

DOWNTOWN DEVELOPMENT AUTHORITY AGENDA
Monday, March 16, 2020 2:30 p.m.
Commission Chambers, Second Floor
Governmental Center, 400 Boardman Avenue, Traverse City
www.downtowntc.com

Information and minutes are available from the DDA CEO, 303 East State Street, Suite C, Traverse City, MI 49684, (231) 922-2050. If you are planning to attend the meeting and are handicapped requiring special assistance; please notify the DDA CEO as soon as possible.

1. Roll Call
2. Special Order of Business
 - A. Transfer of the Buy/Sell Agreement for 115 Pine Street
3. Public Comment
4. Adjournment

The Traverse City Downtown Development Authority does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. The DDA CEO has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA office.



Downtown Development Authority
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231-922-2050

Memorandum

To: Downtown Development Authority

From: Jean Derenzy – DDA, CEO

Subject: West End Parking Structure Buy/Sell Agreement

The Downtown Development Authority has been actively working to identify new opportunities for a parking structure on the west side of Downtown for several years. As part of this effort, we have studied the potential impacts and parking needs of current and future development plans within the immediate area, cataloged and mapped existing public and private parking, identified alternative locations (and associated physical limitations) for a parking structure, considered different design scenarios (e.g., building height, building mass, location of egress/ingress) and generated alternative cost/funding scenarios. In addition, we have examined how a new parking structure would contribute to and support our vision for an active, thriving and walkable downtown.

In 2016, the DDA worked with the City to purchase property at 145 West Front Street to serve as the location for a third parking structure for the west side of Downtown. We believe the new parking structure will serve as a catalyst for the re-development of underutilized parcels and economic activity (much like what has happened adjacent to the Hardy Parking Structure) and better support land use throughout the entire downtown, including the elimination (and potential redevelopment) of public surface parking lots.

It is important to note, this opportunity has been long in the making - a third parking structure (and remarkably the site at 145 West Front) were identified roughly 23 years ago in the original tax increment financing plan and represent the fulfillment of a critical piece of public infrastructure.

The footprint for the proposed West Front Parking Structure is 149,285 square feet, at a building height of 58 feet. The proposed footprint encompasses about $\frac{3}{4}$ of the parcel at 145 West Front. The remaining $\frac{1}{4}$ of the parcel (along Front Street) has been retained by a private owner for possible future commercial/residential development. The current parking lot at 145 West Front (i.e., Lot V) holds 102 public parking spaces, 18 of which we lease for public use from a private owner – that is, we control 84 spaces.

Working within the confines of our current building footprint and height, it was determined that the proposed parking structure could accommodate 370 parking spaces. However, to realize the 370 parking spaces, we would need to secure the “air-rights” over the private parcel. The private property owner has indicated his willingness to sell his air-rights, however no costs were identified.

If we were able to secure the air-rights and secure the 370 parking spaces, the total cost of the parking structure would be roughly \$14,682,075, about \$39,681 per space. Under this configuration, there would be a net gain of 130 “new” spaces within the greater west end of downtown.

Note: Recently lost (or soon be to lost) parking on the West End
Formally Lot S: 84 spaces – Now the 4-Front Credit Union Building
Formally Lot Z: 72 spaces – Now the Breakwater Development
Current Lot V: 84 Spaces – Proposed Parking Structure

To achieve the goals of the community, City and DDA, we began working to identify options to expand the proposed footprint structure, while maintaining the height at 58 feet. Alternative approaches were considered including a different location on the west-side of downtown. We determined that working to expand the current footprint was the best choice based on the walkability/service area that 145 West Front Street provides to the west end of Downtown.

With an expanded footprint, the proposed parking structure would include 481 parking spaces, at roughly \$37,885 per space. The total construction cost for the expanded parking structure would be \$18,222,440. Under this configuration, there would be a net gain of 241 “new” spaces within the greater west side of downtown.

