit various applications for approval in connection with its efforts to obtain the Entitlements and nothing herein (including in any of the various documents referred to or incorporated herein) shall be construed or interpreted to require Purchaser to accept or approve any proposed change or modification to any of the applications, plans, concepts and/or information submitted by Purchaser. In addition, the Purchaser shall have the right to treat an approval of an Entitlement as a “denial” in the event that an Entitlement is granted, but is subject to a term or condition that materially deviates from, or is not expressly included within or contemplated by, (i) the terms of this Agreement; (ii) the Deal Points Response (to the extent applicable and not otherwise superseded as provided herein); and/or (iii) the application, design or proposal, including any amendments

or adjustments thereto, that are submitted or proposed by Purchaser in connection with the desired Entitlement.

C. If Purchaser has not obtained the Entitlements, is denied the Entitlements, or has been provided modified or conditioned Entitlements, then Purchaser may, at its option, cancel this Agreement by written notice to Seller prior to the expiration of the Entitlements Period in full termination of this Agreement, whereupon the Deposit shall be promptly returned to Purchaser, and neither party shall have any further obligations under this Agreement to the other party except for the obligations of Purchaser contained in this Agreement which expressly survive the Closing or termination of this Agreement. If and so long as the Entitlements have not been obtained prior to the end of the Entitlements Period despite Purchaser's diligent and continuous pursuit thereof, the City Administrator shall have, on behalf of Seller and in his absolute discretion and without further approval of Seller's City Council, the authority to grant Purchaser not more than two (2) extensions of the Entitlements Period of not more than ninety (90) days each, provided that Purchaser shall give written notice of its desire to obtain such extension(s) prior to the end of the Entitlements Period, as the same may be extended, and by delivering an additional \$25,000.00 deposit to Seller for the first such extension, and an additional \$25,000.00 deposit to Seller for the second such extension, which additional funds shall be considered added to and part of the Deposit for all purposes hereunder and shall apply to the Purchase Price at Closing ("Extension Payments").

7. ESTABLISHMENT OF CONDOMINIUM PROJECT.

A. The Property shall be conveyed to Purchaser in the form of one or more vertical air space units within and part of a condominium project to be established on the Library Lot Property, and to be drafted and approved by the parties in accordance with the terms of Sections 7.B and 7.C. The Parking Structure shall be a separate unit (owned by Seller) in the condominium project, and the exact descriptions and definitions of the various units, building envelope(s), general common elements, limited common elements, as well as the rights and responsibilities of Seller and Purchaser as co-owners (as defined in the Condominium Act), and of the condominium association, shall be established and set forth in the Master Deed, Condominium Bylaws and Condominium Subdivision Plan for the project (without limitation, the "Condominium Documents"). The Condominium Documents shall be prepared by the parties and shall be approved by the parties prior to the expiration of the Due Diligence Period; provided, however, that if the parties, acting in good faith, have not completed and approved the Condominium Documents within the original sixty (60) day Due Diligence Period, and if Purchaser has not otherwise extended the Due Diligence Period pursuant to Section 5.A, Seller may in its discretion elect to extend the Due Diligence Period solely for the purpose of providing such additional time as may be necessary to achieve such completion and approval process, but in no event shall the Due Diligence Period as so extended exceed one hundred twenty (120) days in the aggregate. The approved Condominium Documents, subject to future updates identified below and/or other mutually acceptable modifications to the Condominium Documents, shall be executed and recorded at Closing. Purchaser, at its sole cost and expense, will engage licensed civil engineers and

surveyors (the identify and qualifications of which shall be subject to Seller's approval, which shall not be unreasonably withheld or delayed), who will prepare the Condominium Subdivision Plan, and the parties agree that such Condominium Subdivision Plan to be approved during the Due Diligence Period will be complete subject only to the identification of structural support elements (such as columns, footings, foundations, and similar elements) and such other details, if any, as may be necessary to identify matters that may be set forth in the Master Deed by reference thereto, which will be added as soon as reasonably practicable to an updated draft of the Condominium Subdivision Plan to be completed prior to Closing. The obligations of Purchaser under this Section 7.A shall survive the Closing or earlier termination of this Agreement. Once approved by the parties as provided above, the Condominium Documents shall not be modified prior to execution and recording without the express written consent of the Seller and Purchaser, which consent shall not be unreasonably conditioned, withheld or delayed. Following execution and recording of the Condominium Documents, the amendment provisions of the Condominium Documents shall govern modifications or amendments; provided, however, that in no event shall the Condominium Documents be amended in any manner or respect that would be inconsistent with or violate the Integration of Documents provisions of Section 29 of this Agreement without the express prior written consent and joinder of Seller.

B. While it is contemplated that the Parking Structure shall comprise a single condominium unit, the Property may at the request of Purchaser or at the election of Seller be divided into one or more condominium units, including by way of example the contemplated multiuse building and the public area (as further defined and describe in Section 12, below). The Condominium Documents shall also contain provisions that authorize Purchaser (or any future owner of the Purchaser's unit(s)) to subdivide or consolidate units and/or to enlarge, contract or modify boundaries between Purchaser's unit(s) without the approval of any other unit owner or any Condominium Association. Seller and Purchaser agree that the Condominium Documents will provide that certain structural components/support elements of the Parking Structure shall, and certain elevators, stairways, utilities, fixtures and equipment that are determined to serve both the Parking Structure and Purchaser's contemplated project may be designated as common elements of the condominium project, with responsibilities for management, maintenance, repair and replacement being determined by the parties in connection with drafting of the Condominium Documents. The Condominium Documents shall carry forward the agreement set forth in Section 2 between Seller and Purchaser that Seller may use a portion of the roof of the Project to mount an antenna and related equipment for the purposes of wireless voice and data access (i.e. transmission and reception) as approved by Purchaser and that Purchaser shall have the same rights, subject to and to the extent permitted by applicable Federal, state and/or local law.

C. Notwithstanding any and all terms and conditions contained herein, with the sole exception of the agreements contained in Section 7.A and B. above, all of the terms and conditions of the Condominium Documents shall be subject to the mutual approval of Purchaser and Seller, which shall not be unreasonably withheld. In the event the parties cannot agree on the terms and conditions of all of the Condominium Documents on or before

the expiration of the Due Diligence Period, either party shall have the right to terminate this Agreement by providing written notice to the other in which case the Deposit and all interest thereon shall be refunded to Purchaser and all of the rights and obligations among the parties shall terminate with the exception of those rights and obligations that are expressly intended to survive Closing or termination of this Agreement.

8. SELLER'S REPRESENTATIONS AND WARRANTIES.

A. Seller hereby represents and warrants to Purchaser the truth and accuracy of each of the following, as of the Effective Date, and to be restated as of the Closing Date:

- (i) Seller is a governmental unit of the State of Michigan and has the full power and authority to enter into this Agreement and carry out the transactions contemplated hereby, and the persons executing this Agreement on behalf of Seller are or shall be duly authorized to execute this Agreement and any deeds, bills of sale, assignments or other instruments or documents reasonably necessary to carry out the transactions contemplated by this Agreement.
- (ii) Seller is not a "foreign person" as that term is defined in Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Code").
- (iii) Except as previously (or prior to Closing, as the case may be) disclosed by Seller to Purchaser, Seller has not been served with and has not received written notice of, any pending litigation or proceedings, or, to the best of Seller's knowledge, threatened or anticipated, relating to the Library Lot Property.
- (iv) Except as previously (or prior to Closing, as the case may be) disclosed by Seller to Purchaser, or provided to Purchaser within five business days of the Effective Date, there are no contracts, agreements, commitments, equipment leases, written or oral, affecting the Property which would be binding on the Purchaser or which would run with the Property.
- (v) No person or entity has an option, right of first refusal, right of first offer, lease or similar interest or right with regard to the Property.
- (vi) Seller has no Knowledge of any defect, deficiency or other existing physical condition of the Parking Structure that would have a material adverse effect on the development and construction of the Project as contemplated by this Agreement. For purposes hereof, "Knowledge" shall mean and refer to the actual knowledge of Howard Lazarus, the City Administrator, after such inquiry of City officials as he may deem appropriate.

B. The foregoing representations and warranties shall survive the conveyance of the Property by Seller to Purchaser for a period of twelve (12) months.

9. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

A. Purchaser hereby represents and warrants to Seller the truth and accuracy of each of the following, as of the Effective Date, and to be restated as of the Closing Date:

- (i) Purchaser is duly organized, validly existing and in good standing as a limited liability company in the State of Delaware, and is duly qualified to do business in the State of Michigan.
- (ii) All necessary corporate action has been taken to duly authorize the execution and delivery of this Agreement and all documents and instruments contemplated by this Agreement, and the performance by Purchaser of the covenants and obligations to be performed by it hereunder. The person or persons executing this Agreement have been duly authorized to bind Purchaser.
- (iii) The execution, delivery and performance of this Agreement and the consummation of the transaction contemplated hereby by Purchaser will not conflict with, violate or result in the breach of any provision of its organizational documents or conflict with or violate any statute, law, rule, regulation, ordinance, order, writ, injunction, judgment or decree of any court or any local, state or federal governmental or regulatory authority applicable to Purchaser.
- (iv) Purchaser has received no written notice that any litigation materially affecting the ability of Purchaser to acquire the Property, to construct the Project or to carry out its obligations to Seller is pending or to its knowledge currently threatened.
- (v) Purchaser is solvent and able to pay its debts and obligations as they mature and there are no actions in law, in equity or similar proceedings which pending or to its knowledge threatened against Purchaser which might result in a material and adverse to Purchaser financial condition or materially affect Purchaser's assets as of the date of this Agreement which would prevent it from being able to pay its debts or undertaking the development of the Property and its obligations under this Agreement.
- (vi) Purchaser has not entered into and will not enter into any transaction not in the ordinary course of its business which would prevent it from being able to pay its debts as they may then exist or financially prevent it from performing its obligations under this Agreement or any other agreements

entered into by the parties in connection with the development of the Property.

B. The foregoing representations and warranties of Purchaser shall survive the Closing and conveyance of the Property by Seller to Purchaser for a period of twelve (12) months.

10. CLOSING DATE.

The delivery of the Transfer Documents and the other actions contemplated to occur in connection therewith under this Agreement (the “Closing”) shall take place at a mutually agreed upon location at 10:00 am local time on the Closing Date. The “Closing Date” shall be a date that is agreed to by the parties but shall be no later than the expiration of the Entitlements Period, which as of the Effective Date is no later than November 22, 2019, absent written agreement of Seller and Purchaser, time being of the essence. Closing may be effected on an escrowed basis through the title insurance company.

11. DOCUMENTS TO BE DELIVERED AT CLOSING.

A. On the Closing Date, Seller shall convey the Property to Purchaser by delivery of the following documents (collectively, the “Transfer Documents”), each to be in form and substance satisfactory to Seller and reasonably satisfactory to Purchaser:

- (i) The Condominium Documents, fully executed and in recordable form;
- (ii) A good and sufficient Covenant Deed to the Property, subject to the Right to Repurchase contemplated by Section 16 of this Agreement, and to the Permitted Exceptions, but otherwise consistent with and limited in accordance with the terms of a standard Covenant Deed in Michigan;
- (iii) The documents (including an owner’s affidavit) that are necessary to enable Purchaser to obtain an Owner’s Policy of title insurance, with standard exceptions deleted, in the form and amounts required by this Agreement and that insures Purchaser as fee simple title owner of the Property subject only to the Right to Repurchase and the other Permitted Exceptions.
- (iv) A “non-foreign affidavit” executed by Seller, stating that the Seller is not a foreign person as defined in Section 1445 of the Code;
- (v) Seller’s executed counterpart copy of the Affordable Housing Covenant contemplated by Section 13 of this Agreement;
- (vi) Seller’s and the DDA’s executed counterpart copy of the Parking Agreement contemplated by Section 14 of this Agreement;

- (vii) Seller's executed counterpart copy of the Construction and Cross-Easement, Development and Construction Agreement contemplated by Section 15 of this Agreement;
 - (viii) A closing statement duly executed by Seller providing for the prorations and adjustments, if any, required under this Agreement;
- B. Also on the Closing Date, Purchaser shall deliver the following to Seller:
- (i) The Purchase Price, adjusted to reflect the Escrow Deposit (to be delivered to Seller by the Escrow Agent as set forth in Section 2.A. (i), and subject to such other adjustments and prorations, if any, contemplated by this Agreement;
 - (ii) Payment of all accrued and unpaid fees and costs of the engineers and surveyors engaged by Purchaser in connection with the preparation of the Condominium Documents as set forth in Section 7;
 - (iii) A closing statement duly executed by Purchaser providing for the payments prorations and adjustments, if any, required under this Agreement; and
 - (iv) Such other documents and instruments, if any, as may be required by the Title Company in connection with the Closing, the conveyance of the Property, closing and recording charges, and the issuance (at Purchaser's expense) of the Title Policy and any endorsements thereto.

12. DESIGN OF PROJECT; PUBLIC PLAZA.

A. Purchaser covenants and agrees that the Project to be submitted for Entitlements and developed on and within the Property shall be in all material respects consistent with and as described in Scheme B of its BAFO, as further modified and refined the Deal Points Response, the Workshop PowerPoint and the Authorizing Resolution, particularly in the following sections of the Deal Points Response: “Design”, “Building Design”, “Streetscape/Pedestrian”, “Zoning and Development Standards”, “Sustainability” (as modified by Subsection 12.B, below), “Connectivity” (as modified by Subsection 12.C, below), “Driveway Access” (as modified by Subsection 12.C, below), and “Public Plaza” (as modified by Subsection 12.E, below), and further consistent with the core components (including approximate square footages) identified in, and subject to, Subsection 1.B and Section 6. The parties further agree that the actual plans, drawings, site plans, renderings and other information that is developed for the project and that is contained in the applications as part of the Entitlements process shall actually be binding on the Purchaser and the City to the extent approved by the City and to the extent accepted by the Purchaser in accordance with, and subject to, Section 6 hereof.

B. Notwithstanding anything contained to the contrary in the section of the Deal Points Response entitled “Sustainability”, Purchaser shall design and develop the Property to meet and achieve the requirements for Gold certification under LEED Versions 2009, whether or not Purchaser actually seeks such certification.

C. The existing Perimeter Drive along the North and East sides of the Library Lot Property shall be defined in and established by the condominium Master Deed (in accordance with Section 7 hereof) as either part of Seller’s unit, as a limited common element appurtenant to Seller’s unit, or as a separate easement granted by the condominium to the City at Closing. The design and construction of the Property shall preserve the Perimeter Drive and take into account, in particular but without limitation, the following:

- (i) During construction Purchaser shall, to the extent commercially practicable utilizing industry standard construction and safety practices, keep the Perimeter Drive open to the public for ingress and egress to adjacent properties, as well as garbage and recycling removal for adjacent properties. Purchaser shall provide Seller, as well as all adjacent property owners impacted by any necessary temporary closure with written or emailed notice indicating the date of the closure and proposed duration of the closure seven (7) days prior to any such closure.
- (ii) Following completion of construction, the Perimeter Drive shall remain open to the public for ingress and egress to adjacent properties, as well as garbage and recycling removal for adjacent properties. At a minimum, the current configuration and dimensions of the Perimeter Drive, as shown on Schedule 12.C(x), attached hereto and incorporated herein by reference,

shall be maintained. Any construction shall accommodate the required turning radius of garbage and recycling service vehicles, as shown on the Solid Waste Details attached hereto as Schedule 12.C(y) and incorporated herein by reference. (Storage for trash and recycling receptacles may be provided within the building that is incorporated in the Project. Storage provided within the building will not need to be constructed consistent with the bin enclosure details as shown on Schedule 12.C(y).)

- (iii) The Perimeter Drive shall have at least 25'0" height clearance for garbage and recycling service vehicles.
- (iv) Seller shall reserve all rights with respect to, and to add, future underground utilities and communications lines and easements (as well as any other improvements, grants of rights or easements as it may deem necessary or appropriate in its sole discretion) under the surface of the Perimeter Drive, except for any underground utilities and communications lines necessary for Purchaser's construction on the Property pursuant to approved plans and specifications for Purchaser's project, provided that such installations and easements shall not materially and adversely affect Purchaser's construction or operation of the Project as the same are contemplated by this Agreement.
- (v) Subject to deviations, if any, permitted by the City Administrator in his sole discretion, any building on the Property shall be set back not less than 15'0" from the east property line, and not less than 12'4" from the north property line.

D. Library Lane shall have at least 25'0" height clearance for garbage and recycling service vehicles.

E. The Public Plaza component of the Property's development may, subject to the agreement of the parties as part of the process set forth in Section 7 hereof, be included within a condominium unit separate from the balance of Purchaser's project, rather than within a single condominium unit comprising all elements of the project. The development, operation and rules/regulations with respect to the Public Plaza and Purchaser's responsibilities with respect thereto shall, at Seller's option, be included within the Condominium Documents or within a separate document to be recorded prior to recordation of the Condominium Documents, but shall in any event be in form and substance satisfactory to Seller and Purchaser. Purchaser shall in any event (but not by way of limitation) include not less than five (5) of the design features in the "Plaza Area Plan" portion of the Workshop PowerPoint, other than and excluding credit for the "information spot", "bike parking", and "outdoor dining terrace".

13. WORKFORCE HOUSING COVENANT.

A. During the Due Diligence Period, Seller and Purchaser shall negotiate and enter into a perpetual Workforce Housing Covenant to be recorded against the Property prior to or at Closing, which Covenant shall contain the following minimum requirements and such other terms and conditions as are acceptable to Seller and Purchaser:

- (i) Twelve percent (12%) but not fewer than 35 of the residential units in the project shall be leased at 150% of Fair Market Rents ("FMR") utilized by the United States Department of Housing and Urban Development ("HUD") and applicable to the Ann Arbor market area to applicants who qualify with household incomes ranging from 60% to 100% of Area Median Income ("AMI") pursuant to Section 42 of the Internal Revenue Code;
- (ii) Additionally, and at the option of Seller, notice of such election to be given not later than 90 days prior to the Closing Date, two and one-half percent (2.5%), but not fewer than an additional nine (9) of the residential units within the project shall be leased at 150% of FMR to applicants who qualify with household incomes ranging from 60% to 100% of AMI; provided, however, that Seller shall pay, or shall cause the DDA to pay, Purchaser \$1,475,000.00 on Closing as consideration for such additional affordable units; and
- (iii) The workforce units under this Section 13 offered shall be a mix of efficiencies, studios, and one bedroom units, and shall not be materially different from units rented at standard rates (e.g., same size, same finishes and amenities).

14. PARKING.

A. During the Due Diligence Period, Seller, Purchaser and the DDA shall negotiate a Parking Agreement substantially conforming to the terms and conditions set forth in the section of the Deal Points Response titled “Parking”, and otherwise in a form that is reasonably acceptable to Purchaser, Seller and the DDA. The parties agree that such terms shall include the standard terms and conditions offered by the DDA for monthly parking space rental agreements and that the monthly parking costs charged to Purchaser shall be no more than the parking costs charged by the DDA and/or Seller in connection with the parking facilities located at, or known as, Fourth and Williams Street, Fourth and Washington Street and the Library Lot. The maximum number of parking spaces available for lease by Purchaser under the Parking Agreement shall be reduced by the number of parking spaces that are completely or partially occupied in the Parking Structure by the Project or any elements of the Project. The Parking Agreement will be for a term of twenty (20) years with two fifteen (15) year renewal terms which will be similar to the terms contained in other DDA parking contracts. The Parking Agreement shall also contain terms and conditions mutually satisfactory to Seller, the DDA and Purchaser, in their reasonable discretion, for the utilization of portions of the Parking Structure for temporary construction period parking and staging, and such other matters as may impact the Parking Structure and its operations during construction of Purchaser’s project.

15. CROSS-EASEMENT, DEVELOPMENT AND CONSTRUCTION AGREEMENT.

A. During the Entitlements Period, Seller, Purchaser and the DDA shall negotiate, and prior to or at Closing they shall enter into, a Cross-Easement, Development and Construction Agreement (“CDCA”) setting forth the relative rights and obligations of the parties, including without limitation any necessary easements to be granted, during and in connection with the actual development and construction of the Project, in form consistent with the Parking Agreement under Section 14 and otherwise reasonably acceptable to Seller and Purchaser. Given the complexity of the Project and the interrelationship of the Project and the Library Lot Property (including without limitation the Parking Structure, Library Lane and the Perimeter Drive as shown on Exhibit F hereto) the CDCA shall, among other things, require and insure that Seller and the DDA shall, subject to any closure or other provisions determined by appropriate governmental agencies for public safety and to insure the efficient and orderly construction of the project over the Parking, continuously and without interruption or impairment operate the Parking Structure subject to possible temporary interruptions scheduled in advance for construction purposes for its intended use throughout construction of the Project, and that Seller, the DDA, other users and the public shall be afforded, subject to the foregoing limitations, continuous and uninterrupted ingress to and egress from the Parking Structure during construction of the project. Seller, Purchaser and the DDA shall grant any necessary or appropriate easements and cross easements to facilitate orderly construction of the Project. Such CDCA shall also include provisions that require Purchaser to comply with the Completion Assurances set forth in Section 28 hereof prior to commencing construction of the Project. Seller’s rights under the CDCA shall be an express in rem right coupled with an interest in the Property and the Project.

B. Purchaser warrants and represents to Seller that, prior to and in connection with submission of its BAFO and the Deal Points Response, Purchaser, its architects and engineers, and its other relevant consultants have carefully reviewed, fully understand and have fully taken into account the Library Lane Underground Parking Structure Future Development Report, prepared by Carl Walker, a copy of which is attached hereto as Exhibit G (the “Walker Report”). Prior to the execution of this Agreement, or during the Due Diligence Period, Purchaser has, or shall have, completed a comprehensive review and analysis of all plans, specifications, construction documents and reports for the Parking Structure, and shall have made adequate and complete inquiry of Seller, the DDA, Carl Walker, and such other engineers, surveyors, contractors and other consultants as may be necessary or appropriate to fully understand the Parking Structure and the requirements and best practices for development and construction of Purchaser’s project thereon. The CDCA shall, without limitation, provide for and require that the design and construction of Purchaser’s project be coordinated in all respects with Seller, all applicable City Departments and staff, Seller’s engineers and other consultants, the DDA and its consultants, and Carl Walker, and that such construction shall connect to the Parking Structure infrastructure as contemplated in the Walker Report and with as little interference with the ongoing operation of the Parking Structure as a public parking garage as practicable.

16. RIGHT OF REPURCHASE.

A. The conveyance of the Property to Purchaser at Closing shall be subject to a reserved right of repurchase (the “Seller’s Right of Repurchase”), set forth in the Covenant Deed or by separate instrument recorded simultaneously therewith, giving Seller the irrevocable right and option to repurchase the Property, subject to the terms set forth in this Section 16, if and in the following events (the “Repurchase Events”):

- (i) If Purchaser fails to commence actual physical construction of the Project on the Property within five (5) years from the Closing Date; or
- (ii) If Purchaser fails to substantially complete all construction activities such that only punch list items remain for completion and issuance of certificates of occupancy for the residential units and all other elements within the Project requiring a certificate of occupancy, within seven (7) years from the Closing Date.

B. If a Repurchase Event occurs, Seller may (but shall not be required to) elect to repurchase the Property by written notice to Purchaser in the manner set forth in Section 24 of this Agreement (the date of such notice is referred to herein as the “Exercise Date”). The purchase price (“Repurchase Price”) shall be the fair market value of the Property in its as-is, with all faults, state as of the Exercise Date, taking into account the status of title to the Property, the then-condition of the Property, and, if the construction of the project has commenced prior to the Repurchase Event, the incomplete status of construction

of the Project thereon, and the adverse impact of the incomplete Project in its then-state on the value of the Parking Structure as well as on the future marketability of the Property. Such purchase and sale shall convey the Property in its then as-is, where-is condition without representations or warranties of any kind.

C. Seller and Purchaser shall attempt in good faith to reach agreement on the fair market value for the Repurchase Price, but failing to reach such agreement within thirty (30) days following the Exercise Date, the following procedure shall apply. Seller and Purchaser shall each select, within fifteen (15) days after the expiration of the foregoing thirty (30) day period, a duly licensed commercial real estate appraiser (MAI) licensed to practice in the State of Michigan and with not less than ten (10) years experience in the Ann Arbor real estate market. The two appraisers so selected shall attempt to reach agreement on fair market value on the basis set forth in Subsection 16.B within thirty (30) days of their selection. If they are unable to reach agreement within that period, the two appraisers shall together select a third appraiser with the same qualifications, whose determination of fair market value hereunder shall be rendered within thirty (30) days of his/her appointment, and which shall be final and binding on the parties. The determination of fair market value hereunder shall be enforceable by action in any circuit court having jurisdiction thereover. Each party shall be responsible for the costs of its appointed appraiser and the parties shall split evenly the cost of the third appraiser, if any.

D. Seller shall close on the repurchase of the Property within ninety (90) days following the determination of fair market value under Subsection C, above.

E. The Seller's Right of Repurchase shall be senior in priority to any rights of any mortgagee or lienholder against the Property, which liens, mortgages and security interests shall transfer to the proceeds of Seller's repurchase in the same priority and to the same extent such liens and security interests had against the Property. In addition, and notwithstanding the foregoing, the Seller's Right of Repurchase shall terminate, expire and be forever discharged upon the issuance of the necessary certificates of occupancy required under Section 16.A.(ii) above, provided that Purchaser has timely complied with the requirements of Section 16.A.(ii). To the extent that any document recorded against the property references the Seller's Right of Repurchase, Seller shall cooperate with Purchaser in releasing such document upon the issuance of the necessary certificates of occupancy required under Section 16.A.(ii) above based on Purchaser's timely compliance with Section 16.A(ii).

17. BROKERS.

The parties represent to each other that, except for CBRE, Inc. ("CBRE"), no broker, salesperson, finder or other comparable person or entity has in any way been involved with this transaction and that no party has a right to claim any finder's fee, commission or other compensation by reason of this transaction. Purchaser shall be solely responsible for and directly pay to CBRE any and all fees, commissions and other charges payable to CBRE pursuant to that certain Agreement Between CBRE, Inc. and The City of Ann Arbor for Professional Services

dated as of October 2, 2014 (the "CBRE Contract"), a copy of which has been furnished to Purchaser and which Purchaser has reviewed and understands. Seller and Purchaser each agree to indemnify, save and hold harmless the other from and against any and all claims, losses, costs, damages and expenses (including reasonable attorney's fees) for brokerage commissions or finder's or other fees related to a breach of its foregoing warranty and representation. The provisions of this Section shall survive the Closing.

18. CONDITIONS TO OBLIGATION TO CLOSE.

A. Seller's and Purchaser's obligation to close on the transaction contemplated herein is subject to and conditioned upon the following being true as of the Closing Date:

- (i) No litigation or administrative proceeding shall have been commenced or threatened, and no legislative action shall have been taken or enacted, that could, in the City Administrator's sole judgment and discretion, and/or in the reasonable judgment of the Purchaser, have the effect of preventing or impairing Purchaser's or Seller's ability to carry out the terms of this Agreement or the construction and completion of Purchaser's project as contemplated hereby.

B. Seller's obligation to close on the transaction contemplated herein is subject to and conditioned upon the following being true as of the Closing Date: Purchaser shall not be in default under any provision of this Agreement, nor shall any event or condition exist that, with the passage of time, would constitute an event of default hereunder.

C. Purchaser's obligation to close on the transaction contemplated herein is subject to and conditioned upon the following being true as of the Closing Date: Seller shall not be in default under any provision of this Agreement, nor shall any event or condition exist that, with the passage of time, would constitute an event of default hereunder;

D. A party shall exercise a foregoing condition to Closing by providing written notice to the other party and providing the other party 14 days to cure the unsatisfied condition. In the event that a cure, or other mutually acceptable resolution of the unsatisfied condition, is not achieved within such period, then this Agreement shall terminate and the Deposit and all interest thereon shall be refunded to Purchaser and all of the rights and obligations among the parties shall terminate with the exception of those rights and obligations that are expressly intended to survive Closing or termination of this Agreement.

19. AS-IS TRANSACTION; ENVIRONMENTAL PROVISIONS.

A. Without limiting the express environmental covenants, terms and conditions set forth in this Section 19, Purchaser acknowledges and agrees that it is acquiring, and at Closing will accept, the Property "AS IS, WHERE-IS, and WITH ALL FAULTS", and that the sale by Seller to Purchaser of the Property is made without any representations or

warranties of any nature whatsoever, express or implied; it being the intention of Seller and Purchaser to expressly revoke, release, negate and exclude all representations and warranties, including, without limitation, any representations or warranties concerning the nature, quality, construction, condition, state of repair or lack of repair, of the Property, or any part thereof; the Environmental Condition (as defined in Subsection 19.B, below) of the Property, or any part thereof; the suitability of the Property, or any part thereof, for any specific purpose or use; the merchantability of the Property, or any part thereof, or the economic feasibility or the income to be derived from the Property, or any part thereof; the compliance of the Property, or any part thereof, with any statute, regulation, rule or ordinance affecting the same, including without limitation, Environmental Law (as defined in Subsection 19.B, below); any and all express or implied representations and warranties created by any affirmation of fact or promise or by any description of the Property, any and all express or implied representations and warranties pertaining to any environmental, geological, structural or other condition or hazard or the absence thereof heretofore, now or hereafter affecting in any manner the Property, and any and all other express or implied representations and warranties by Seller, the DDA, or their respective councils and board members, officers, partners, managers, employees and/or agents whatsoever. Purchaser further acknowledges and agrees that, in purchasing and closing on the purchase of the Property, Purchaser is and shall be relying solely on its own investigation and evaluations of the Property and the Library Lot Property, and that Purchaser has not relied and is not (and shall not be) relying on any information provided or to be provided by Seller or the DDA, whether within the Due Diligence Materials, or otherwise.

B. As used herein:

- (i) “Environmental Condition” means the presence of any Hazardous Substance in any amount in, on, under, migrating onto, or emanating from any portion of the Property, including without limitation, any improvements on the Property, whether known or unknown at the time of the Closing.
- (ii) “Environmental Law” means any applicable federal, state, or local law, including the common law, relating to (x) the protection of the environment (including air, water vapor, surface water, groundwater, drinking water supply, surface or subsurface land), human health, or occupational health and safety, (y) the exposure to, presence of, or the use, storage, recycling, treatment, generation, transportation, processing, disposal, handling, labeling or release of Hazardous Substances, and including without limitation any statutes, rules and regulations regarding soil or groundwater contamination, or the disposal or existence, in or on the Property, buildings, improvements or any part thereof, of any Hazardous Substance.
- (iii) “Hazardous Substance” means any material, substance, toxic, chemical, contaminant, pollutant, or waste as defined by any Environmental Law or

listed in any regulations as required by Environmental Laws, and includes but is not limited to any petroleum, petroleum products, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous waste, toxic substances, toxic chemicals, chemicals, pesticides, radioactive materials, polychlorinated biphenyls, metals, and any other element, compound, mixture, solution, substance, material, waste or the like that may pose a present or potential danger to human health, safety, and the environment.

C. Purchaser shall comply with applicable laws with regard to assume, accept and satisfy all responsibilities and liabilities arising under any Environmental Law solely with respect to the Property, whether existing or arising in the future, known or unknown, foreseen or unforeseen, affecting buildings, improvements, or land, surface or subsurface, and whether brought by a governmental agency, Purchaser's employee, or any other third party, and agrees to indemnify, defend and hold Seller and the DDA, and their successors, assigns, council and board members, shareholders, partners, directors, officers, managers, persons, agents, employees, and representatives harmless from and against any such liability. The rights and remedies provided in this Agreement, and as may exist under applicable laws, shall be Purchaser's sole and exclusive remedy, if any, with respect to environmental matters against Seller or the DDA. Subject to its rights under applicable law, Purchaser hereby releases and waives, to the fullest extent permitted by law, any and all claims and causes of action (including rights of contribution, if any) that it might have against Seller and the DDA or their successors, assigns, council and board members, shareholders, partners, directors, officers, managers, persons, agents, employees, and representatives for any claims resulting from the Environmental Conditions on the Property, the presence of Hazardous Substances on the Property, or arising under Environmental Law. This release shall run with the land and shall be memorialized in the deed records for the Property. PURCHASER ACKNOWLEDGES AND AGREES THAT THE PROPERTY AND THE ENVIRONMENTAL CONDITION OF THE PROPERTY ARE SOLD, TRANSFERRED AND CONVEYED ON A "WHERE IS/AS IS/WITH ALL FAULTS" BASIS AND THAT ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, ARE DISCLAIMED. Notwithstanding the foregoing, the parties agree that Purchaser shall have no liability or responsibility for the Library Lot Property and/or the Parking Lot Structure or any other land and/or property that is owned by persons or entities other than Purchaser to the extent any adverse event or condition is not caused or contributed to by Purchaser's intentional or negligent act or omission to act.

D. The parties agree that the rights and obligations under this Section 19 shall be binding on Seller, Purchaser, and their respective successors and assigns.

E. The covenants and obligations in this Section 19 shall survive the Closing of this Agreement in perpetuity. In addition, to the extent this Agreement is terminated prior to Closing, the representations, warranties and covenants set forth above that relate to environmental damage that is caused in whole or in part by the act or failure to act of Purchaser, or its agents or representatives, shall survive such termination. The foregoing obligations of

Purchaser shall be in addition to the obligations of Purchaser set forth in Section 5.C. of this Agreement.

20. DEFAULT.

A. If Seller breaches this Agreement and has not cured such breach within fourteen (14) days of written notice from Purchaser, then Purchaser may, as its election, (i) terminate this Agreement by written notice to Seller, whereupon the Deposit shall be returned to Purchaser and neither party shall have any further liability or obligation to the other except as expressly set forth herein, or (ii) seek specific performance.

B. If Purchaser defaults hereunder (other than its indemnification obligations pursuant to and as assumed herein) and fails to cure such default within fourteen (14) days of written notice from Seller, then Seller may, by written notice to Purchaser and with or without terminating this Agreement, retain the Deposit. Notwithstanding the foregoing, if Purchaser defaults with respect to its indemnification obligations in connection with damages caused as a result of inspections contemplated by Sections 5.C., 5.D. and/or as a result of required payments to Purchaser's engineer in connection with Section 7, then in addition to terminating the Agreement and retaining the Deposit as set forth above, Seller may also bring an action for damages arising therefrom.

C. In no event shall either party seek or be entitled to damages (other than as expressly described in Section 20.A and B. above), whether actual, consequential or punitive.

21. DAMAGE OR DESTRUCTION.

If and in the event the Parking Structure and/or other improvements on the Library Lot Property are damaged or destroyed for any reason or by any cause prior to the Closing, then: (i) if less than fifty percent (50%) of the Parking Structure is damaged or destroyed, and the damage or destruction does not impair the structural integrity of the Parking Structure, Seller shall repair the damage or destruction and the Closing shall be delayed until such time as such repair has been completed, or (ii) if fifty percent (50%) or more of the Parking Structure is damaged or destroyed, or the damage or destruction impairs the structural integrity of the Parking Structure, either Purchaser or Seller shall have the right to terminate this Agreement without liability on the part of either party, by written notice to the other party within fourteen (14) days following the determination by Seller (and notice to Purchaser by Seller) of the extent of damage or destruction. If neither party elects to terminate, then the parties shall proceed to Closing, subject to the foregoing delay, in accordance with this Agreement, with no adjustment of the purchase price.

22. CONDEMNATION OF PROPERTY OR LIBRARY LOT PROPERTY PENDING CLOSING.

If condemnation proceedings against all, or a portion of, the Property (or the Library Lot Property) are commenced by a governmental entity other than Seller, or if Seller

upon threat of condemnation in good faith engages in negotiations relative to granting a deed in lieu of condemnation, prior to the Closing Date, either Purchaser or Seller shall have the right to terminate this Agreement without further liability on the part of either party, by so notifying the other party within fourteen (14) days of Seller's notification to Purchaser in writing as to said condemnation or initiation of negotiations in lieu thereof, in which event the deposit shall be returned to Purchaser.

23. CARE AND MAINTENANCE OF LIBRARY LOT PROPERTY.

From the date of this Agreement until the Closing Date, Seller and/or the DDA as applicable) shall maintain the Library Lot Property and the Parking Structure in accordance with its/their current standards and practices therefor, but neither Seller nor the DDA shall have any other obligation whatsoever with respect to the Library Lot Property and/or the Property.

24. NOTICES.

All notices permitted or required to be given hereunder shall be in writing and sent by a nationally recognized overnight courier service (such as Federal Express), certified mail, postage prepaid, return receipt requested, hand delivered, or by electronic mail (provided that a hard copy of such electronic mail is also delivered by an overnight carrier) addressed as follows:

If to SELLER:

City of Ann Arbor
Guy Larcom City Hall
301 East Huron Street
Ann Arbor, Michigan 48107-8647
Attention: Howard S. Lazarus
City Administrator
Email: hlazarus@a2gov.org

With copy to:

Stephen K. Postema
City Attorney
Guy Larcom City Hall
301 East Huron Street
Ann Arbor, Michigan 48107-8647
Email: spostema@a2gov.org

And copy to:

Butzel Long
301 East Liberty Street, Suite 500
Ann Arbor, Michigan 48104
Attention: James C. Adams
Email: adamsj@butzel.com

If to PURCHASER:

Core Campus Investment Partners LLC
1643 N. Milwaukee Ave., 5th Floor
Chicago, Illinois 60647
Attention: Marc Lifshin
Email: marcl@corespaces.com

and:

Core Campus Investment Partners LLC
540 W. Madison Street, Suite 2500
Chicago, Illinois 60661
Attention: David B. Nelson
Email: dnelson@drwholdings.com

With copy to:

Honigman Miller Schwartz and Cohn
650 Trade Centre Way
Suite 200
Kalamazoo, MI 49002-0402
Attention: J. Patrick Lennon
Email: lennon@honigman.com
and

Roberts McGivney Zagotta LLC
55 W. Monroe Street
Suite 1700
Chicago, IL 60603
Attention: Michael S. Roberts
Email: mroberts@rmczlaw.com

or to such other address or addresses as the parties may designate from time to time by notice given in accordance with this Section. Any such notice shall be deemed given on the date of delivery to such Overnight Courier, or hand delivery, as the case may be. All notices given in accordance with the terms hereof shall be deemed received on the date of delivery (or, in the case of electronic mail, the date of transmission) if delivered (or, in the case of electronic mail, transmitted) before 5:00 p.m. local time on a business day in the place of the recipient, and if otherwise delivered, on the next business day following the date of such delivery or when delivered personally. Attorneys for Purchaser and Seller may deliver notices on behalf of their respective clients.

25. CONFIDENTIALITY AND JOINT ANNOUNCEMENTS.

Until such time as this Agreement has become public by virtue of the Michigan Freedom of Information Act and/or the Michigan Open Meetings Act, neither Purchaser, nor its board of directors, officers, directors, shareholders, partners, members, employees or agents shall disclose to any third party (other than Purchaser's consultants, attorneys or agents), or publicly announce, the content of this Agreement unless (i) approved, in writing, by Seller and Purchaser; (ii) required by applicable law, rule, regulation or ordinance; or (iii) required by court order. In any event, Purchaser shall not make any public announcements or issue any press releases regarding this Agreement or the transaction contemplated hereby without the prior written approval of the City Administrator. At and after such time as this Agreement becomes public by virtue of the Michigan Freedom of Information Act and/or the Michigan Open Meetings Act, Purchaser may make a public announcement stating that Purchaser and Seller have entered into an agreement for the acquisition and development of the Property for a mixed use residential housing project.

26. NO ASSIGNMENT BY PURCHASER.

Except as otherwise permitted in accordance with Section 29 hereof, this Agreement and the rights and obligations of Purchaser may not be assigned, hypothecated or otherwise transferred by Purchaser (whether as a gift or for consideration, outright or as security, by operation of law, or otherwise) except with the prior written consent of Seller, which consent may be withheld in Seller's sole discretion; provided, however, that Purchaser may assign this Agreement without Seller's consent to an Affiliate (as defined below) of Purchaser so long as a copy of the written assignment and assumption thereof is provided to Seller. Any assignment, hypothecation or other transfer of this Agreement in contravention of this paragraph shall be voidable at Seller's sole election. For the purposes of this paragraph, the term "Affiliate" means (a) an entity that directly or indirectly controls, is controlled by, or is under common control with Purchaser, and/or (b) an entity at least a majority of whose economic interest is owned or controlled by Purchaser. The term "control" means the power to direct the management of such entity, either directly or indirectly, through voting rights, ownership or contractual obligations. The foregoing restriction on assignments shall not prevent or limit the rights of Purchaser, or an Affiliate, to receive investments, capital contributions, loans and/or equity in exchange for the transfer of ownership interests or other rights within such entities subject to terms and conditions that are acceptable to Purchaser and/or Affiliate in its sole discretion. In addition, the parties

agree that the terms of this Section 26 are only intended to apply to the assignment of this Agreement and, as such, shall terminate and be of no further effect as of closing.

