



## Notice City Commission Study Session

7:00 PM

Monday, November 25, 2013

Governmental Center, Commission Chambers, 400 Boardman Avenue  
Traverse City, MI 49684

Posted and Published: 11-22-13

The meeting informational packet is available for public inspection at the Traverse Area District Library, Law Enforcement Center, City Manager's Office, and City Clerk's Office.

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At the request of City Manager Jered Ottenwess, City Clerk Benjamin Marentette has called this Study Session.

City Commission:  
c/o Benjamin C. Marentette, CMC, City Clerk  
(231) 922-4480  
Email: [tcclerk@traversecitymi.gov](mailto:tcclerk@traversecitymi.gov)  
Web: [www.traversecitymi.gov](http://www.traversecitymi.gov)  
400 Boardman Avenue  
Traverse City, MI 49684

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*The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.*

### **Welcome to the Traverse City Study Session!**

Any interested person or group may address the City Commission on any agenda item when recognized by the presiding officer or upon request of any commissioner. Also, any interested person or group may address the City Commission on any matter of City concern not on the Agenda during the agenda item designated Public comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than five minutes unless otherwise explained by the presiding officer, subject to appeal by the Commission.

### **Agenda**

Pledge of Allegiance

Roll Call

1. Discussion regarding development plans for Washington Place. (Jered Ottenwess, Russell Soyring)
2. Announcements from the City Clerk. (Benjamin Marentette)
3. Public comment.
4. Adjournment.



The City of Traverse City

## Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF NOVEMBER 25, 2013

DATE: NOVEMBER 21, 2013

FROM: <sup>JO</sup>JERED OTTENWESS, CITY MANAGER

SUBJECT: NOVEMBER 25 STUDY SESSION

This memo covers both topics on Monday evening's study session.

### *1. Discussion regarding development plans for Washington Place.*

Attached is a letter from Tom McIntyre, co-developer for Washington Place, along with a rendering of the proposed building, site layout, and architectural plans for Washington Place.

Attached is a memo from City Attorney Lauren Tribble-Laucht regarding the option agreement the city entered into with SNAFU, LLC for it to purchase the city-owned parcel at 221 Cass Street and for the city to purchase a portion of 215 Washington Street. As explained by the City Attorney, the development plans for The Washington Place development must be approved by the City Commission in order for the option to be exercised by February 22, 2014. If there is consensus to move forward with approving the purchase option, then we anticipate scheduling that for the December 2 regular meeting.

The development plans, or "Approved Project," must contain the following elements:

- a) Description of the general use of the property (refer to SNAFU, LLC letter)
- b) Building footprint and general layout (refer to plan sheet A1.1 Architectural Site and Parking Plan)
- c) Parking location and layouts (refer to plan sheets A3 Retail Level Floor Plan, A1.1 Architectural Site and Parking Plan)
- d) Building elevations (refer to floor plans and rendering)
- e) Architectural design and information showing all sides of the Project (refer to floor plans and rendering)

As a related item, at the November 18 City Commission meeting, the Commission introduced a rezoning of the parcels related to this matter as well as 229 Washington Street

(directly adjacent) which would increase the maximum building height from 45 feet to 60 feet by right or 68 feet by Special Land Use Permit. That rezoning is scheduled for possible enactment by the Commission on December 2.

Attached are individual maps – one depicting the properties as they are configured now (pre-swap); one depicting the configuration of the properties once the option agreement is exercised (note the city would be selling the 221 Cass Street Parcel to SNAFU, and purchasing a portion of 215 Washington Street from it to enlarge the city lot at 223 Washington Street; and one depicting the footprint of the Washington Place once the option agreement is exercised. We anticipate reconfiguration of the parking lot at 223 Washington to maximize the number of parking spaces.

As explained by the City Attorney, new appraisals of city-owned 221 Cass Street and the portion of 215 Washington Street the city would be purchasing from SNAFU will need to be prepared to update the purchase price. The option agreement stipulates that Michael Tarnow & Associates or another mutually acceptable appraiser would prepare the appraisals, done entirely at SNAFU's expense.

