

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Forest Avenue Parking Structure  
City of Ann Arbor/University of Michigan Partnership

Action

Requested: Authorization to Enter Into An Agreement With the City of Ann Arbor to Jointly Develop and Operate the Forest Avenue Parking Structure and Approval of Budget

Background:

At the September 1999 meeting, the Regents approved proceeding with the design of a replacement Forest Avenue parking structure subject to the development of a joint venture agreement with the City of Ann Arbor and the completion of final budget information. The entire parking structure will be constructed on City owned land located one block away from the University's central campus. In essence, the comprehensive 75-year joint venture agreement provides that the City will be responsible for overseeing construction and operation of the facility. The City has determined there will be no negative impact on transportation.

The City received construction bids on December 7, 1999 within the estimated budget. The proposal provides for a total parking structure capacity of 867 vehicles, of which 277 would be designated for University use. The total University budget share of construction and related expenses is \$5.9 million. The completion of the project is scheduled on or before June 30, 2001. If Regental approval is given, we anticipate the City will award the construction contract, subject to one final review by City Council.

The University will fund its share of the project from Parking Services' revenues. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the \$120 million program, secured by a pledge of General Revenues, and authorized by the Regents.

We recommend the Regents authorize the Executive Vice President and Chief Financial Officer to enter into an agreement with the City of Ann Arbor to jointly develop and operate the Forest Avenue parking structure and approve the budget.

Respectfully submitted,



Robert Kasdin  
Executive Vice President

December 1999

APPROVED BY THE REGENTS ON

DEC 16 1999