

Memorandum

To: Mayor and City Council

From: Susan Pollay, Ann Arbor Downtown Development Authority

Date: January 11, 2008

Re: Council Resolution Requesting the DDA Provide a Written Recommendation for the Construction of an Underground Parking Garage on the S. Fifth Avenue Parking Lot

On November 5, 2007 City Council approved R-07-517 ("Resolution Requesting that the Downtown Development Authority Prepare a Written Recommendation for the Construction of an Underground Parking Garage on the City-Owned South Fifth Avenue Parking Lot").

In its resolution City Council indicated that its top priority for further additions to the City-owned public parking system is to increase the supply of public parking in the midtown area, which is generally understood to be located between the State Street Area and Main Street Area.

Council requested that the DDA work in consultation with the Director of the Ann Arbor District Library, and issue a specific written recommendation to the City Council on or before January 11, 2008 for the construction of an underground parking garage on the South Fifth Avenue parking lot, including the following components:

- A minimum of 500 underground parking spaces, at least 150 of which shall be reserved for public hourly parking and not available for monthly permits.
- The possible construction of a new east-west street, including on-street meter parking, running between Fifth Avenue and Division Street, along the south property line of the Fifth Avenue parking lot.
- The underground parking garage shall be designed to support above ground, in the short-term, surface public parking, and in the long-term, development which could include, but is not limited to, a residential, retail, and/or office building(s) and a public plaza along either Fifth Street or the newly constructed street.
- A proposed timeline for completing the new underground parking garage on or before June 30, 2010.
- Specific cost estimates, including costs for land acquisition (if any).
- Any noteworthy strategic issues requiring City Council consideration.

For this report DDA members assembled information they had provided to City Council in their May 30, 2007 report. and in addition, new information was commissioned from consultants at Carl Walker, Inc., Washtenaw Engineering Company, and the Greenway Collaborative.

The DDA Capital Improvements, Operations, and Partnerships Committees met several times during the past two months to frame a recommendation for the structure's layout, footprint, and functionality. The Ann Arbor District Library Executive Director gave generously of her time during this planning process and joined us at several committee meetings to share information about the Library's plans and to provide feedback about their project as it begins to take shape.

A brief statement before we begin this report. Ann Arbor has been very fortunate that since the mid-1940's its leaders have seen the benefit to providing structured parking in the downtown. In the intervening six decades, nine public parking structures were constructed in the downtown (and others constructed by the University of Michigan on Central Campus.) But to this point, there has not yet been a downtown parking structure built completely below grade, primarily due to the added cost.

As an illustration, the typical above grade parking structure space costs approximately \$35,000. The DDA's exploration of underground parking structure at the S. Fifth Avenue lot indicates that the cost/space to construct completely underground may be double this amount. Reasons include the need to provide a "roof" to this underground structure, which adds a great deal of expense but adds no parking. Extensive excavation and shoring, a ventilation system, additional lighting, natural light wells, and other design elements must be used. Moreover, there is an added premium to provide the kind of column support that would be sufficient to bear the weight of any future use City Council resolves it would like to see provided on top of the structure.

Although there is added cost, the significance in going underground with this or any other future parking structure is the doubling of value we realize from the very limited amount of available land in the downtown. Even as we park 500+ cars in a structure, the area above the structure can be used to meet other important community benefits.

The DDA is very pleased to provide you with this report, and hope that you will notify us if we may provide you with any additional information.

EXISTING CONDITIONS ON THE S. FIFTH AVENUE PARKING LOT	
Number of current parking spaces	193 spaces (hourly parking only, no monthly permits)
2007 Parking demand analysis	Weekday 82% Weekday evening 39% Weekend evening 50%
Description of the S. Fifth Avenue parking lot	The lot is approximately 61,000 square feet. The lot is contained within the block the includes retail on Liberty and a portion of Fifth Avenue, the Ann Arbor District Library and UM Credit Union on E. William Street, and the East William Street Historic District residential properties along S. Division Street, as well as Liberty Plaza Park at the corner of Liberty and Division.
Engineering assessment	An assessment of recent soil borings revealed that there are good weight-bearing soils on this site, with large boulders present below grade. These soil borings also determined that there is water present at 50 feet. The site slopes from east to west by about 12 feet which benefits the construction of underground parking. It appears that there are no major utility lines running through this site.