27. MISCELLANEOUS.

A. This Agreement, which may be executed in multiple counterparts, or by electronic signature and/or delivery (with the same effect as if original execution copies) is to be governed by and construed under the laws of the State of Michigan that are applied to contracts made and to be performed in that state concerning real property located therein, is to take effect as a sealed instrument, sets forth the entire contract between the parties, merges all prior and contemporaneous agreements, understandings, warranties or representations, and may be cancelled, modified or amended only as set forth herein or by a written instrument executed by both Seller and Purchaser. The captions are used only as a matter of convenience and are not to be considered a part of this Agreement.

B. No waiver of any provision or condition of this Agreement by any party shall be valid unless in writing, signed by such party. No such waiver shall be taken as a waiver of any other or similar provision or of any future event, act, or default. If any action by any party shall require the consent or approval of another party, the consent or approval of the action on any one occasion shall not be deemed a consent to or approval of that action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion.

C. This Agreement may be executed in counterparts which together shall be deemed to constitute a single, integrated document.

D. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, personal representatives, successors, and assigns.

E. Neither party is the agent, partner or joint venture partner of the other; neither party has any obligation to the other except as specified in this Agreement.

F. No party other than Seller and Purchaser and their successors and assigns, shall have any right to enforce or rely upon this Agreement, which is binding upon and made solely for the benefit of Seller and Purchaser, and their respective successors or assigns, and not for the benefit of any other party.

G. TIME IS OF THE ESSENCE OF AND ALL UNDERTAKINGS AND AGREEMENTS OF THE PARTIES HERETO.

H. Whenever this Agreement requires that something be done within a specified period of days, that period shall (i) not include the day from which the period commences, (ii) include the day upon which the period expires, (iii) expire at 5:00 p.m. local time on the day upon which the period expires, and (iv) unless otherwise specified in this

Agreement, be construed to mean calendar days; provided, that if the final day of the period falls on a Saturday, Sunday or legal holiday, the period shall extend to the first business day thereafter.

I. If one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained within the body of this Agreement.

28. COMPLETION ASSURANCES.

Prior to, and as an express condition of, commencing construction of the Project, Purchaser shall provide Seller with the following assurances of performance and completion (collectively the "Completion Assurances"): (i) evidence that Purchaser has received a commitment from a construction lender in amounts, and with terms and duration, reasonably satisfactory to Purchaser's lender for the full construction of the Project; (ii) an agreement from Purchaser to provide Seller substantially the same completion assurances and guaranties that it is providing to its construction lender; (iii) evidence that Purchaser or Purchaser's general contractor has caused major subcontractors to the Project to deliver payment and performance bonds in the full amount of their contract or subcontracts, as the case may be, but only to the extent required by Purchaser's construction lender and subject to the standards and requirements of the Purchaser's construction lender; and (iv) copies of insurance certificates from the Purchaser's general contractor and its subcontractors for insurance in amounts required by Purchaser's lenders and otherwise satisfying the requirements of the Condominium Documents. The parties agree that, provided Purchaser's lender is a recognized institutional construction lender with assets and experience consistent with the size and nature of the Project and otherwise operates as a commercially reasonable lender, the acceptance or approval of any of (i) through (iv) above by Purchaser's lender shall be deemed sufficient for acceptance and approval by the Seller and shall govern to the extent of any disagreement between Purchaser and Seller as to whether the foregoing condition (or individual standards) have been satisfied and further agree that, unless there is an event of default by Purchaser, Purchaser (and or any guarantor of Purchaser's obligations) shall not, under any circumstances, be required to provide, and Seller shall not be entitled to, any financial statements, account balances or other non-public financial information of Purchaser or any guarantor of Purchaser's obligations. Upon request by Purchaser's lender, Seller agrees to negotiate in good faith and enter into a commercially reasonable tri-party or intercreditor agreement with such lender upon such terms and conditions as may be reasonably requested by Purchaser's lender and reasonably satisfactory to Seller that shall address their respective rights in the event of a default by Purchaser, which agreement may include typical but commercially reasonable standstill provisions. The terms of this Section 28 shall survive Closing of this Agreement and shall expire and terminate upon issuance of a final certificate of occupancy for the Project and all portions thereof.

29. INTEGRATION OF DOCUMENTS.

A. It is the express intention of the parties and a condition of the sale contemplated herein that this Agreement, the Authorizing Resolution, the Deal Points Response, the Workshop PowerPoint, the BAFO, the Offering Memorandum Submission (all subject to the express terms of this Agreement), the Condominium Documents, the Workforce Housing Covenant, the CDCA and the Covenant Deed (the "Project Documents") shall be construed as part of a single unitary transaction which governs the acquisition and completion of the Project in the form approved by the Seller and which may not be assigned in part, but may be assigned as a whole, and without the consent of Seller, in connection with (i) the sale or transfer of the Project (it being agreed that, in the event of a sale of a condominium unit with respect to the Project, the Project Documents may be assigned to the purchaser of such unit [so that the obligations under the Project Documents, to the extent still applicable, will be binding against such purchaser] but shall also be retained by the owner of any other condominium unit [so that the obligations under the Project Documents, to the extent still applicable, continues to be binding against all unit owners]; (ii) as collateral or as part of security for any loan or financing that is made in connection with the Project, or any portion thereof; and/or (iii) the foreclosure, deed in lieu of foreclosure and/or other similar transfer or assignment that arises from failure to perform in connection with any loan or financing applicable to the Project.

B. In the event of a sale or assignment, including a sale or assignment by a Receiver or a Bankruptcy Trustee, Seller shall be provided with adequate information about the Purchaser, including information to demonstrate the Purchaser's willingness and ability to complete the Project in accordance with the Project Documents.

C. The terms of this Section 29 shall be subject to the terms of the tri-party identified in Section 28 hereof, shall survive Closing of this Agreement and shall expire and terminate upon issuance of a final certificate of occupancy for the Project and all portions thereof.

[Signatures on Following Page]

This Agreement is executed as of the date first set forth above.

SELLER: CITY OF ANN ARBOR, a Michigan municipal corporation

By: Christopher M. Taylor
Name: Christopher M. Taylor
Title: Mayor
Dated: Mar 31, 2018

By: Jacqueline Beaudry
Name: Jacqueline Beaudry
Title: Clerk
Dated: Mar 31, 2018

Approved as to Substance:

By: Howard S. Lazarus
Name: Howard S. Lazarus
Title: City Administrator
Dated: Mar 31, 2018

Approved as to Form:

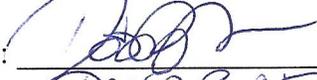
By: Stephen K. Postema
Name: Stephen K. Postema
Title: City Attorney
Dated: Mar 31, 2018

[Additional signature page follows.]

[Signature page to Agreement of Sale]

PURCHASER: CORE SPACES ANN ARBOR FIFTH LLC,
a Delaware limited liability company

By: Convexity Management LLC, a
Delaware limited liability company, Manager

By: 
Name: DAVID B. NELSON
Title: Vice President
Date: May 30, 2018

By: Core Campus Manager, LLC, a
Delaware limited liability company, Manager

By: _____
Name: _____
Title: _____
Date: _____, 2018

[Signature page to Agreement of Sale]

PURCHASER: CORE SPACES ANN ARBOR FIFTH LLC,
a Delaware limited liability company

By: Convexity Management LLC, a
Delaware limited liability company, Manager

By: _____
Name: _____
Title: _____
Date: _____, 2018

By: Core Campus Manager, LLC, a
Delaware limited liability company, Manager

By:  _____
Name: Marc Lishin
Title: Manager
Date: May 31, 2018

EXHIBIT A
LEGAL DESCRIPTION OF LIBRARY LOT PROPERTY

LOT 2 AND N 1/2 LOT 3 B3S R6E ORIGINAL PLAT OF ANN ARBOR and
N 1/2 LOT 6 B3S R6E ORIGINAL PLAT OF ANN ARBOR

EXHIBIT B

CITY COUNCIL RESOLUTION R-16-021



Legislation Details (With Text)

File #: 16-0025 **Version:** 2 **Name:** 1/19/16 Resolution Selecting CORE and Authorizing Negotiation Process for Sale of 319 S. Fifth

Type: Resolution **Status:** Passed

File created: 1/19/2016 **In control:** City Council

On agenda: 1/19/2016 **Final action:** 1/19/2016

Enactment date: 1/19/2016 **Enactment #:** R-16-021

Title: Resolution to Affirm and Approve CORE as the selected developer of 319 South Fifth and Authorize the City Administrator and City Attorney to Begin the Negotiation Process for Sale of the Property

Sponsors:

Indexes:

Code sections:

Attachments: 1. Memo to City of Ann Arbor - BAFO

Date	Ver.	Action By	Action	Result
1/19/2016	1	City Council		
1/19/2016	2	City Council	Amended	Pass
1/19/2016	1	City Council	Approved as Amended	Pass

Resolution to Affirm and Approve CORE as the selected developer of 319 South Fifth and Authorize the City Administrator and City Attorney to Begin the Negotiation Process for Sale of the Property On March 17, 2014, City Council passed a resolution (R-14-098) directing the City Administrator to market 319 S. Fifth Ave (also known as the "Library Lot") for sale.

With the resolution, City Council expressed a desire for development of the site to be a mix of uses including commercial, residential and public space. As a condition for development rights, Council wanted the City to seek, at a minimum, that any development includes the following features: public open space, private maintenance of the public space, and pedestrian access to the public space. Council indicated it would select the purchase offer that best responds to mixed-use, density, integration with surrounding uses, and the public space.

On April 7, 2014, City Council passed a resolution (R-14-0334) regarding an Urban Public Park Location on the Library Lot Site. This included a desire for a public space to be approximately 12,000 square feet with creative use of the space and that the City would work with the developer of the remaining portion of the Library Lot site to ensure that the public space and adjacent development complement and support each other's successful uses.

Furthermore, on April 7, 2014 Council adopted a resolution (R-14-172) recognizing the needs for additional affordable housing in the City and directing that 50% of any and all proceeds, after fees and closing costs, from the sale be allocated to the Affordable Housing Fund.

Following a competitive selection process, staff retained CBRE to assist the City with the Library Lot transaction. CBRE conducted a national offering for proposals and assisted staff in evaluating the

respondents, including assisting with interviews and follow-up questions and completing a best and final offers (BAFO) round with the finalists.

In considering Council's objectives for the site, staff recommends Council award the Offering for Sale to Core Spaces for the following reasons:

- Mixed Use - Core's proposal includes ground floor retail, office, residential and a boutique hotel. The large amount of square footage it proposes for ground floor active uses such as retail/restaurant (3,300+ SF) would enable a robust integration with the public open space, thus enabling both to be successful. In addition to hotel guests, this project would provide housing for 360+ new downtown residents who will live across the street from the Blake Transit Center, and within walking distance to jobs, services, and cultural amenities.
- Public Space - Core's proposal provides for an attractive and unique public space in downtown Ann Arbor as part of their development, with 12,000 square feet including public art, garden plaza elements, water features, flexible activity area, removable stage and attractive landscaping features.
- Density - Core's proposal balances the mixed-uses with a density that supports activating the public space. The proposed density is only 520% FAR, which is less than the 700% FAR that could be achieved on this site by maximizing premiums.
- Financial Return - Core's proposal is the highest return to the City - \$10 million less normal fees and closing costs (50% of which would be distributed to the Affordable Housing Fund). Upon stabilization the property could generate approximately \$2.35 million in annual property taxes. The City's portion of these taxes could be up to \$1 million annually depending on whether the DDA's cap has been met at that time.
- Conceptual Design - Core's proposal provides a design that will enhance the skyline and downtown. Proceeding with Core's proposal will still require that the design be reviewed through the City site plan review process, which includes Planning Commission and the Design Review Board and City Council. However, the current design satisfies general planning and building expectations.
- Experience - Core has an experienced development team, capacity to perform the project, and a demonstrated ability to finance the project. The Core team has substantial urban development experience and enthusiastic references from public officials.
- Investment - Core Spaces will make an \$85 million plus investment in the downtown, generating economic development and jobs and contributing to the vibrancy of the civic plaza and the downtown.
- Parking - Core Spaces intends to utilize 200 parking spaces in the underground garage. Although they have offered to purchase the spaces for an additional \$5.0 million, they have also offered to lease them at market rates.

An award would mean the City would be authorized to enter into exclusive negotiations with Core Spaces in anticipation of a recommended Sale Agreement (8 votes required) for Council consideration no later than April 2016. At that point in time, the project would transition into the normal "site plan and development" phase. During this later stage, all the normal City requirements for developments and public engagement would begin.

A summary of Core Spaces' proposal is attached, including a comparison to the proposal received from the other finalist (CA Ventures). Both finalists have a good history of performance, are considered strong firms, and proposed a hotel component. Since multiple offers included a hotel

component and the October 2014 Hotel Market Study indicated sufficient demand for a hotel, CBRE and staff believe the Core Spaces proposal is a viable response which adds an attractive, boutique hotel to downtown Ann Arbor.

It is important to note that the City's actions to-date have been as the property owner and not in its traditional site plan review role. Should Council award the project to Core Spaces and approve a Sale Agreement later in 2016, the project would start the traditional site plan review process. The positive development of the Library Lot block should substantially improve the public safety and pedestrian climate near the Library and Transit Center, including an inviting downtown civic plaza, and new residents and hotel guests who will support the downtown economy including restaurants, retail, and entertainment venues.

Background - Public Engagement

The Library Lot and surrounding area has been a part of significant public engagement efforts dating back to at least 2012.

In January 2013, the DDA presented its Connecting William Street study, which included an online survey that received over 2,000 responses and multiple focus groups as well as public meetings. Council requested, and in November 2013 approved, the recommendations from PAC as guidelines for potential public space in downtown parks. PAC's outreach included an online survey with over 1,600 responses as well as multiple public meetings.

Background - Evaluation of Proposals

In June 2015, the City received nine (9) responses to the Offering for Sale. Staff worked with CBRE to evaluate the developer's financial resources and experience as well as the qualitative and financial elements of the proposals. Using the policy direction included in the City Council Resolutions R-14-098 and R-14-091, five semi-finalists were interviewed and after further evaluation including follow-up questions and answers, two finalists were selected in August 2015 (Core Spaces and CA Ventures). Two public engagement meetings were held in October 2015 to assist the developer in obtaining community feedback. For those who couldn't attend the sessions, they were recorded by CTN. Online feedback was also solicited in November 2015 through the City's A2 Open City Hall. Finally, the developers had an open house in November where citizens could talk directly with the developers and provide feedback. In November 2015, the finalists also submitted their BAFO reflecting changes based on the feedback they had received. It should be noted that all of the proposals (including subsequent BAFOs) were made publicly available shortly following receipt by the City and throughout the process.

Both finalists' BAFOs include 12,000 square feet of public space along Fifth Avenue which is maintained and programmed by the developer, as requested by Council (R-14-091). Both are financially and technically capable of delivering a high quality project. Both also have experience in engaging community stakeholders.

For the reasons outlined above, staff recommends award of the project to the Core Spaces team.

Additional Information

A website with information about the entire City process is available at <http://www.a2gov.org/departments/city-administrator/Pages/Library-Lot-RFP-Responses.aspx>.

Attached is a summary comparing the two finalist's Best and Final Offers.

Prepared by: Tom Crawford, Interim City Administrator

Reviewed by: Kevin McDonald, Senior Assistant City Attorney and Mary Joan Fales, Senior Assistant City Attorney

Approved by: Tom Crawford, Interim City Administrator

Whereas, the City Administrator was directed to list for sale 319 South Fifth and to retain Real Estate Brokerage Services (R-14-098);

Whereas, Under the authority granted him by Council, the City Administrator, after soliciting competitive bids, executed a contract for brokerage services with CBRE;

Whereas, CBRE conducted a national offering for proposals which resulted in the selection of two finalist CA Ventures and CORE;

Whereas, Evaluation of the finalists was based on the expressed desires of City Council for development of the site, the conceptual project planning, design, architecture, experience, financial resources, experience with engaging community stakeholder and the overall benefit and value to the City;

Whereas, After due consideration and for the reason stated here and in the attached memorandum, the City Administrator recommends the selection of CORE, as the finalist with the best qualified offer; and

Whereas, City Council desires that CORE consider including additional public benefits in the development of the site beyond that which is proposed, including: affordable housing, additional elements of environmentally responsible design and construction, and improved pedestrian connectivity;

RESOLVED, That City Council affirm and approve the selection of CORE as the finalist with the best qualified offer;

RESOLVED, That the City Administrator and the City Attorney are authorized and directed to enter into contract negotiations with CORE and present a proposed Sale Agreement to City Council for its consideration by the second meeting in April 2016;

RESOLVED, That the City Administrator and the City Attorney are authorized and directed to negotiate the following additional community benefits to be included in a proposed Sale Agreement, if agreement regarding such terms can be reached with CORE:

- The inclusion of 10% of all housing units as workforce housing (affordable housing for lower income households, as defined by Ann Arbor City Code, rented at 60% to 80% of AMI), with possible funding to offset lower rental revenue to be provided by the Ann Arbor Downtown Development Authority and the City of Ann Arbor;
- A higher level of LEED Certification than the proposed LEED Silver designation (with a preference of LEED Platinum), or proof of the inclusion of additional resource and energy efficient construction and building performance standards equivalent to such higher level of LEED Certification;
- Building and site design that provides improved pedestrian connectivity from Fifth Avenue to Liberty Plaza park, as well as from Blake Transit Center to the site;

RESOLVED, That should at any time the City Administrator and City Attorney determine the negotiations with CORE to be ineffective, they shall immediately report to City Council the status of the negotiations and specific recommendations, including but not limited to ceasing all activities with CORE; and

RESOLVED, That the selection of CORE does not alter the process required or approvals needed for the sale, lease and development of the property.

As Amended by Ann Arbor City Council on January 19, 2016

EXHIBIT C

DEAL POINTS RESPONSE



MEMORANDUM

DATE: March 9, 2017

TO: City of Ann Arbor
C/o Tom Crawford and Kevin McDonald

RE: 5th and Library Purchase Contract Deal Points

The Core Spaces team remains extremely excited about this development and is greatly appreciative for the opportunity to be in exclusive negotiations on a Purchase Agreement with the City for the acquisition of the subject property. To further our commitments stated within our proposal, we have worked with the City on identifying additional deal points that will become commitments and obligations of both parties upon adding them to a Purchase Agreement. The purpose of this memorandum is to outline the major deal points and provide more detail on how we propose to structure these into an Agreement. The specific details on several points remain open to further negotiation and discussion. Below is the outline of the proposed deal points:

Workforce Housing:

To meet the goal established in the Amendment to the Resolution to provide 10% workforce housing, we offer the following:

- Core Spaces will commit to leasing up to 12% (43 units) of the currently anticipated 354 apartment units at rental rates based on 150% of Fair Market Rents (FMRs) at the time the units are leased. See attached memo delineating the current rents and related calculations method. (FMRs include the amount of all tenant-paid water, sewer, electric and gas expenses.)
- Instead of 12% of the units at 150% FMR, Core Spaces will commit to leasing up to 9% (32 units) of the currently anticipated 354 units at 120% of FMR at the time the units are leased.
- Additionally, Core Spaces will commit to increasing the percentage of units offered at 150% FMR from 12% to 14.5% (an additional nine units) with a contribution from the City to make up the loss in value as a result of a decrease in net operating income. The contribution from the City would be \$1,475,000.
- The workforce units offered will be limited to a mix of efficiencies, studios, and one bedroom units.



- Workforce units will only be leased to applicants that qualify with household incomes ranging from 60% to 100% AMI for the 150% of FMR rates and 50% to 80% AMI for 120% of FMR rates.
 - Core Spaces will offer the workforce units on a first come first serve basis to income-qualified tenants. However, units will not be held vacant if income-qualified tenants are not available. Should units not be available for workforce housing the qualified applicant will reside at the top of a waiting list for the next available qualifying unit.
 - Workforce units will not be materially different from units rented at standard rates. (Units will be of the same size, feature the same finishes, etc.)
- Income qualification of tenants will be completed by Core Spaces, and will be reviewed by the Washtenaw County Office of Community and Economic Development.
- Workforce units will be provided in the development in perpetuity.

Parking:

Core Spaces anticipates the proposed development include a lease of parking permits to adequately serve the needs of the mixed uses. The parking agreement shall be structured as follows:

- 196 - 24-hour equivalent parking permits will be leased in the City-owned Library Lane Structure located beneath the proposed development. The 196 permits are calculated as 196 permits for 24 hours per day for each year. Therefore, if Core Spaces elects to designate the use of off-peak permits (currently 15 hours), the remaining 9 hours will be available for additional permits.
- 85 – 24-hour equivalent parking permits will be leased at the City-owned Fourth and William Structure. All parking permits in the Fourth and William Structure may be replaced by the City with permits in another structure in the same parking district if the Fourth and William Parking Structure is not in use. The parking district includes the Library Lane Structure, the Fourth and William Structure and the Fourth and Washington Structure.
- 80 off-peak parking permits will be leased at the City-owned Fourth and William Structure.
- Core Spaces will lease the required parking permits in accordance with the Downtown Development Authority's current standard monthly permit rate, and in addition will pay any surcharge related to multi-permit contracts.
- Annual increases in the monthly rate shall be consistent with the Downtown Development Authority established standard monthly permit rates, and in no event shall rates increase more in any given year than the average increase in all garages located in the same parking district.
- Core Spaces shall notify the City and the Downtown Development Authority of its specific parking permit requirements no less than 60 days prior to the start date of the parking lease. Thereafter, Core Spaces shall notify the City and the Downtown Development Authority of its parking requirements for the following calendar year no less than 60 days prior to the end of



each calendar year. The number of leased parking permits shall never exceed the totals above, but during the first three years the total number of leased permits can fluctuate upward and downward by a maximum number of 50 permits. After the first three years, Core Spaces shall be allowed to permanently reduce the overall number of parking permits to the minimum amount of parking required by Ann Arbor City Code.

- Core Spaces may elect, at its sole discretion, and with 90 days prior notice to the Downtown Development Authority, to release a portion of the 196 parking permits at the Library Lane Structure so that these permits may be used to accommodate other needs unrelated to the development. In that event, and subject to availability as determined by the Downtown Development Authority, the number of parking permits released shall still be provided in the Fourth and William Structure.
- Core Spaces shall be permitted to sublease parking permits to its residential tenants, hotel operator (including guest parking) and other entities that operate within the property including, but not limited to, office tenants and retail tenants, including employees of above, as well as for visitor and customer use. Core Spaces will have complete and sole discretion as to the rate it charges its sub-lessee (rental rate charged to sublessee can be more than or less than the rate that Core Spaces pays to the Downtown Development Authority).
- Core Spaces shall not allow its lessees to sublease parking permits and shall include language prohibiting subleasing in all of its leases associated with the proposed development. Unauthorized subletting of parking permits shall make those permits subject to cancellation.
- Core Spaces shall be allowed to permanently reduce at any time the overall number of parking permits to the minimum amount of parking required by Ann Arbor City Code.
- The agreement will be for a 20-year term with two 15-year renewal terms, which will be similar to the terms offered in other Downtown Development Authority parking contracts.

Design:

The design developed for the Library Lane project shall adhere to the City of Ann Arbor Downtown Design Guidelines with additional consideration for the Design Element Priorities outlined within the Ann Arbor Downtown Street Design Manual. This high-quality development commits to enhancing the street-level pedestrian experience, and to contributing to the vitality of downtown and identity of the Midtown Character District.

- Core Spaces shall be obligated to follow the Downtown Design Guidelines. As part of that obligation, the project will be presented to the Ann Arbor Design Review Board. The project shall be reviewed by the City's Design Review Board consistent with the requirements of Ann Arbor City Code. In addition to this required review, CORE shall present the Project to the Design Review Board a second time in order to provide an additional opportunity for review and comment by the Board.
- The approach to design for context and site planning shall include reinforcing the positive characteristics of adjacent sites and enriching the pedestrian experience through the use of



urban pattern and form. As a corner site, the design will be expressed with a public plaza framed by an architecturally significant building. Site planning will involve orienting the building location to accommodate climate patterns as well as multi-modal transportation.

- The approach to massing design will feature building elements that are stepped away from adjacent lower height buildings along Fifth Avenue and provide a clear definition between the building base and upper levels. This definition includes a differentiated building top.
- Clearly defined building entries will be punctuated with architectural canopies and accent lighting. Visually interesting building elements, such as architectural details and art features, will provide a sense of scale that invites pedestrian activity at the street edge. This includes the use of window design and placement and ground floor storefronts.
- With a commitment to maximize activity and usability, open space will be located where the highest level of pedestrian activity is anticipated. The open space serves as a focal point on this site, oriented toward Fifth Avenue, with dining opportunities, seating areas, public art, lighting, water features, architectural details, and, decorative paving. By providing both covered and uncovered areas, the plaza would be designed to accommodate a wide range of activities and uses.
- Pedestrian connections throughout the development will integrate with the existing infrastructure and aim to enliven the pedestrian experience. The connections will utilize spatial opportunities to create efficient circulation. The location and size of driveways, access points, alleys, and trash receptacles will be designed to minimize pedestrian impact and focus on safety and circulation.
- Sustainable technologies will reinforce a walkable community and aim to result in an energy efficient building. Natural systems employed will include site features that allow for shade in the summer and sun in the winter supplemented by plant groups that provide wind protection and are tolerant to urban conditions. Further, by placing the building to the north of the public plaza, the open space is optimized to receive full solar exposure.
- All plans and public presentations to show building in its true color as it will appear as opposed to an enhanced image emphasizing some particular aspect or color of the building (or showing the effect of light at different times of day, or sky colors). Architectural elevations will show how the building will look on a cloudy day without reflection or enhancement, and will indicate proposed architectural materials to the greatest extent possible.
- The design and appearance of the building shall be substantially similar to the attached drawings and shall incorporate the requirements listed below under 'Building Design.'
- To allow flexibility and responsiveness in our approach to design as we go through the design review process, the City's Council shall have the ability to waive any of the design requirements included in this memorandum to allow a building design that may be different from the current proposal.



Building Design:

- The lower floors shall be differentiated architecturally from the remainder of the building.
- Construction will be of high-quality materials including stone, brick, glass, metal panels, steel, and glass mullion system. No vinyl, EIFS, composite materials such as fiber cement paneling or siding will be utilized.
- The height of the street level floor, from finished floor level to ceiling shall be between 15-20 feet.
- Glazing on the upper level of the building on all facades shall utilize vision glazing to the maximum extent permitted by the current energy code. The current energy code limits the use of vision glass to a maximum of 40% within residential portions of the building. To the extent possible, CORE will attempt to maximize glazing on the south, east and west facades. Use of any reflective or high tinted glass shall not count toward this goal.
- A minimum Floor Area Ratio of 500% shall be achieved on the site.
- Primary building entrances shall be highlighted with lighting, signage, materials, and detailing. Primary entrances shall be recessed off the sidewalk to limit high-pedestrian entry conflicts.
- Provide pedestrian-oriented uses on Fifth and Library Lane facades. No more than 25% of these facades shall be occupied by uses which have no need for or discourage walk-in traffic.
- A minimum of 70% of the pedestrian level facing the Public Plaza shall be transparent windows and doors. These transparent windows shall remain free of curtains, decals, window displays, or other visual obstructions by tenants or occupants, with the exception of retail business signs and retail business displays.

Streetscape/Pedestrian:

- There will be a pedestrian pathway around the building of at least 10 feet in width except on the east side of the building. On the east side of the building, the pedestrian path will be approximately 6 feet in width due to the existing north-south driveway access.
- A minimum of 60% of the street floor level shall be transparent windows and doors along the 5th Ave and Library Lane facing facades.
- Overhead cover shall be provided that offers adequate pedestrian protection from rain and snow, along the Fifth and Library Lane facades.



- A minimum of 1 foot-candle of warm light shall be provided in all space between the building façade and curb along streets.
- Driveways, access points, alleys, and trash receptacles will be designed to minimize pedestrian impact.

Zoning and Development Standards:

- The project shall comply with all City's zoning and development ordinances and standards. All ordinances and standards shall apply to the entire site (including existing site improvements) consistent with all other development in the City.

Sustainability:

Core Spaces originally proposed to pursue LEED Silver and will now commit to pursuing the equivalent of Gold certification under LEED Version 2009. Core Spaces will not necessarily seek certification by the LEED organization. The targeted LEED Gold checklist objectives shall include, but are not limited to:

- Alternative transportation, site development, and heat island effect credits under Sustainable Sites;
- Water use reduction and innovate wastewater technologies credits under Water Efficiency;
- Energy performance, commissioning, and green power credits under Energy and Atmosphere;
- Construction waste management, recycled content, and regional materials credits under Materials and Resources;
- Construction IAQ management plan and low-emitting materials credits under Indoor Environmental Quality; and,
- Innovation in design and regional priority credits under Innovation and Design Process and Regional Priority Credits.

Connectivity:

The Core Spaces design team is diligent in working with input from the City and citizens to articulate a connectivity plan that transforms the site's spatial opportunities and engages pedestrians.

- The plan is defined by continuous pedestrian pathways that frame the site connecting adjacent properties with the new public plaza. All site connectivity originates from the perimeter pedestrian pathway. This connectivity expands from the public plaza fronting 5th



Avenue and Library Lane on the west and south, respectively, across the property's north and east boundaries.

- This safe and efficient connectivity plan anticipates future connections and improves the street-level pedestrian experience with essential circulation between Liberty Plaza and the Blake Transit Center. Current and future pedestrian linkages from the perimeter path unite the development with East William to the south and East Liberty to the north.
- The existing driveway along the northern and eastern borders of the site is a potential opportunity to improve connectivity for the entire block. The goal is to find a way to invigorate the pedestrian flow along the driveway, and our connectivity path, while dealing with the service aspects of the driveway.

Aligned with the goals of the Allen Creek Greenway, the purpose and focus of the pedestrian pathway and public plaza are to provide connectivity and anchor points. From all sides, the connectivity plan provides pedestrians with a clearly defined means for traversing this city block. The pathway's southern and western perimeters extend from the public plaza and span the sidewalks along Library Lane and 5th Avenue. A safe and comfortable walkway along the northern and eastern perimeters joins these sidewalks to complete the site's continuous pedestrian pathway.

Driveway Access:

- The driveway on the northern and eastern borders of the site is currently used for vehicle access for neighboring properties, and a best effort will be made to maintain access during the construction period and provide notice for any necessary temporary closure. The design will include elements to make the driveway available to vehicular traffic and also make it pedestrian friendly. Permanent public use of the driveway will be included in the development.

Public Plaza:

See attached Plaza area plans.

- Developer shall construct a Public Plaza that covers an area of at least 12,000 square feet. The Plaza shall contain at least five of the design amenities as shown on the Plaza area plan.
- The final design of the Plaza shall be subject to the approval of Ann Arbor City Council after receiving a recommendation from the Parks Advisory Commission.
- The Plaza and all Plaza elements shall be designed and constructed in compliance with all applicable ADA requirements.
- The Developer shall construct the Plaza and shall not make any material changes to any plaza elements or remove any plaza elements without prior written approval of the Community Services Administrator or designee.
- Developer shall grant an easement to the City for public use of the Plaza consistent with public use of a park.



- The City and Developer shall establish rules for the Plaza based on the City park rules in Chapter 39 of Ann Arbor City Code. The developer may have Plaza hours extend beyond those provided in park rules.
- Day-to-day operation and management of the Plaza shall be the responsibility of the Developer, including providing security, cleaning, and maintenance.
- The Plaza shall be available for use for community events by organization and individuals.
- Developer shall facilitate programming and activities in the Plaza by:
 - Developing a promotional package that will be available to the public on use and rental of the Plaza
 - Managing the programming of the Plaza through an onsite property manager
 - Providing a small kiosk or information station with details on Plaza programming and availability
 - Proactively identifying community partners to provide programming in the Plaza
 - Holding meetings at least annually with programming partners and interested community members and organizations
 - Providing \$25,000 (including in-kind personnel) in support per year for Plaza programming
 - Any rental fees shall be consistent with other parks facilities rental fees in the City.
- Developer reserves the right to seasonally or temporarily cordon off up to 2,000 square feet of the Plaza to be used as an outdoor dining area in association with and directly adjacent to retail and hotel uses within the building. Designated areas shall be shown on the final design of the plaza.

Transaction:

- Core Spaces shall pay \$100,000 in earnest money to the City upon signing the Purchase Agreement. The balance of the \$10 million purchase price shall be paid at closing. The Purchase Agreement shall allow 360 days to close contingent on site plan approval and completion of the condominium master deed and other necessary closing documents. The Purchase Agreement shall allow two 90 day extensions at the discretion of the City Administrator.
- Core Spaces shall grant the City a right to repurchase the property in seven years from closing if the project has not been developed or a final certificate of occupancy has not been issued at an agreed upon fair market value based on the appraised value at the time of the repurchase.



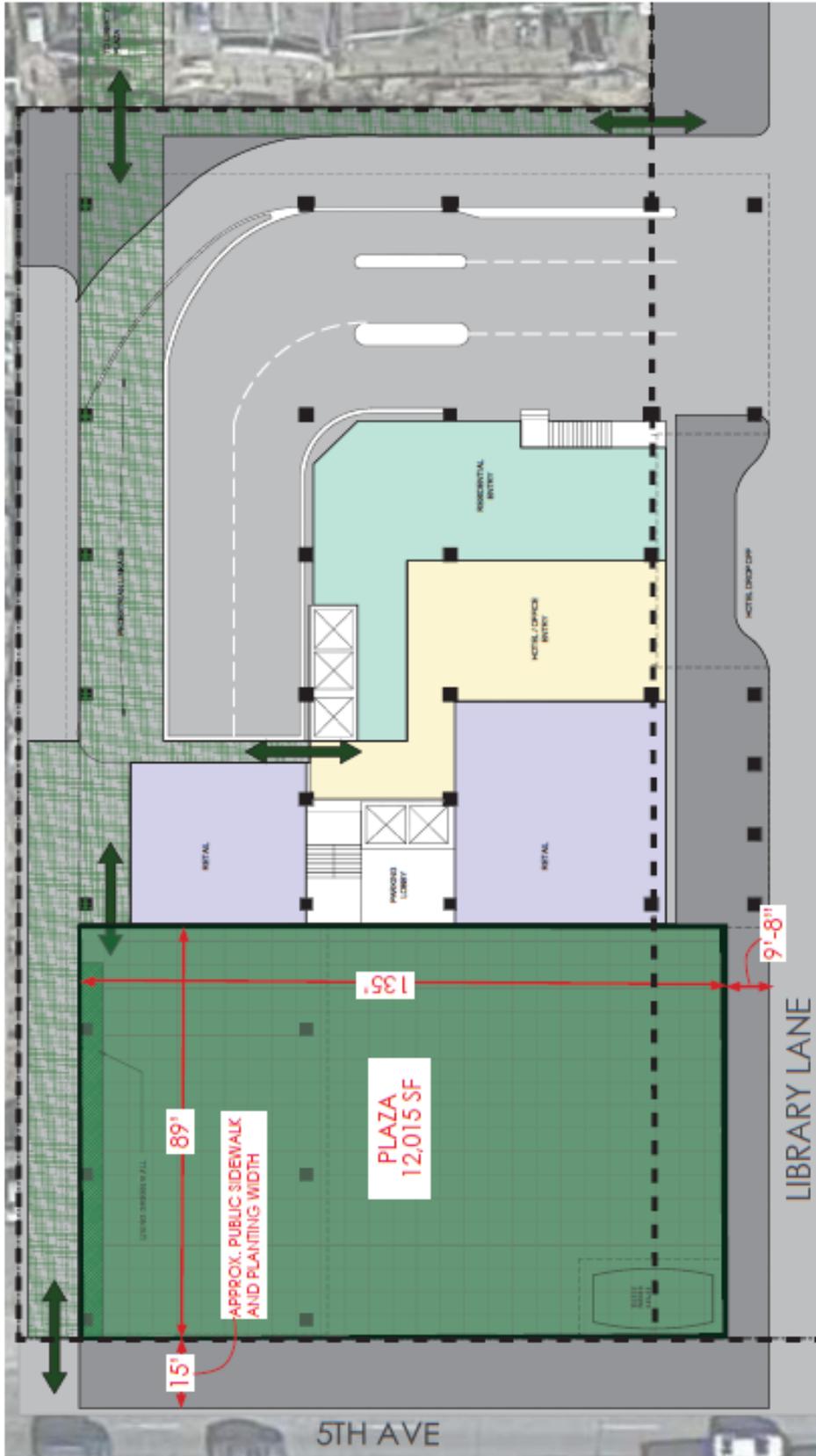
We look forward to finalizing the Purchase Agreement and taking the next step towards a magnificent development which will further enhance the City of Ann Arbor.

Sincerely,

Tom Harrington, Jr.
Core Spaces, LLC

Cc: Eric Grimm
Marc Lifshin
Brian Neiswender



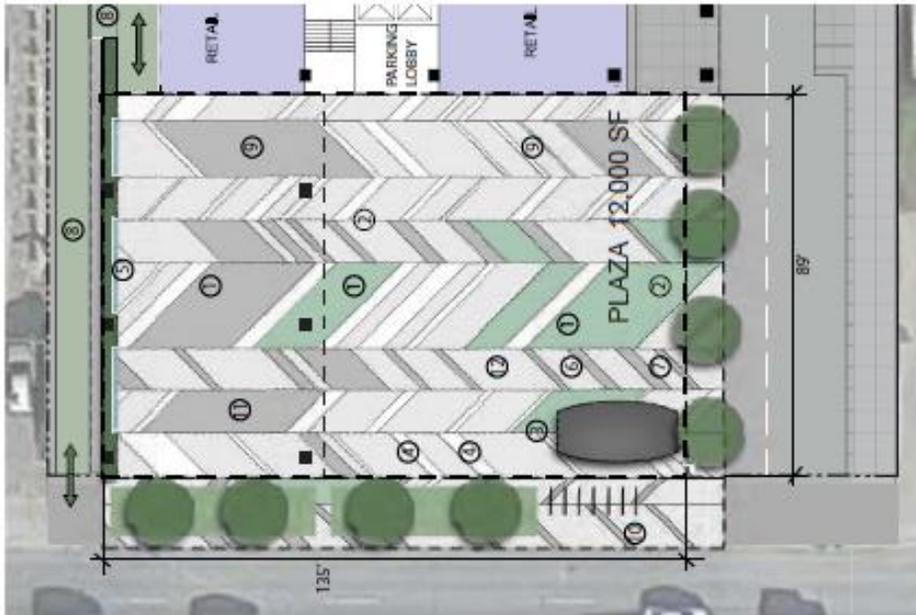


03.17.2016

PLAZA AREA PLAN
SCALE 1" = 20'

COLLECTIVE ON 5TH





MA
MYEFSKI
ARCHITECTS

PLAZA
1" = 80'-0"
03.17.2016
0 40 80 160

PLAZA AREA PLAN

CORE
S P A C E S

COLLECTIVE ON 5TH



SENT VIA EMAIL

From: Mitch Dalton
 2234 W North Ave
 Chicago, IL 60647

**RE: MI - Ann Arbor - Library Lane
 FY2016 Fair Market Rent (FMR) Geography Summary for Ann Arbor, MI MSA**

The Office of Management and Budget release new Core Based Statistical Area definitions in February 2013. The Census American Community Survey incorporated these definitions in the ACS2013 release, which are the basis for FY2016 Fair Market Rents. HUD has elected to continue use of the pre-2013 definitions except where the post-2013 definitions result in a smaller FMR area. This is consistent with HUD's objective to maximize tenant choice by allowing FMRs to vary locally.

HUD determines the Fair Market Rent by doing a rental market study and uses the 40th percentile of rental rates by unit size from the previous 2 years (not including new units and subsidized units).

Final FY 2016 FMRs By Unit Bedrooms

	Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Per Unit	\$769.00	\$851.00	\$1,019.00	\$1,396.00	\$1,779.00
Per Bed	\$769.00	\$851.00	\$509.50	\$465.33	\$444.75
120%	\$922.80	\$1,021.20	\$611.40	\$558.40	\$533.70
150%	\$1,153.50	\$1,276.50	\$764.25	\$698.00	\$667.13

	2015 FMR - 150%	Proforma - 150% FMR	2016 FMR - 150%
Efficiency	-	\$1,023	\$1,153.50
Studio	-	\$1,023	\$1,153.50
1 Bedroom	1204.5	\$1,095	\$1,276.50
2 Bedrooms	1426.5	\$647	\$764.25

Fair Market Rent Calculation Methodology

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2009-2013 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for

FY2016 provided the estimate is statistically reliable. The test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself.