With the expanded footprint, we believe we are not “over-building” parking within the downtown. Rather we are meeting an emerging demand and encouraging new private investment. In addition, we believe the larger parking structure will allow us to strategically redevelop other surface parking lots throughout the Downtown for new housing or parkland opportunities. The option to purchase 115 Pine Street represents more than the first step in building a larger parking structure, it provides a way to help realize our long-range goals for the downtown and the city.

The attached maps provide some context for parking on the west end of downtown and help illustrate the impact a west end parking structure could have for the downtown.

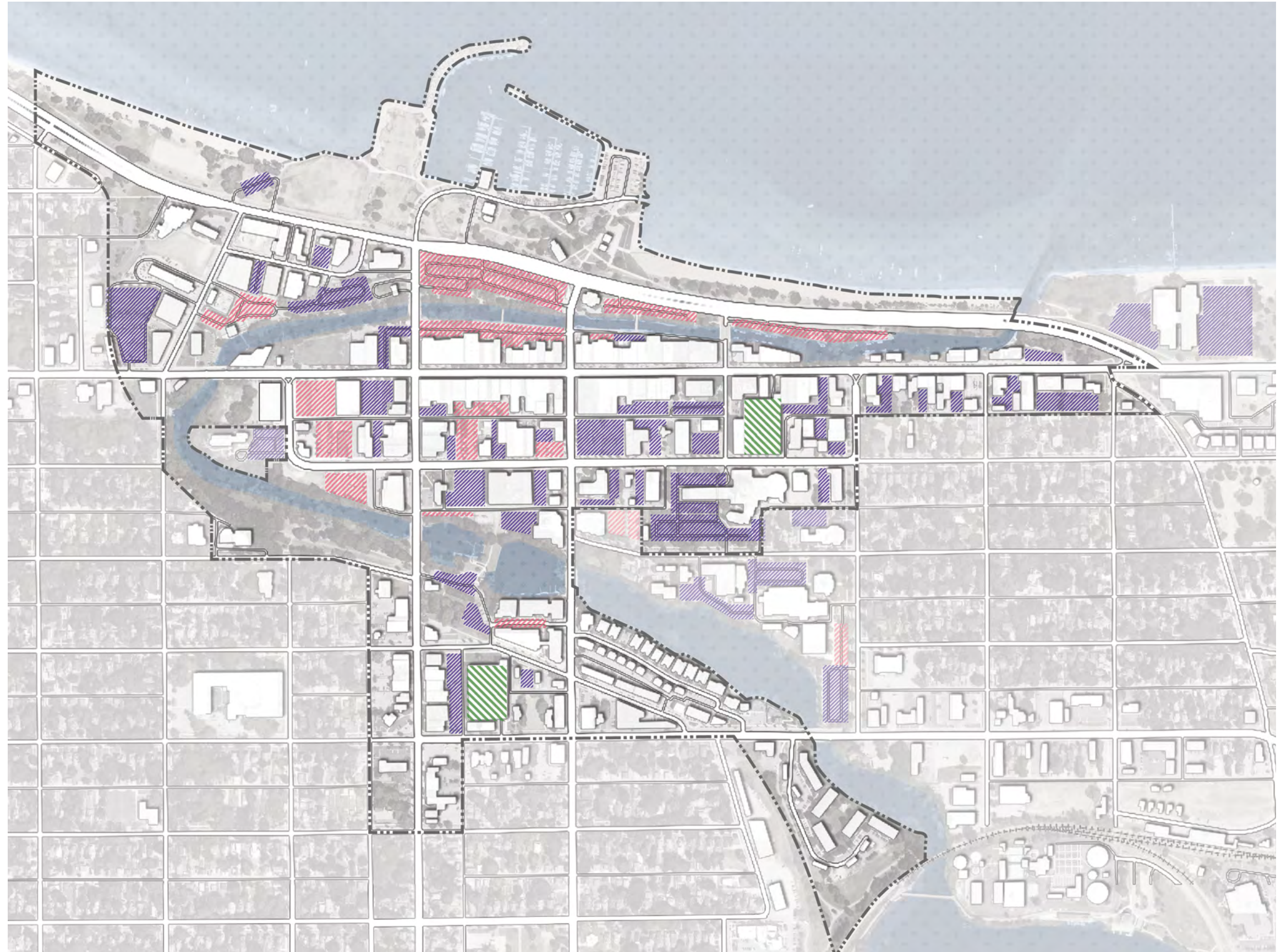
To expand the footprint for the parking structure at 145, we need to go over the alleyway, which requires some property assembling. The DDA has talked with each property owner (or their representative) regarding their willingness to discuss such an opportunity. The first property to be considered is 115 Pine Street, which was on the open market.

