

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ANN
ARBOR AND THE REGENTS OF THE UNIVERSITY OF MICHIGAN FOR THE
DEVELOPMENT OF THE FULLER ROAD STATION**

This memorandum of understanding is entered into on this ____ day of November, 2009 by the City of Ann Arbor, a Michigan municipal corporation (“City”), and the Regents of the University of Michigan, a Michigan constitutional corporation (“University”).

Recitals

- A. Whereas, the City and University desire to jointly develop an intermodal transportation station, currently referred to as the Fuller Road Station, which shall include in its first phase of development covered bus loading/unloading zones and an indoor transit waiting area, structured parking for approximately 1,020 vehicles, covered bicycle hoops and lockers, on-grade parking for approximately 50 vehicles, as well as utilities for future outfitting to support a bike station;
- B. Whereas, the City has an existing agreement with the University to share the use of a surface parking lot on the southern portion of Fuller Park, south of Fuller Road and adjacent to the Norfolk Southern Railroad right-of-way;
- C. Whereas, the City owns the land containing the existing southern surface parking lot along Fuller Road;
- D. Whereas, Fuller Road Station will be developed such that immediate needs will be accommodated while future phases evolve on their respective timelines, and additional phases of Fuller Road Station may include elements including additional vehicular parking, connections to rail platforms, a train station, a bus waiting area, additional covered Ann Arbor Transportation Authority and University bus loading/unloading zones, a bicycle station with changing facilities and showers, skywalk connections to the University of Michigan Hospital, linkage with the proposed signature transit corridor identified in the City’s Transportation Plan Update, as well as other elements; and
- E. Whereas, recognizing the anticipated 2010 start of commuter rail service and the University’s immediate parking and transit needs, both the City and the University have expressed a commitment to devoting staff and consultant resources to provide an expeditious planning and review process for the development of Fuller Road Station;

In consideration of the above, the City and University agree to work together in good faith to develop, construct, operate and maintain Fuller Road Station as follows:

1. Concept Plans. The parties intend that Fuller Road Station will be designed and constructed in at least two distinct phases, as indicated in the plans attached to this Memorandum of Understanding. The City retained the services of JJR, LLC (“JJR”), who in conjunction with the City and the University, prepared (a) the Fuller Road Station: Phase One Concept Plan, (“Phase One Plan”) which is attached as **Exhibit A** and describes the intended Fuller Road Station Phase One site development, and (b) the Fuller Road Station: Master Concept Plan, which is attached as **Exhibit B** which describes possible additional future development.
2. Phase One. Fuller Road Station: Phase One (“Phase One”) will consist of a new multi-use structure (“Intermodal Facility”), reuse of some on-grade parking, and related site improvements, as more fully described in Section 5(a) below, and as depicted in the Fuller Road Station: Phase One Master Concept Plan.
3. Additional Phases. Additional phases may include other elements of the Fuller Road Station: including, but not limited to, additional vehicular parking (through vertical expansion of the Phase One Intermodal Facility), connections to rail platforms, a train station, a bus waiting area; additional covered Ann Arbor Transportation Authority and University bus loading/unloading zones, a bicycle station with changing facilities and showers, skywalk connections to the University of Michigan Hospital, as well as other elements that may be developed by the City and/or University separate from Phase One and which would be subject to future memorandums of understanding or future agreements between the parties.
4. Land. Fuller Road Station shall be constructed on land which is owned by the City and currently contains an existing surface parking lot. The land is located near the south east corner of Fuller Road and East Medical Center Drive, as generally shown on the “Location Plan” attached as **Exhibit C**.
5. Fuller Road Station: Phase One Site Development.
 - a. Phase One will consist of a new Intermodal Facility which will provide structured parking for approximately 900 vehicles above Level One and for approximately 120 vehicles on Level One, four covered bus loading/unloading zones (“Bus Zones”), a limited amount of covered and/or enclosed amenities, retention of as much existing on-grade parking as possible, bike hoops, lockers and utilities to support a future bike station , an upgraded multi-use path along Fuller Road and related site improvements, all as described

in the Phase One Plan. Parking for cars will be allocated between the parties in the following proportion: 78% for UM, 22% for the City. Design of the Intermodal Facility is to be reasonably efficient, with a layout that will allow effective function and operation.