2. If an area does not have a reliable 2009-2013 5-year, HUD checks whether the area has had a reliable estimate in any of the past 5 years. If so, the most recent reliable estimate is updated by the change in the area's corresponding State metropolitan or non-metropolitan area from the year of the most recent reliable estimate to 2009. This update value becomes the basis for FY2016.
3. If an area has not had a reliable estimate in the past 5 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2016.
4. HUD calculates a recent mover adjustment factor by comparing a 2013 1-year 40th percentile recent mover 2-bedroom rent to the 2009-2013 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
5. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
6. Rents are calculated as of 2014 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2013 to annual 2014.
7. All estimates are then inflated from 2014 to FY2016 using a trend factor based on the forecast of gross rent changes through FY2016.
8. FY2016 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.

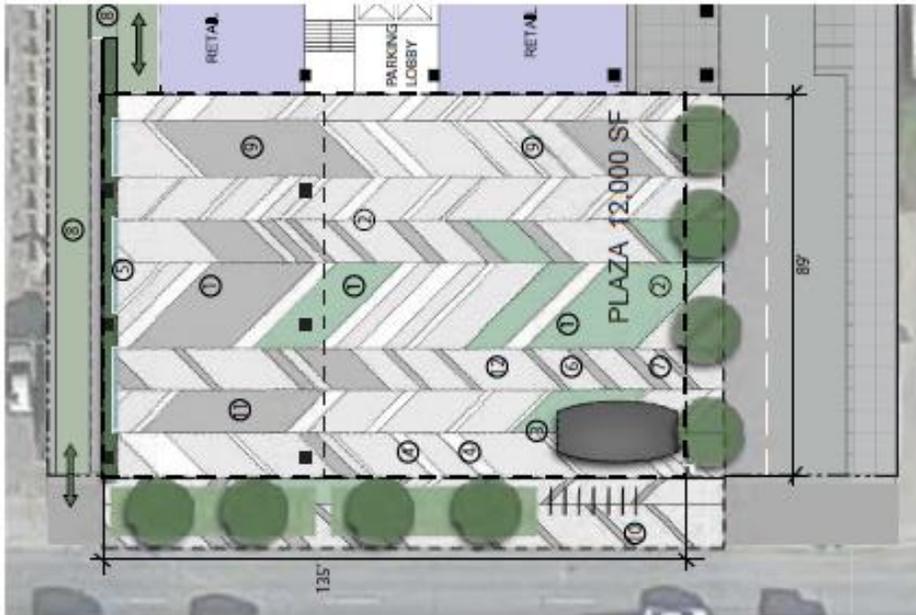
Source:

[http://www.huduser.gov/portal/datasets/fmr/fmrs/fy2016_code/2016summary.odn?
&year=2016&fmrtype=Final&cbsasub=METRO11460M11460](http://www.huduser.gov/portal/datasets/fmr/fmrs/fy2016_code/2016summary.odn?&year=2016&fmrtype=Final&cbsasub=METRO11460M11460)

Ann Arbor Housing Commission - Fiscal Year 2014 One Year Annual Plan

<http://www.a2gov.org/departments/Housing/Documents/FY%2014%2015%20Annual%20Plan%20FINAL%20to%20HUD.pdf#search=FMR>





④ SEATING PLATFORM



③ FOCAL POINT SCULPTURE



② GARDEN PLAZA



① FLEXIBLE ACTIVITY AREA



⑦ INFORMATION SPOT



⑥ CHILDREN'S AREA



⑤ WATER FEATURE



⑨ OUTDOOR DINING TERRACE



⑩ BIKE PARKING



⑧ PEDESTRIAN LINKAGE



⑪ REMOVABLE STAGE



⑫ PLAZA FOUNTAIN

MA
MYEFSKI
ARCHITECTS

PLAZA
1" = 80'-0"
03.17.2016
0 40 80 160

PLAZA AREA PLAN

EXHIBIT D

WORKSHOP POWERPOINT

Council Workshop
March 16, 2017

Library lane



introduction to core spaces



Core Spaces is a full-service real estate development, acquisition and management company. Core leverages the firm's financing structures, extensive experience and creativity to build industry-leading assets on prime, urban sites in educational markets across the country. Core focuses on development opportunities at "Main and Main", using an urban planning mindset that gravitates toward high-density, mixed-use buildings.

Core Spaces was founded by Marc Lifshin and Brian Neiswender, who were partners in a real estate development and management company that consisted of a \$627 million portfolio. After the disposition of the portfolio to a REIT, Core Spaces was formed. Core Spaces has since developed 3.2 million square feet of top-tier, award-winning developments with an additional 2.2 million square feet under development by 2018. This amounts to over 3,500 units in 16 different educational markets across the U.S. from Washington to Florida.



introduction to core spaces



DEVELOP

- Assemble, design, and build the best real estate
- Purpose-built, conventional apartments, hospitality, mixed-use

ACQUIRE

- Identify and create value through creative brainstorming, physical renovation, professional management, and branding overhaul

MANAGE

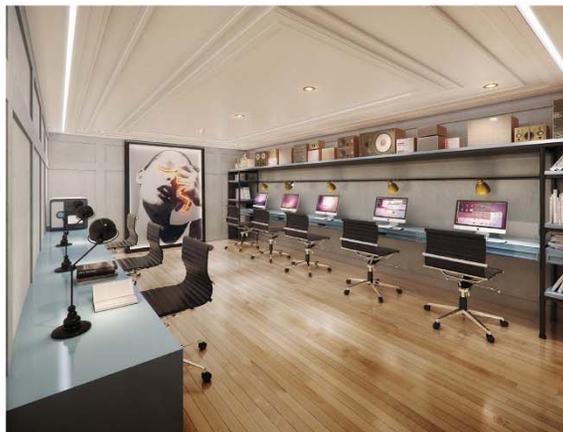
- Customer-focus ensures successful transition, long-term tenant satisfaction, and asset performance



hub ann arbor



hub ann arbor



city process timeline

NINE :: Preliminary Design & Development Offers

FIVE :: Shortlisted Teams

Shortlisted Team Interviews with City Administrators

TWO :: Finalist Teams

Finalist Teams Community Input Meetings

Revised Visions

Finalist Teams Public Open House

Redesigned Schemes

Best and Final Offers

City Administrators Recommend Core Spaces/Myefski Team

City Council Favors Initiating Negotiations with Developer

Business Leaders Meeting #1

Public Session #1 – Public Plaza & Connectivity

Public Session #2 – Public Plaza & Connectivity

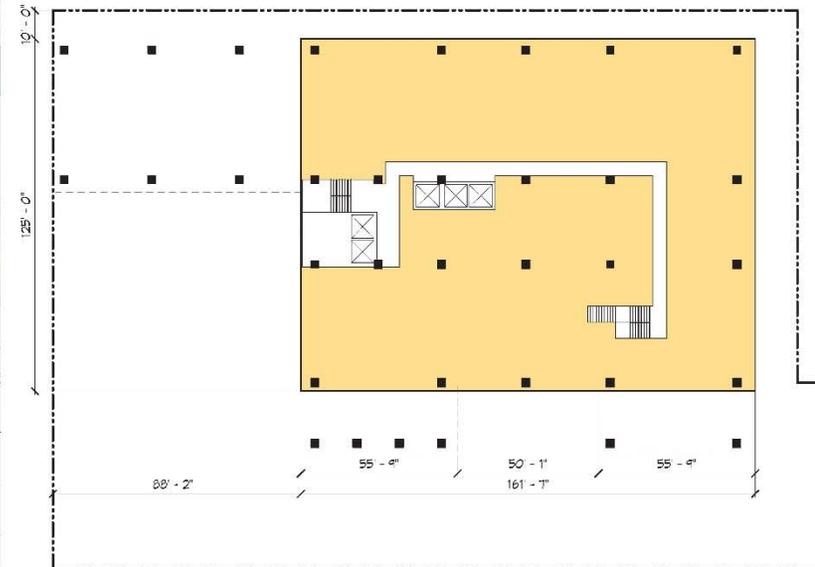
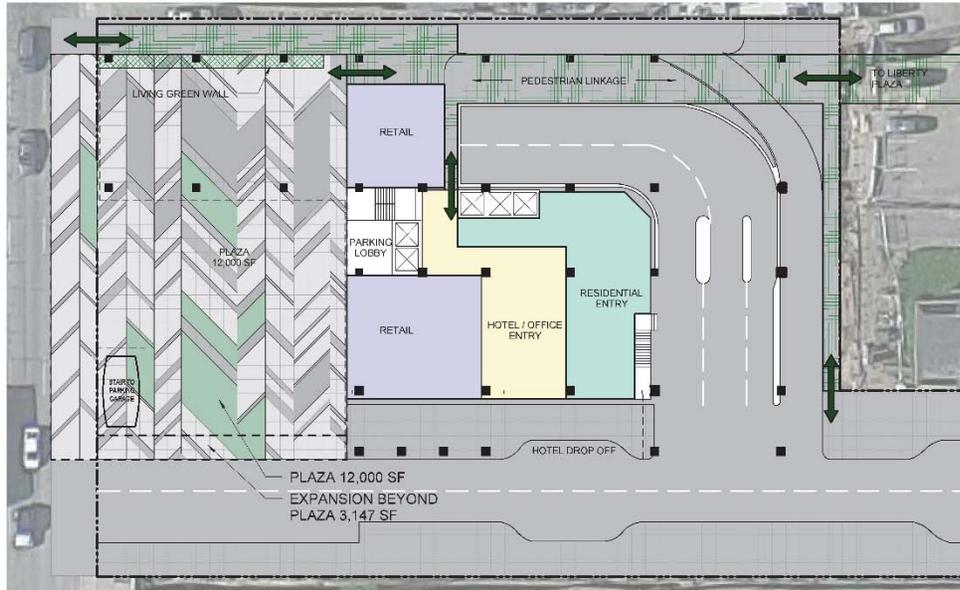
Public Session #3 – Massing & Building Exterior

Business Leaders Meeting #2





floor plans



GROUND LEVEL TOTAL AREAS:

RESIDENTIAL LOBBY =	2,477 SF
RETAIL =	3,375 SF
HOTEL LOBBY =	2,092 SF
COMMON AREA (14.14%) =	1,309 SF

TOTAL AREA = 9,253 SF

PLAZA (NOT INCL. LIBRARY LANE) = 12,000 SF
 PLAZA + EXPANSION = 15,147 SF

360 RESIDENTIAL UNITS
 131 HOTEL ROOMS

TOTAL BUILDING AREAS (17 LEVELS):

GROUND (1ST) =	9,253 SF
OFFICE LEVEL (2ND) =	20,198 SF
HOTEL (3RD - 6TH) =	92,524 SF
RESIDENTIAL (7TH - 17TH) =	230,543 SF

TOTAL AREA (B) = 353,057 SF

OFFICE FLOORS = LEVEL 2

OFFICE TOTAL AREAS FOR 1 LEVEL:

OFFICE USABLE AREA =	17,778 SF
COMMON AREA (11.98%) =	2,420 SF

TOTAL OFFICE AREA = 20,198 SF



COLLECTIVE ON 5TH

SCHEME B FLOOR PLANS

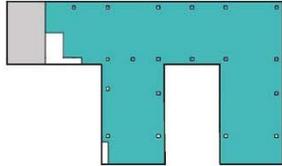
FLOORS 1-2

1" = 40'-0"

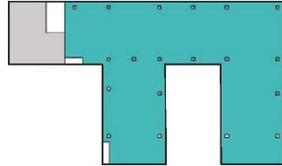
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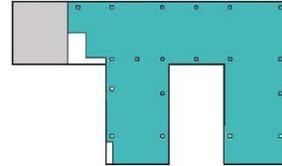
floor plans



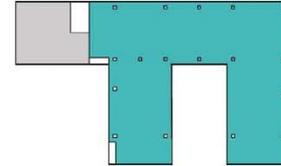
LEVEL 12
 USEABLE AREAS: 17,922 SF
 COMMON (AVG 14.7%): 3,088 SF
 TOTAL RES. AREAS: 21,010 SF



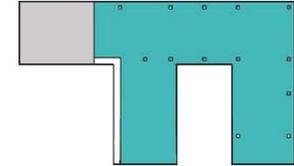
LEVELS 13 - 14
 USEABLE AREAS: 17,533 SF
 COMMON (AVG 14.7%): 3,021 SF
 TOTAL RES. AREAS: 20,554 SF



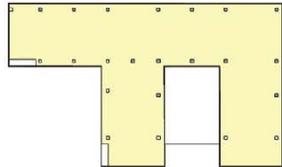
LEVEL 15
 USEABLE AREAS: 17,139 SF
 COMMON (AVG 14.7%): 2,954 SF
 TOTAL RES. AREAS: 20,093 SF



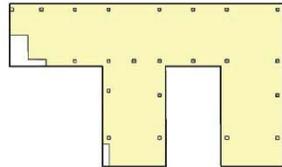
LEVEL 16
 USEABLE AREAS: 16,750 SF
 COMMON (AVG 14.7%): 2,886 SF
 TOTAL RES. AREAS: 19,636 SF



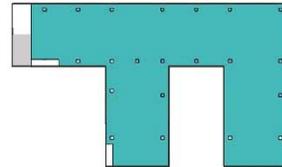
LEVEL 17
 USEABLE AREAS: 16,382 SF
 COMMON (AVG 14.7%): 2,823 SF
 TOTAL RES. AREAS: 19,205 SF



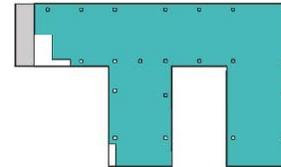
LEVELS 3 - 5
 USEABLE AREAS: 20,049 SF
 COMMON (AVG 13.7%): 3,183 SF
 TOTAL HOTEL AREAS: 23,232 SF



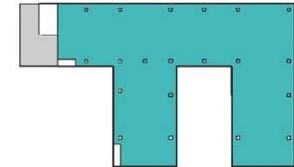
LEVEL 6
 USEABLE AREAS: 19,701 SF
 COMMON (AVG 13.7%): 3,127 SF
 TOTAL HOTEL AREAS: 22,828 SF



LEVELS 7 - 8
 USEABLE AREAS: 19,042 SF
 COMMON (AVG 14.7%): 3,281 SF
 TOTAL RES. AREAS: 22,323 SF



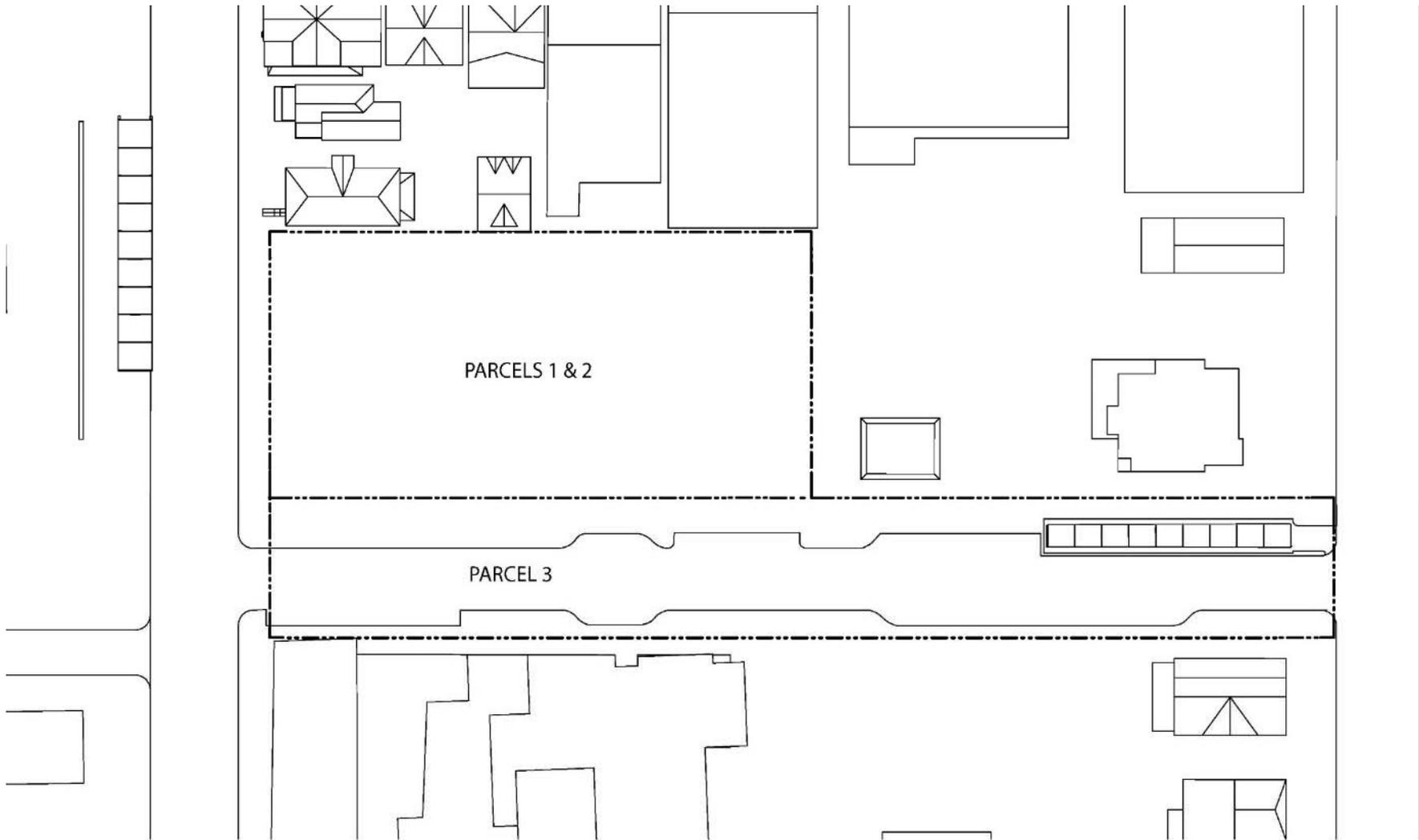
LEVEL 9
 USEABLE AREAS: 18,697 SF
 COMMON (AVG 14.7%): 3,222 SF
 TOTAL RES. AREAS: 21,919 SF



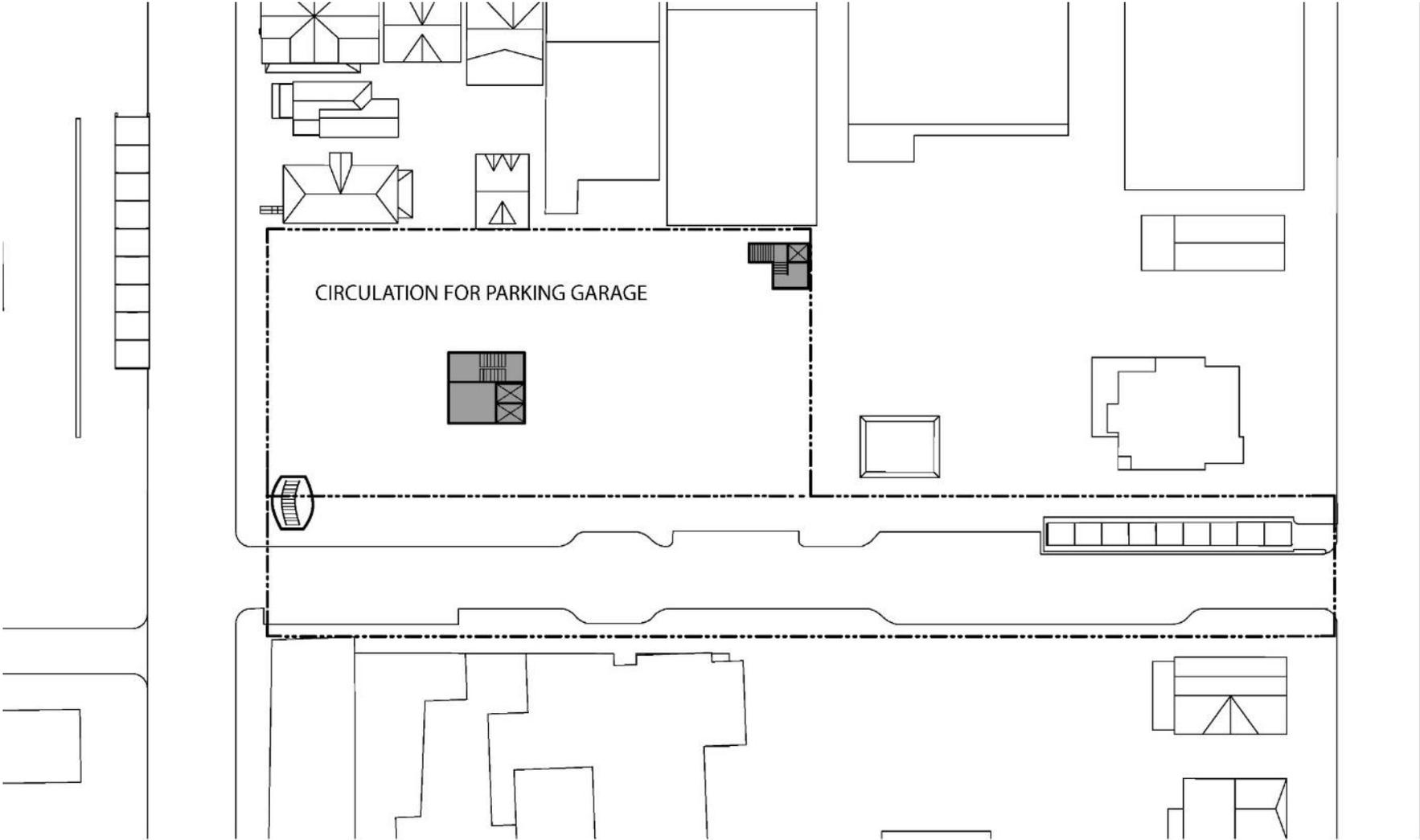
LEVELS 10 - 11
 USEABLE AREAS: 18,308 SF
 COMMON (AVG 14.7%): 3,155 SF
 TOTAL RES. AREAS: 21,463 SF

*LEVELS 1 -2 SAME AS SCHEME C

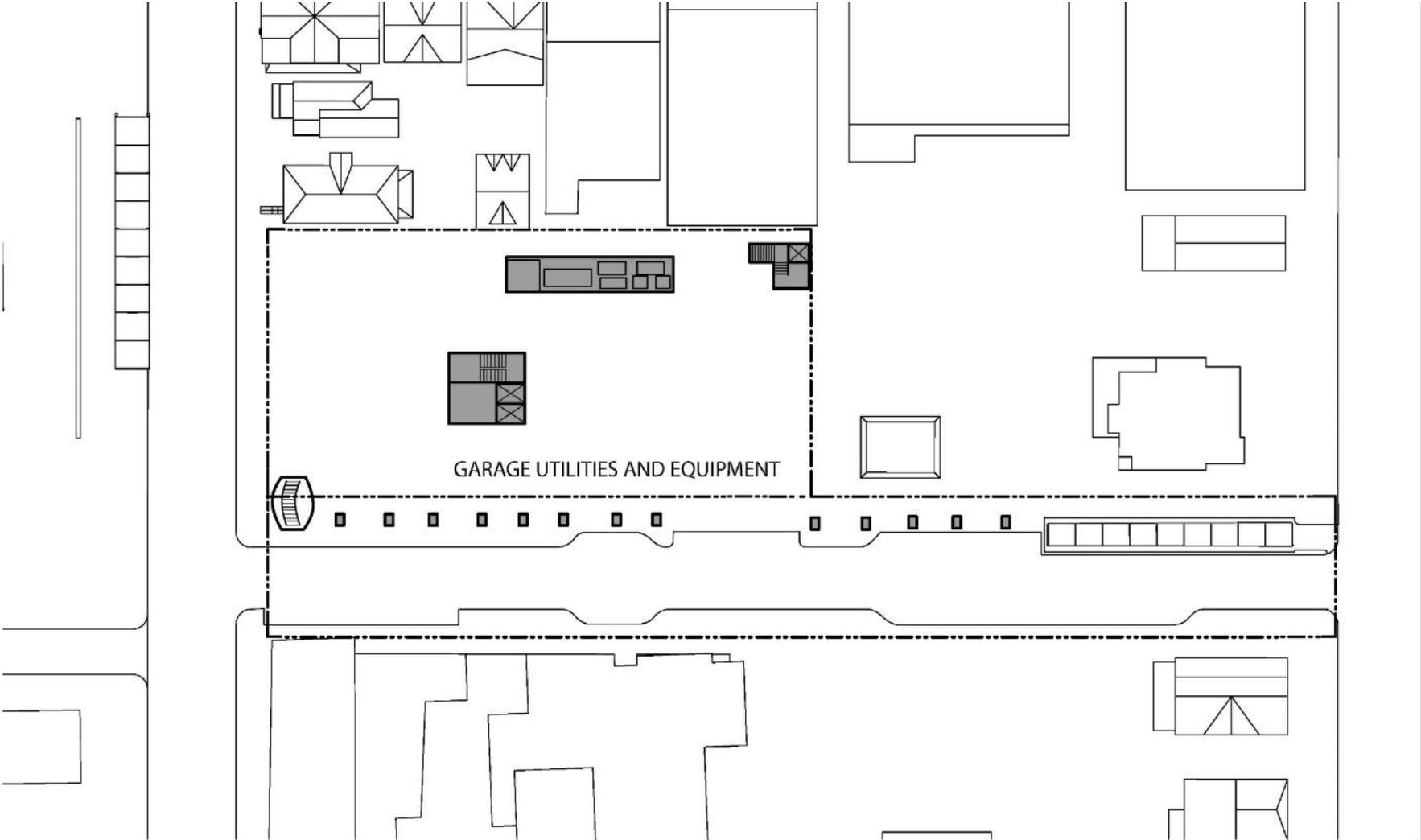
current site utilization



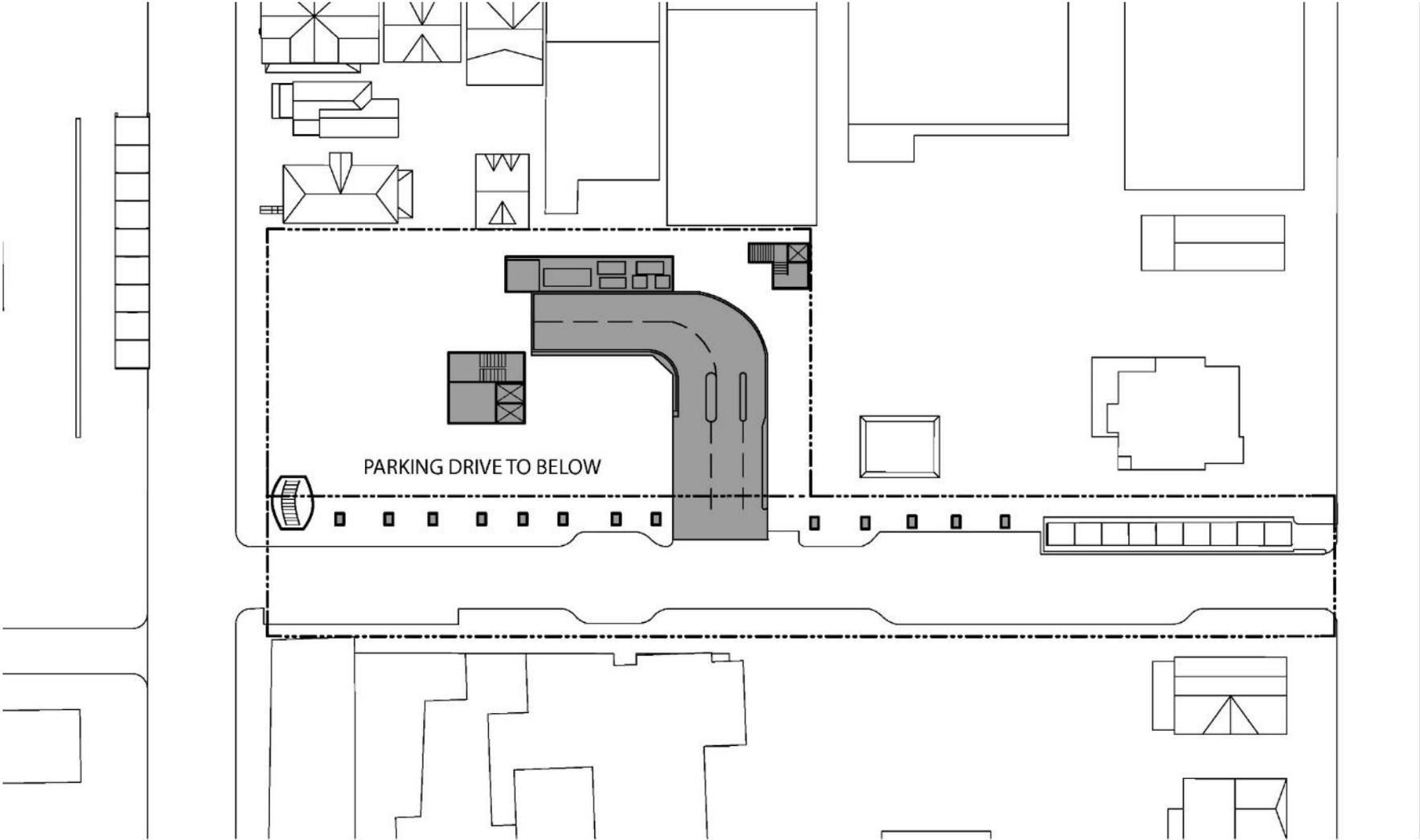
current site utilization



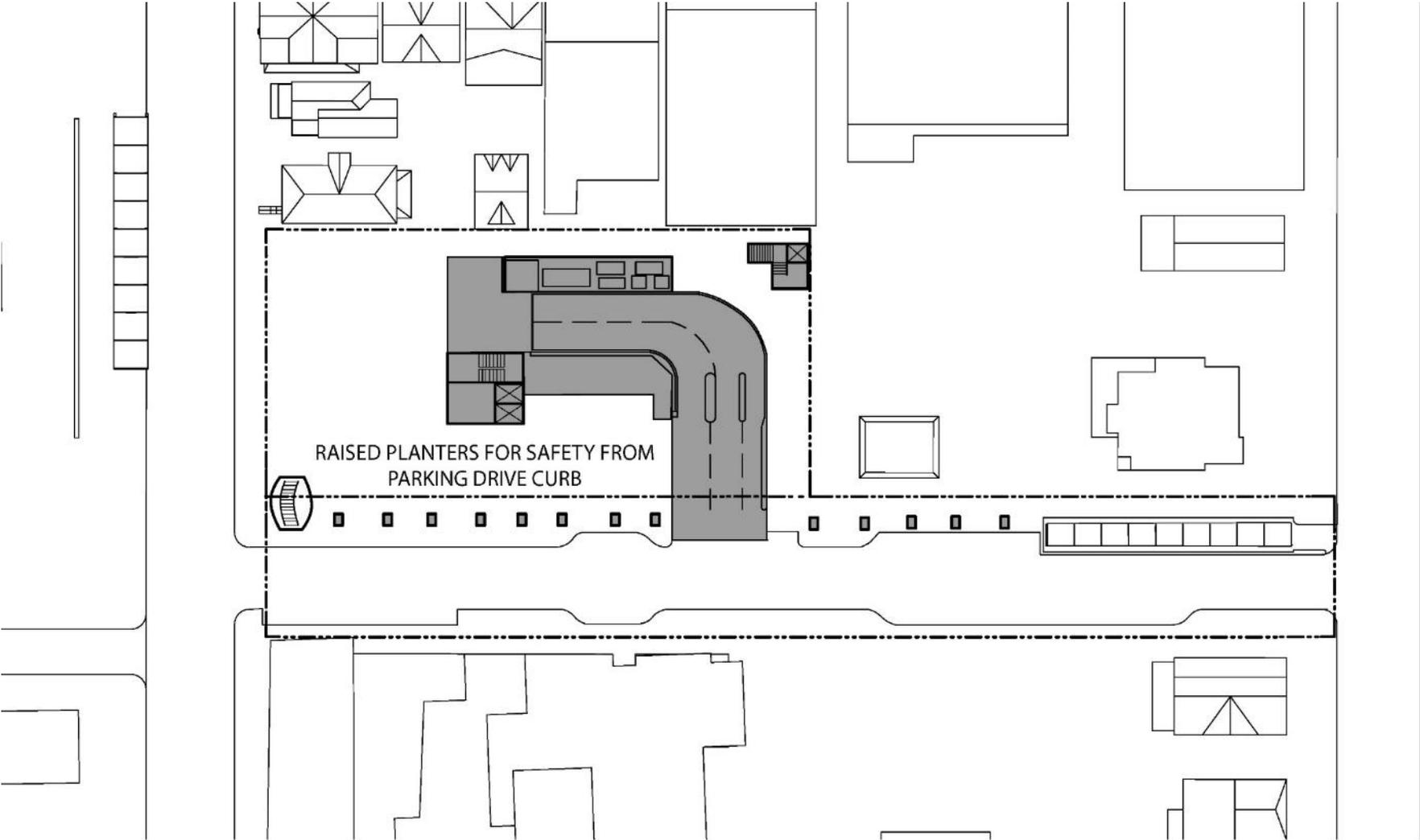
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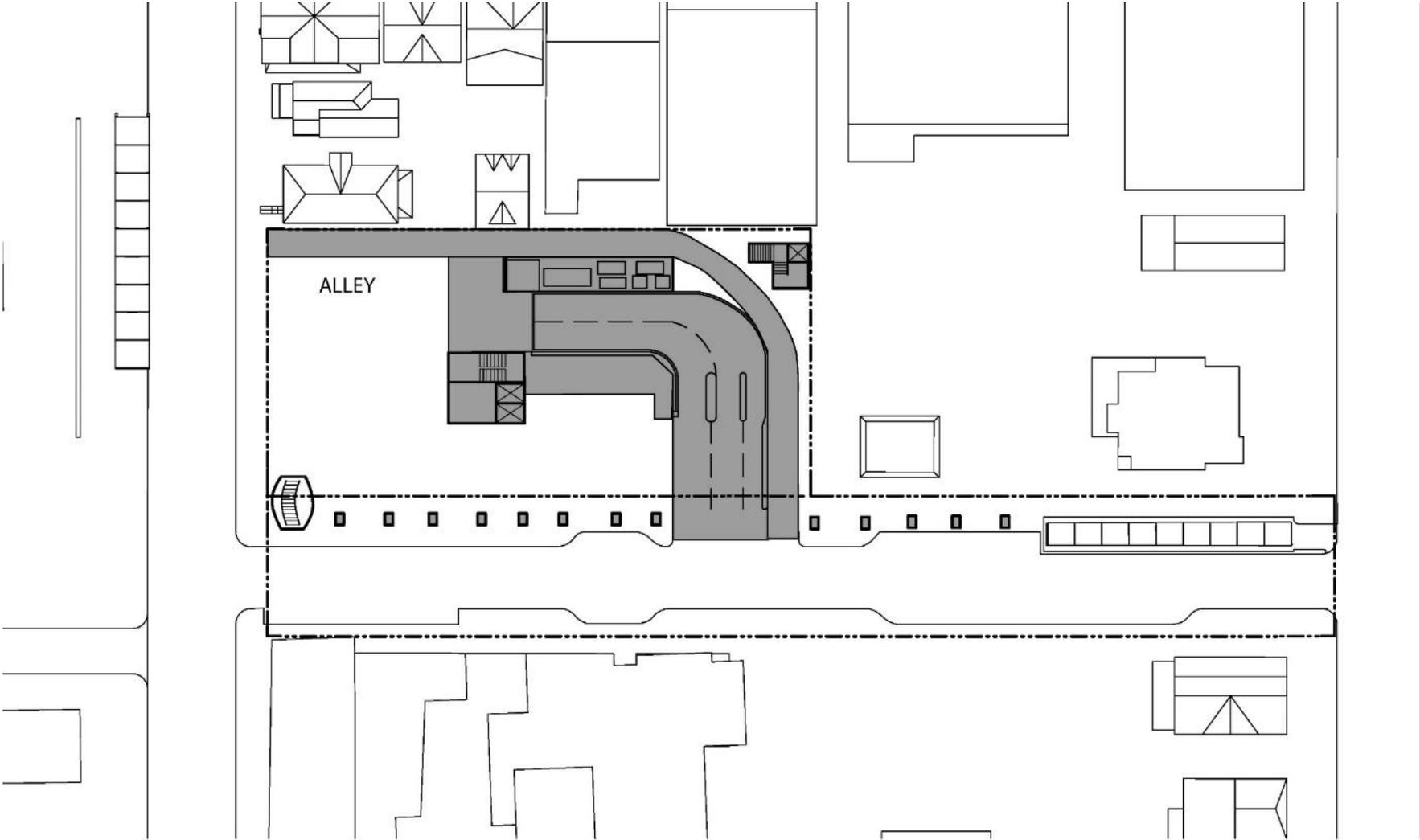
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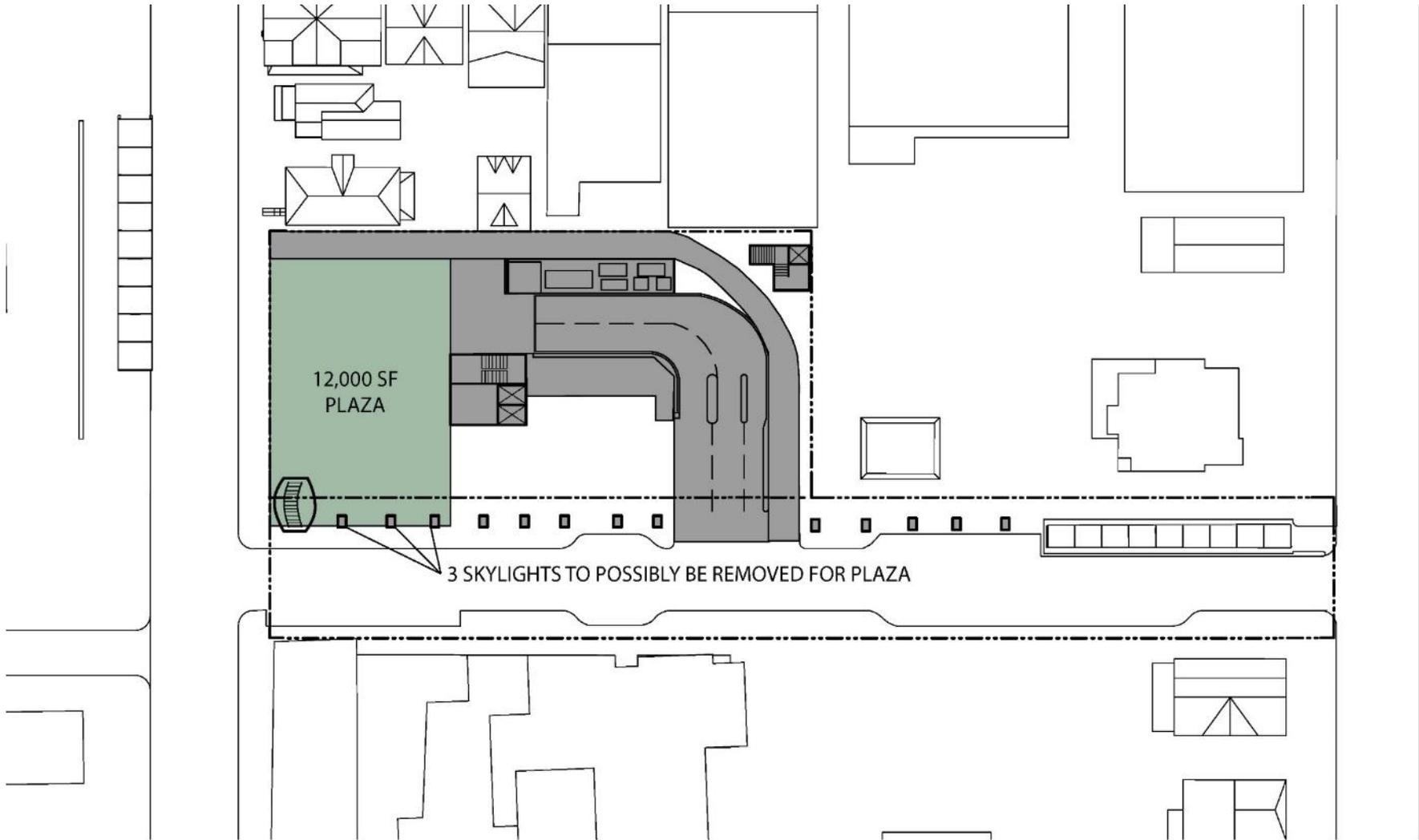
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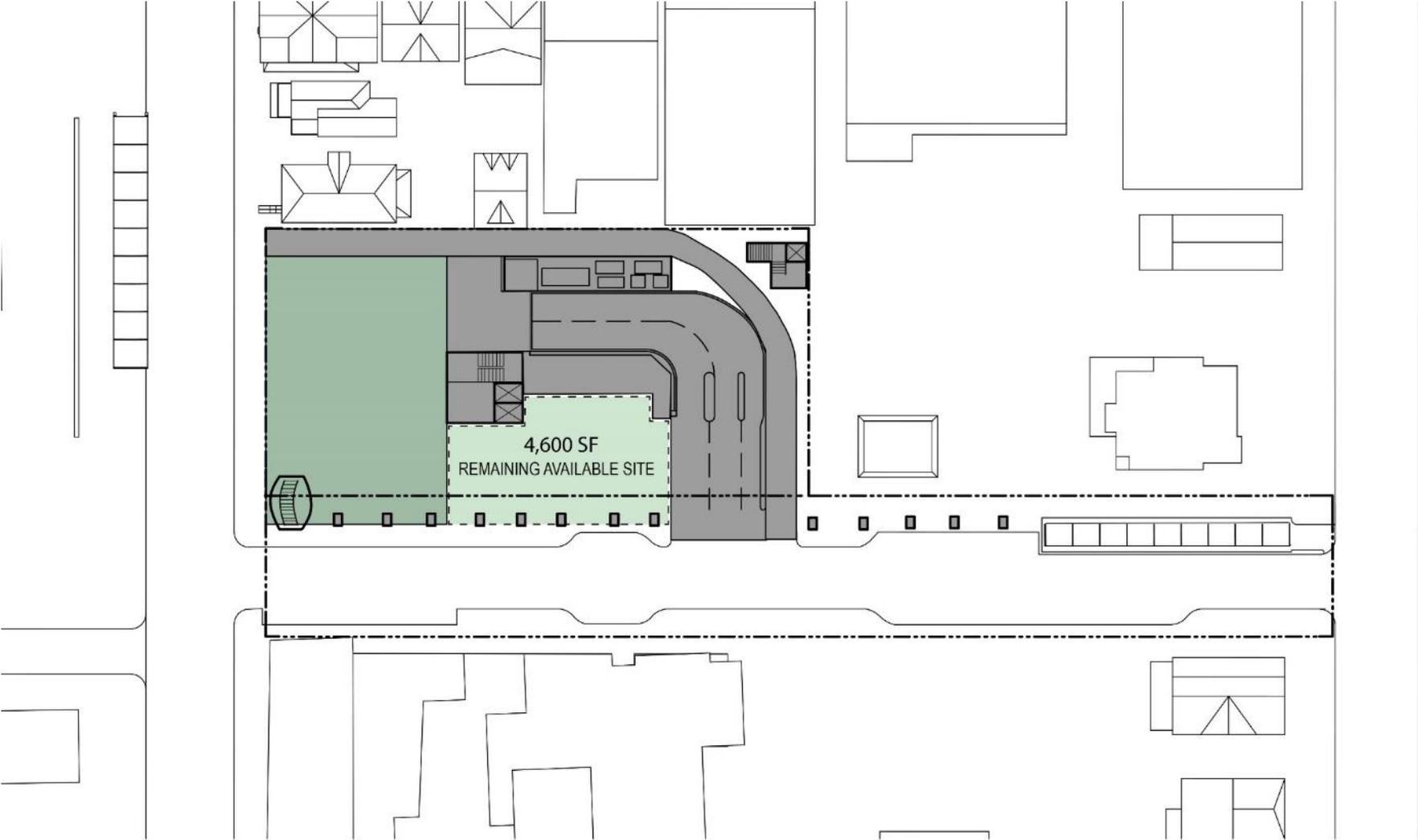
current site utilization