In order to consider building an expanded parking structure, we need to first secure 115 Pine Street (formerly Master Dry Cleaners), immediately across the alley, south of 145

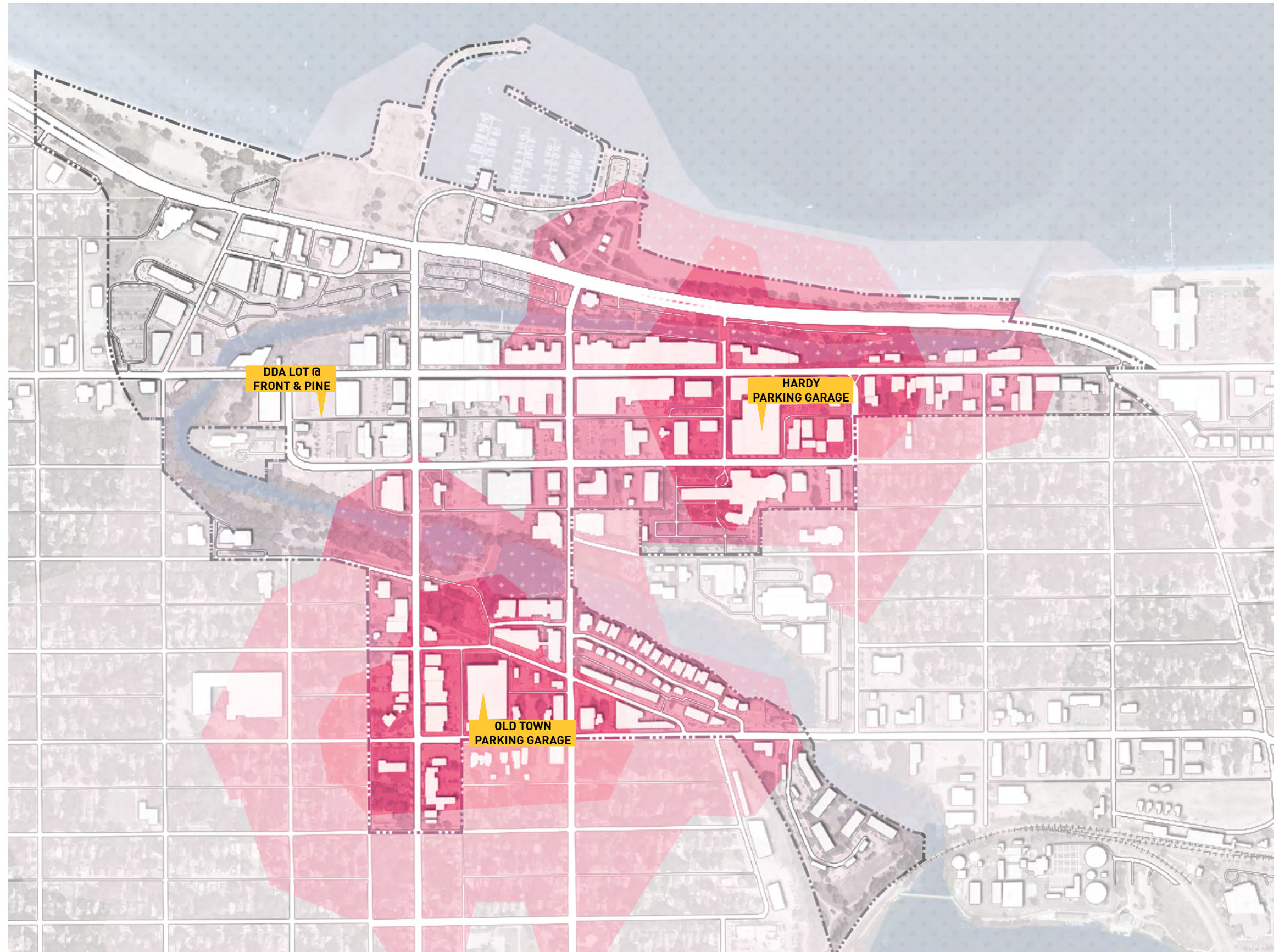
West Front Street. We have been working with the current owner (and their representatives) of 115 Pine Street and have secured a buy/sell agreement (with the ability to transfer) that the DDA entered into with the ability to transfer to the City of Traverse City.