NEARBY DEVELOPMENTS REQUIRING ADDITIONAL PARKING	
Ann Arbor District Library	In summer 2007 the AADL received a report on the programming, operational, and service needs envisioned for the Downtown Library over the next 20 years, as well as a report on the condition of the Downtown facility. Based on these reports, the AADL Board resolved to go forward

	<p>with a plan to supplant much of their existing building with a replacement structure that will be more functional and attractive, and will include additional space for areas of growing demand such as community meeting space. In late fall 2007 the AADL distributed an RFQ for architectural and engineering services for the Downtown Library Renovation and Building project, and this month up to 14 architectural firms will make presentations to the AADL Board. It is our understanding that the AADL Board will consider pursuing a capital millage if it is determined to be necessary, and that such an election would not occur before fall, 2009.</p> <p>Patronage at the Downtown Library continues to grow, and currently exceeds 600,000 users a year. Given the AADL's efforts to create more usable space and more meeting space, it is very likely that there will be an increased demand for parking in the adjacent City-owned parking facility, particularly for evening meetings and special events.</p>
<p>McKinley Towne Center</p>	<p>In summer 2005 McKinley purchased the former TCF Bank property which included two parcels at Division/Washington with the intent to redevelop this property with a mix of residential and commercial uses. The 100,000 TCF Bank Building was immediately renovated and upgraded extensively and filled with large and growing office tenants. The former bank parking lot exit was filled in along Liberty Street with a two story commercial infill project. A nine-story apartment building was approved for the southwest corner of Division/Washington; a hotel has now been proposed for this site. An eleven story condominium project was approved for the northeast corner of Washington/Division; the project was since converted to apartments.</p> <p>In 2007 McKinley acquired the commercial portion of the Liberty Square building half a block up from McKinley Towne Center, and City Council recently approved a PUD on this site for a 25,503sf, 3-story addition.</p> <p>The Liberty Square, McKinley Towne Center and related projects are located only a few hundred yards from the proposed S. Fifth Avenue parking structure via a pedestrian access through Liberty Plaza Park. Additional nearby parking would support this private development investment by making it possible to attract top quality tenants.</p>
<p>350 S. Fifth Avenue (former YMCA)</p>	<p>The proposed William Street Station project was not successful, but the City retains a very attractive development site. Located across the street from the S. Fifth Avenue lot, the 350 S. Fifth Avenue property has three important street frontages, is located just a block off S. Main Street and five blocks from the UM Diag, and consists of approximately 35,000 sq feet. Given its location in the downtown core area, it could be redeveloped with a fair amount of density, which will require parking.</p>
<p>Total Estimated New Parking Needed</p>	<p>It is the DDA's expectation that in addition to the 193 parking spaces currently available to the midtown area in the S. Fifth Avenue parking lot, another 550-650 new parking spaces will be needed to support important new developments in the midtown area based on what we know today.</p>