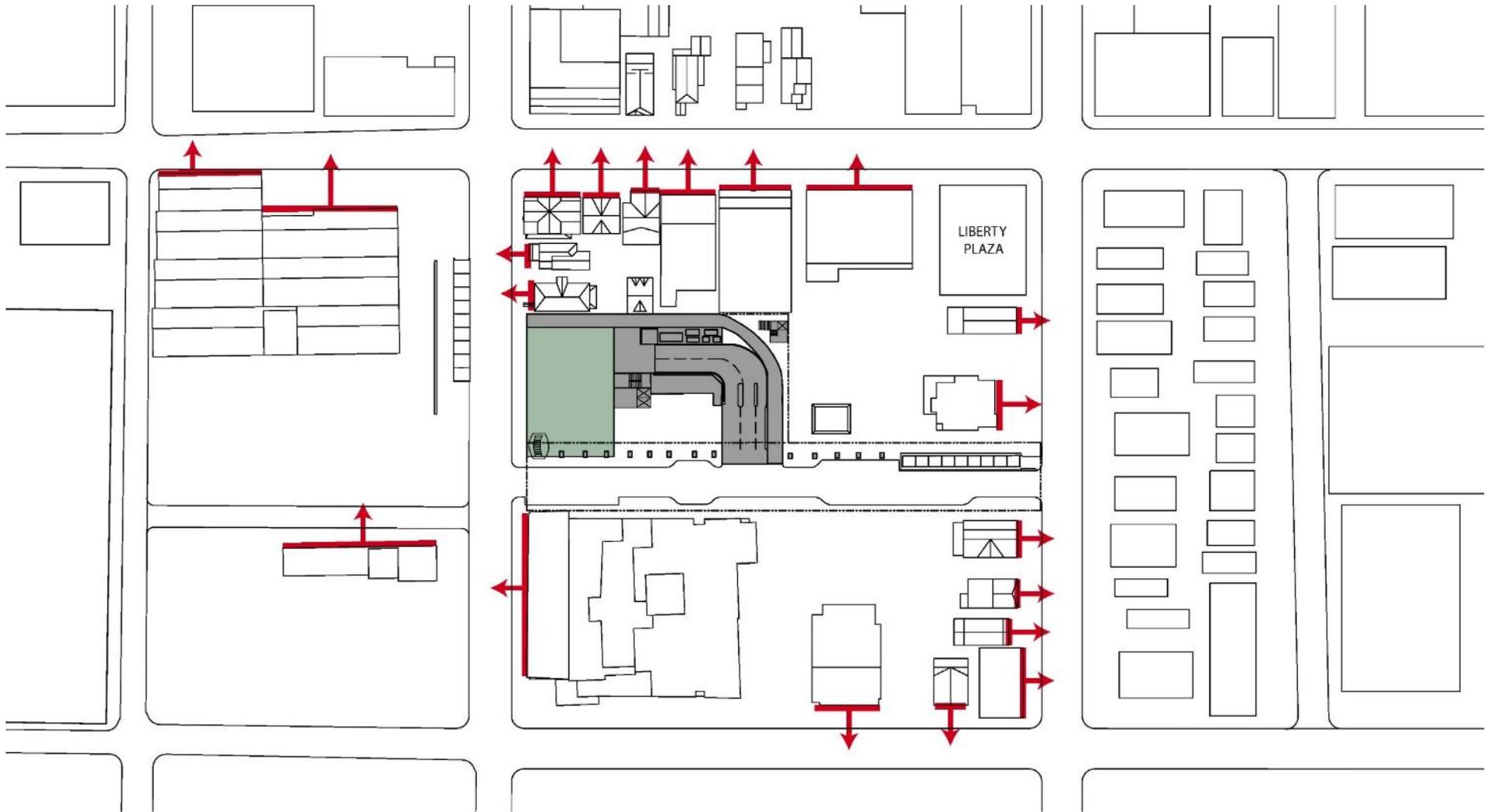
current site utilization



current site utilization



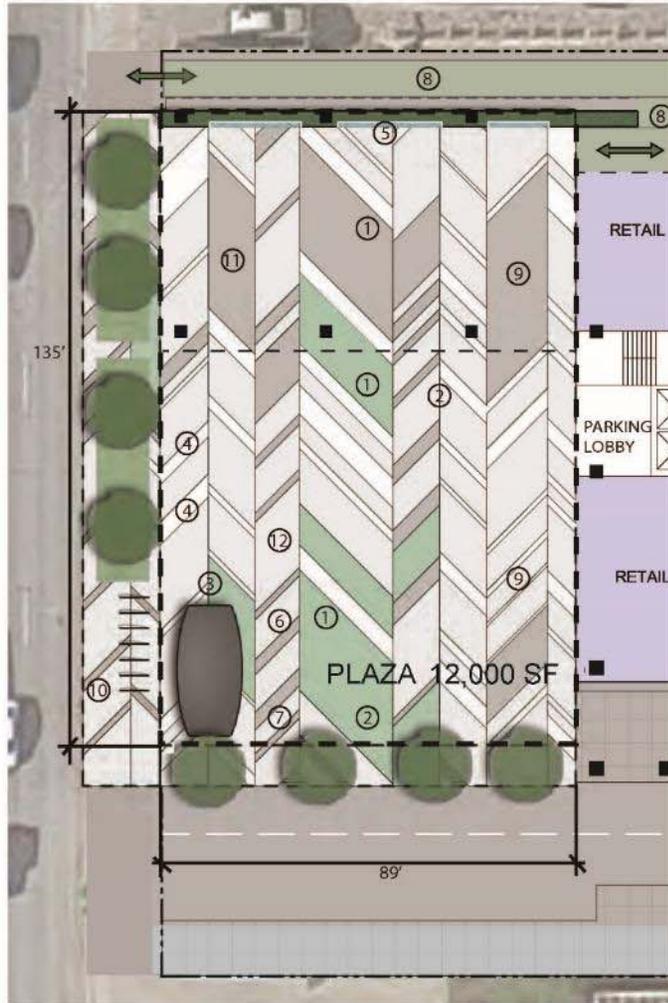
adjacent building fronts



plaza



plaza area plan



① FLEXIBLE ACTIVITY AREA



② GARDEN PLAZA



③ FOCAL POINT SCULPTURE



④ SEATING PLATFORM



⑤ WATER FEATURE



⑥ CHILDREN'S AREA



⑦ INFORMATION SPOT



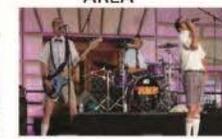
⑧ PEDESTRIAN LINKAGE



⑨ OUTDOOR DINING TERRACE



⑩ BIKE PARKING



⑪ REMOVABLE STAGE



⑫ PLAZA FOUNTAIN

CORE
S P A C E S

COLLECTIVE ON 5TH

PLAZA AREA PLAN

PLAZA

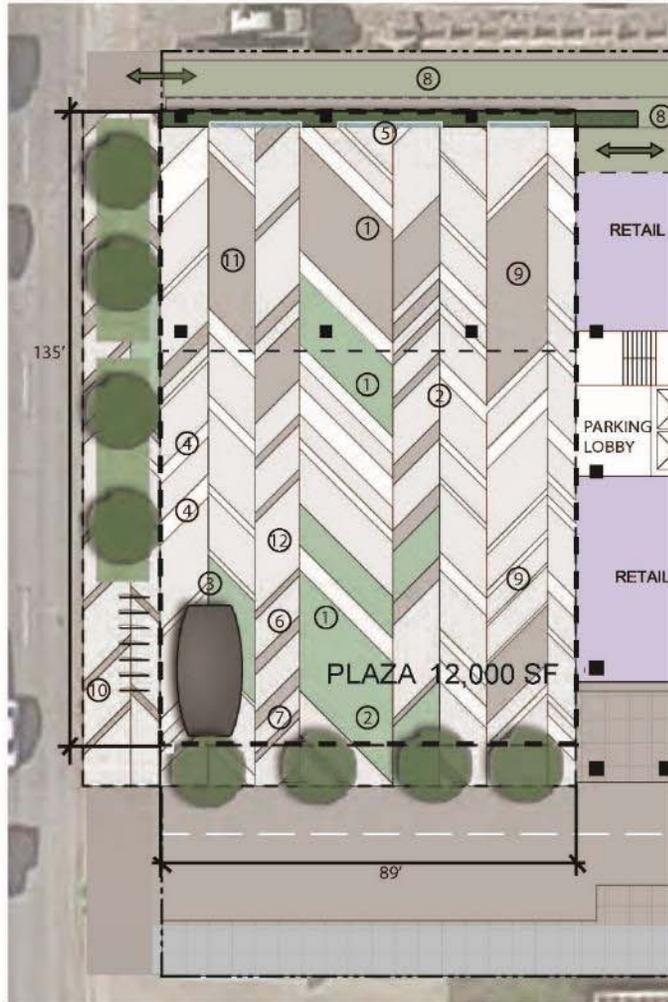
1" = 80'-0"

03.17.2016

0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. #1000, DENVER, CO 80215

plaza area plan – 1. flexible activity area



CORE
S P A C E S

COLLECTIVE ON 5TH

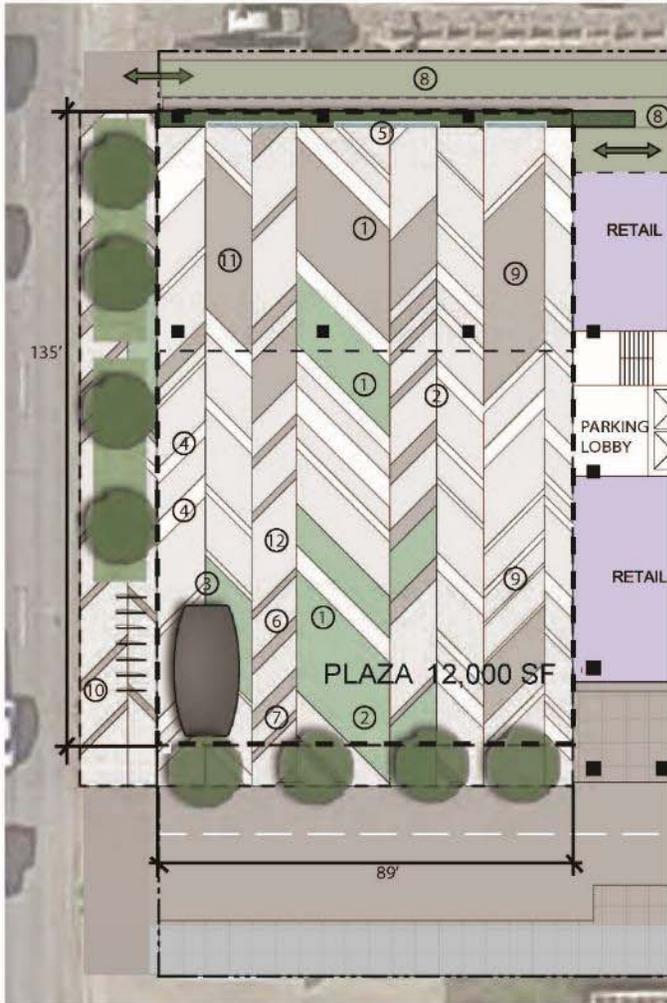
PLAZA AREA PLAN

PLAZA
1" = 80'-0"
03.17.2016

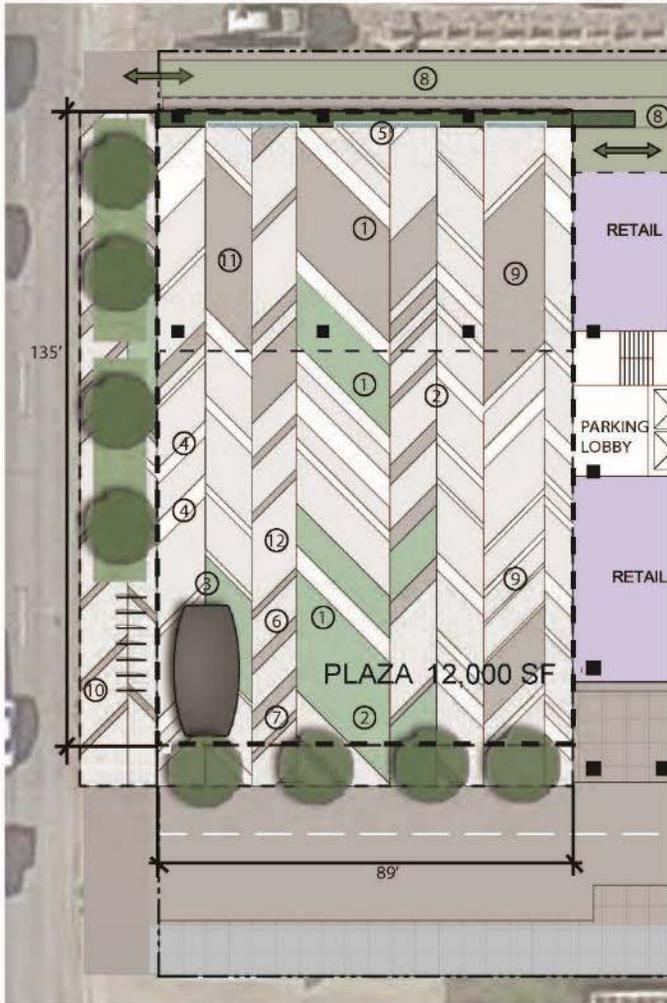
0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. SUITE 100, FAYETTEVILLE, NC

plaza area plan – 2. garden plaza



plaza area plan – 3. focal point sculpture



CORE
S P A C E S

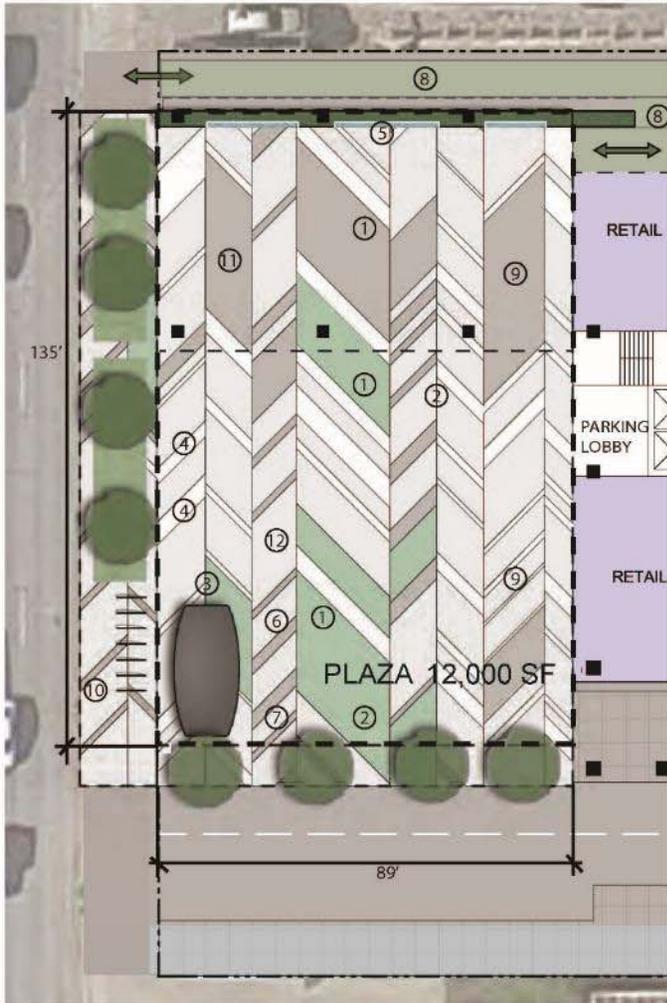
COLLECTIVE ON 5TH

PLAZA AREA PLAN

PLAZA
1" = 80'-0"
03.17.2016
0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. SUITE 100, RICHMOND, VA

plaza area plan – 4. seating platform



CORE
S P A C E S

COLLECTIVE ON 5TH

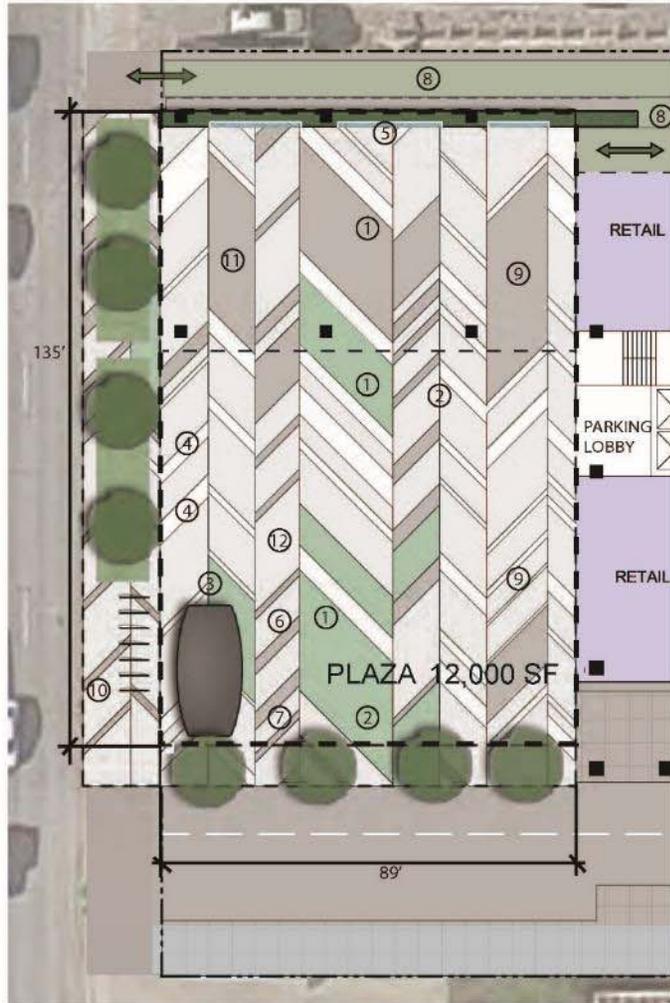
PLAZA AREA PLAN

PLAZA
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03.17.2016

0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. SUITE 100, DENVER, CO 80210

plaza area plan – 5. water feature



CORE
S P A C E S

COLLECTIVE ON 5TH

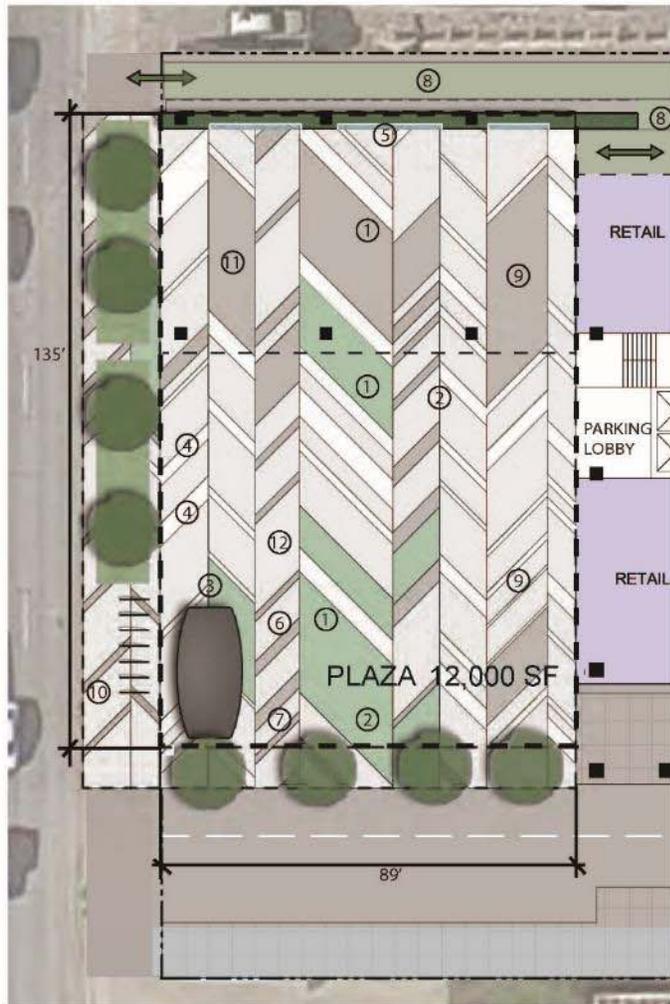
PLAZA AREA PLAN

PLAZA
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03.17.2016



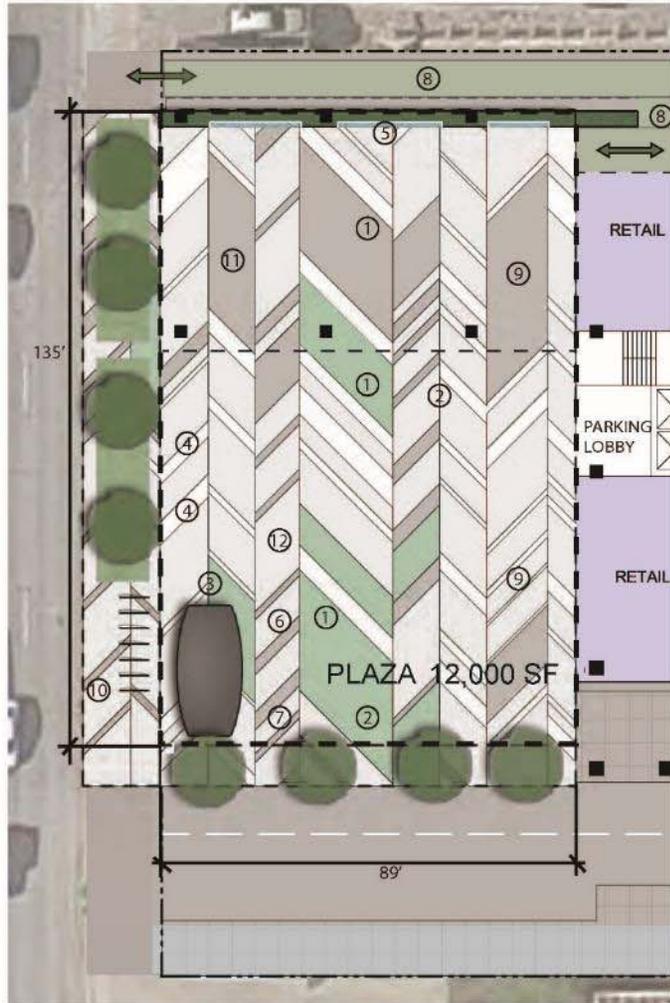
MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. SUITE 100, DENVER, CO 80218

plaza area plan – 6. children’s area

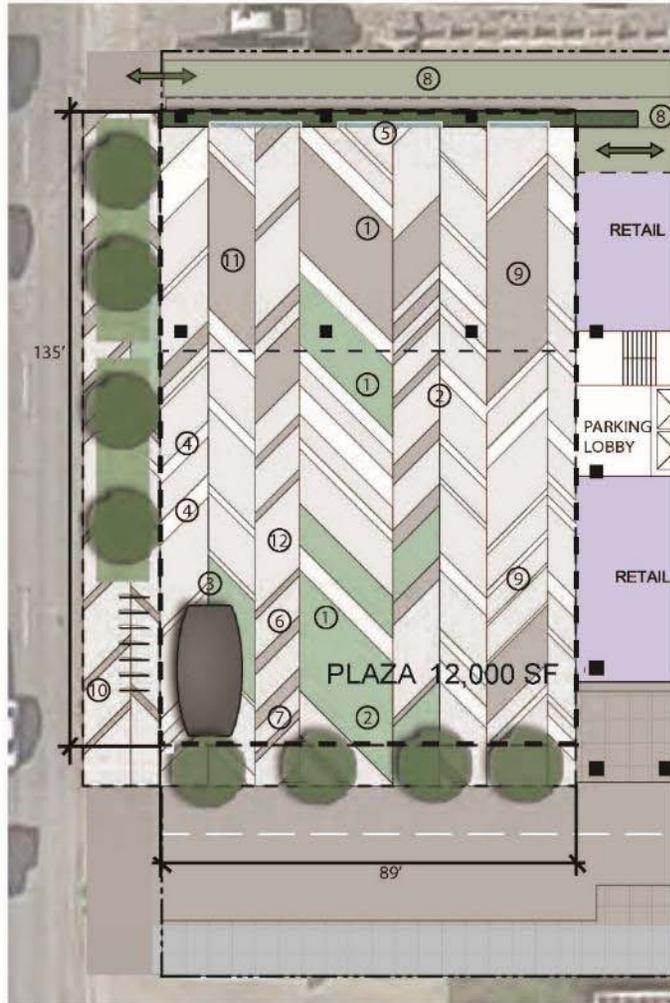


PLAZA AREA PLAN

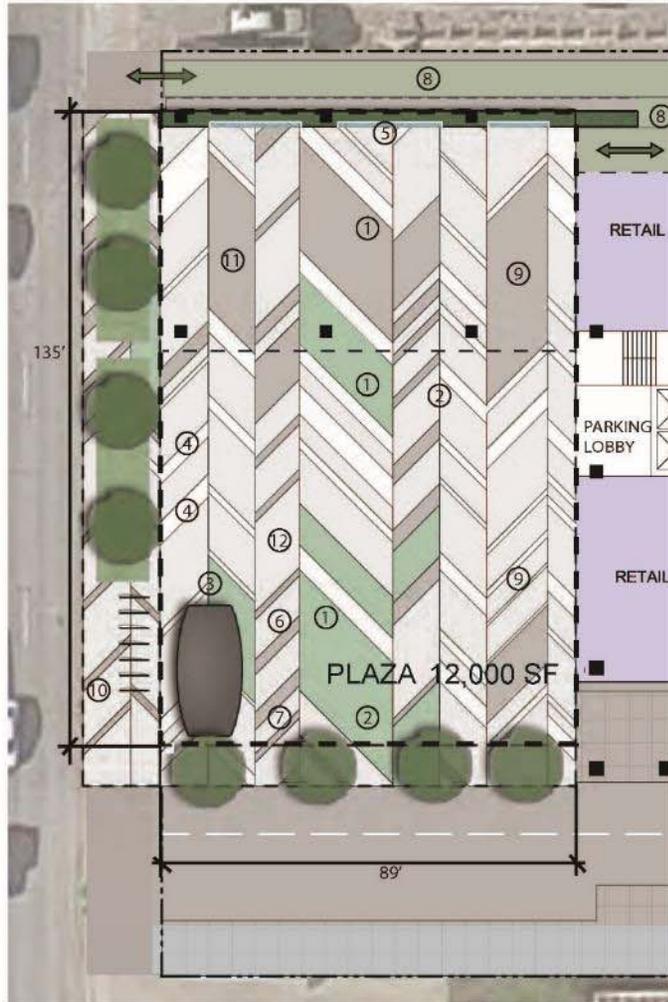
plaza area plan – 7. information spot



plaza area plan – 8. pedestrian linkage



plaza area plan – 9. outdoor dining terrace



CORE
S P A C E S

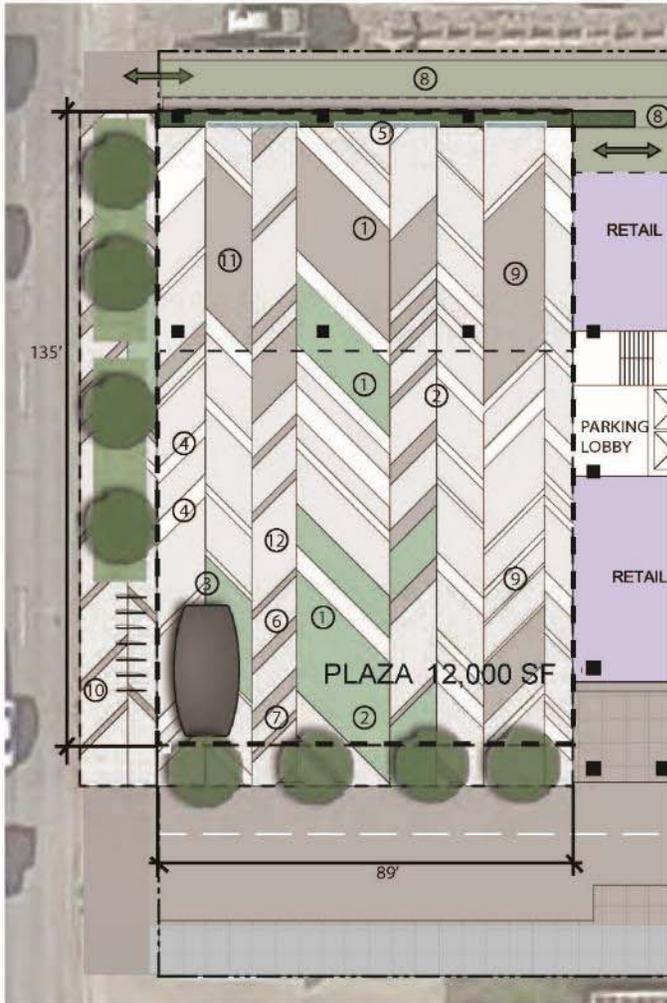
COLLECTIVE ON 5TH

PLAZA AREA PLAN

PLAZA
1" = 80'-0"
03.17.2016
0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. WYOMING AVE. SUITE 100, DENVER, CO 80202

plaza area plan – 10. bike parking



CORE
S P A C E S

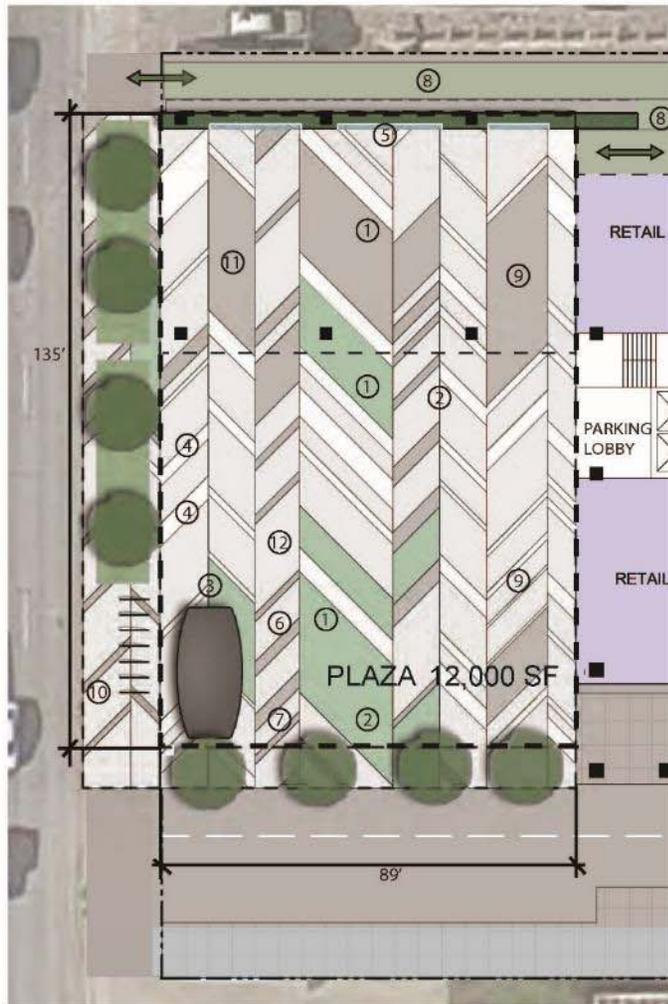
COLLECTIVE ON 5TH

PLAZA AREA PLAN

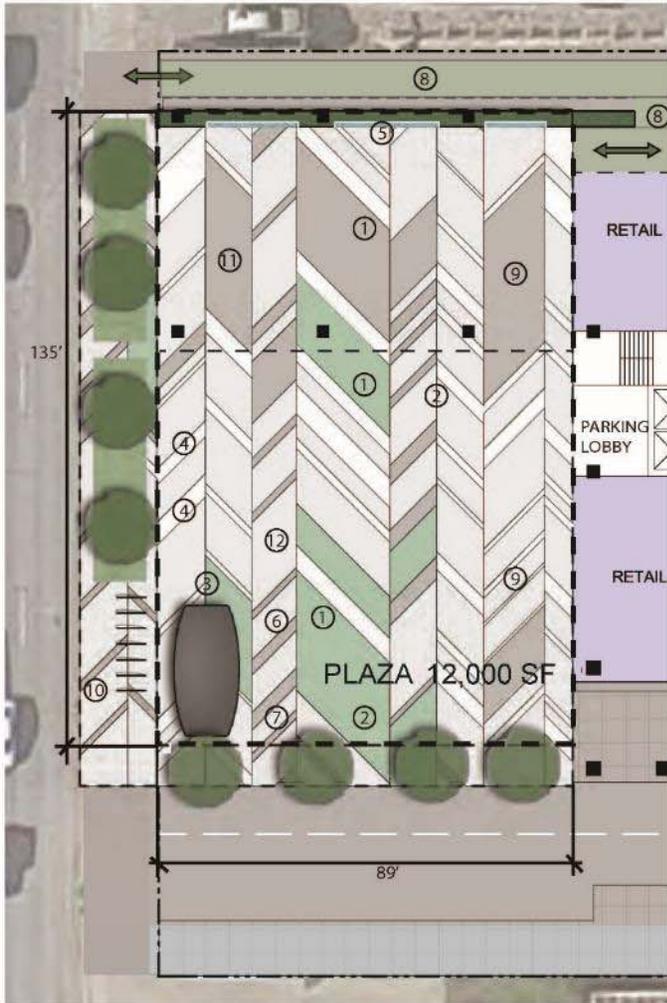
PLAZA
1" = 80'-0"
03.17.2016
0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. SUITE 100, RALEIGH, NC

plaza area plan – 11. removable stage



plaza area plan – 12. plaza fountain



CORE
S P A C E S

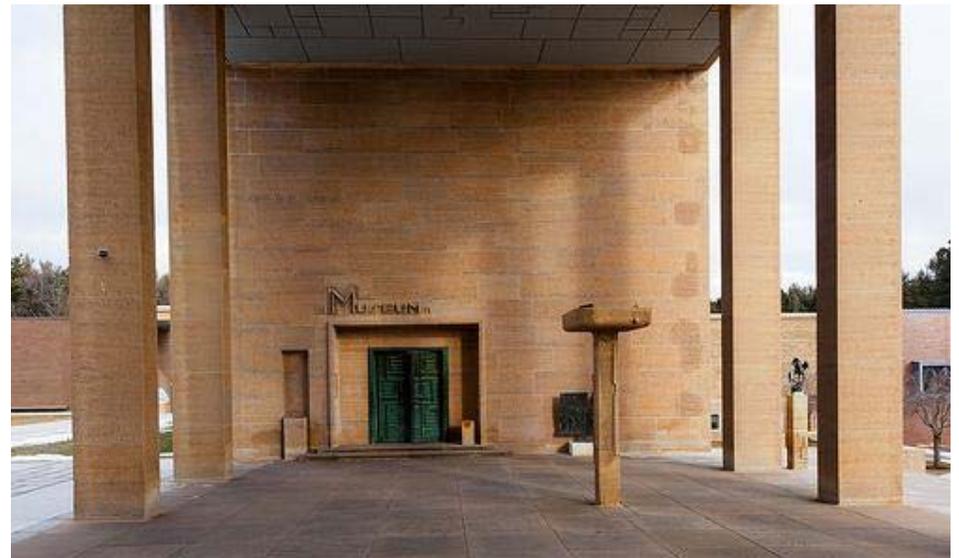
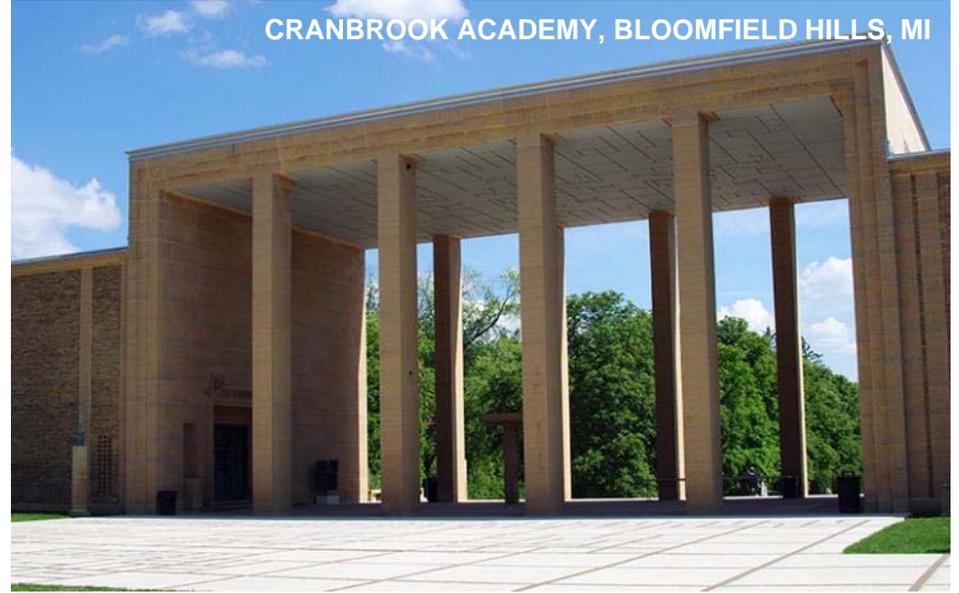
COLLECTIVE ON 5TH

PLAZA AREA PLAN

PLAZA
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03.17.2016
0 40' 80' 160'