The purchase price for 115 Pine Street is \$635,000, which will be paid through the City's Parking Fund. In addition, the City's Parking Fund will reimburse TIF 97 the \$10,000 that was used to secure the option. The City Attorney/DDA General Counsel has provided a communication under separate cover regarding the assignment of the buy-sell agreement. If the DDA Board wishes to move forward as described in this memorandum the following motion would be appropriate.

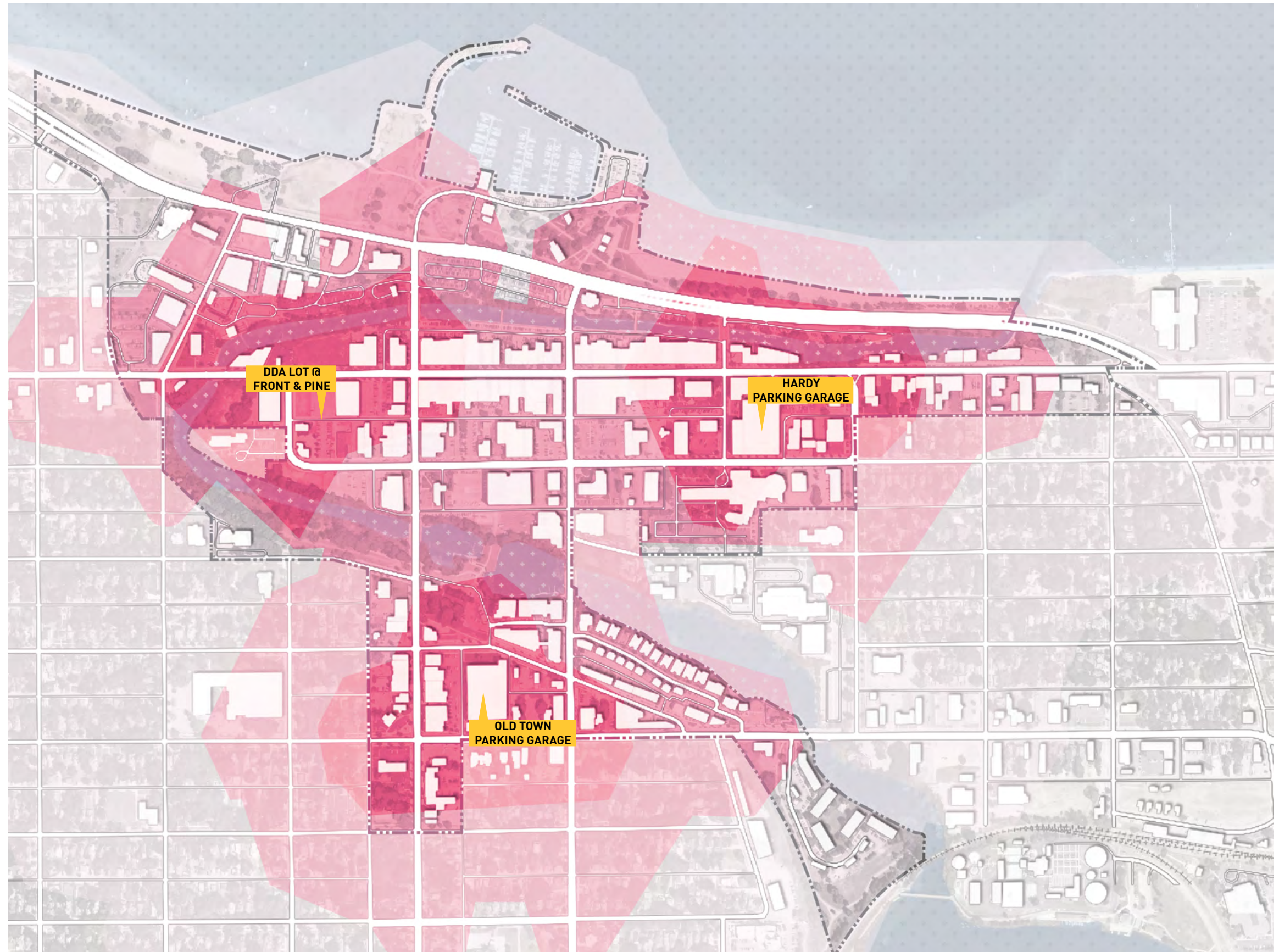
Recommendation: That the Downtown Development Authority Board waives any possible conflict of the City Attorney/DDA General Counsel and that the Chair and Secretary execute an assignment of the Buy-Sell Agreement for 115 Pine Street to the City of Traverse City, such assignment subject to approval as to substance by the DDA CEO and as to form by the City Attorney/DDA General Counsel.