- b. The City maintains use of existing surface parking spaces retained upon conclusion of Phase One construction. Related site improvements include those site enhancements needed for completion of Phase One site development.
- c. The cost of the design and construction of Phase One is to be proportioned as follows: the University will fund 78% and the City will fund 22% of the design and construction of the Intermodal Facility and the rest of Phase One. This percentage amount for each party shall be respectively referred to as the "Proportionate Share". The Proportionate Shares reflect the benefit to the parties and are based on the percentage of the Intermodal Facility that will be available to the parties for parking upon completion of Phase One, and are subject to change based on the final percentage of parking designated for use by the City and the University in the Intermodal Facility.
- d. Upon completion of construction of Level One of the Intermodal Facility, there will be four Bus Zones and approximately 120 parking spaces on Level One. If the existing Ann Arbor train station currently located on Depot Street is relocated adjacent to the Intermodal Facility, the City and the University agree the Bus Zones will be expanded as shown on Exhibit B. Subsequent to the introduction of rail service at regular intervals, or when significant changes in transportation demands occur, the parties will review both the historical and projected level of train and passenger traffic usage of the train station and Bus Zones on Level One and determine if any additional parking spaces on Level One need to be converted into additional bus zones due to increased traffic, or if any bus zones need to be reconverted to parking spaces due to decreased traffic.
- e. Upon completion of construction of Level One of Phase One, there will be a bicycle facility consisting of bike hoops, lockers and utilities to support a future bike station and covered waiting for buses as shown on the Phase One Plan.
- f. In order to allow development of the site for Phase One only, the City of Ann Arbor will prepare the site for construction. This will include relocation of conflicting utilities and removal of other existing conflicting construction and regulated soil materials as required to complete the work indicated in the approved Phase One

years. All operating expenses will be included in the Parking Structure Agreement, and the Parking Structure Agreement will be reviewed periodically and modified by mutual agreement as facility uses change.

The University will make two annual payments of \$31,057 to the City Parks and Recreation Services Unit for the period of September 1, 2010 through August 31, 2012 to cover the time period of construction.

- d. That the City and University are “co-users” of the Intermodal Facility for the projected useful life of the structure, and shall have rights to parking spaces consistent with the final percentage of parking provided to each party and consistent with each party’s Proportionate Share of the costs for development.
 - e. Roles and responsibilities for the operation, maintenance, repair, and management of the Intermodal Facility and payment of costs consistent with the respective Proportionate Share of each party.
 - f. Other terms as necessary to specify rights of access and use of Phase One so as to ensure the use of the Intermodal Facility by the University.
 - g. Other terms from this Memorandum of Understanding or terms that memorialize any agreements or understandings of the parties regarding the Intermodal Facility, as well as other reasonable terms and conditions detailing issues such as contract and bid management, management of the structure, day-to-day operations, preparation of operating budgets and insurance.
9. Environmental Assessment. The City will conduct an Environmental Assessment consistent with the National Environmental Policy Act, at its expense and for its sole benefit, to enable federal funding of Fuller Road Station. The City and University acknowledge that Phase One does not require federal funding and is not dependent on an Environmental Assessment being conducted.
10. University Parking Structure on Wall Street. Given the progress on developing the Fuller Road Station, which includes parking for University use equivalent to that planned in the Wall Street East Parking Structure, the University is willing to suspend, at this time, its pursuit of structured parking on Wall Street as presently authorized and programmed.
11. Cooperation. The City and University shall cooperate and use their best efforts to achieve completion of mutually-beneficial elements of Fuller Road Station not included in Phase One.

12. Governance and Approvals. The governing bodies of each party have certain review and approval obligations for projects of this size and scope. Both parties acknowledge that certain formal review and approval processes will need to be followed by each party at certain stages of the project, and approvals are at the sole discretion of the governing bodies. For the University, the governing body is the Regents of the University of Michigan, and for the City of Ann Arbor, it is City Council. Other intermediate review approval processes will be followed as generally required by each party for similar projects.
13. Recitals. The recitals listed above are included and made a part of this Memorandum of Understanding by reference.

CITY OF ANN ARBOR

REGENTS OF THE UNIVERSITY OF MICHIGAN

By: _____
 John Hieftje (DATE)
 Mayor

By: _____
 (DATE)

By: _____
 Jacqueline Beaudry (DATE)
 City Clerk

APPROVED AS TO SUBSTANCE

By: _____
 Roger W. Fraser (DATE)
 City Administrator

By: _____
 Sue F. McCormick (DATE)
 Public Services Administrator

APPROVED AS TO FORM

By: _____
 Stephen K. Postema (DATE)
 City Attorney