MA
MYEFSKI
ARCHITECTS
4201 E. HICKORY AVE. SUITE 1000, DENVER, CO 80216

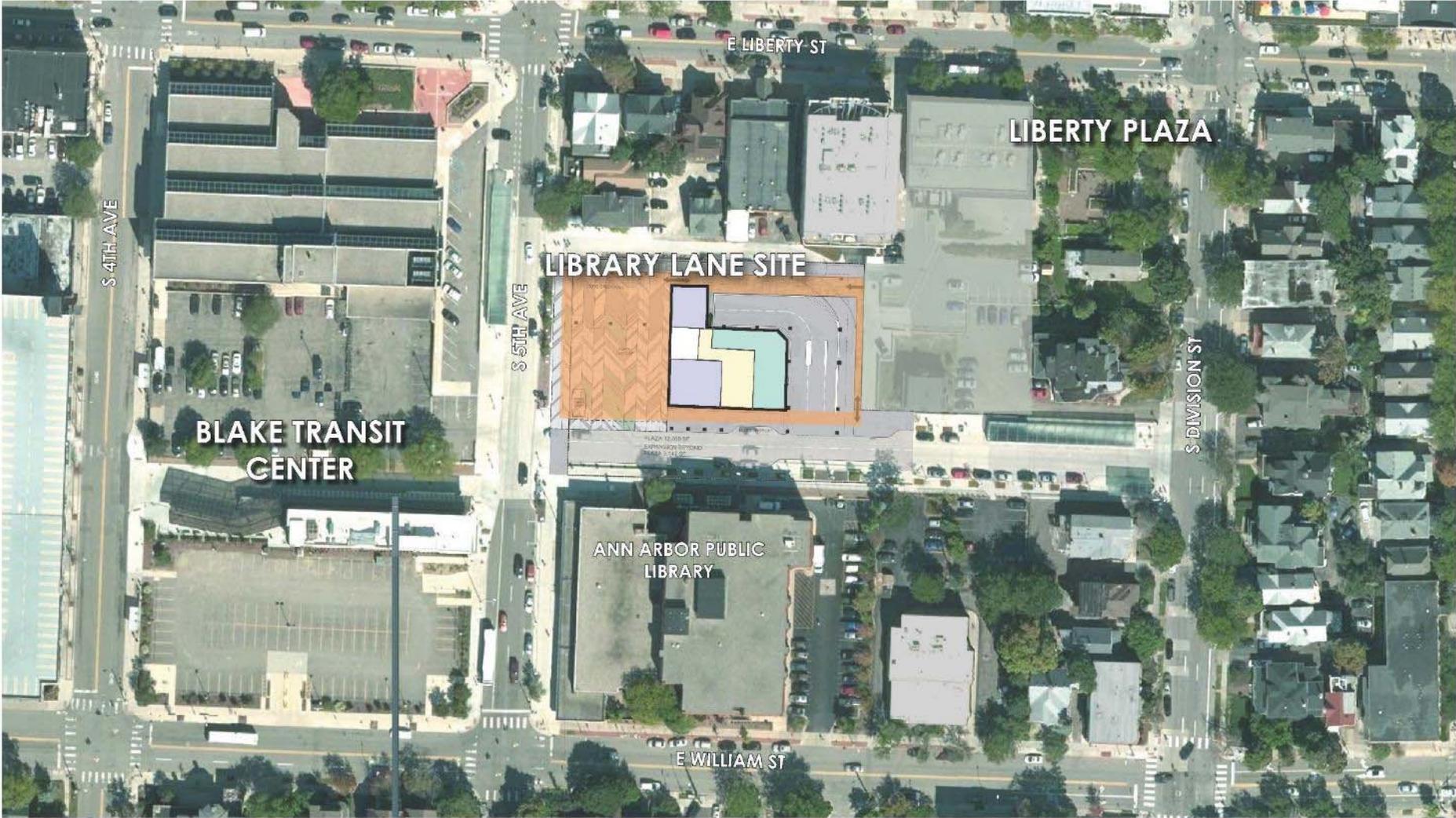
public plazas & streetscapes



plaza



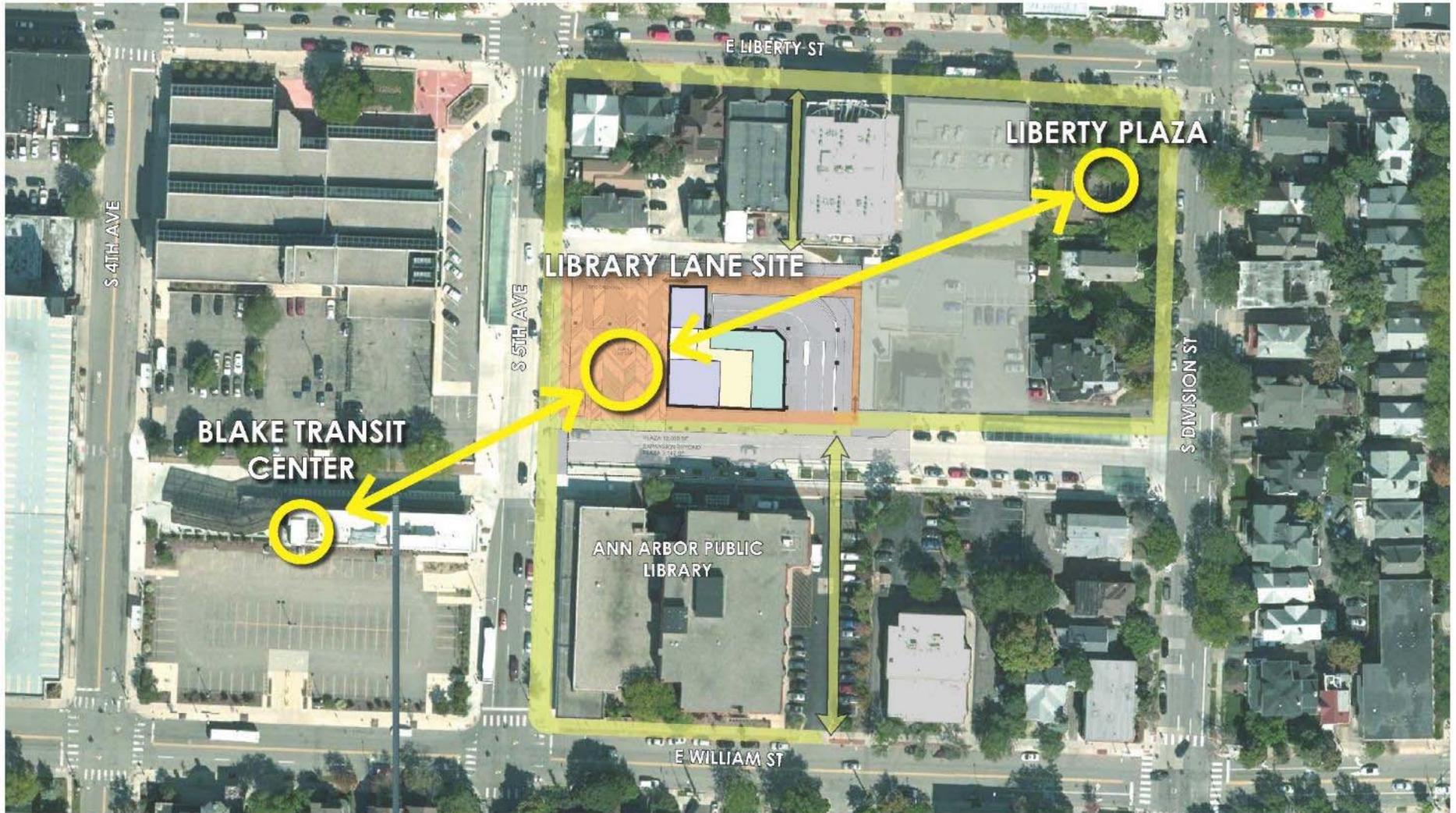
connectivity map



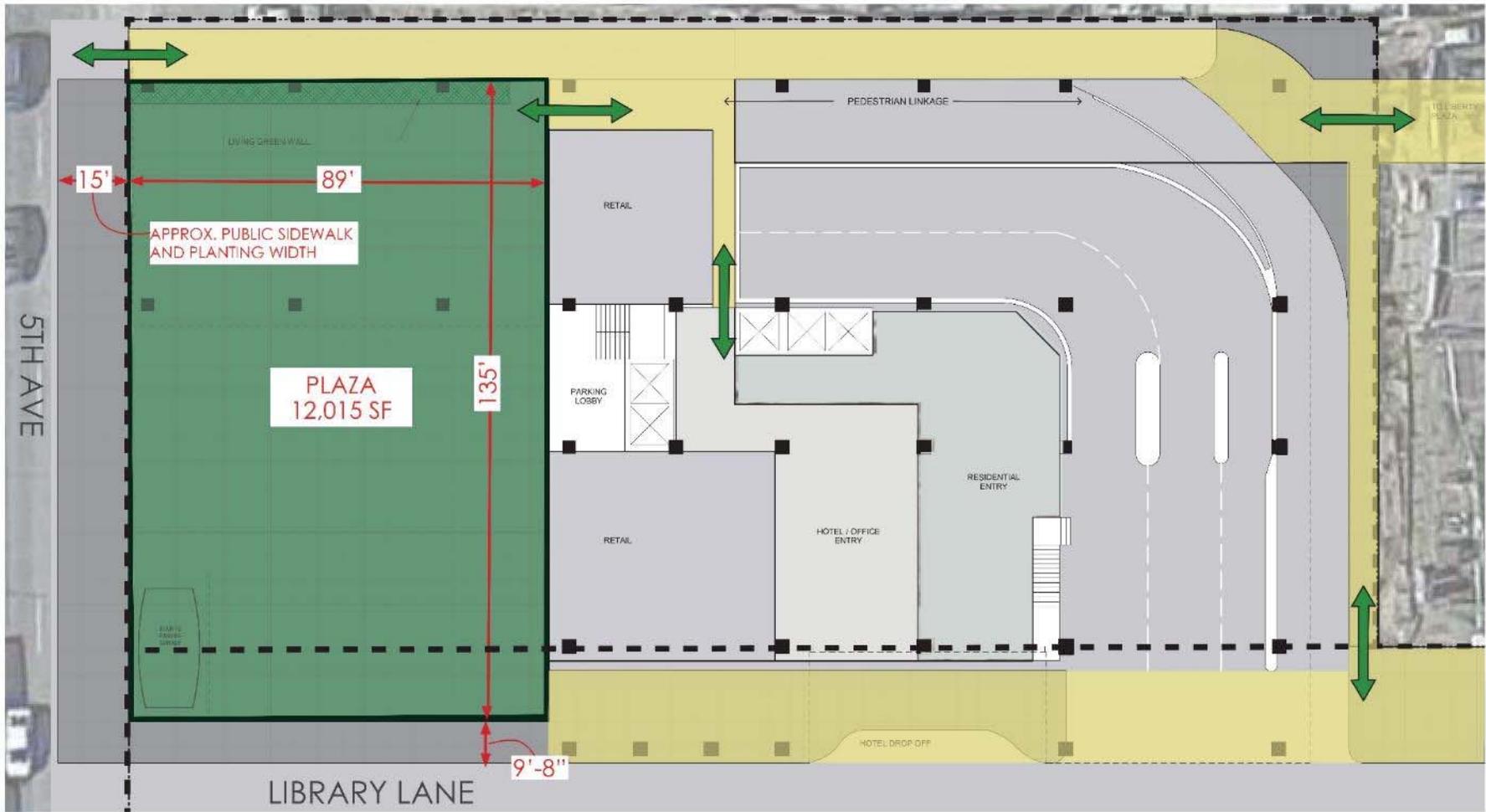
connectivity map



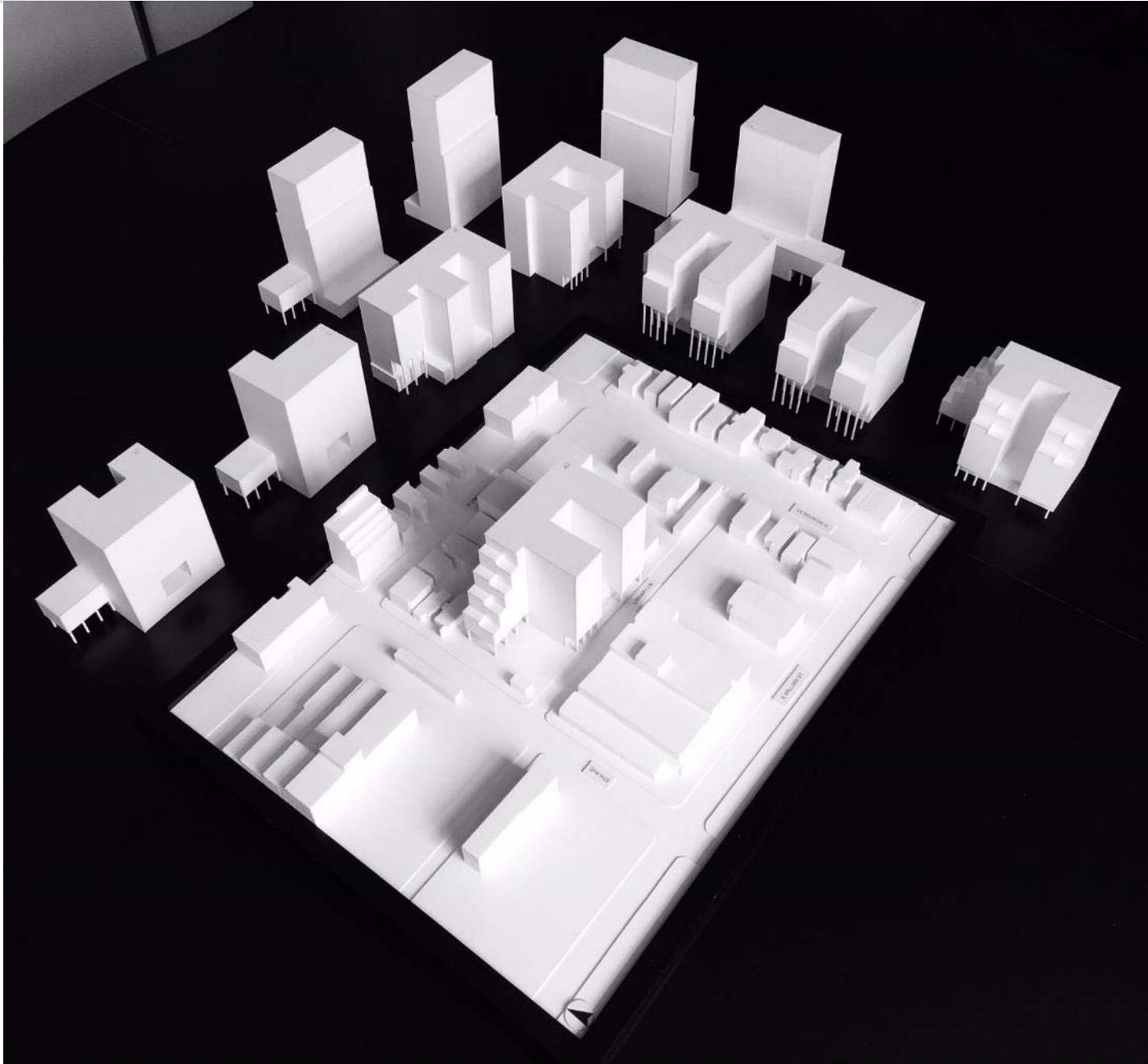
connectivity map



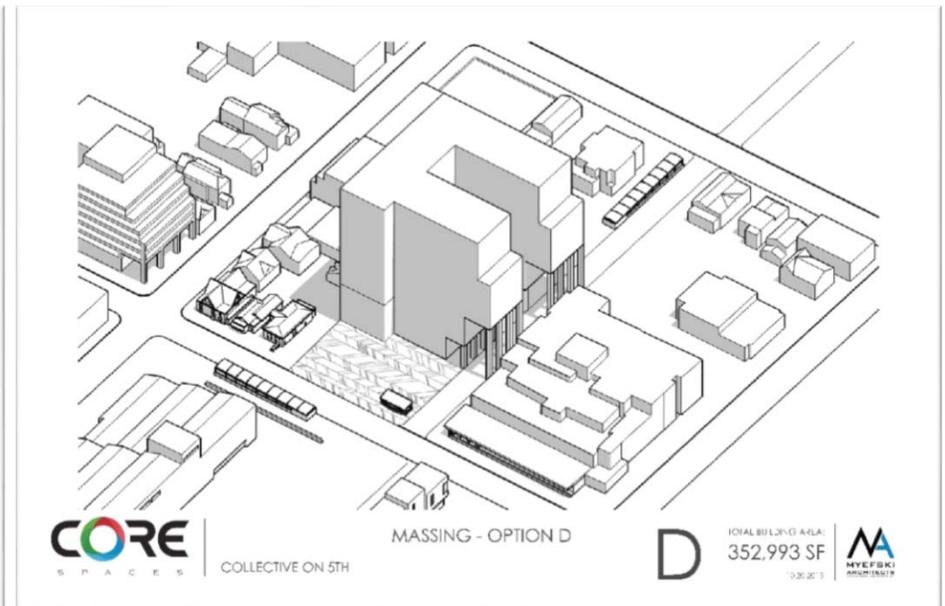
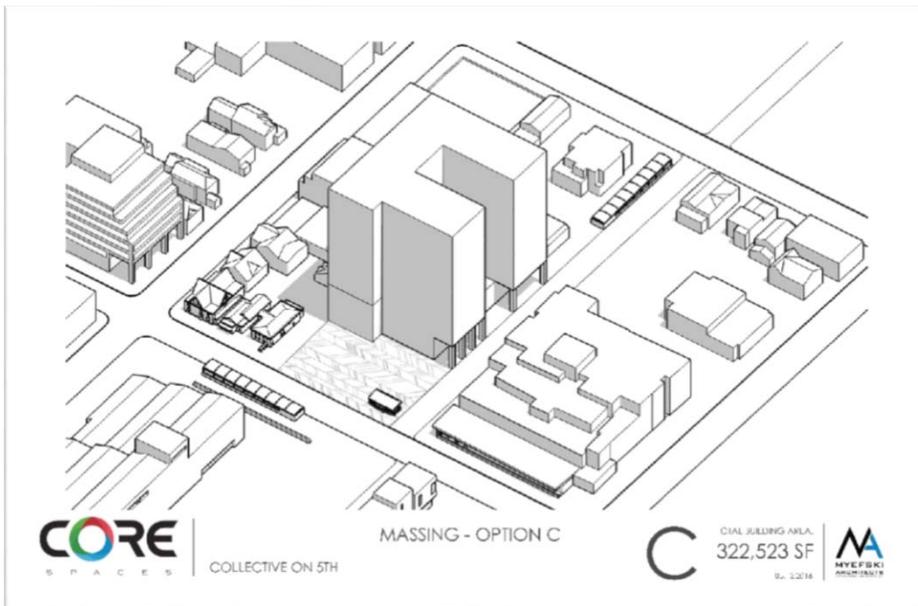
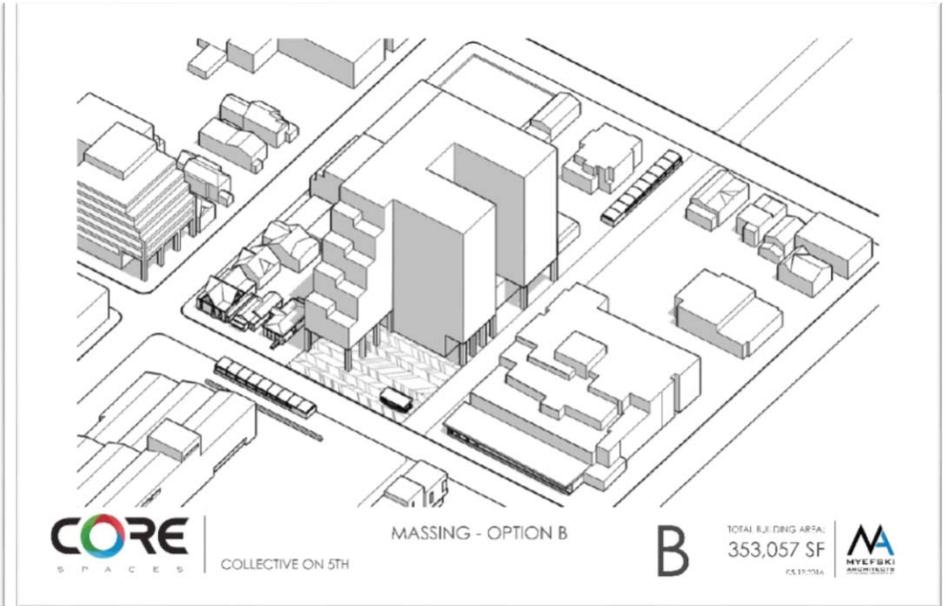
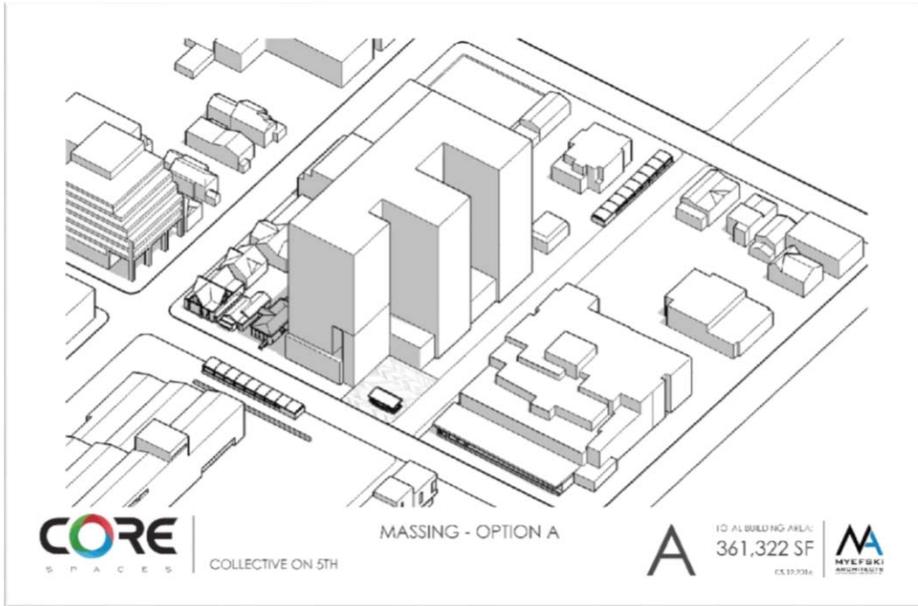
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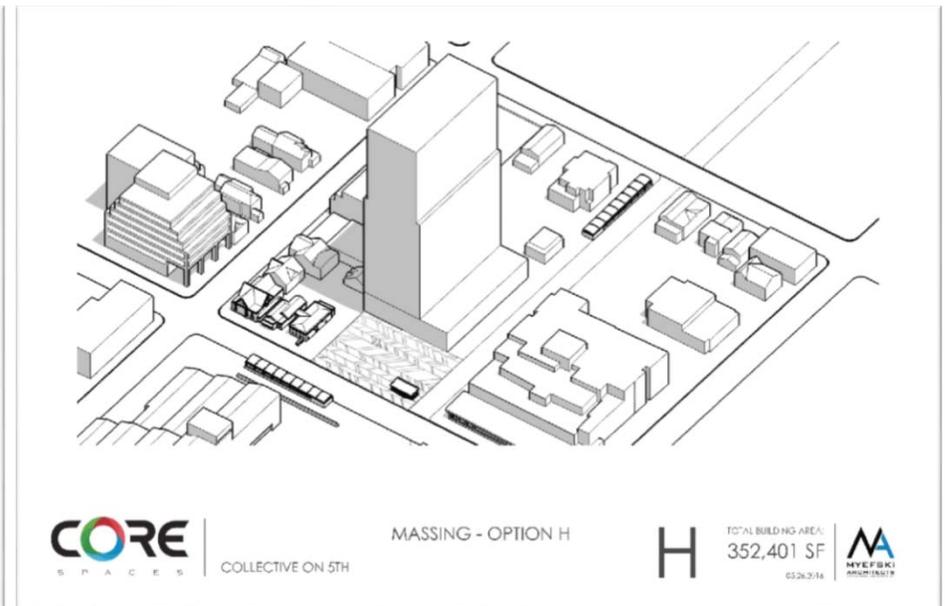
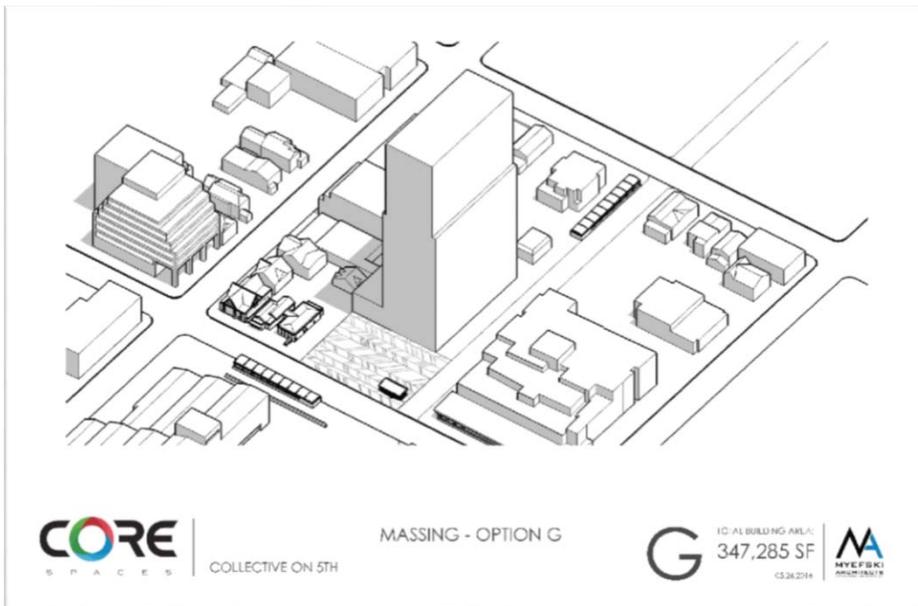
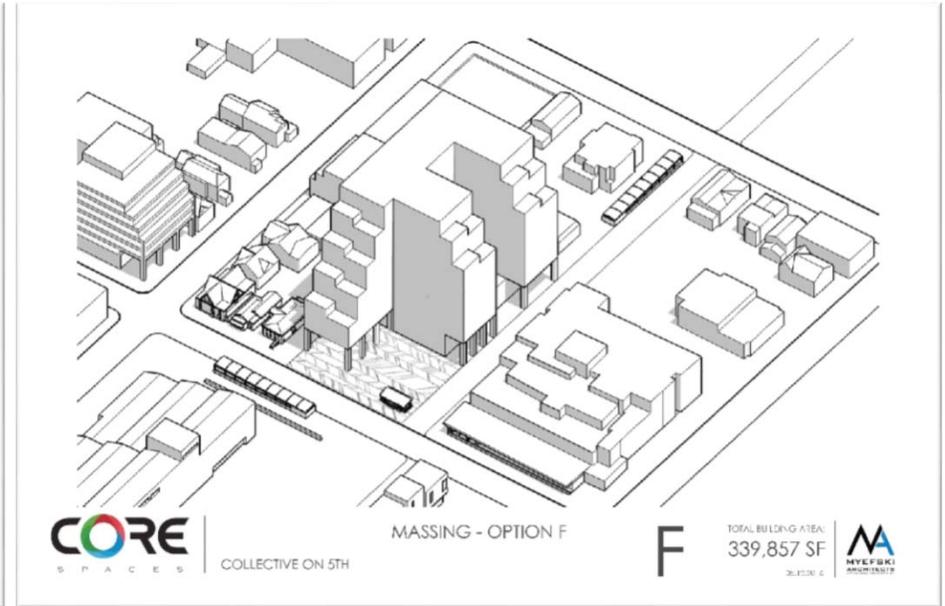
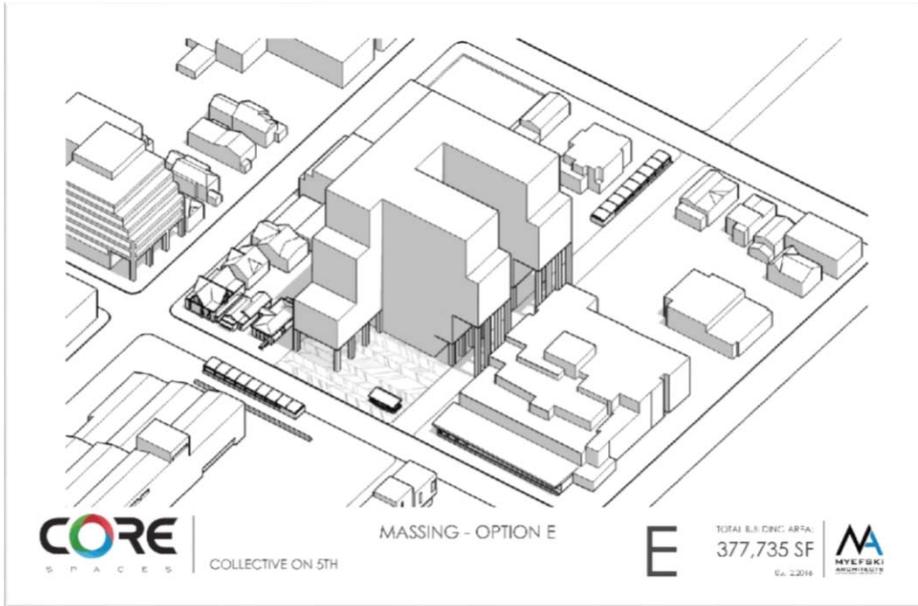
massing study



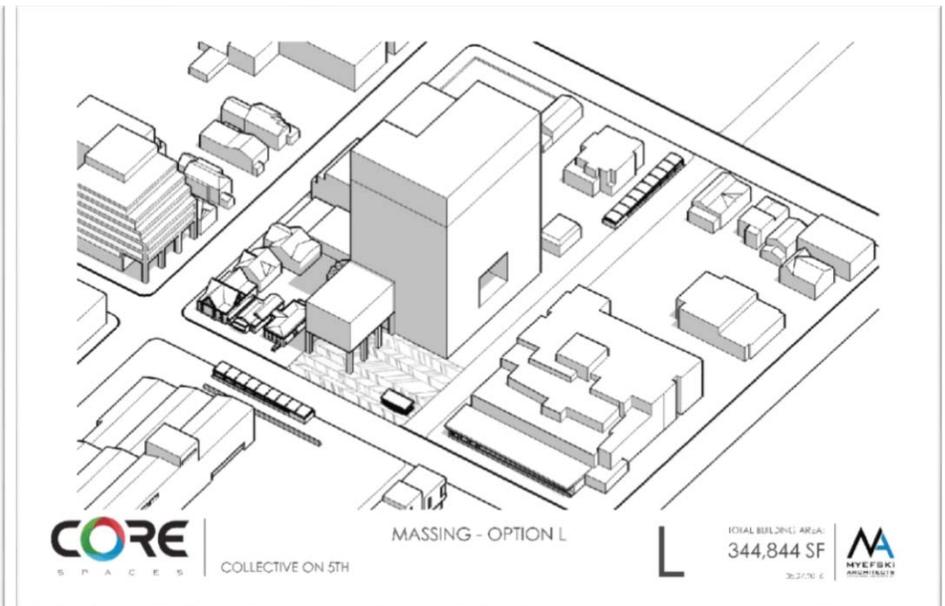
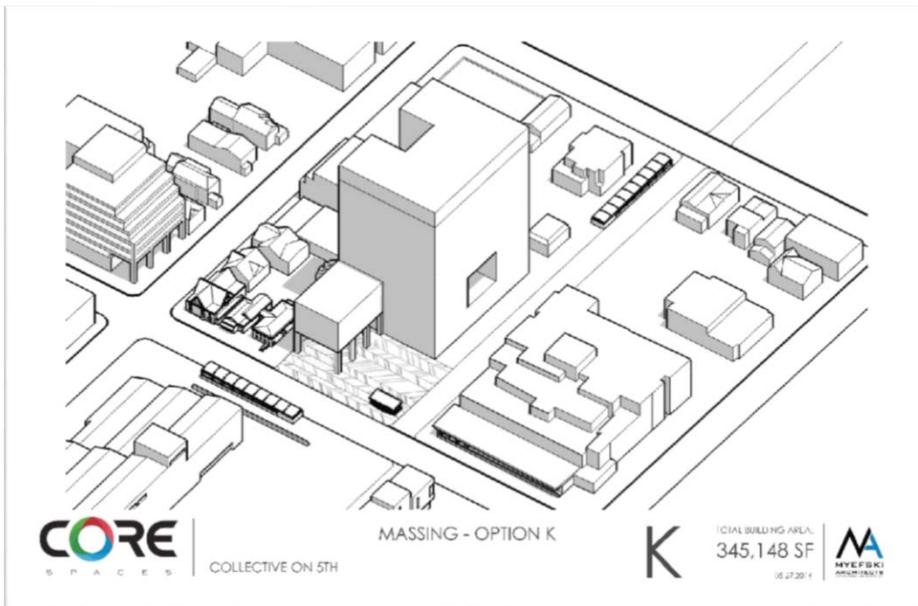
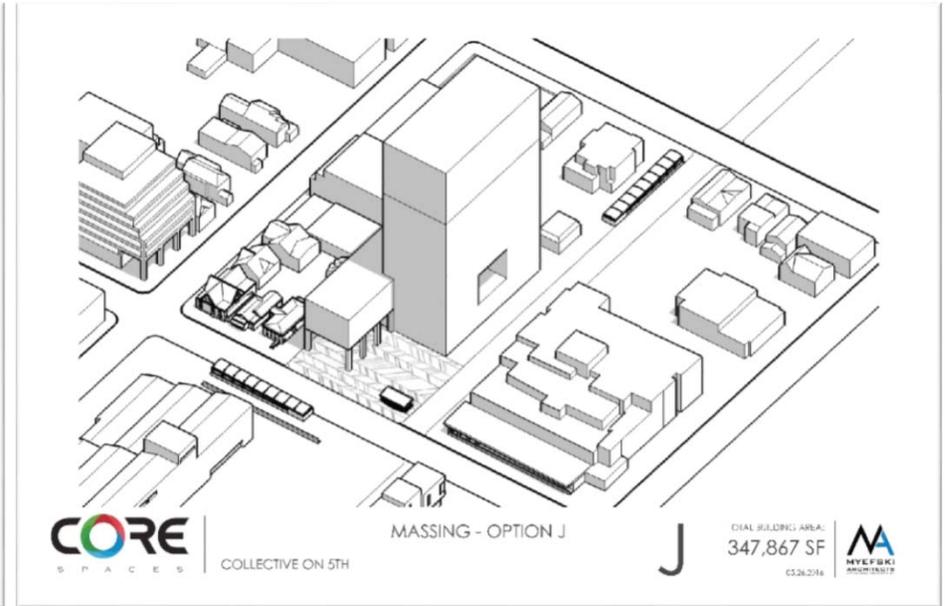
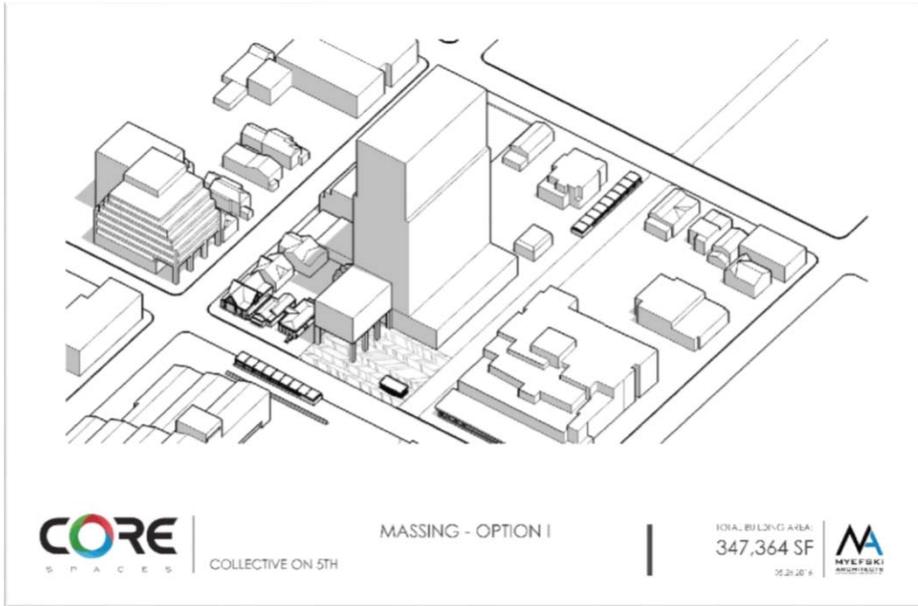
massing diagrams



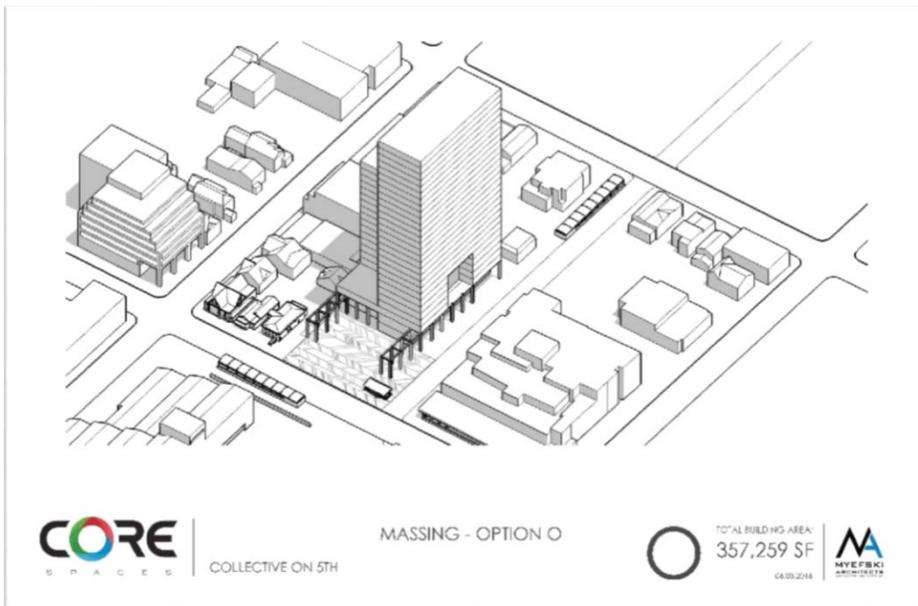
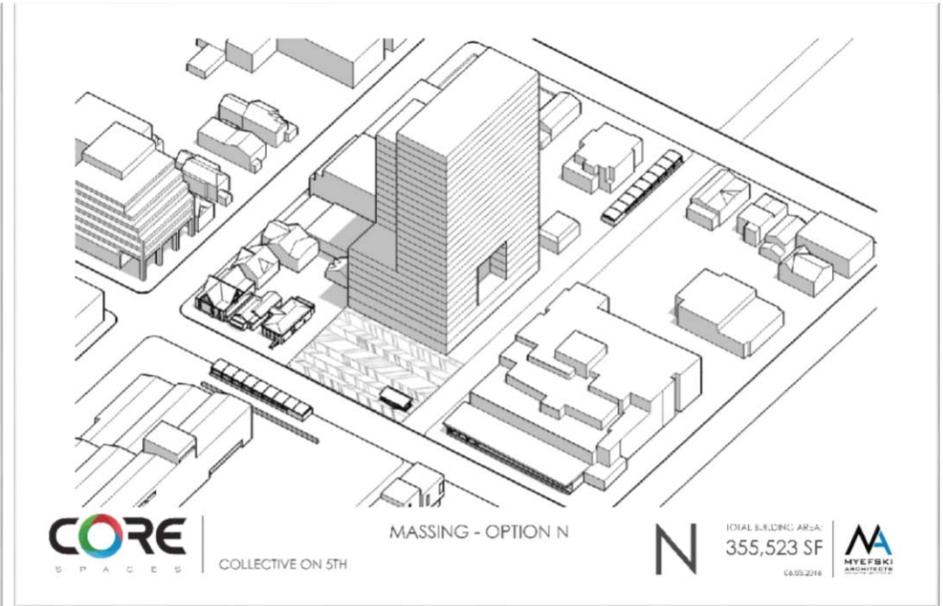
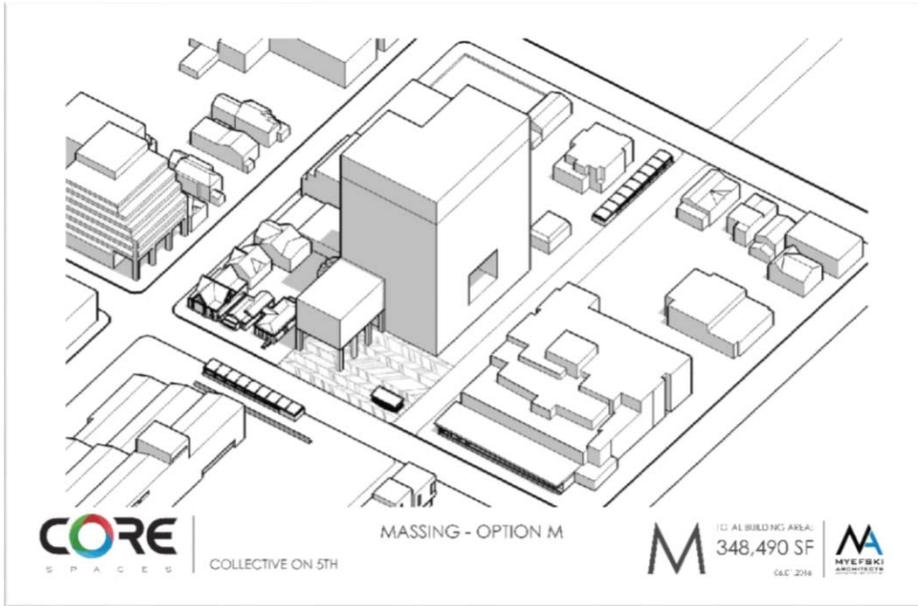
massing diagrams