RECOMMENDED CONCEPT FOR AN UNDERGROUND PARKING STRUCTURE ON THE S. FIFTH AVENUE PARKING LOT

<p>Goals for this project</p>	<p><u>Goal #1.</u> The DDA recommends that the City authorize the construction of the greatest number of parking spaces it can on this site.</p> <p>There is already a great deal of development in the midtown area, and there promises to be more in the coming years. Many hundreds of parking spaces are needed to support this growth. The 2007 Parking Study determined that if the City is to continue to support important downtown projects with parking spaces at the same rate it has over the past decade it must located an additional 100 permits each year for the next ten years. Much of the demand is in the center-city area.</p> <p>Further, a construction project of this size and location will impact the downtown, and given the disturbance, it makes sense to do as much work as we can, while we can.</p> <p><u>Goal #2.</u> To the extent possible, the underground structure should be constructed to complement the future new Downtown Library project.</p> <p>The Downtown Library is one of the most important anchors in the downtown, and its redevelopment promises to make it even more of a draw. An attractive underground pedestrian connection on one or more levels should be made to the new Library building, with a sizeable amount of accessible parking spaces placed immediately adjacent to this connection. Design elements such as book-related wayfinding to help patrons locate their car within the structure should be used to accentuate the structure’s connection to the Library. And as directed by City Council, a minimum of 150 hourly spaces should be set aside to support Library users.</p> <p><u>Goal #3.</u> The DDA lauds City Council’s interest in creating a new downtown street on the lot’s extension to Division Street. This new street would bisect a very large downtown block, making it more walkable and the properties around it even more viable. “Library Lane” as we’ve begun to call it, would be used as a means of entering/exiting the underground parking structure, and it would be developed with an attractive design that would utilize pavers or other materials to encourage slower traffic speeds. The design should include a passenger drop off area with the section nearest to the Library able to be closed for special events.</p>
<p>Recommended structure footprint</p>	<p>The DDA recommends that the City authorize the construction of an underground parking structure on the footprint of the City-owned parking lot, as well as into an area under Fifth Avenue. The footprint for the parking structure, including the area under Fifth Avenue would be 84,400 square feet. This would provide for approximately 597 parking spaces.</p>

	<p>The DDA recommendation would have underground parking under S. Fifth Avenue immediately adjacent to the lot, and continuing to the Fifth/William corner. The reason to extend the parking to William is to add value to the City's property at 350. S. Fifth Avenue. If the decision is made to expand the structure under the street, the DDA would explore methods to accomplish this while lessening the traffic impact caused by closing the street for over a year, including construction phasing.</p> <p>If the decision is made not to expand under Fifth Avenue, the structure should be designed so it can be expanded horizontally in the future, both under the street and potentially joining the structure with additional underground parking spaces on private property located adjacent to the structure.</p>
<p>Recommendation regarding adjacent property</p>	<p>The DDA has made very preliminary contact with two adjacent property owners to apprise them of the project and to elicit feedback about their interest in potentially working with the DDA/City in an arrangement of some kind. In both instances there was support for the parking structure project and interest in subsequent dialogue about potential land acquisition.</p>
<p>Recommended number of levels underground</p>	<p>There is a much higher expense associated with underground parking, and the cost escalates dramatically the deeper one goes. Despite this added expense, given the low water table on this site and the lot's central location, the DDA recommends that the structure be constructed three full levels underground on the City parking lot site, and two underground under Fifth Avenue to better maximize the number of parking spaces.</p> <p>Even as this report has been submitted, the DDA will continue to work with its engineers to determine if a fourth floor would be feasible.</p> <p>Because the parking structure will be completely underground, the DDA recommends that light wells, mirrors and other design elements be included in the final plan for the structure to make it as welcoming as possible to patrons. Anticipating this, the DDA conceptual plan attached to this report shows an underground structure set ten feet off the north and east property lines to enable natural light to penetrate the lower levels.</p>
<p>Accommodating future uses on top of the underground structure</p>	<p>Because the City has not resolved what may one day be installed on top of the underground structure, the DDA is recommending that a premium be paid to install columns that would be sufficient to bear the weight of any use placed above the structure. This could include a very large building (up to 25 stories) a public plaza on all or some of the site, or other uses.</p> <p>DDA engineers have verified that should a future use exceed even this loading bearing capacity, additional column bracing could be installed in the future to absorb additional load bearing if needed.</p>

