



September 4, 2026

TO: Mayor Christopher Taylor and Ann Arbor City Council Members
Administrator Dohoney

FROM: The Ark

RE: Kline's Lot Follow Up

Dear Mayor Taylor, City Council Members, and Administrator Dohoney:

I'm writing with additional follow up regarding the Kline's Lot purchase agreement:

1. Ark Concerns: Assurances Given

The Ark participated in yesterday's Main Street Area Association meeting. The City's Economic Development Director, Joe Giant, was on hand to share information and answer questions about the Kline's Lot purchase agreement. Thanks to Joe for joining.

One of the topics of discussion at that meeting concerned **prior assurances given by the City** to The Ark and others, such as:

"During the course of construction, which will be largely in the purchaser's control, they have also committed to uninterrupted access to sidewalks (e.g., the east-west sidewalk behind the Art Center), utilities and alleys for all Main Street users, the Ark included (subject to truly temporary safety-necessitating conditions). These elements will be part of our purchase agreement." (emphasis mine)

-email from Mayor Christopher Taylor on May 6, 2026, subject: Yes" to uninterrupted access. "Yes" to parking on Ashley.

"Parking on Ashley Street is entirely within the control of the City of Ann Arbor, and so is not suitable for inclusion in a contract. That said, the City of Ann Arbor guarantees that there will be Ark-suitable parking on Ashley — during construction and after construction.... It will happen." (emphasis mine)

-Taylor email May 6, 2026: Yes" to uninterrupted access. "Yes" to parking on Ashley.

"The Ark will be a crucial party to conversations regarding how to effect Ark-suitable parking on Ashley. (emphasis mine)

-email from Mayor Christopher Taylor on May 7, 2026 in response to request for clarification

I appreciated receiving Joe's follow up email after the meeting, where he stated "**...if we made a verbal or written assurance to you, we are going to honor it.**" He also indicated that some of the missing exhibits in the purchase agreement were being added. That's good news. (Joe's email and my subsequent questions follow this memo; the record of verbal and written assurances is attached. Joe and I are set to meet later this afternoon for further discussion.)

I see that the exhibits were added late yesterday, but, after quick review, the rest of the purchase agreement appears unchanged. Unfortunately, as I just experienced, the late addition of these and any other updates, plus the holiday weekend, does not give enough time for appropriate public review and response before the September 8th Council meeting. Therefore, The Ark's original request stands:

The Ark continues to request that a) that City Council remove the Kline's Lot purchase agreement from the September 8th consent agenda for separate discussion, and b) that Council schedule a separate vote for a future meeting after the Exhibits and other missing details have been included and made publicly available with reasonable time for advance review.

2. Broad Concerns

The Ark has consulted with **legal counsel and developers** to complete a thorough review of the Kline's Lot purchase agreement as it was originally posted. In addition to the items above and those originally stated in The Ark's email of September 1, this review noted several other items of concern that are more broadly relevant to the agreement and its impacts. I share these below, as I'm sure at least some of them will be of interest to Council and the broader public and require follow up from City staff and/or the City Attorney:

- **There is no reverter or repurchase clause.** The City will be familiar with the importance of this from prior experience with the YMCA lot.
- **Title report continues to be absent** but is referred to in par 1.6, par 5.2.1, par 5.4 and would be useful for understanding permitted exceptions.
- **The final purchase price (Sec 2) is fixed at time of closing**, based on a per-unit cost multiplied by the number of units; **however, the number of units is NOT fixed at time of closing**, leaving the possibility of purchaser committing to the minimum number of units at closing and adding up to 104 more with *no additional revenue to*

the City. Nothing prevents the purchaser from doing this, potentially leaving \$3M in sale revenue on the table.

- **1.7.c Why is the City discussing an alley easement when it owns the alley?** (Appears to have continuous ownership since plat of the Village of Ann Arbor was filed on May 25, 1824.) Any attempt by the City to sell or modify that alley would require a formal Council resolution after public hearings.
- **Language throughout requires the City to agree with purchaser with no discussion or negotiation** (e.g., in par 6.5 it appears that the City is compelled to provide approvals of all requests made by the purchaser)
- **15.1 and 15.2 Remedies for default** are significantly different. Suggest that a time limit be proposed after which seller is limited to one remedy.
- **7.1.2 and 19.17 there are no additional City Council approvals** once the purchase agreement is approved. What is the plan/commitment for ongoing input from the neighborhood and broader community?
- **Sec 4:** monies paid by purchaser as a **closing extension fee would be applied to the purchase.**
- **6.8.1: City does not get paid for purchaser delays.**
- **Par 5: City will indemnify the escrow agent.** Modify this? Government entities cannot generally be held accountable for other parties.
- **Par 19.4 Release from liability** is limited to the parties in the agreement (i.e., not Council, their attorneys, etc.)
- **Phase II:** not described nor included. No remedies if Phase II is never built.

Again, The Ark's goal continues to be that this sale and development are ultimately a win for everyone. A transaction of this magnitude and impact on behalf of the Citizens of Ann Arbor requires ongoing transparency, public engagement, and thorough due diligence. We share both The Ark's concerns and those raised more broadly to help assure that documentation and the go forward put the City, the citizens of Ann Arbor, the members of the neighborhood, and the developer on the best path together to reach a good outcome. I look forward to hearing from Council regarding next steps for assuring due diligence and community participation in this process. Our request to delay the vote stands.

Sincerely,

Marianne James
Executive Director
The Ark