-  Existing Surface Parking Lots
-  Existing City Owned Surface Parking Lots
-  Existing City Owned Parking Structures



-  **1/8 mile walking time**
(2.5 minutes)
-  **1/4 mile walking time**
(5 minutes)
-  **1/2 mile walking time**
(10 minutes)

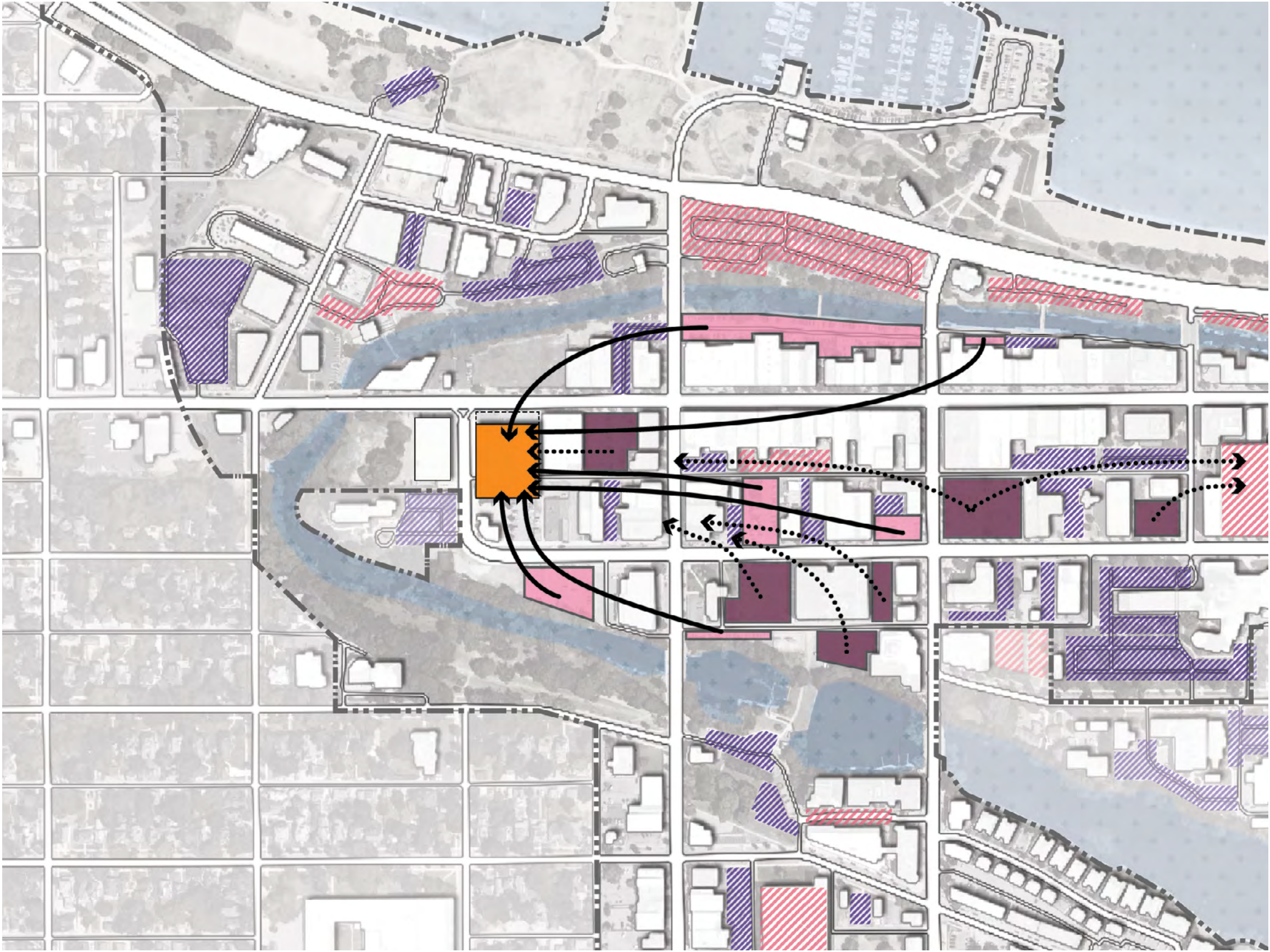


-  **1/8 mile walking time**
(2.5 minutes)
-  **1/4 mile walking time**
(5 minutes)
-  **1/2 mile walking time**
(10 minutes)

PARKING → CONSOLIDATION

The proposed DDA lot @ Front & Pine would increase the parking coverage area provided by downtown Traverse City. Currently, the North West side of the downtown area is underserved by an available garage, as shown in the graphic to the right.

Introducing a high volume parking garage similar to the Hardy and Old Town structures, at this location, will provide equitable parking opportunities for the entirety of the downtown area while also freeing up existing low volume surface lots in the area for development and infill.



PARKING CONSOLIDATION

ACTIVATION → ASSETS

A DDA PARKING GARAGE @ FRONT & PINE
481 space parking garage infills lot currently occupied by surface parking and an undeveloped parcel.

B DEVELOPMENT OPPORTUNITY - LOT G
Removal of metered surface parking at Lot G presents an opportunity for development to infill and reinforce the street wall / downtown walkability.

C DEVELOPMENT OPPORTUNITY - LOT O
Removal of metered surface parking at Lot O presents an opportunity for development to infill and reinforce the street wall / downtown walkability.

D RIVER ENGAGEMENT
Removal of metered parking spaces fronting the river allows for more opportunity for public engagement with the river through parks, walkways, and choreographed space along the Boardman River.

The reduction in impervious surface area along the river will be a compound benefit to the downtown Traverse City area in terms of public well being and sensitivity to the environment.