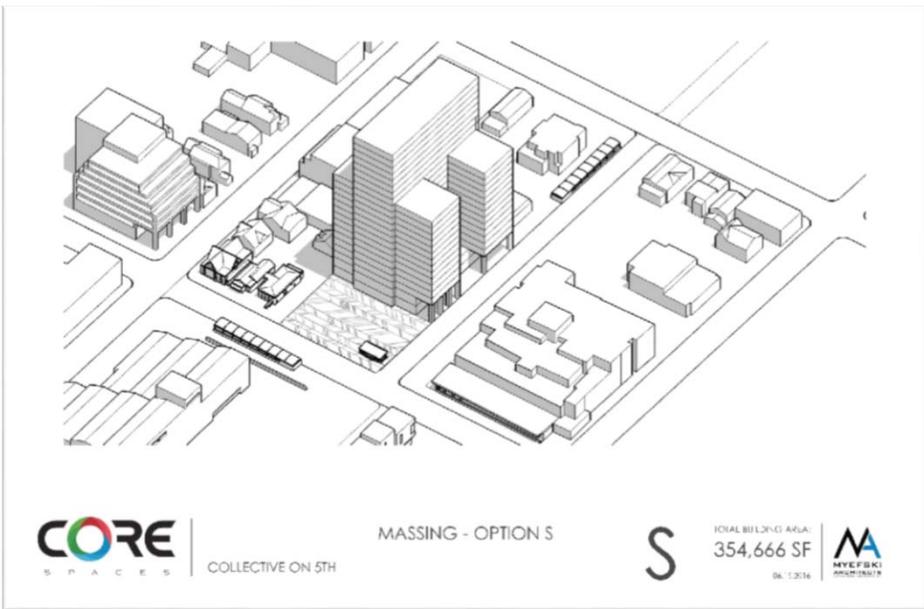
massing diagrams



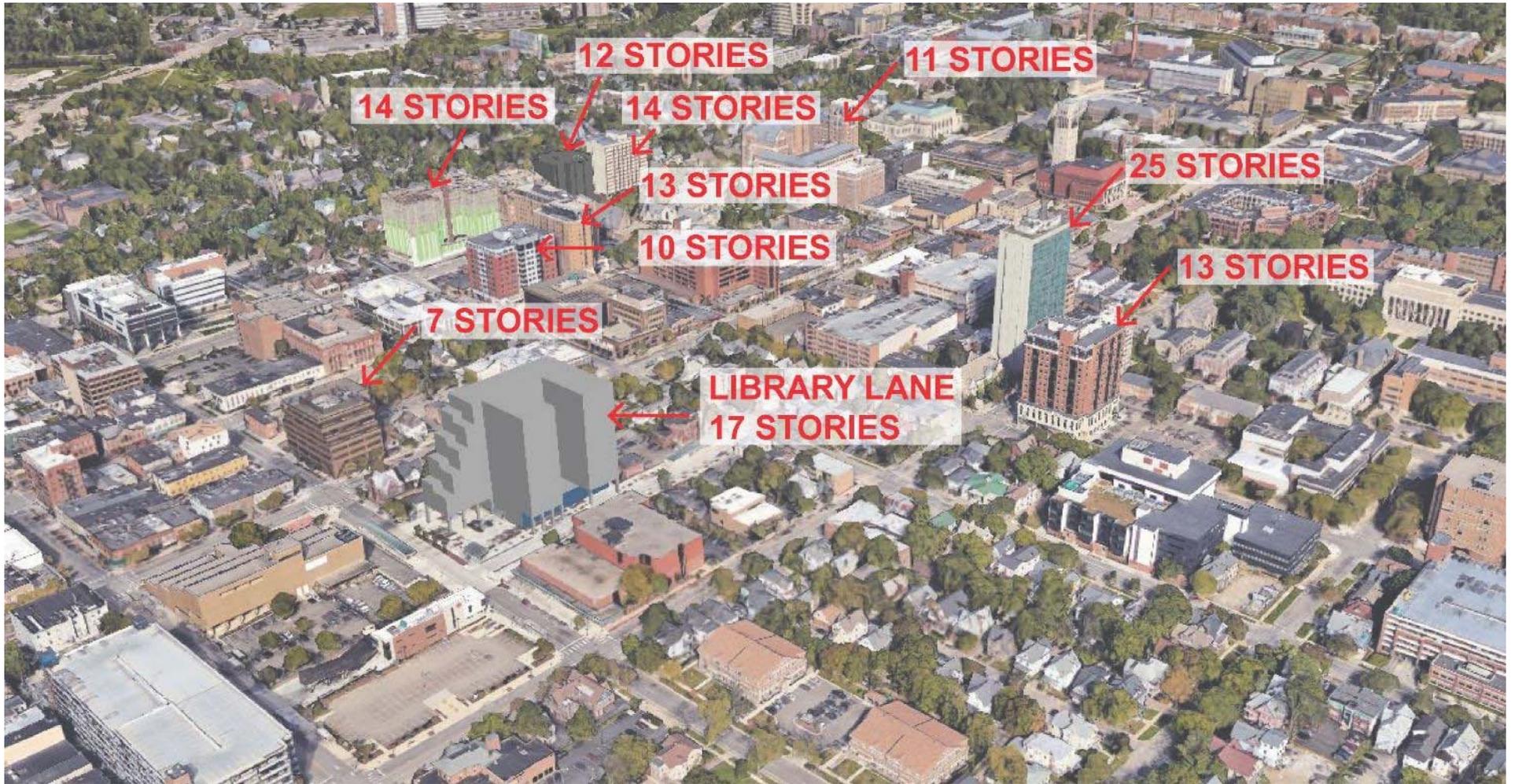
massing diagrams



massing diagrams



aerial view of ann arbor



building exterior – sample images



workforce housing

- **Lease up to 12% (43 units) at rental rates based on 150% of FMR**
 - **Or, lease up to 9% (32 units) at 120% FMR**
- **Increase number of units at 150% FMR from 12% to 14.5% (9 additional units) with a contribution from City of \$1,475,000**
- **A mix of efficiencies, studios, one-bedrooms**
- **Offered first come first serve**
- **Not materially differentiated from standard rate units**
- **Leased to applicants with household incomes from:**
 - **60-100% AMI for 150% FMR**
 - **50-80% AMI for 120% FMR**

parking

- **Lease**
 - **196 24-hour permits in the Library Lane parking garage**
 - **85 24-hours permits in the Fourth/Williams parking garage**
 - **80 off-peak permits at the Fourth/Williams parking garage**

- **DDA's current monthly rental rate; annual increase consistent with DDA's standard rates**

- **Number of leased permits shall not exceed the figures above; except within the first three years which can fluctuate +/- 50**

- **After first three years number of leased permits can be reduced to minimum allowed by Ann Arbor City Code**

- **Up to 196 Library Lane permits can be released; number released may be provided at Fourth/Williams per DDA determination**

- **Core Spaces permitted to sub-lease parking spaces during this 20-year term agreement with two 15-year renewal terms**

design

- **Downtown Design Guidelines; presented to the Design Review Board**
- **Reinforces positive characteristics of adjacent sites**
- **Massing design stepped away from adjacent lower height buildings on Fifth**
- **Clearly defined building entries**
- **Open space at highest level of anticipated pedestrian activity**
- **Pedestrian connections throughout**
- **Sustainable technologies**
- **City Council may waive design requirements**

building design

- **Lower floors differentiated from remainder of building**
- **High-quality materials: stone, brick, glass, metal panels, steel**
- **Height of street level floor from finished floor to ceiling between 15-20'**
- **Maximum allowable vision glazing on upper level of building on all facades**
- **Minimum FAR of 500%**
- **Primary building entrances highlighted**
- **Street level pedestrian-oriented uses on Fifth/Library Lane facades**
- **Minimum 70% of pedestrian level facing Plaza to be transparent windows/doors**

streetscape | pedestrian

- **10' wide pedestrian pathway around building, except 6' wide along east side of building**
- **Minimum 60% of street level floor to be transparent windows/doors**
- **Pedestrian protection with overhead cover**
- **Minimum 1 foot candle warm light between building and curb**
- **Driveways, access points, alleys, trash receptacles designed to minimize impact**

zoning and development standards

- **Comply with all City zoning/development ordinances/standards**
- **Ordinances/standards apply across entire site consistent with other development in City**

sustainability

- **Originally proposed LEED Silver**
- **Now committed to equivalent of LEED Gold Version 2009**
- **May include:**
 - **Alternative transportation, site development, heat island effect credits**
 - **Water use reduction, innovative wastewater technology credits**
 - **Energy performance, commissioning, green power credits**
 - **Construction waste management, recycled content credits**
 - **Construction IAQ management plan, low-emitting materials credits**
 - **Innovation in design and regional priorities credits**

connectivity

- **Working with input from City and citizens**
- **Continuous pedestrian pathways frame site and connect to adjacent properties**
- **Anticipates future connections**
- **Creates connection between Liberty Plaza and Blake Transit Center**
- **Current/future linkages unite East Williams and East Liberty**
- **Invigorates pedestrian flow along the driveway and connectivity path**
- **Aligns with the goals of the Allen Creek Greenway**
- **Best effort to maintain access to the alley to the north during construction**

public plaza

- **At least 12,000 sf; containing at least five design amenities**
- **Parks Advisory Commission and City Council approval; ADA compliance**
- **No changes without Community Services Administrator approval**
- **City easement for public use; available for events by organizations/individuals**
- **Plaza rules based on City park rules in Chapter 39 of City Code**
- **Programming/activities and day-to-day operation/management by Core Spaces**
- **Permitted to cordon off up to 2,000 sf of plaza for building's retail/hotel use**

transaction

- **\$100,000 in earnest money upon signing Purchase Agreement**
- **Balance of \$10 million purchase price paid at closing**
- **Allows 360 days to close contingent on site plan approval, completion of condominium master deed, and other closing documents**
- **Allows two 90-day extensions at discretion of the City Administrator**
- **City granted right to repurchase the property in seven years from closing if project not developed or certificate of occupancy not issued**
- **Repurchase subject to an agreed upon fair market value based on appraised value at time of repurchase**

Council Workshop
March 16, 2017

Library lane



EXHIBIT E

CITY AUTHORIZING RESOLUTION



Legislation Details (With Text)

File #: 16-1560 **Version:** 2 **Name:** 4/17/2017 Resolution to Authorize the Sale of Development Rights 319 S. Fifth to Core Spaces

Type: Resolution **Status:** Passed

File created: 4/17/2017 **In control:** City Council

On agenda: 4/17/2017 **Final action:** 4/17/2017

Enactment date: 4/17/2017 **Enactment #:** R-17-121

Title: Resolution to Authorize the Sale of Development Rights above the City’s Underground Parking Structure Located at 319 S. Fifth Ave. to Core Spaces and Appropriate Funds for Outside Legal Services (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Core Spaces Memorandum 3.9.17.pdf, 2. Core Summary.pdf, 3. Council Work Session - updated.pdf

Date	Ver.	Action By	Action	Result
4/17/2017	1	City Council		
4/17/2017	2	City Council	Amended	Pass
4/17/2017	2	City Council	Postponed	Fail
4/17/2017	2	City Council	Approved as Amended	Pass

Resolution to Authorize the Sale of Development Rights above the City’s Underground Parking Structure Located at 319 S. Fifth Ave. to Core Spaces and Appropriate Funds for Outside Legal Services (8 Votes Required)

On January 19, 2016, City Council passed a resolution (R-16-021) directing City staff to negotiate a Sales Agreement for 319 S. Fifth Ave (also known as the “Library Lot”) with Core Spaces. Council directed the terms of the sale to include the terms in the Core Spaces’ response to the City’s Offering Memorandum and requested that the following additional community benefits be included in a negotiated sale agreement, if such terms could be reached with Core:

- The inclusion of 10% of all housing units as workforce housing (affordable housing for lower income households, as defined by Ann Arbor City Code, rented at 60% to 80% of AMI), with possible funding to offset lower rental revenue to be provided by the Ann Arbor Downtown Development Authority and the City of Ann Arbor;
- A higher level of LEED certification than the proposed LEED silver designation (with preference of LEED platinum), or proof of the inclusion of additional resource and energy efficient construction and building performance standards equivalent to such higher level of LEED certification;
- Building and site design that provides improved pedestrian connectivity from Fifth Avenue to Liberty Plaza Park, as well as from Blake Transit Center to the site.

Council discussion at the time Resolution R-16-021 was adopted also reflected interest in the following:

- Sufficiency of parking for the facility (estimated to at the time be approx. 200 spaces)
- The building design should adhere to the City of Ann Arbor Downtown Design Guidelines
- The Public Plaza should be operated and maintained by Core Spaces but with public use of the site consistent with a City park.

The City has completed negotiations and in response, Core Spaces has provided a written supplement to their proposal, attached hereto, that addresses these items.

The Administration recommends that Council authorize the sale of the development rights to Core Spaces consistent with Core Spaces' response to the City's Offering Memorandum and the attached negotiated terms. The Administration further recommends that Council direct staff to prepare documents for the sale of the development rights that incorporate the requirement that 12% of the housing units be workforce housing units at 150% of Fair Market Rent available to households with incomes between 60% and 100% of AMI (equivalent to \$1,023.00/mo for a studio, \$1,153.00 for an efficiency, & \$1,276.00 for a one bedroom at the FY2016 HUD rates.)

Staff also recommends that the City request that the DDA consider funding all or a portion of an additional 2.5% of workforce housing units at 150% of Fair Market Rent for up to \$1,475,000.00 from its Housing Fund.

Authorizing the sale of the development rights to Core Spaces will complete the award process for the sale. It will not alter the City's site plan process. Core Spaces will still be required to follow the City site plan review process including design review, Planning Commission recommendation, and site plan approval by City Council. Likewise, Council authorization of this resolution will not alter the requirement for Council approval of other agreements related to, but not incorporated into, the sale agreement. Closing will be scheduled in accordance with the terms of the sales agreement and the conclusion of all necessary due diligence by the parties.

The City Attorney's Office will complete all transaction documents with the assistance of outside counsel. We anticipate an initial contract to complete the sale agreement and to assess and begin drafting other transaction documents of \$25,000.00. An appropriation transferring funds from the General Fund fund balance to the FY17 Finance Administration budget for this purpose is included in this authorization.

Prepared by: Tom Crawford, CFO/Finance and Administrative Services Area Administrator

Reviewed by: Kevin McDonald, Senior Assistant City Attorney and Mary Joan Fales, Senior Assistant City Attorney

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City Council directed staff on January 19, 2016 to enter into exclusive negotiation with Core Spaces in anticipation of a recommended sale of the above ground development rights to 319 South Fifth (i.e., excluding the underground public parking structure) with the request to incorporate a number of desired terms (R-16-021);

Whereas, The City Administration and the City Attorney's Office engaged Core Spaces based on the terms identified by Council in Resolution R-16-021 and Core Spaces has responded in the attached supplemental letter describing the additional provisions of the proposed agreement;

Whereas, Core Spaces has provided the option of 12% of the housing units as workforce housing being incorporated at 150% or 120% of Fair Market Rent;

Whereas, Core Spaces has offered an additional 2.5% of the units (9 units) at 150% of Fair Market Rent upon receipt of \$1,475,000.00; and

Whereas, Staff believes the sale of the property under the proposed terms represents a public benefit to the City;

RESOLVED, That City Council authorize the sale of the above ground development rights of 319 S. Fifth Ave. to Core Spaces with the terms stated in Core Spaces' response to the City's Offering Memorandum, Core Spaces' Supplemental Letter and the additional terms stated in this Resolution, contingent on receipt of a public advice memorandum from outside bond counsel that the proposed Core Spaces project and the use of the bond financing for infrastructure does not threaten the tax advantaged status of the Build America Bonds used to finance the underground parking structure and related infrastructure;

RESOLVED, That City Council waives any attorney-client privilege necessary to allow outside bond counsel to prepare the above advice memorandum in a form that is suitable for public distribution;

RESOLVED, That the terms of the agreement shall incorporate 12% of the units to be workforce housing at 150% of Fair Market Rent for household incomes ranging from 60% to 80% AMI;

RESOLVED, That the terms of the agreement shall also incorporate the optional additional 2.5% of units of workforce housing at 120% of Fair Market Rent for household incomes ranging from 50% to 80% of AMI in exchange for the payment of \$1,475,000.00 and that Council requests that the DDA consider this purchase from its Housing Fund;

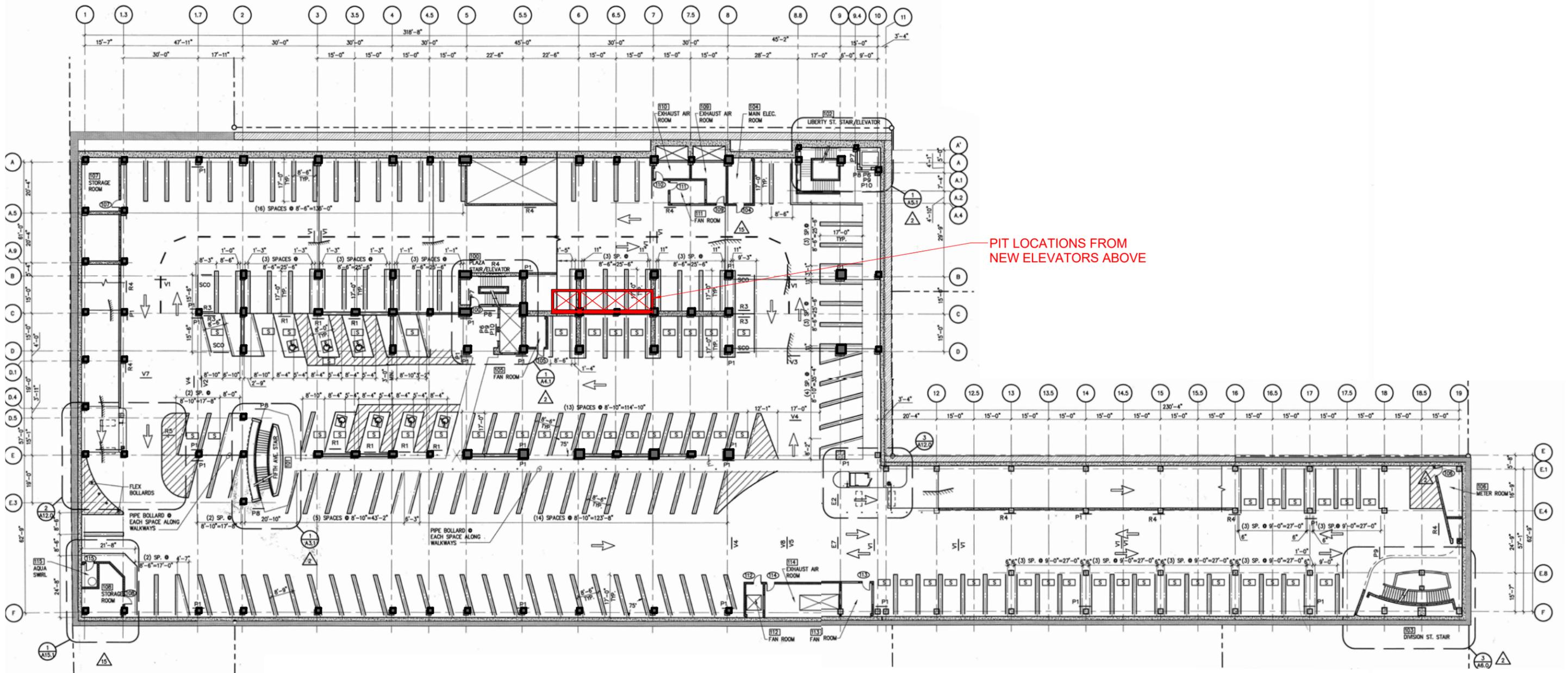
RESOLVED, That City Council approve an appropriation of \$25,000.00 from the General Fund fund balance to the FY17 Finance Administration budget and increase the FY17 Finance Administration budgeted expenditures for legal services for the sale of the 319 S. Fifth Development Rights, with the funds to be available for expenditure without regard to fiscal year; and

RESOLVED, That the Mayor, Clerk and City Administrator be authorized to execute necessary documentation, after approval as to form and substance by the City Attorney, to complete the sale of the above ground development rights of 319 S. Fifth Ave.

As Amended and Approved by Ann Arbor City Council on April 17, 2017

EXHIBIT F

CONCEPTUAL DRAWINGS OF SITE AND BUILDING ENVELOPE



PIT LOCATIONS FROM
NEW ELEVATORS ABOVE

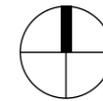


EXHIBIT G
WALKER REPORT

Library Lane Underground Parking Structure

Future Development Report



Table of Contents

I. INTRODUCTION	2
II. PARKING STRUCTURE DESIGN.....	3
III. SUBSURFACE CONDITIONS	5
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I. INTRODUCTION

A. The Ann Arbor DDA (A2DDA) intends to promote the development of the Library Lane Underground Parking Structure. This report summarizes provisions included in the construction of the underground garage for future developments. These provisions include:

- 1) Knock-out panels for below grade access to adjacent properties.
- 2) Foundations and structure for the support of mid- to high-rise buildings (residential, office, retail), public space, plaza, or other public initiatives above the garage.



- 3) Knock-out areas for future elevators.
- 4) Alley for delivery and refuse pickup.
- 5) Utility infrastructure (water, sanitary sewer, storm water detention).
- 6) Areas for electric service upgrade equipment.
- 7) Accommodations for expanded parking services:
 - A. Knock-out panels for below grade expansion south of garage in Fifth Avenue right of way.
 - B. IT room
 - C. Additional electric vehicle charging stations
 - D. Individual parking space sensors
 - E. Security cameras
 - F. Speaker system
 - G. Additional parking equipment – pay-on-foot stations and cashier's booths

II. PARKING STRUCTURE DESIGN

A. Parking - The Library Lane parking structure is located north of the Ann Arbor Downtown District Library between South Fifth Avenue and South Division Street. The structure provides four (4) below grade levels of parking, surface parking, and circulation for vehicles and pedestrians between Fifth Avenue and Division Street. Underground parking provides approximately 711 public parking spaces for both permit and hourly parking.

1. Parking Structure Enhancements – Parking structure enhancements include natural light penetrating to the underground structure, a hydronic snowmelt system, pedestrian connections to multiple destinations, a highly visible wayfinding system, separation of pedestrians and vehicle traffic, enhanced lighting, improved visibility, and personal safety features.

2. Pedestrian Link – Stair/elevators promote pedestrian connections to downtown, including access to the east (Division Street stair), to East Liberty Avenue (Liberty stair/elevator), and to the west and south (Fifth Avenue stair and Central stair/elevator).



3. Security and Safety – Emergency phones are located at stair/elevator towers and a cellular repeater system has been installed to provide service throughout the structure.

B. Structural - The Library Lane parking structure consists of cast-in-place concrete construction.

1. Substructure System – The substructure system consists of a cast-in-place continuous mat foundation that varies in thickness and reinforcement.

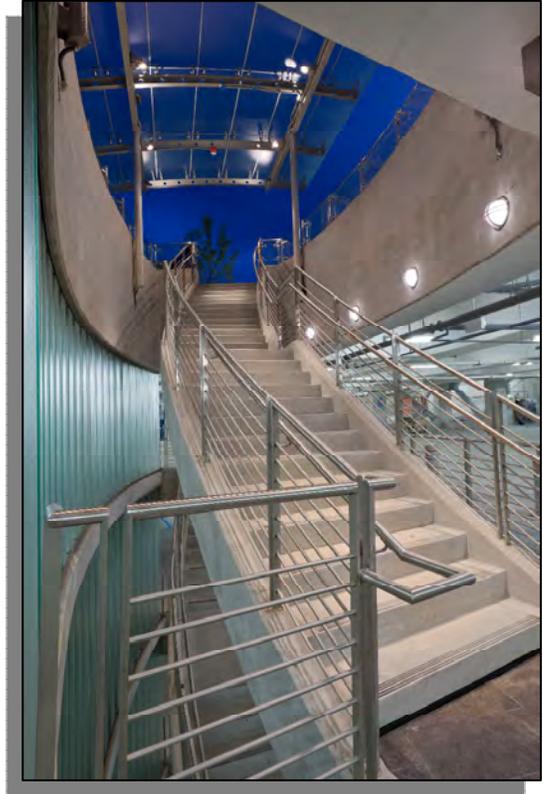
2. Foundation Walls – The foundation walls consist of cast-in-place concrete varying in thickness from approximately 18" to 36". The walls were cast against the temporary earth retention system with a bentonite waterproofing system in between. The exception to this is the west wall where the concrete was cast directly against the temporary earth retention system without waterproofing.

3. Slab-on-Grade – A 5" thick concrete slab on grade was constructed over engineered fill in the eastern portion of the garage on level P3. A topping or wear slab was placed on top of and bonded to the mat foundation in the western portion of the garage on level P4.

4. Superstructure System – The superstructure system consists of cast-in-place concrete columns, beams, and slabs. A majority of the floor framing below grade (levels P1, P2, and P3) consists of post-tensioned slabs and beams. The level A1 structural slab is conventionally reinforced with a majority of the beams being post-tensioned.

5. Lateral Load Resisting System – The lateral load resisting system for the parking structure includes a combination of reinforced concrete moment frames, reinforced cast-in-place concrete shear walls (with and without openings), and braced frames with tube steel cross members. Portions of the perimeter foundation walls are also tied to the superstructure to provide lateral support.

6. Stairs/Elevators – The stair and elevator towers consist of cast-in-place concrete frames and walls. The stair and elevator towers are tied to the parking structure (no expansion joint), with the exception of the Liberty elevator shaft that is tied to the perimeter foundation walls and isolated from the parking structure.



C. Details and Materials – The structure was designed and constructed with special emphasis on durability and ease of maintenance. Components include details and materials that promote long-term durability. The cast-in-place concrete structure was designed and constructed to provide a service life of more than 75 years. During this service life major structural repairs should not be required (i.e. significant concrete corrosion deterioration repair). The useful service life of the structure can be extended well beyond 75 years with proper maintenance, inspections, and repairs as necessary.

III. SUBSURFACE CONDITIONS

A. Subsurface Soil Conditions (Geotechnical Information)

1. Subsurface exploration and geotechnical evaluation was performed by Haengel and Associates Engineering, Inc. prior to design of the structure.
2. Site findings in the geotechnical report dated March 30, 2009 include the following information:

- a. The geology of the area consists of glacial drift soils that may range from 200 to 400 feet in thickness.

- b. Fill and possible fill soil thickness ranges from 3 to 5.5 feet.

- c. The upper clean sand and gravel deposit extends to depths ranging from 62 to 74 feet

below existing grade. The upper layer likely contains cobbles and boulders from 15 feet to 50 feet below grade. Large boulders may be encountered at a depth of approximately 28 feet below existing grade; these boulders may impact earth retention installation.

- d. Below the upper clean sands and gravels is compact to very dense silty sand.

- e. Monitoring wells were installed near boreholes for measuring groundwater levels. Groundwater measurements from the monitoring wells indicated groundwater at or below elevation 805'. A groundwater level of approximately 809' was used for design.

- f. The ground water level should be anticipated to be relatively stable.

- g. On-site soils are suitable for backfill with boulders & cobbles removed.

3. Mat Foundation – HAE Memorandum Dated December 30, 2009

- a. The net allowable bearing capacity used for design as recommended by the geotechnical engineer is 30,000 psf.

- b. Total settlement expected directly below the future tower ~ 1" to 1¼"

- c. Differential settlement should be less than ~3/4"

4. Site Class C was used for seismic design per the 2006 Michigan Building Code.

5. Temporary earth retention systems (TERS) were installed in order to construct the below-grade foundation walls. The earth retention capacity of the TERS should be neglected for all future construction. The permanent foundation walls were designed and constructed to permanently retain the soil.



- a. The temporary earth retention system was designed by a registered Professional Engineer (SME) hired by the earth retention Contractor (Hardman Construction).
- b. In order to protect adjacent properties, horizontal movement of the earth retention system was limited to less than ½".
- c. The TERS was constructed using both soldier pile and wood-lagging walls and tangential auger-cast pile walls. Refer to Figure 3.1.
 - o The soldier pile and wood lagging walls consist of pre-drilled structural steel soldier piles backfilled with grout. The soldier piles were supported with tie-backs. Wood lagging was then installed between soldier piles to retain the soil.
 - o The tangential auger-cast pile walls consist of drilled support piles reinforced with structural steel beams and supported with tie-backs. Two unreinforced piles were drilled and installed between the support piles to retain the soil.
- d. Temporary tiebacks consisting of grouted post-tensioned tendon and steel rod anchors were installed below adjacent properties with authorization from adjacent property owners. The top row of tie-backs was decommissioned (cut) by the contractor following construction of the permanent foundation walls. The lower level tie-backs remain live and connected to the TERS, but should relax and/or decommission themselves over time. All tie-backs can be removed if encountered during future excavation and care should be taken to safely decommission any lower level tie-backs prior to removal.
- e. Grout was used to stabilize running soils behind portions of the TERS. This was typical for the soldier pile and lagging walls and infrequent for the tangential auger-cast pile walls.
- f. The TERS walls and piles were removed to an extent below grade to allow for backfill and site grading. The extent of TERS removal varies from approximately 2' to 5' below existing grade.

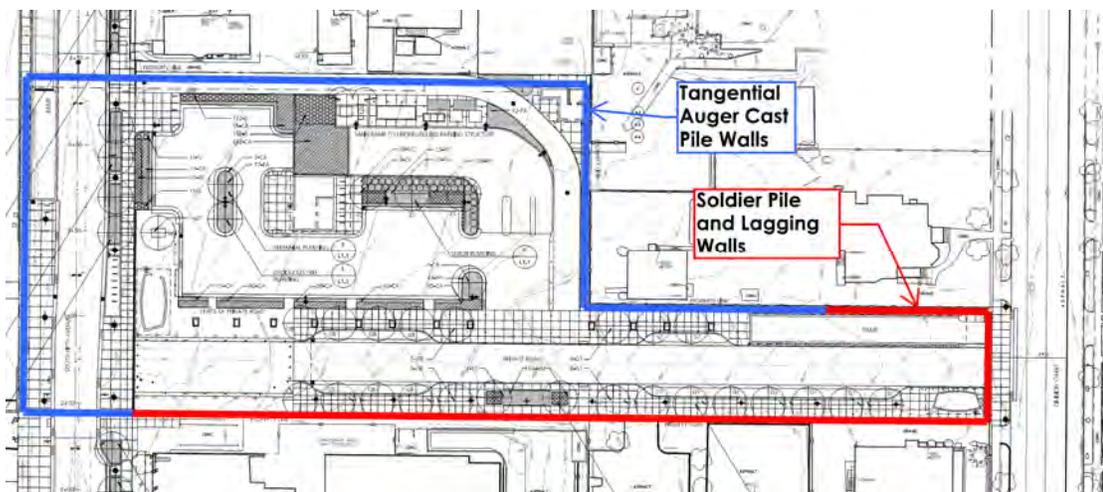


Figure 3.1 – Temporary Earth Retention System

IV. BUILDING CODE AND ZONING SUMMARY

The parking structure should be analyzed by an engineer/architect for conformance with all applicable current codes and standards prior to making any additions or modifications to the structure.

Gross Building Areas – Calculated based on final construction and including detention tank, ventilation shafts, and other unoccupied spaces.

Level P4 Area	60,900 sft
Level P3 Area	73,600 sft
Level P2 Area	73,600 sft
Level P1 Area	73,600 sft
Grade Level Area	N/A
Total Gross Area	281,700 sft
# of Cars Below Grade (P1 to P4)	711



This Library Lane Underground Parking Structure consists of four (4) levels of enclosed parking below grade and a surface parking lot on grade level. The building structure is cast-in-place concrete and is non-combustible.

A. Building Code Criteria Applied for Parking Structure Design

- o 2008 City of Ann Arbor Codes and Ordinances
- o 2006 Michigan Building Code (MBC)
- o 2006 Michigan Mechanical Code
- o 2006 Michigan Plumbing Code
- o 2003 Energy conservation provisions of the State of Michigan Building Code
- o 1999 ASHARE Standard 90.1 1999
- o 2005 NFPA 70 National Electric Code
- o 1999 NFPA 72 National Fire Alarm Code
- o State of Michigan Elevator Code
- o 1999 NFPA 13 2003 Michigan Barrier Free Design Guidelines
- o Uniform Federal Accessibility Standards Section 504 of the US Rehabilitation Act of 1973 Title II of the Americans with Disabilities Act
- o 2007 American Association of State Highway & Transportation Officials (AASHTO)

Use Group:	S-2 Parking Structure (see MBC Section 311)
Construction Type:	I-B (see MBC Table 601)
Fire Resistance Ratings:	2 hours 1 hour non-bearing exterior walls (see MBC Table 602)
Fire Suppression:	Automatic Dry Pipe system at levels P1 through P4 Fully sprinkled per NFPA 13 Class I Manual Dry Standpipes



V. FUTURE DEVELOPMENT PROVISIONS

The parking structure should be analyzed by an Engineer/Architect for conformance with all applicable current codes and standards prior to making any additions or modifications to the structure. The structural loads, capacities, and provisions must be verified by a professional engineer for the specific future development being considered.

A. Adjacent Developments

The parking structure foundation walls include 'Knockout Panels' for below grade pedestrian and/or vehicle access to future developments on adjacent properties. Future exterior wall opening locations are summarized in Appendix A.



In addition to Appendix A, refer to structural drawings S2.2.1, S2.2.2, S2.3.1, S2.3.2, S2.4.1, S2.4.2, S7.12, S7.15, S7.34, S7.35, S7.36, S7.37, S7.40, S7.41, and S7.42.

One impact of future connections is lateral soil loads (or absence of loading) on the perimeter walls. Future horizontal expansions and/or adjacent developments must maintain appropriate horizontal loads where soil is removed (Figure 5.1).

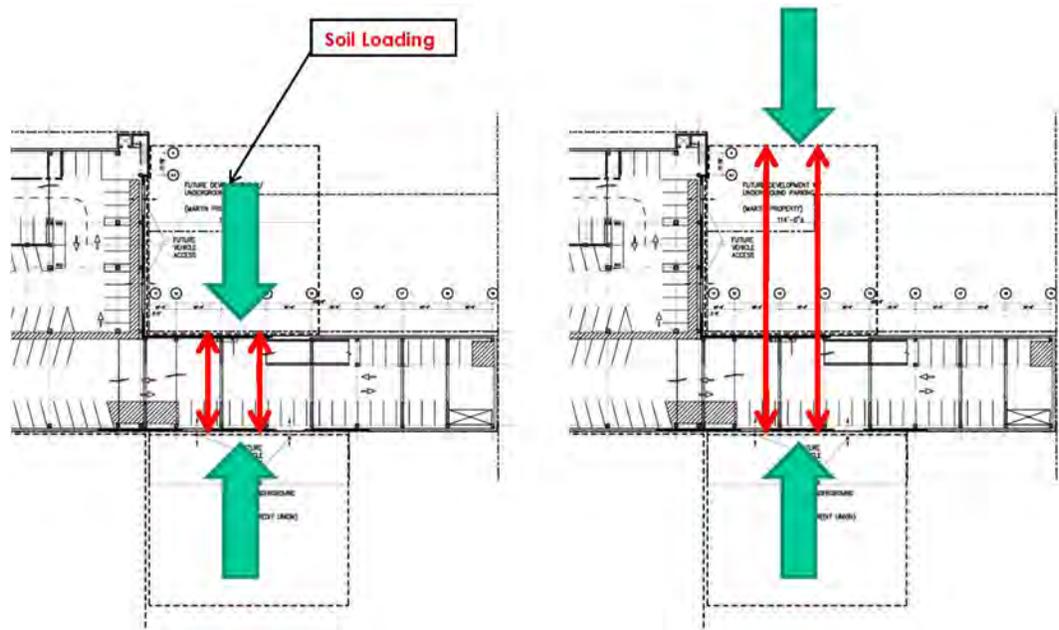


Figure 5.1 – Soil Loading

The City of Ann Arbor requires surface (grade level) storm water to be detained and then slowly evacuated to the city storm system; refer to drawing C2.2 for more information. The Library Lane storm water detention tank is located on level P4 in the areas from approximate grids 1 to 1.5 and A to F, refer to figure 5.2.

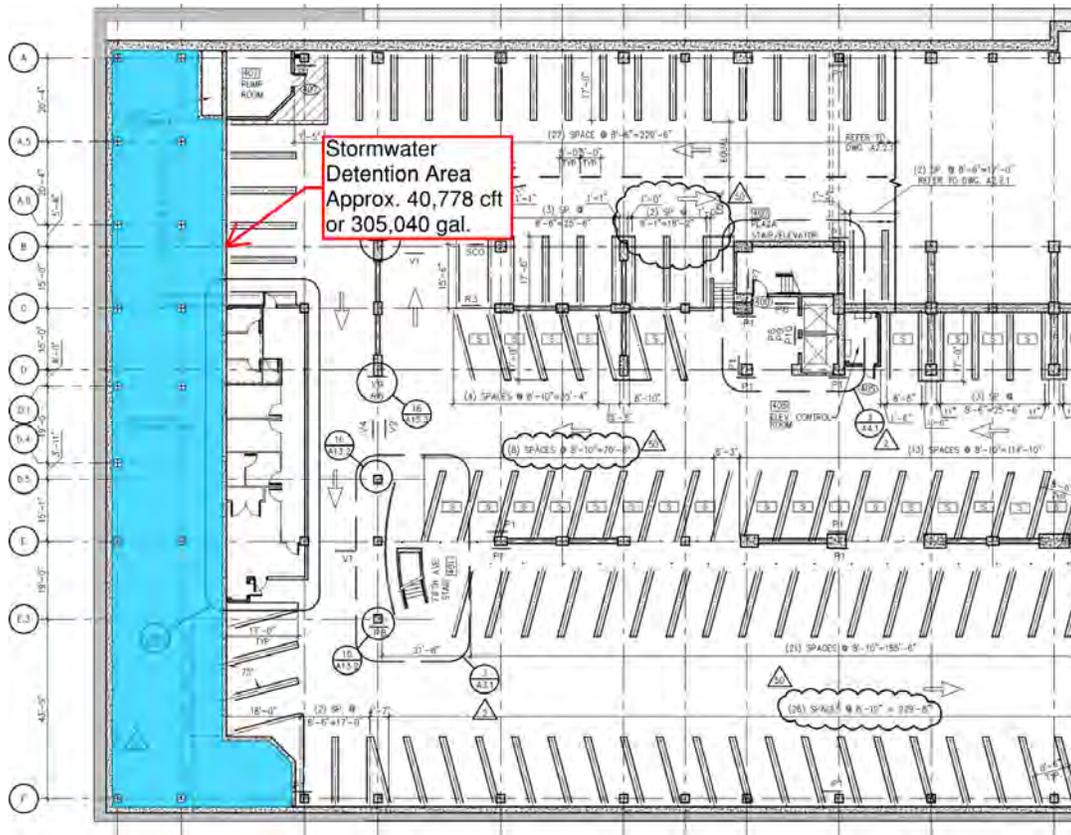


Figure 5.2 – Stormwater Detention on Level P4

The parking structure storm water detention system was designed to receive all of the surface water above the parking structure as well as runoff from existing and future adjacent properties. Refer to figure 5.3 and the following summary:

Detention Requirements (12,758 CF/Acre)

Library Lane Site Area = 1.76 Acres
Detention Requirement – 22,454 CF

Martin Site Area (current and future) = 1 Acre
Detention Requirement – 12,758 CF

5th Avenue Reserve Area = 0.11 Acres
Detention Requirement – 1,403 CF

Total Detention Required = 36,615 CF

Detention Capacity = 5045 SF x 8.083 FT = 40,779 CF

Reserve Detention Capacity for Future Development or Adjacent Property

Detention Capacity	40,779 CF
<u>Detention Required</u>	<u>(36,615 CF)</u>
Reserve	4,164 CF (0.32 Acres)

It is our understanding that the DDA has an agreement with the adjacent Martin property to receive stormwater drainage from an approximate one acre area. Stormwater piping has been installed within the Library Lane garage to receive this water and transport it to the stormwater detention system. This piping is already connected to a small stormwater system on the Martin property per the site design by Park Avenue Consultants.