	<p>As part of the conceptual plan developed for this site, an interior elevator and stairwell has been shown in the center of the parking lot which could be used to service whatever future use is placed on the lot surface.</p> <p>The DDA's engineers at Carl Walker Inc. have assembled information about other locations around the country where a parking structure was constructed first, with additional uses placed above it at a later date. This list is attached at the end of this report.</p>
<p>Estimated timeline to construct a structure on this site</p>	<p>Upon City Council authorization to the DDA to construct an underground structure on this site, the DDA would distribute an RFP for architectural and engineering services. Upon selection of a design team, it would likely take 6+ months to arrive at a conceptual plan that can be approved by DDA and the City, another 12 months to complete engineering studies and complete construction drawings, 3 months for bidding and approvals, and 18+ months for construction.</p> <p>All together, the DDA anticipates that upon City Council authorization to proceed, it would take 38-42 months to complete this project and open its doors to the first parking patron.</p>
<p>Recommendation regarding project scope</p>	<p>The DDA's engineers have provided a preliminary cost estimate of \$40 million to construct an underground parking structure on the S. Fifth Avenue lot and under Fifth Avenue to William Street. This would also include costs for the construction of the new street..</p> <p>Opportunities exist to explore the acquisition of adjacent property and/or the construction of a fourth floor underground. There will be additional costs associated with these opportunities. Therefore the DDA recommends that City Council authorize the DDA to expend as much as \$50 million to accomplish the best possible underground parking structure project on this site.</p>
<p>Recommendation regarding financing this project</p>	<p>DDA Operations Committee members have had a very preliminary discussion about how this structure would be financed. The DDA has TIF (003) and Parking (063) fund balances which can be used for the 15% cash contribution needed to secure a bond, and annual bond costs could be paid for with DDA parking revenues or TIF revenues or both. The DDA will work through committee to formulate a detailed financial plan which it will present to the City for feedback and direction.</p>

SOUTH FIFTH AVENUE PARKING STRUCTURE – ESTIMATED CONSTRUCTION COST				
PARKING LOT ONLY – 472 PARKING SPACES				
Construction				
Roof	61,000 sf	\$57.50/sf	\$3,507,500	0 spaces
Level P1	61,000 sf	\$86.25/sf	\$5,261,250	144 spaces
Level P2	61,000 sf	\$115.00/sf	\$7,015,000	168 spaces
Level P3	61,000 sf	\$143.75/sf	\$8,438,125	160 spaces
			\$24,221,875	472 spaces
Add'l costs				
Premium for future construction		\$ 775,000		
Premium for extra street loading		\$ 750,000		
Streetscape work		\$ 400,000		
			<u>\$ 1,925,000</u>	
			\$26,146,875	
Soft costs 25%		\$6,537,000		
			<u>\$ 6,537,000</u>	
			\$32,784,000	
Cost / car				\$69,458

SOUTH FIFTH AVENUE PARKING STRUCTURE – ESTIMATED CONSTRUCTION COST				
PARKING LOT PLUS FIFTH AVENUE – 597 PARKING SPACES				
Construction				
Roof	84,400 sf	\$57.50/sf	\$4,853,000	0 spaces
Level P1	84,400 sf	\$86.25/sf	\$7,279,500	197paces
Level P2	84,400 sf	\$115.00/sf	\$7,015,000	240 spaces
Level P3	61,000 sf	\$143.75/sf	\$9,706,000	160 spaces
			\$28,853,500	597 spaces
Add'l costs				
Premium for future construction		\$ 775,000		
Premium for extra street loading/ waterproofing		\$1,335,000		
Streetscape work		\$ 400,000		
Fifth Ave utilities		\$ 500,000		
			<u>\$ 3,010,000</u>	
			\$31,863,500	
Soft costs 25%		\$7,965,875		
			<u>\$ 7,965,875</u>	
			\$39,829,375	
Cost / car				\$66,716

Following is a conceptual engineering drawing illustrating how an underground parking structure could fit below the City's South Fifth Avenue parking lot, with a primary entrance/exit from/onto Library Lane, and an exit ramp that exits out onto Division.

The second image shows how an underground structure could fit under the lot and then extend under S. Fifth Avenue. This concept would also use Library Lane as the primary entrance/exit, plus the ramped exit to Division and a ramped entrance off of Fifth.

After that are ideas for how "Library Lane" could be designed to complement the Library's redevelopment, utilizing pedestrian-friendly elements such as a roundabout with a refuge island containing a sculpture or fountain to slow traffic and provide a visual accent at the Library's new front door. It must be repeated that these drawings and those of the parking structure are conceptual illustrations meant to demonstrate project feasibility, and are not fully rendered plans.

The last attachment is a list of projects that have seen commercial or residential projects constructed well after the construction of a parking structure.

If City Council were to authorize the DDA to move forward with this project, one of the important planning elements would be to develop a process of public input to ensure that the project would be an asset to the downtown and meet the needs of the community.