Due to the site grade elevations within 5th Avenue, a small portion of the Library Lane site has not been captured by the stormwater detention system. This area is approximately 0.11 acres (4761 sft) and should be held in reserve for future city use or parking structure expansion.

It is our understanding that there are no other Library Lane stormwater detention agreements, but this should be confirmed by the DDA prior to adding future stormwater areas to the system. The remaining stormwater detention capacity for expansion or future developments is approximately 0.32 acres (13,940 SF).

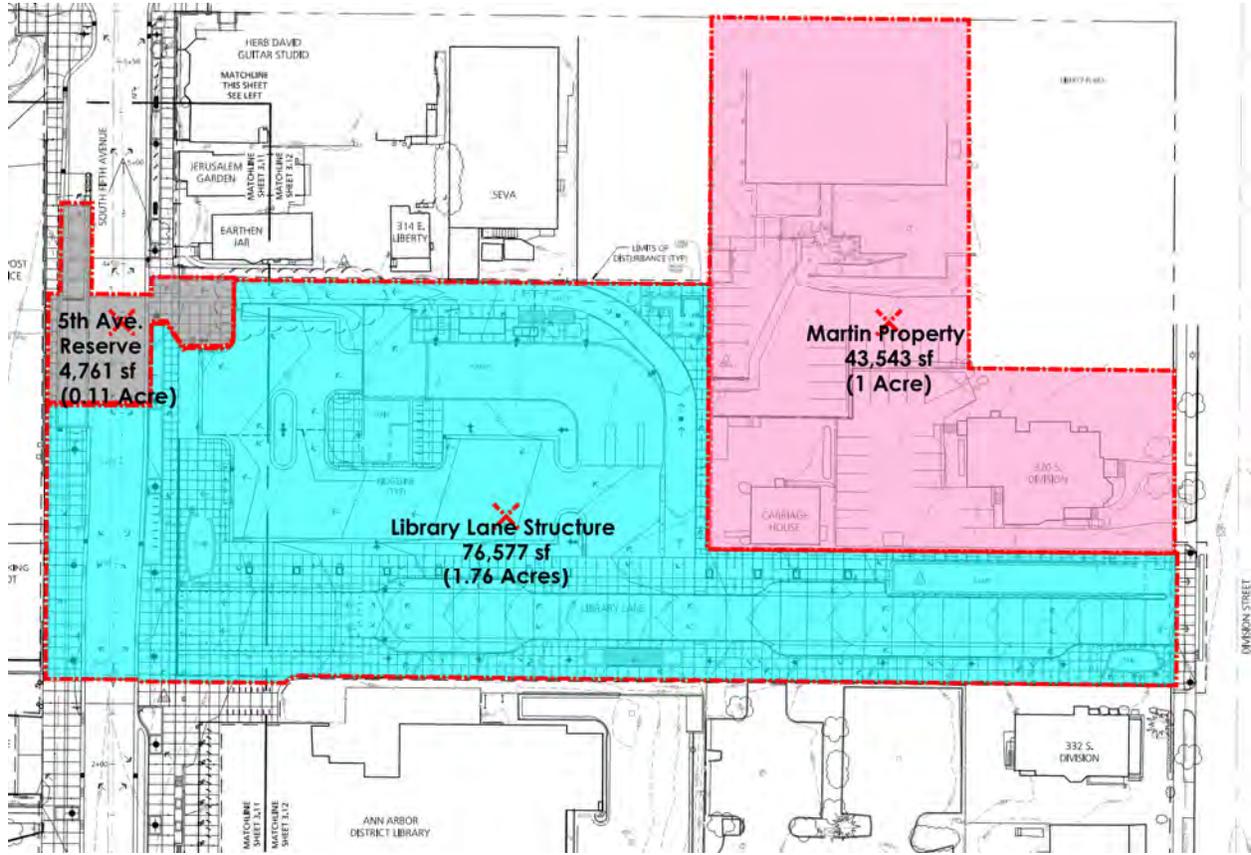


Figure 5.3 – Stormwater Detention Areas



B. Development Above Parking Structure

Shape, location and size of future structures above the parking structure are illustrated in figure 5.4, figure 5.5, and summarized as follows:

- Civic Plaza – Located from grids 2 to 5 and C to E. The anticipated grade elevations would be similar to existing.
- Medium Density Building – Located from grid 2 to 5 and A to C, this structure is assumed to be a 4-Story structural steel and composite slab building with floor to floor height of 13'-6" (14'-0" at first floor). The ground floor elevation is anticipated to match existing.
- High Density Development – Located from grid 5 to 9 and A to E, this structure is assumed to be an 18-Story structural steel and composite slab structure with floor to floor height of 13'-6" (14'-0" at first floor), approximately 240' tall. The ground floor elevation is anticipated to match existing.

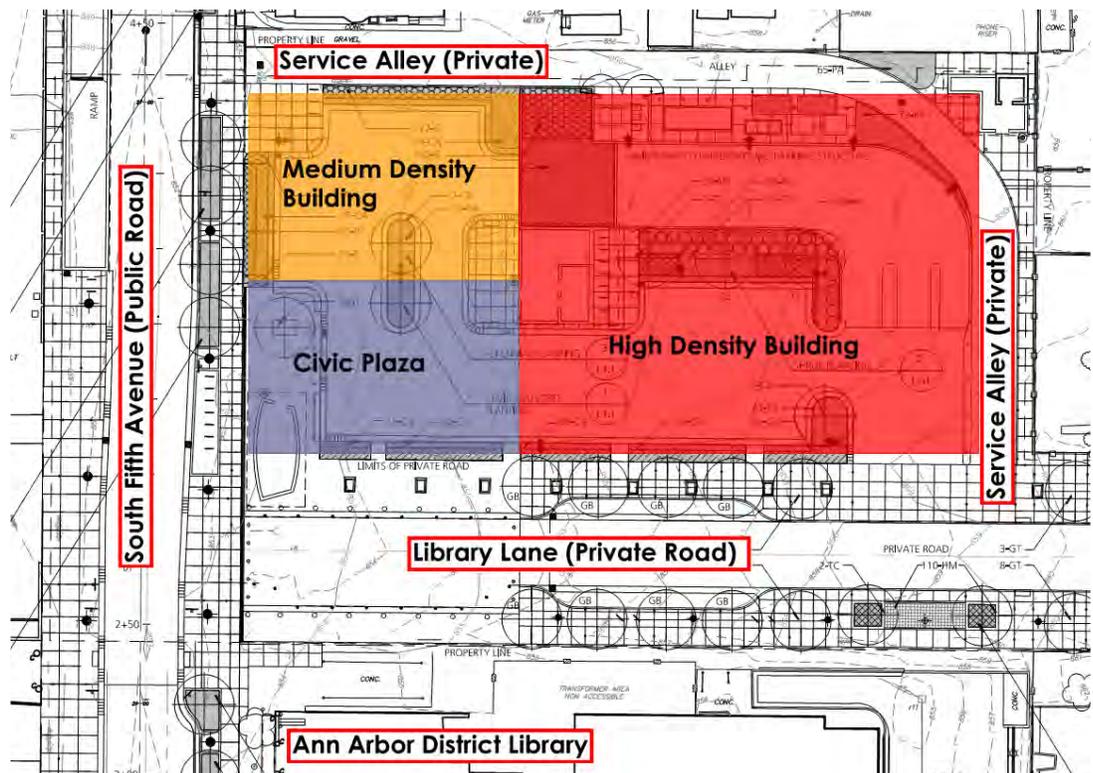


Figure 5.4 – Development Above Parking Structure Plan



Figure 5.5 – Development Above Parking Structure 3D Rendering

The future development will require multiple routes of egress at grade level as well as allow for continued function of the parking structure entry and exit from Library Lane. Possible locations for stairs and egress are shown in figure 5.6 and summarized as follows:

- High Density Building elevator and stairs – It is anticipated that future elevators will be located somewhere from grid B to D and 5.5 to 8. The beams and slabs in this area are conventionally reinforced (no post-tensioning tendons). This makes future slab removal and reconstruction of elevator pits more feasible.
- Medium Density Building – It is anticipated that that at least one stair will be constructed and this building will utilize the elevators located in the high density building. Stair locations are flexible and one suggested location is near grid intersection A2.
- Anticipated grade level floor elevations for the future development are 853'-6" to 854'-4" in the medium density building and 857'-4" in the high density building.
- It is anticipated that loading and trash pickup for the future development will be from the private Service Alley north of the structure. The garbage area has already been constructed here and the anticipated loading path is shown in figure 5.6.

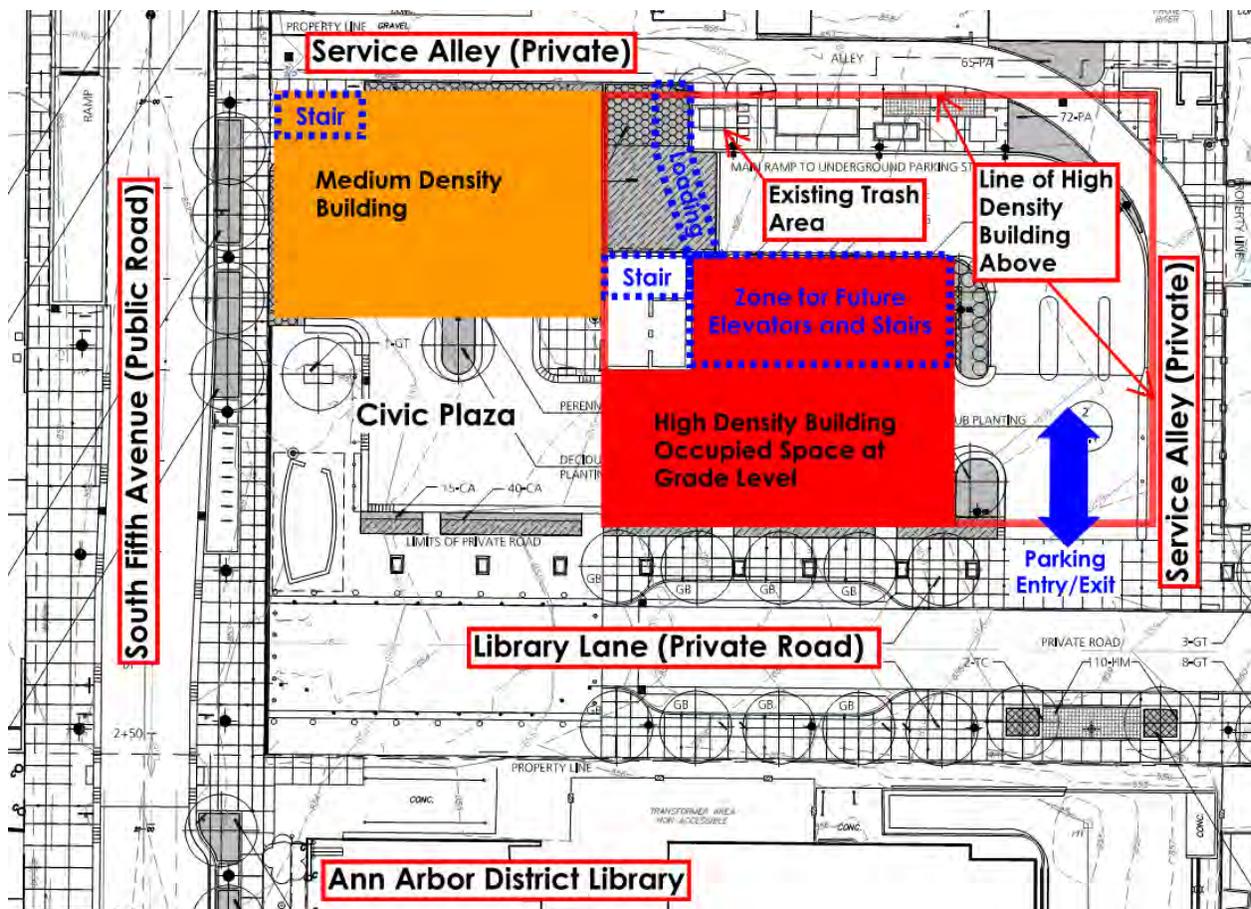


Figure 5.6 – Grade Level Egress Plan

The parking structure was designed to carry structural loads imposed by the future development. Future development areas are shown in figure 5.4. These anticipated structural column loads have been provided in Appendix B and are summarized as follows:

- a. Civic Plaza – The anticipated loads include landscape/hardscape dead loads of 280 psf and a live loading of 250 psf.
- b. Medium Density Building - The future medium density building is assumed to be a steel moment frame building with composite slabs. Refer to Table 1 Appendix B for allowable column loads that can be applied to the garage structure.
- c. High Density Building - The future high density building is assumed to be a steel framed building with concrete shear walls and composite slabs. Concrete shear walls are assumed to extend the full height of the high density building. Full height shear walls are to be located on grids 6, 7, and 8 between grids B-D as well as on grid C from 5.5 to 6 and 7 to 8. Refer to Table 2 in Appendix B for allowable column gravity loads that can be applied to the garage structure. Refer to Table 3 in Appendix B for wind and seismic base shears and moments applied to each shear wall.
- d. Service Alley – The anticipated loads include landscape/hardscape dead loads of 280 psf and a live load of 250 psf. The existing service alley meets AASHTO requirements for HS20 Bridge loading, refer to figure 5.7.
- e. Library Lane – The anticipated loads include landscape/hardscape dead loads of 280 psf and a live load of 250 psf. The existing Library Lane meets AASHTO requirements for HS20 Bridge loading, refer to figure 5.7.
- f. South 5th Avenue – The existing South 5th Avenue over the Library Lane Parking Structure meets AASHTO requirements for HS25 Bridge Loading and is considered a bridge by the City of Ann Arbor and the Michigan Department of Transportation. As such, the parking structure concrete framing directly below 5th Avenue is included in the state bridge inventory and receives regular bridge inspections similar to other bridges in the City of Ann Arbor, refer to figure 5.7.

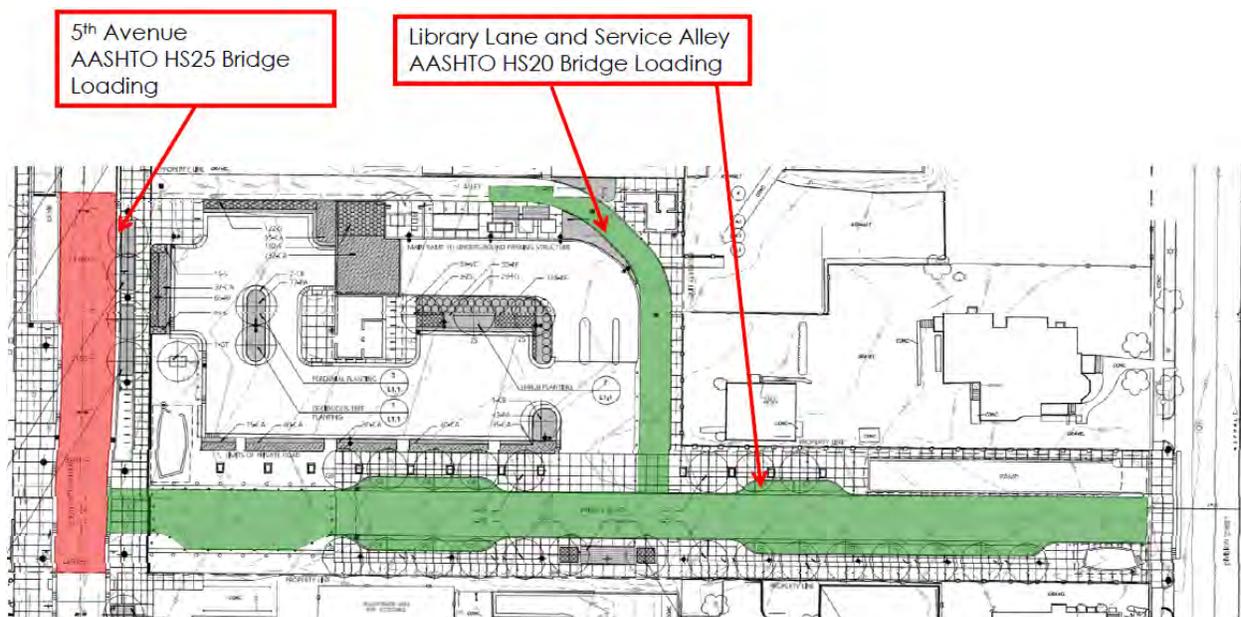
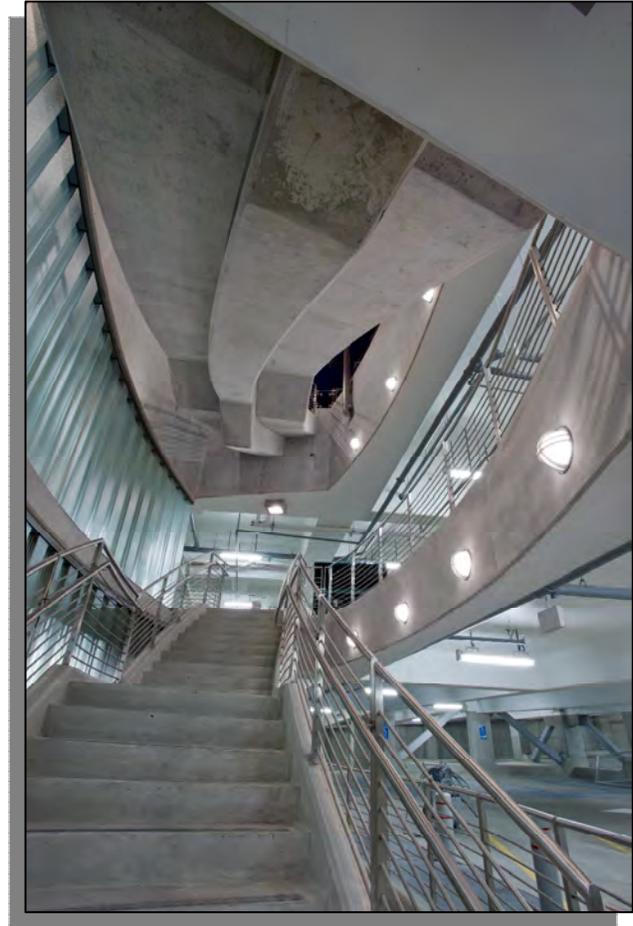


Figure 5.7 – AASHTO Bridge Loading



Future expansion details were included in the parking structure design and construction. This is illustrated in figure 5.8 and summarized as follows:

- a. Two additional shear walls must be constructed within the parking structure in conjunction with the medium and high density buildings. If only the medium density building is constructed, then additional engineering analysis will be required to determine if the additional parking structure shear walls are required. The two additional walls occur at the following locations: on grid line C between grids 6 & 7, and on grid line 8 between grids B & D. The additional wall on grid line 8 is to extend through the full height of the garage and the high density building while the wall on grid line C only extends for the full height of the parking garage. Refer to drawing sheets S7.27, S7.28 and S7.29 along with details 4/S4.2, 8/S5.4, 10/S5.4, 11/S5.4, 7/S7.21, and 8/S7.21.



- b. Reinforcement couplers were detailed and installed for future column extension at locations where future building columns are to be placed. Refer to detail 2/S5.5 for the typical future column condition. The design intent is for the 8" high concrete curb to be demolished in order to expose the future expansion couplers on the vertical column reinforcing bars. New reinforcing bars are to be attached to the couplers and then a new concrete stub column is to be extended to approximately the lobby elevation of the future building. A future building steel column would be placed on the stub column. In the case of a concrete column associated with a shear wall in the high density building, the same process would apply with the exception that the concrete column would extend thru the full height of the new structure instead of terminating at the lobby elevation. Note that the columns at grid intersections C5.5 and D5.5 were extended to the top of elevator shaft wall (El. 874'-0") as a change during construction.
- c. The future column at grid C8 is currently located in a portion of the parking structure exit drive lane. Parking access and revenue control equipment may need to be relocated south of its present location to accommodate a vehicle turn around the future column at grid C8 and to allow for proper vehicle alignment with equipment.
- d. Provisions have been made for a future substation on the north side of the structure below the high density building from column lines 5.5 to 7 and A to A.4.

Refer to detail 4/S10.21 for the limits of future demolition and replacement for the future substation room on level P1. The design assumed that the replacement would be an 8" slab and with a live load of 250 psf.

- e. An area has been designated for future stairs and elevators within the high density building. This area is from column lines 5.5 to 8 and B to D. The level A1 slab in this area is conventionally reinforced and spans in the north/south direction. As noted in beam schedule note 7 on sheet S6.5, post-installed anchors (or reinforcement) can be installed into the beams along lines B and D except where post-tensioned beams intersect them.

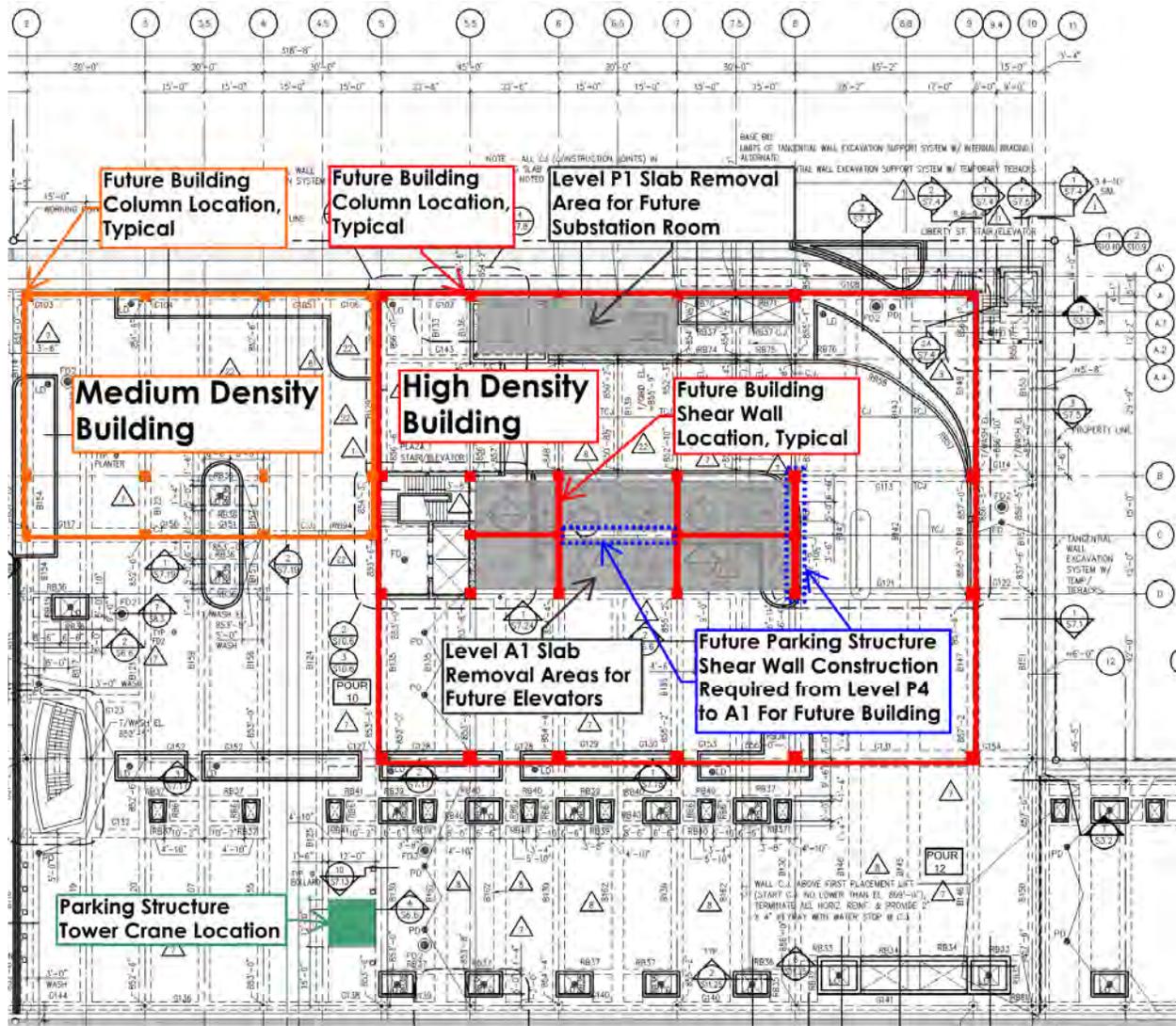


Figure 5.8 – Future Expansion Details

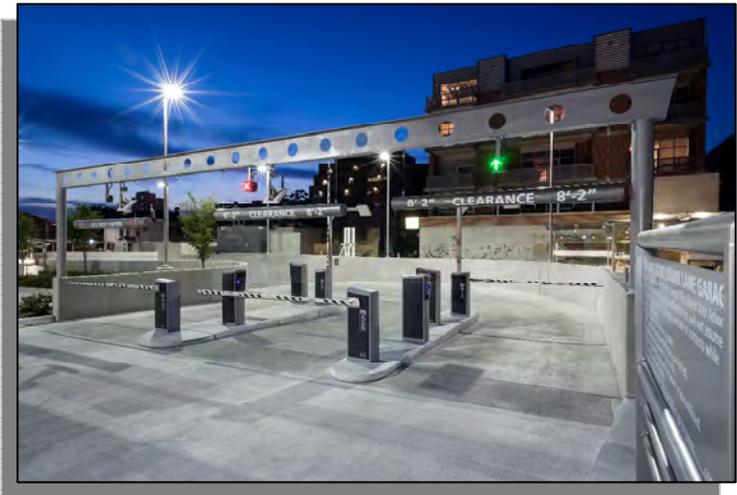
A Terex SK 415 tower crane was used to construct the parking structure. The location is shown in Figure 5.8. Also refer to drawings S2.0.1, S2.1.1, S2.2.1, S2.3.1, S2.4.1, S2.5.1, and S6.6.

- a. The tower crane anchors were left in the mat foundation and could potentially be used for erection of another tower crane.
- b. The supported levels of the parking structure were built around the tower crane. The 12 ft x 12 ft tower crane slab openings were infilled with conventionally reinforced concrete that could be removed and replaced.

Provisions for water and sewer were anticipated during the parking structure design. Refer to 'Plumbing Services Load Estimates' in Appendix C for anticipated future water and sanitary sewer requirements. Improvements to nearby underground utilities were designed by Park Avenue Consultants and constructed by others.

Provisions for future electrical needs were anticipated during the parking structure design and include the following:

- a. Pads for future grade level transformer and primary switchgear at the north side of the site next to the alley. Refer to drawing E1.1.
- b. Area on Level P1 for future electric service substation from 5.5 to 7 and A to A.4. Refer to figure 5.6 and drawing E3.4.
- c. (5) 6" sleeves through the foundation wall at future electric service substation for future use. Refer to drawing E3.4.
- d. (1) 4" spare conduit from South 5th Avenue electric service to primary switchgear. Refer to drawing E1.1.
- e. (1) 4" spare conduit stubbed from telephone service at north property line to Main Electric Room 104 for future telephone and data. The 4" conduit that is installed and currently utilized may have additional capacity as well. Refer to Drawing E1.1
- f. (4) grounding cables from the ground mat below the foundation to service boxes located in the north foundation wall near grid intersection A6. It is our understanding that one of these ground cables has already been utilized for the installation of a cellular repeater system.



VI. FUTURE PARKING STRUCTURE IMPROVEMENTS

Infrastructure for future parking structure improvements were designed and installed. Location and suitability should be confirmed prior to design and installation of improvements.

- Conduit and junction boxes were embedded into the slabs on the supported levels for the installation of a future sound system. Refer to drawings E3.1, E3.2, E3.3, E3.4, and E6.4 for more information.
Note: It is our understanding that some of the speaker raceway may have been used for installation of the cellular repeater system.
- Conduit and junction boxes were embedded into the slabs on the supported levels for the installation of future security cameras. Refer to drawings E3.1, E3.2, E3.3, E3.4, and E6.3 for more information.
- The parking structure design included 10 electric vehicle charging stations on level P1 on the south foundation wall near grid intersection F1. Only six stations were installed by the DDA. The conduit and infrastructure are in-place for the installation of an additional four charging stations, refer to figure 6.1.

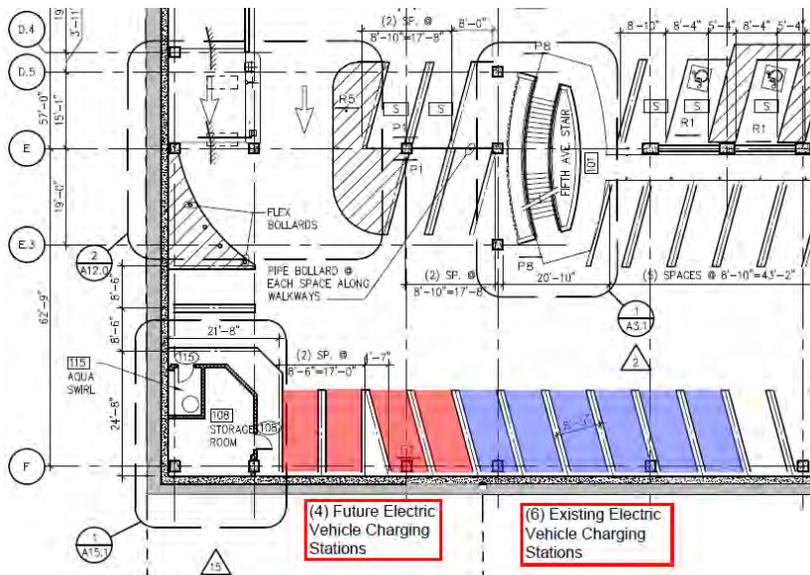


Figure 6.1 – Level P1 Electric Vehicle Charging Stations

- d. Infrastructure was designed but never constructed for an additional 12 electric vehicle charging stations. Two (2) of the stations were planned just north of the parking operations office on level P4 and were to be served from the electrical panel RP-4B located in the office, refer to figure 6.2. The electrical panel and additional transformer were not installed for the remaining 10 stations. These stations were planned for installation just east of the Central Stair south of grid C on levels P4 and P3 (5 each level). Refer to drawings E3.1 and E6.4 for more information.

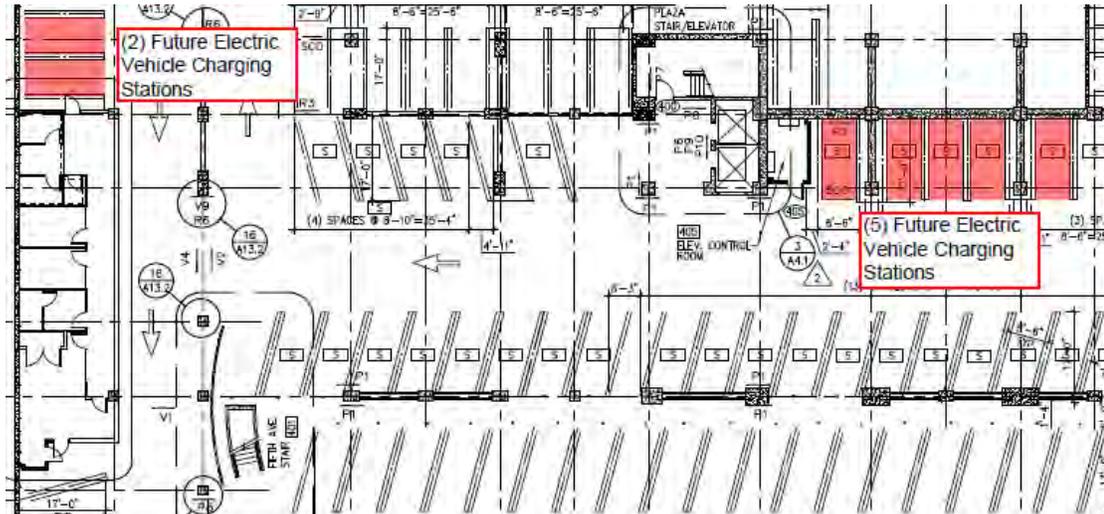


Figure 6.2 – Level P4 Future Electric Vehicle Charging Stations

- e. The installation of a car count system with individual parking space sensors was planned with the functional design. Sensors and infrastructure were not installed but recommended sensor locations are shown on sheets A2.1.1 thru A2.4.2.
- f. Electrical infrastructure was designed and installed for additional parking and revenue control equipment. Refer to drawings E3.1, E3.2, E3.3, E3.4, and E4.2 for more information in addition to the following summary:
- o Cashier booths were installed at the Central Stair on levels P1 and P2. Additional booth locations were planned at the Central Stair on levels P3 and P4, the Library Lane entry/exit at grade level, and the Division Street exit on level P1.
 - o Pay-on-foot stations were installed at the Central Stair on levels P1, P2, and at grade. Additional pay-on-foot station locations were planned at the Central Stair on levels P3 and P4, the Division Stair on level P1, and the Liberty Stair at grade level.
- g. An additional IT Room was planned in the southwest corner of the parking structure on level P1 (room 108). Conduit for electrical power and voice data were installed. Refer to drawings E6.1 and E6.3.

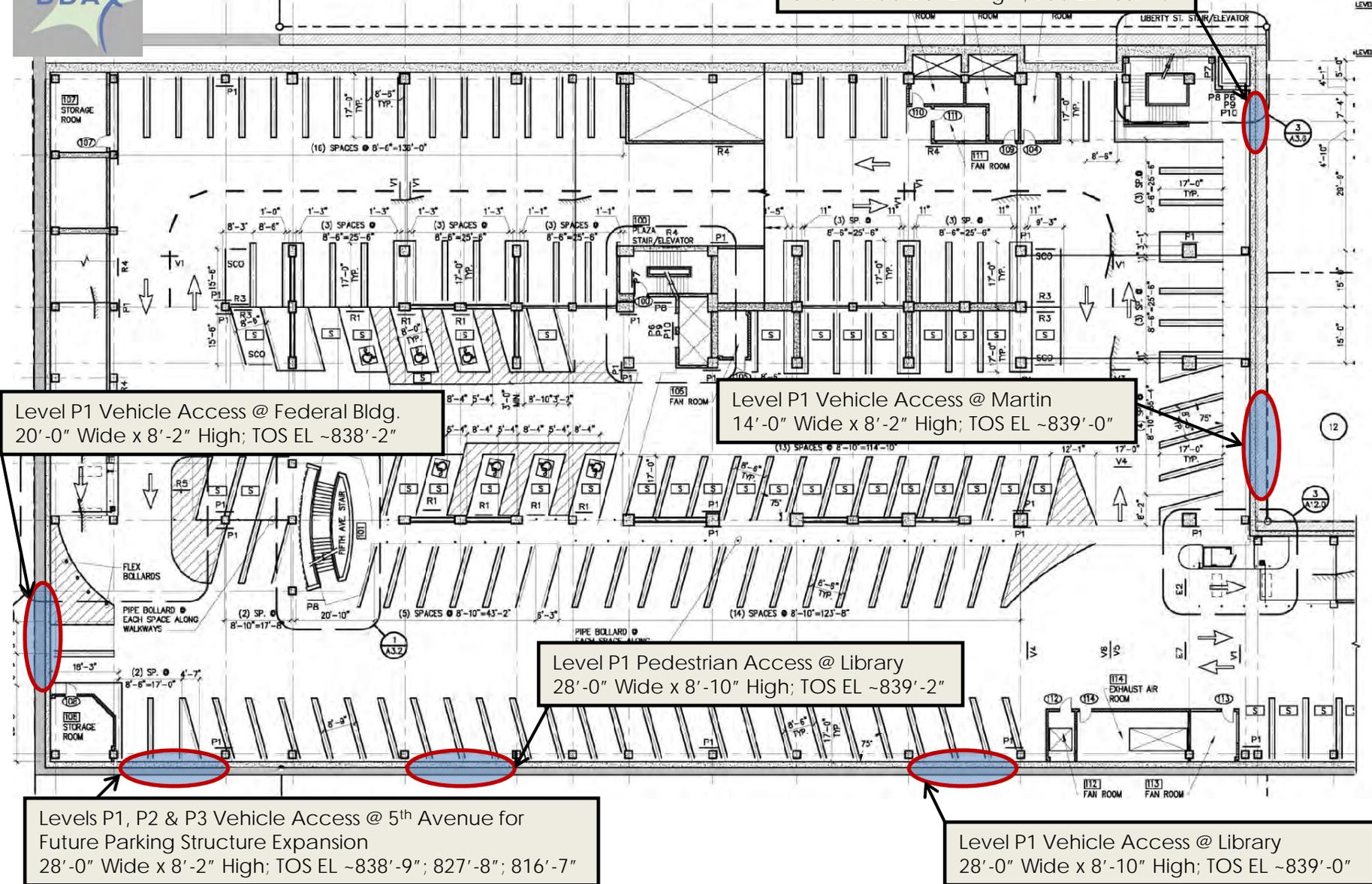
Note: It is our understanding that the DDA has installed equipment related to the electric vehicle charging stations in this room that may have utilized some of the installed conduit.

APPENDIX A – FUTURE EXTERIOR WALL OPENINGS



Ann Arbor Downtown Development Authority Library Lane Underground Parking Structure

Level P1 Pedestrian Access @ Martin
3'-10" Wide x 8'-2" High ; TOS EL ~837'-6"



Walls designed for openings as shown; excavations from behind wall must be evaluated for unbalanced soil loading on the structure by a structural engineer.

TOS EL = Approx. Top of slab elevation to be verified prior to design of adjacent development.

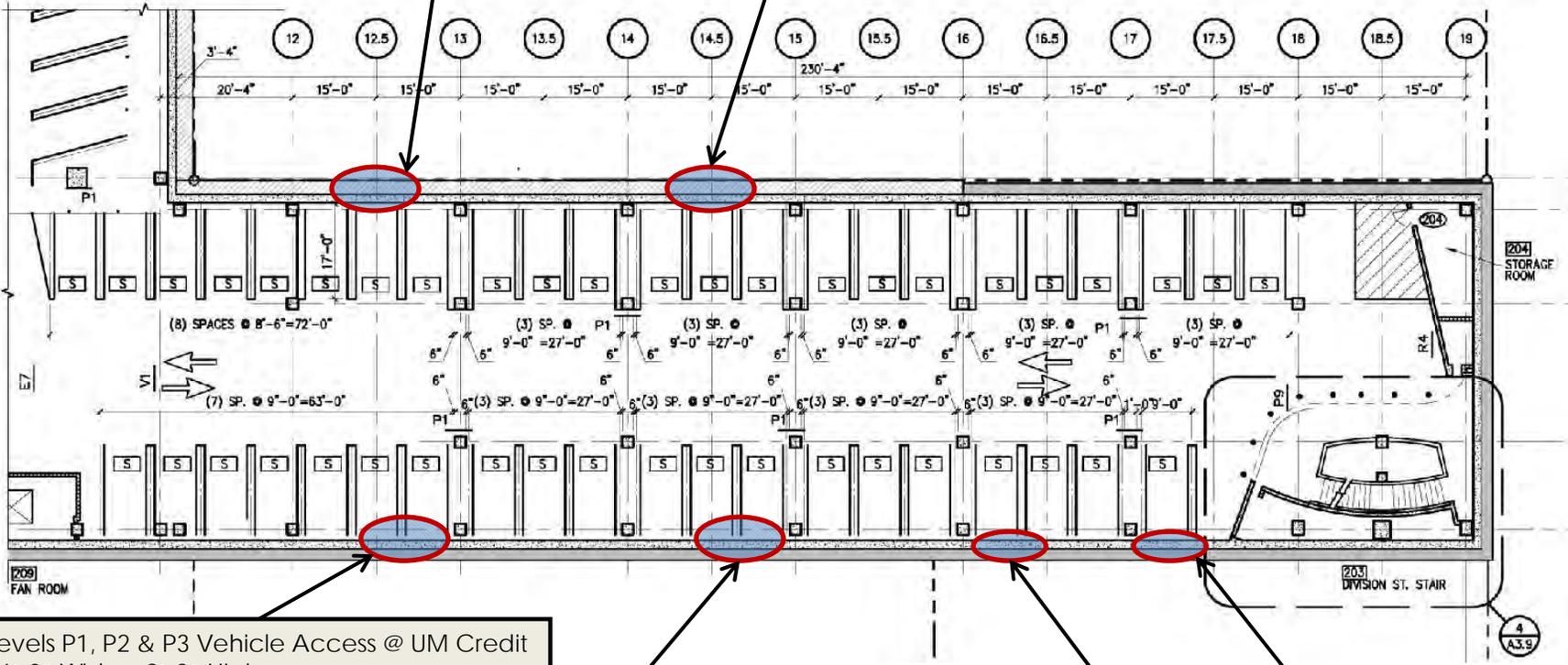
Appendix A
Future Exterior Wall Openings



Ann Arbor Downtown Development Authority Library Lane Underground Parking Structure

Levels P2 & P3 Vehicle Access @ Martin
14'-0" Wide x 8'-2" High;
TOS EL ~829'-8 1/2"; 818'-7 1/2"

Levels P2 & P3 Vehicle Access @ Martin
14'-0" Wide x 8'-2" High;
TOS EL ~832'-4"; 821'-3"



Levels P1, P2 & P3 Vehicle Access @ UM Credit
14'-0" Wide x 8'-2" High;
TOS EL ~842'-1"; 831'-0"; 819'-11"

Levels P1, P2 & P3 Vehicle Access @ UM Credit
14'-0" Wide x 8'-2" High;
TOS EL ~844'-9"; 833'-8"; 822'-7"

Level P1 Pedestrian Access @ Lagos
3'-10" Wide x 8'-2" High;
TOS EL ~846'-6" (West); ~847'-10" (East)

TOS EL = Approx. Top of slab elevation to be verified prior to design of adjacent development.

Walls designed for openings as shown; excavations from behind wall must be evaluated for unbalanced soil loading on the structure by a structural engineer.

Appendix A Future Exterior Wall Openings

APPENDIX B – FUTURE BUILDING LOADS

APPENDIX B - Table 1

**LIBRARY LANE PARKING STRUCTURE
FUTURE MEDIUM DENSITY BUILDING COLUMN LOADS**

ALL WIND AND EARTHQUAKE (EQ) LOADS ARE (+) NORTH AND EAST AND ARE REVERSIBLE
ALL AXIAL LOADS (+) UP AND (-) DOWN

Column Grid Intersection	Load Type	East Lateral Loads (Kips)	North Lateral Loads (Kips)	Axial Loads (Kips)
A/2	DEAD	0	0	-359
A/2	LIVE	0	0	-145
A/2	WINDNORTH	0	13	-11
A/2	WINDEAST	7	4	10
A/2	EQNORTH	0	6	-6
A/2	EQEAST	2	3	7
A/3	DEAD	0	0	-603
A/3	LIVE	0	0	-279
A/3	WINDNORTH	0	13	-11
A/3	WINDEAST	4	0	-3
A/3	EQNORTH	0	6	-6
A/3	EQEAST	3	0	-2
A/4	DEAD	0	0	-601
A/4	LIVE	0	0	-279
A/4	WINDNORTH	0	13	-11
A/4	WINDEAST	4	0	4
A/4	EQNORTH	0	6	-6
A/4	EQEAST	3	0	3
A/5	DEAD	0	0	-317
A/5	LIVE	0	0	-145
A/5	WINDNORTH	0	13	-11
A/5	WINDEAST	3	-4	-11
A/5	EQNORTH	0	6	-5
A/5	EQEAST	2	-3	-8
B/2	DEAD	0	0	-440
B/2	LIVE	0	0	-183
B/2	WINDNORTH	0	5	-49
B/2	WINDEAST	20	0	17
B/2	EQNORTH	0	2	-24
B/2	EQEAST	11	0	12
B/3	DEAD	0	0	-683
B/3	LIVE	0	0	-344
B/3	WINDNORTH	0	5	-49
B/3	WINDEAST	20	0	-4
B/3	EQNORTH	0	2	-25
B/3	EQEAST	14	0	-3

APPENDIX B - Table 1

**LIBRARY LANE PARKING STRUCTURE
FUTURE MEDIUM DENSITY BUILDING COLUMN LOADS**

ALL WIND AND EARTHQUAKE (EQ) LOADS ARE (+) NORTH AND EAST AND ARE REVERSIBLE
ALL AXIAL LOADS (+) UP AND (-) DOWN

Column Grid Intersection	Load Type	East Lateral Loads (Kips)	North Lateral Loads (Kips)	Axial Loads (Kips)
B/4	DEAD	0	0	-682
B/4	LIVE	0	0	-344
B/4	WINDNORTH	0	5	-49
B/4	WINDEAST	20	0	4
B/4	EQNORTH	0	2	-25
B/4	EQEAST	14	0	3
B/5	DEAD	0	0	-412
B/5	LIVE	0	0	-183
B/5	WINDNORTH	0	5	-49
B/5	WINDEAST	16	0	-17
B/5	EQNORTH	0	2	-25
B/5	EQEAST	11	0	-12
C/2	DEAD	0	0	-153
C/2	LIVE	0	0	-50
C/2	WINDNORTH	0	20	60
C/2	WINDEAST	3	5	18
C/2	EQNORTH	0	9	30
C/2	EQEAST	0	3	13
C/3	DEAD	0	0	-262
C/3	LIVE	0	0	-105
C/3	WINDNORTH	0	22	60
C/3	WINDEAST	3	0	0
C/3	EQNORTH	0	9	30
C/3	EQEAST	0	0	0
C/4	DEAD	0	0	-262
C/4	LIVE	0	0	-105
C/4	WINDNORTH	0	22	60
C/4	WINDEAST	3	0	0
C/4	EQNORTH	0	9	30
C/4	EQEAST	0	0	0
C/5	DEAD	0	0	-151
C/5	LIVE	0	0	-50
C/5	WINDNORTH	0	20	60
C/5	WINDEAST	2	-5	-18
C/5	EQNORTH	0	9	30
C/5	EQEAST	0	-3	-13

APPENDIX B - Table 2

**LIBRARY LANE PARKING STRUCTURE
FUTURE HIGH DENSITY BUILDING COLUMN LOADS**

ALL AXIAL LOADS (+) UP AND (-) DOWN

Column Grid Intersection	Load Type	Axial Loads (Kips)
A/5	DEAD	-1147
A/5	LIVE	-361
A/5.5	DEAD	-1917
A/5.5	LIVE	-702
A/6	DEAD	-2201
A/6	LIVE	-828
A/7	DEAD	-2463
A/7	LIVE	-935
A/8	DEAD	-3072
A/8	LIVE	-1168
A/9	DEAD	-2297
A/9	LIVE	-702
B/5	DEAD	-1762
B/5	LIVE	-574
B/5.5	DEAD	-2754
B/5.5	LIVE	-1168
B/6	DEAD	-2601
B/6	LIVE	-1083
B/7	DEAD	-3252
B/7	LIVE	-1252
B/8	DEAD	-3630
B/8	LIVE	-1550
B/9	DEAD	-3050
B/9	LIVE	-1168
C/5.5	DEAD	-1247
C/5.5	LIVE	-467
C/6	DEAD	-1400
C/6	LIVE	-531

APPENDIX B - Table 2

**LIBRARY LANE PARKING STRUCTURE
FUTURE HIGH DENSITY BUILDING COLUMN LOADS**

ALL AXIAL LOADS (+) UP AND (-) DOWN

Column Grid Intersection	Load Type	Axial Loads (Kips)
C/7	DEAD	-1574
C/7	LIVE	-616
C/8	DEAD	-1913
C/8	LIVE	-765
D/5	DEAD	-826
D/5	LIVE	-233
D/5.5	DEAD	-2623
D/5.5	LIVE	-1104
D/6	DEAD	-3038
D/6	LIVE	-1274
D/7	DEAD	-3733
D/7	LIVE	-1465
D/8	DEAD	-3411
D/8	LIVE	-1465
D/9	DEAD	-2898
D/9	LIVE	-1104
E/5	DEAD	-1061
E/5	LIVE	-319
E/5.5	DEAD	-1786
E/5.5	LIVE	-637
E/6	DEAD	-2026
E/6	LIVE	-744
E/7	DEAD	-2289
E/7	LIVE	-850
E/8	DEAD	-2854
E/8	LIVE	-1083
E/9	DEAD	-1958
E/9	LIVE	-637

APPENDIX B - Table 3

**LIBRARY LANE PARKING STRUCTURE
FUTURE HIGH DENSITY BUILDING SHEAR WALL LOADS**

ALL WIND AND EARTHQUAKE (EQ) LOADS ARE (+) NORTH AND EAST AND ARE REVERSIBLE

Column Grid Wall Location	Load Type	Lateral Shears (Kips)	Lateral Moments (Kip-Ft)
C5.5 to C6	WINDNORTH	0	0
C5.5 to C6	WINDEAST	305	42020
C5.5 to C6	EQNORTH	0	0
C5.5 to C6	EQEAST	240	32458
C7 to C8	WINDNORTH	0	0
C7 to C8	WINDEAST	583	79904
C7 to C8	EQNORTH	0	0
C7 to C8	EQEAST	457	61692
B6 to D6	WINDNORTH	110	16551
B6 to D6	WINDEAST	-116	-16047
B6 to D6	EQNORTH	67	9998
B6 to D6	EQEAST	-91	-12388
B7 to D7	WINDNORTH	351	49416
B7 to D7	WINDEAST	-4	-420
B7 to D7	EQNORTH	217	29953
B7 to D7	EQEAST	-3	-331
B8 to D8	WINDNORTH	668	89178
B8 to D8	WINDEAST	121	16466
B8 to D8	EQNORTH	413	54200
B8 to D8	EQEAST	95	12719

APPENDIX C – FUTURE PLUMBING SERVICE LOAD ESTIMATES



Plumbing Services Load Estimates

 South Fifth Parking Structure Future Building
 Revision Date: 1/30/09

 DFU = Drainage Fixture Units
 WFU = Water Fixture Units

Current Sanitary Load in Project

Fixture Description	Qty	DFU (EA)	DFU Total	WFU (EA)	WFU Total
Water closet - Flush Valve Type	2	4	8	5	10
Lavatory - Public	2	1	2	2	4
Kitchen Sink with grinder and/or dishwasher	1	2	2	4	4
Total			12		18

Residential Sanitary Load

Per Unit

Fixture Description	Qty	DFU (EA)	DFU Total	WFU (EA)	WFU Total
Water closet - Tank Type	1	3	3	2	2
Lavatory	1	1	1	0.7	0.7
Dishwasher	0	2	0	1.4	0
Kitchen Sink with grinder and/or dishwasher	1	2	2	1.4	1.4
Clothes Washer	1	2	2	1.4	1.4
Laundry Sink	1	2	2	1.4	1.4
Bathtub/Shower	1	2	2	4	4
Total			12		11

Commercial Retail Sanitary Load

Retail Per Unit

Fixture Description	Qty	DFU (EA)	DFU Total	WFU (EA)	WFU Total
Water closet - Flush Valve Type	2	4	8	5	10
Lavatory	2	1	2	2	4
Kitchen Sink	1	2	2	2	2
Service Sink	1	2	2	3	3
Drinking Fountain	1	0.5	0.5	0.25	0.25
Total			15		19

Restaurant Per Unit

Fixture Description	Qty	DFU (EA)	DFU Total	WFU (EA)	WFU Total
Water closet - Flush Valve Type	3	4	12	10	30
Urinal	1	4	4	5	5
Lavatory	4	1	4	2	8
Drinking Fountain	1	0.5	0.5	0.25	0.25
Dishwasher	1	3	3	5	5
Sink	2	2	4	2	4
Hand Sink	2	2	4	2	4
Floor Drain	4	2	8	0	0
Service Sink	1	2	2	3	3
Total			42		59

Summary of Loads

	Sanitary	Water
Total Currently in Project		18
Total Square Footage Residential	230,000	230,000
Average Square Footage per Unit	900	900
Estimated Number of Residential Units	256	256
Residential Sanitary Load	3,067	2,786
Total Number of Retail Spaces	4	4
Retail Sanitary Load	58	77
Total Number of Restaurant Spaces	2	2
Restaurant Sanitary Load	83	119
Grand Total Loads	Sanitary 3,220	Water 2,999

Recommendations - Sanitary

Per the 2006 Michigan Plumbing Code
 At 1/8" per foot pitch, a 10" main has a capacity of 2,900 DFU's
 At 1/8" per foot pitch, a 12" main has a capacity of 4,600 DFU's

A 12" sanitary building sewer is recommended.

Recommendations - Water

Per standard load demand tables, the estimated maximum flow is approximately 450 GPM
 At a maximum velocity of 6 ft/sec or pressure drop of 4 ft wc/100 ft, a 6" water main is required
 At the given criteria, a 6" water main will support a load of approximately 540 GPM.

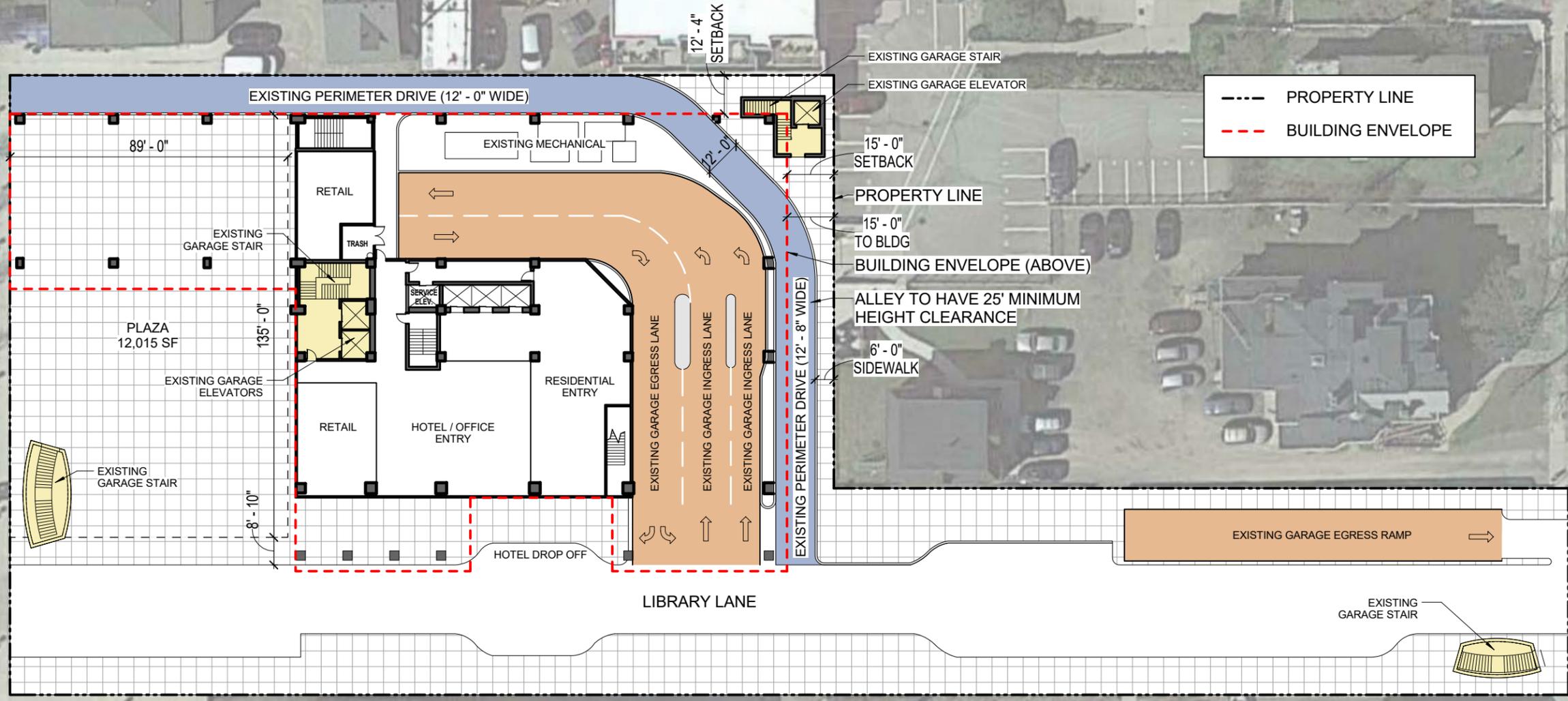
A 6" water service/main is recommended.

SCHEDULE 12.C(x)

Perimeter Drive

EXISTING GARAGE INGRESS RAMP

S. 5TH AVE.

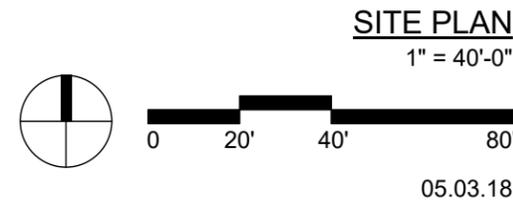


--- PROPERTY LINE
 - - - BUILDING ENVELOPE

S. DIVISION ST.

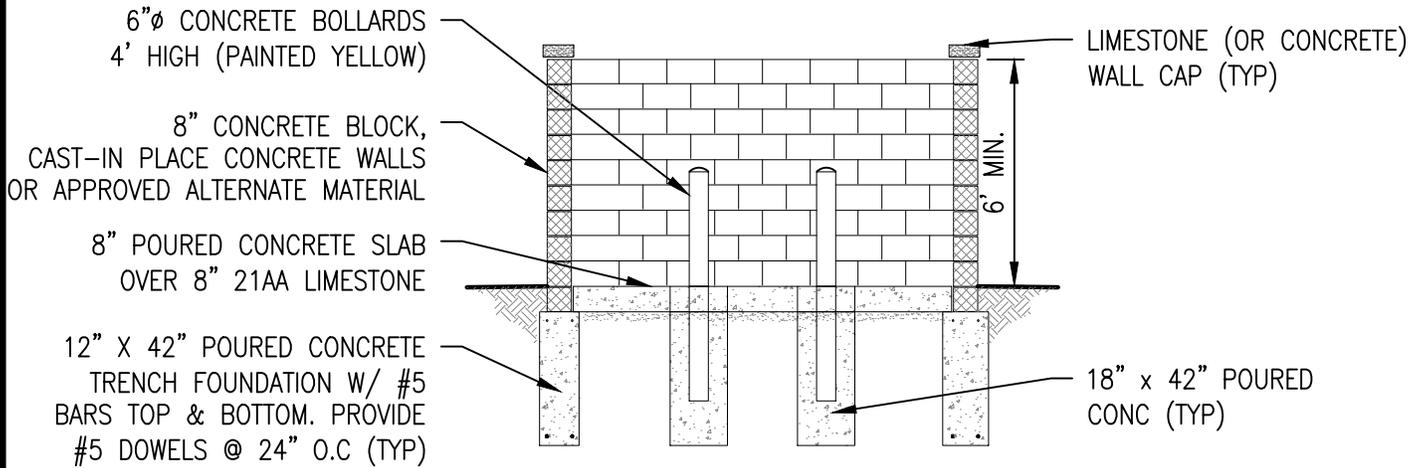


COLLECTIVE ON 5TH
 319 S. 5TH AVE

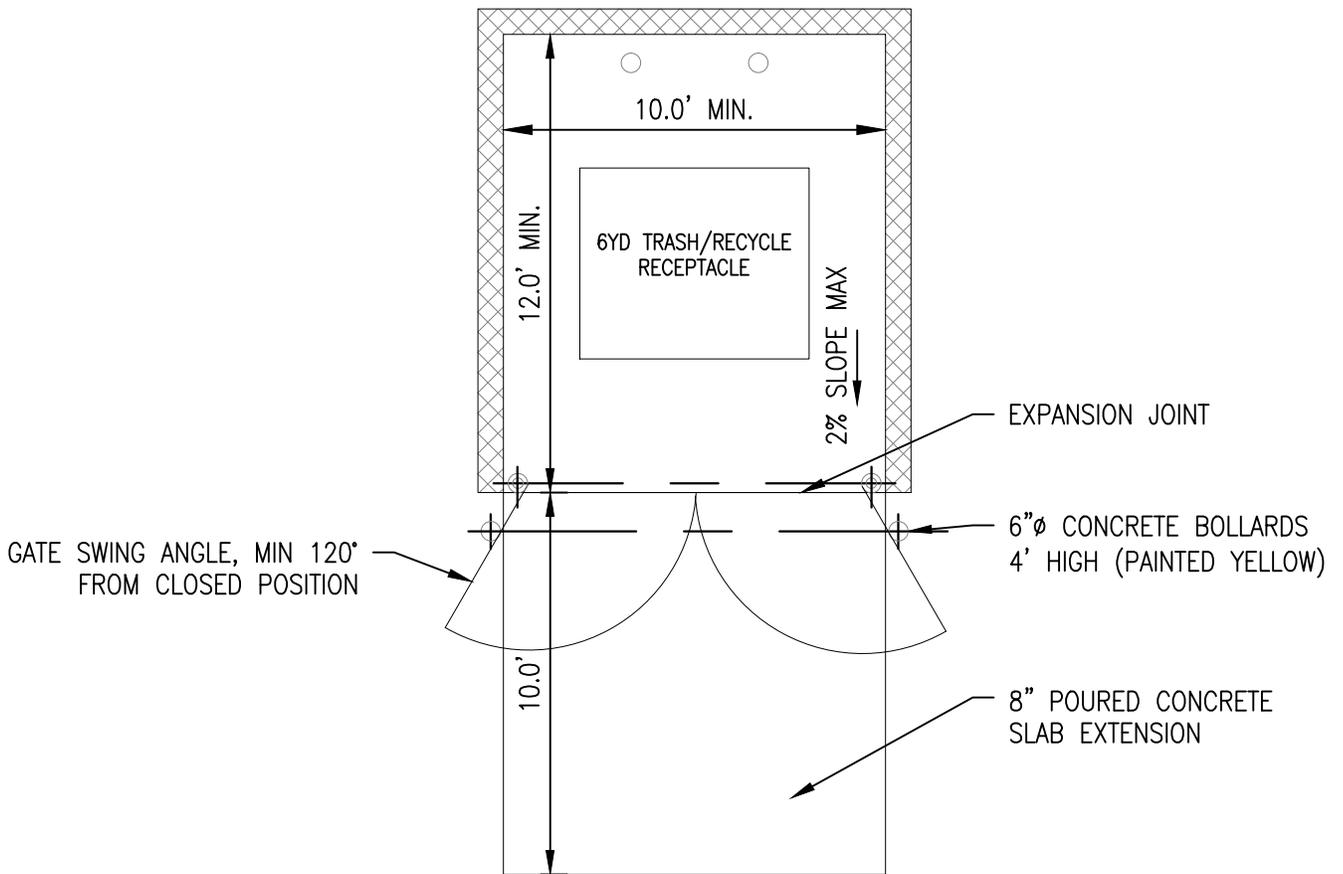


SCHEDULE 12.C(y)

Solid Waste Details



ELEVATION



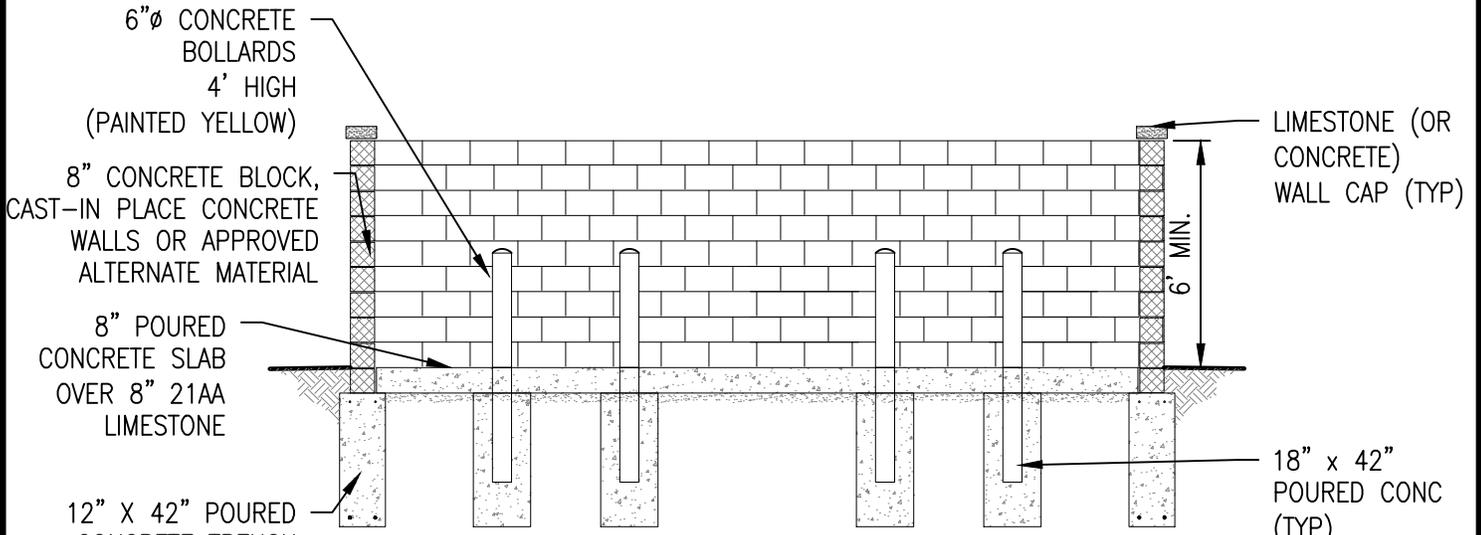
PLAN

SINGLE BIN ENCLOSURE DETAIL

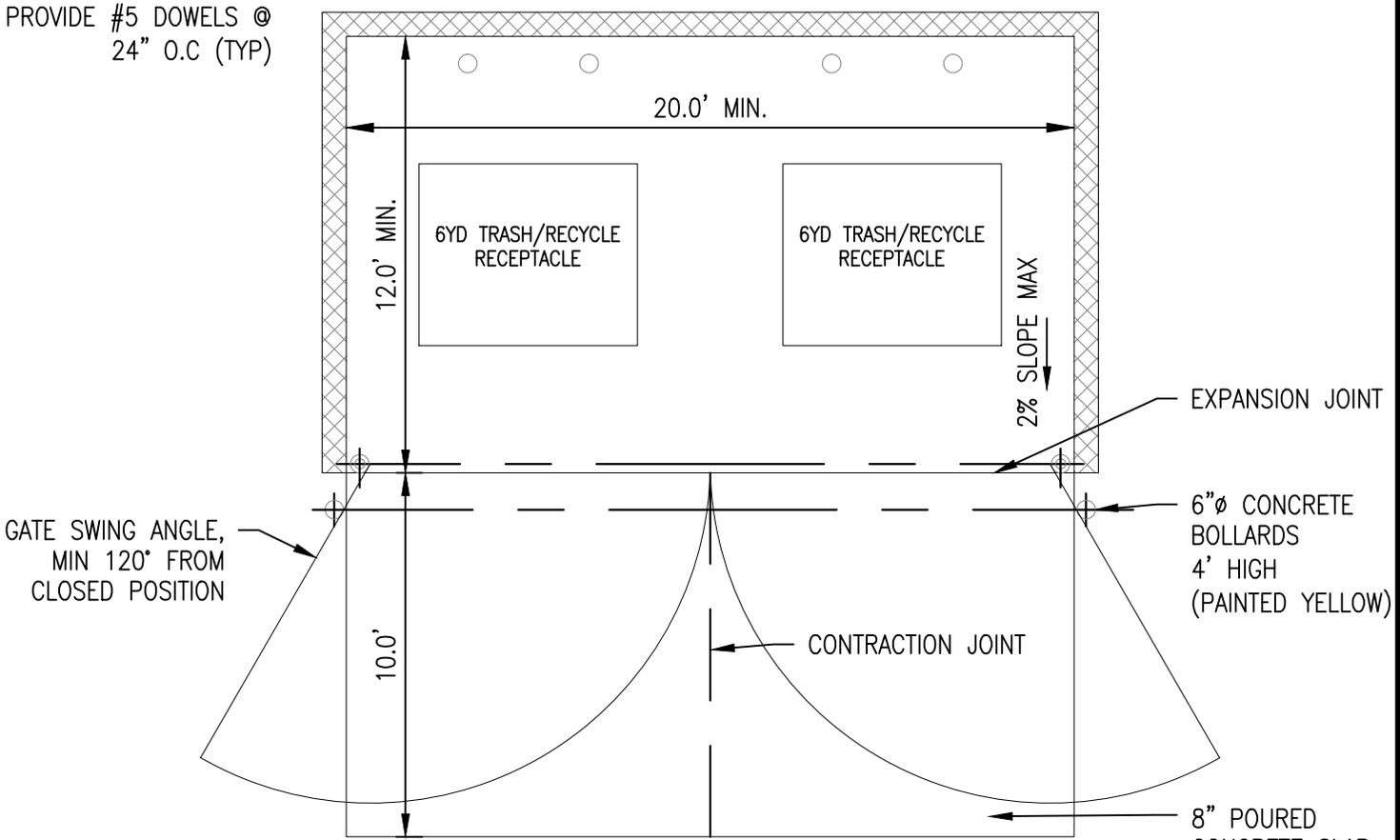


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ELEVATION



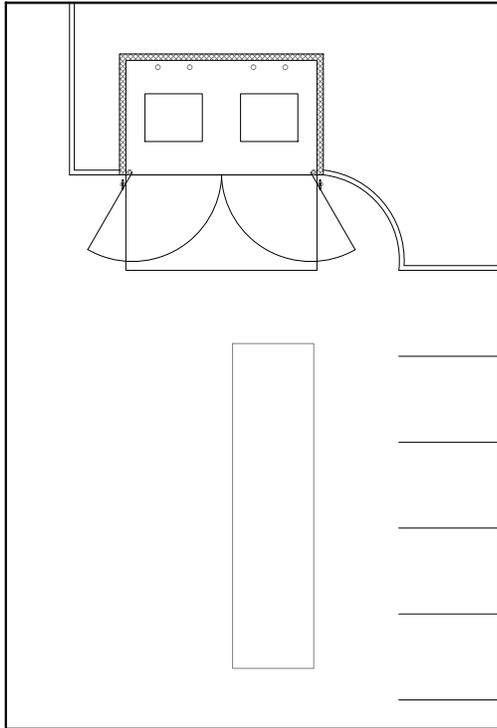
PLAN

DOUBLE BIN ENCLOSURE DETAIL

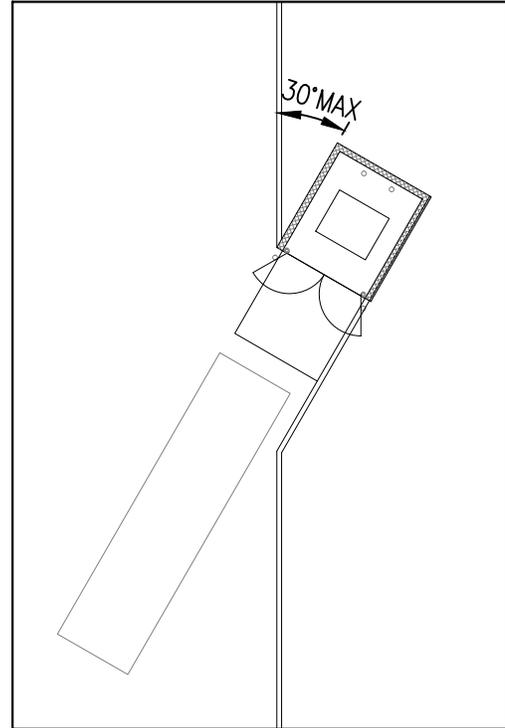


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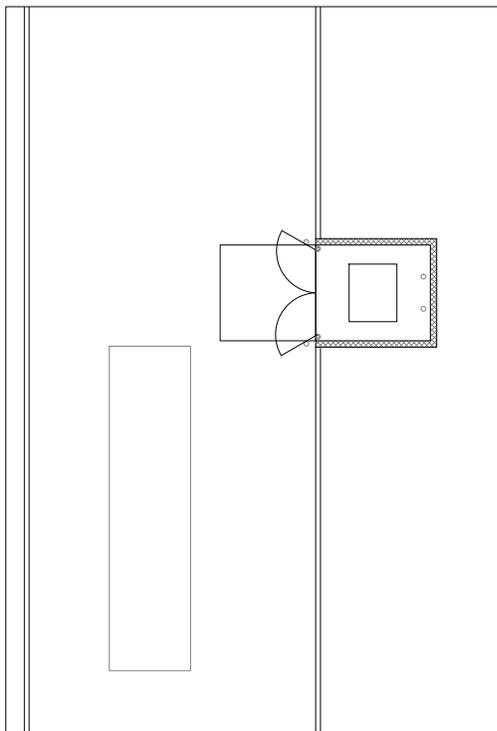
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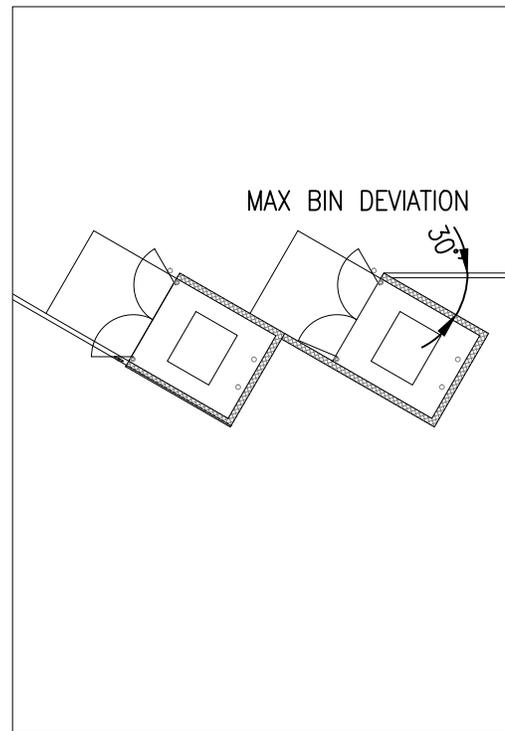
DIRECT ACCESS
(PREFERRED)



OPTIONAL ANGLED DIRECT ACCESS
(ACCEPTABLE WITH APPROVAL)



NON-DIRECT ACCESS
(NOT ACCEPTABLE)



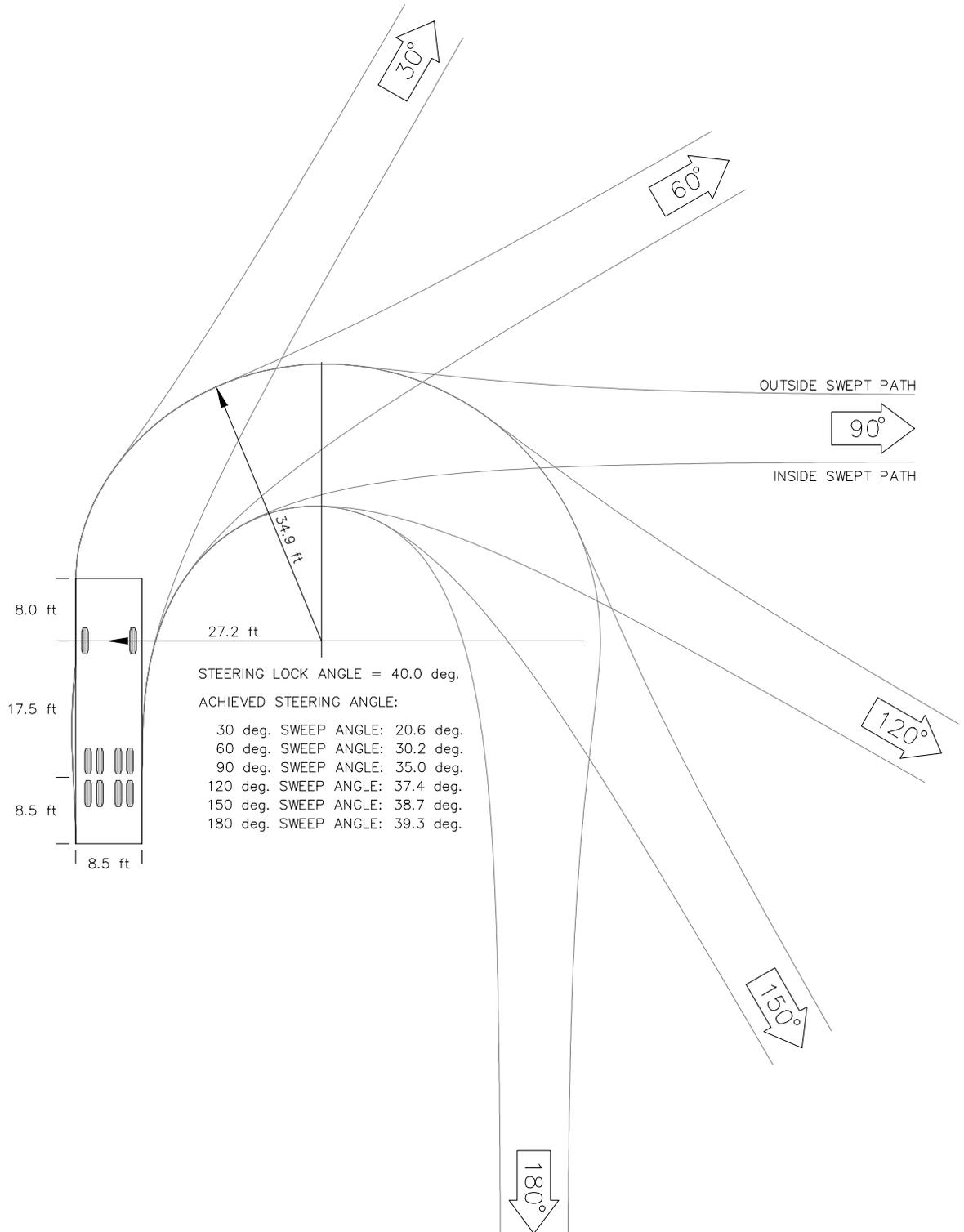
OPTIONAL ANGLED DIRECT ACCESS
(ACCEPTABLE WITH APPROVAL)

STANDARD BIN ENCLOSURE LAYOUTS



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CLEARANCE REQUIREMENTS FOR FRONT LOAD SOLID WASTE VEHICLE



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GENERAL NOTES:

1. A CLEAR SPACE MUST BE MAINTAINED DIRECTLY IN FRONT OF THE SOLID WASTE ENCLOSURE. THE CLEAR SPACE SHALL BE A MINIMUM OF FIFTY (50) FEET LONG BY THE WIDTH OF THE INSIDE DIMENSION OF THE ENCLOSURE PLUS FIVE (5) FEET ON BOTH SIDES. ALONG THE ENTIRE SOLID WASTE VEHICLE ROUTE A VERTICAL CLEARANCE OF AT LEAST TWENTY-FIVE (25) FEET MUST BE PROVIDED.
2. IF FORWARD ACCESS TO THE PUBLIC STREET IS NOT AVAILABLE FOR THE SOLID WASTE TRUCK, THE SITE DEVELOPMENT LAYOUT MUST ACCOMMODATE A TURN-AROUND LOCATION FOR THE SOLID WASTE TRUCK.
3. GATES ON BIN ENCLOSURES MUST BE DESIGNED TO OPEN A MINIMUM OF 120 DEGREES FROM THE CLOSED POSITION. THE GATES SHOULD NOT IMPEDE ON THE REQUIRED BIN ENCLOSURE OPENING WIDTH, SHOULD NOT BLOCK ADJACENT PARKING SPOTS, AND NOT BE IMPEDED BY ADJACENT CURBS OR LANDSCAPING.
4. GATES SHALL BE DESIGNED TO BE FREE STANDING WITHOUT CENTER POLE DESIGN. IF CENTER POLE DESIGN IS NECESSARY, 12-INCHES SHALL BE ADDED TO THE OVERALL WIDTH OF THE ENCLOSURE.
5. GATE DESIGN SHALL INCLUDE A RELIABLE MEANS TO SECURE THE DOOR IN BOTH THE OPEN AND CLOSED POSITIONS.
6. THE CONCRETE SLAB IN FRONT OF THE BIN ENCLOSURE SHALL HAVE PAVEMENT MARKINGS TO INDICATE "NO PARKING", AS APPROVED BY CITY.
7. REFER TO ASSOCIATED STANDARD DETAILS FOR REQUIREMENTS ON SINGLE AND DOUBLE WIDE SOLID WASTE BIN ENCLOSURE LAYOUT AND DESIGN CRITERIA. THE CITY SHALL HAVE THE ABILITY TO MODIFY OR INTERPRET THESE DETAILS AS NECESSARY, TO ACCOMMODATE THE CITY OR CITY CONTRACTOR NEEDS IN REGARDS TO SOLID WASTE PICK-UP.
8. REFUSE EQUIPMENT ACCESS ROADS AND SERVICE AREA SURFACES SHALL BE DESIGNED AND MAINTAINED TO SUPPORT THE IMPOSED LOADS OF COLLECTION TRUCKS WEIGHING UP TO 66,000 LBS GROSS VEHICLE WEIGHT (GVW) AND SHALL BE PROVIDED WITH AN APPROVED SURFACE SO AS TO PROVIDE ALL WEATHER DRIVING CAPABILITIES. PROPERTY OWNER SHALL BE RESPONSIBLE FOR ALL SNOW AND ICE REMOVAL REQUIRED FOR SAFE ACCESS OF SOLID WASTE VEHICLES.
9. THE SOLID WASTE ENCLOSURE SHALL BE LOCATED A MINIMUM OF TEN (10) FEET AWAY FROM MAJOR ELECTRICAL EQUIPMENT, ABOVE GROUND UTILITY SERVICES, TREE BRANCHES OR OTHER OVERHEAD OBSTRUCTIONS.



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