In 2005, when the option agreement was originally executed, the purchase prices were as follows:

<b>Property:</b>	<b>Owner:</b>	<b>Purchase Price in 2005, which needs to be reappraised:</b>
221 Cass Street (Lot W)	City	\$412,821
215 Washington Street	SNAFU	\$319,936 / \$25.92/ft <sup>2</sup>

Based on these valuations, the City would receive \$412,821 less the \$40,000 option money already paid and less the amount of 215 Washington Street transferred to the City, which is approximately 5,400 square feet with a 2005 valuation of approximately \$140,000, resulting in net proceeds of \$232,821.

2005 Valuation 221 Cass Street (Lot W)	\$412,821
Less Option Money	-\$40,000
<u>Less 5,400 ft<sup>2</sup> of 215 Washington Street</u>	<u>-\$140,000</u>
<b>Net Proceeds</b>	<b>\$232,821</b>

In terms of parking, Lot W currently has 35 permit parking spaces, which would be lost by development of the lot. The Washington Place development intends to include two levels

of underground parking with 29 spaces and, as proposed, 12 surface spaces. DDA representatives and I have had discussions with SNAFU about creative ways to combine parking, including the possibility of a small deck, to maximize parking in this area.

Note also that under the proposed development plan, the City would retain 13 existing parking spaces in property currently owned by SNAFU. This would allow the City to reconfigure parking at Lot N (just east of this property) and replace 13 or more of the spaces lost at Lot W for a net decrease of 22 or fewer spaces.

Desired Outcome:

Following discussion and public comment, direction from the Commission as to if approval of the option agreement should be placed on the December 2, 2013, agenda.

JJO/bcm K:\tcclerk\city commission\study sessions\20131125.doc

e-copy: Russell Soyring, City Planning Director  
Tom McIntyre, Washington Place Co-Developer – [tom.mcintyre@pways.com](mailto:tom.mcintyre@pways.com)

**WASHINGTON PLACE  
c/o SNAFU, LLC  
116 Cass Street  
Traverse City, Michigan 49684**

November 12, 2013

Jered Ottenwess, City Manager  
City of Traverse City  
400 Boardman Avenue  
Traverse City, Michigan 49684

Re: Option Agreement between City of Traverse City and Snafu, LLC

Jered,

With this application, per the Option agreement dated 2/22/2006 between City of Traverse City and Snafu, LLC (Tom McIntyre) I am asking for city approval of the proposed project that involves city parking Lot W and the adjacent SNAFU, LLC lot to the east. The proposed new building on the corner of Washington and Cass streets includes one level of retail and/or professional use at street level, three floors residential above and one level below grade parking. Plans, elevations and reference site plans included. I believe we have fulfilled the requirements for this request of an "Approved Project" for Lot W.

Should you have any questions please do not hesitate to contact me. Thank you for your consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom McIntyre", with a horizontal line extending to the right from the end of the signature.

Tom McIntyre  
Co Developer

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# Memorandum

The City of Traverse City



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TO: Jered Ottenwess, City Manager  
COPY: Benjamin C. Marentette, Clerk City  
FROM: Lauren Tribble-Laucht, City Attorney *LL*  
DATE: November 20, 2013  
SUBJECT: Option Agreement – “Washington Place”

The City entered into an Option Agreement with Snafu, LLC in February 2006 regarding the subject properties (221 Cass Street, 223 Washington Street and 215 Washington Street). Since then the Option Agreement has been amended twice (in 2009 and 2012) in order to extend its term. The purpose of this memorandum is to outline for you the necessary steps which must be taken pursuant to the Option Agreement in order to carry out the option. The Option Agreement will expire on February 22, 2014. If the option is not exercised by that date no further action by the City is required and the Option Money (\$40,000.00) along with any improvements to the property shall be the City's. However if Snafu, LLC diligently pursues City Commission approval of an approved project and the Commission does not vote in favor of the project before the Option Agreement expires, the option money shall be returned to Snafu, LLC. This process is further described below.

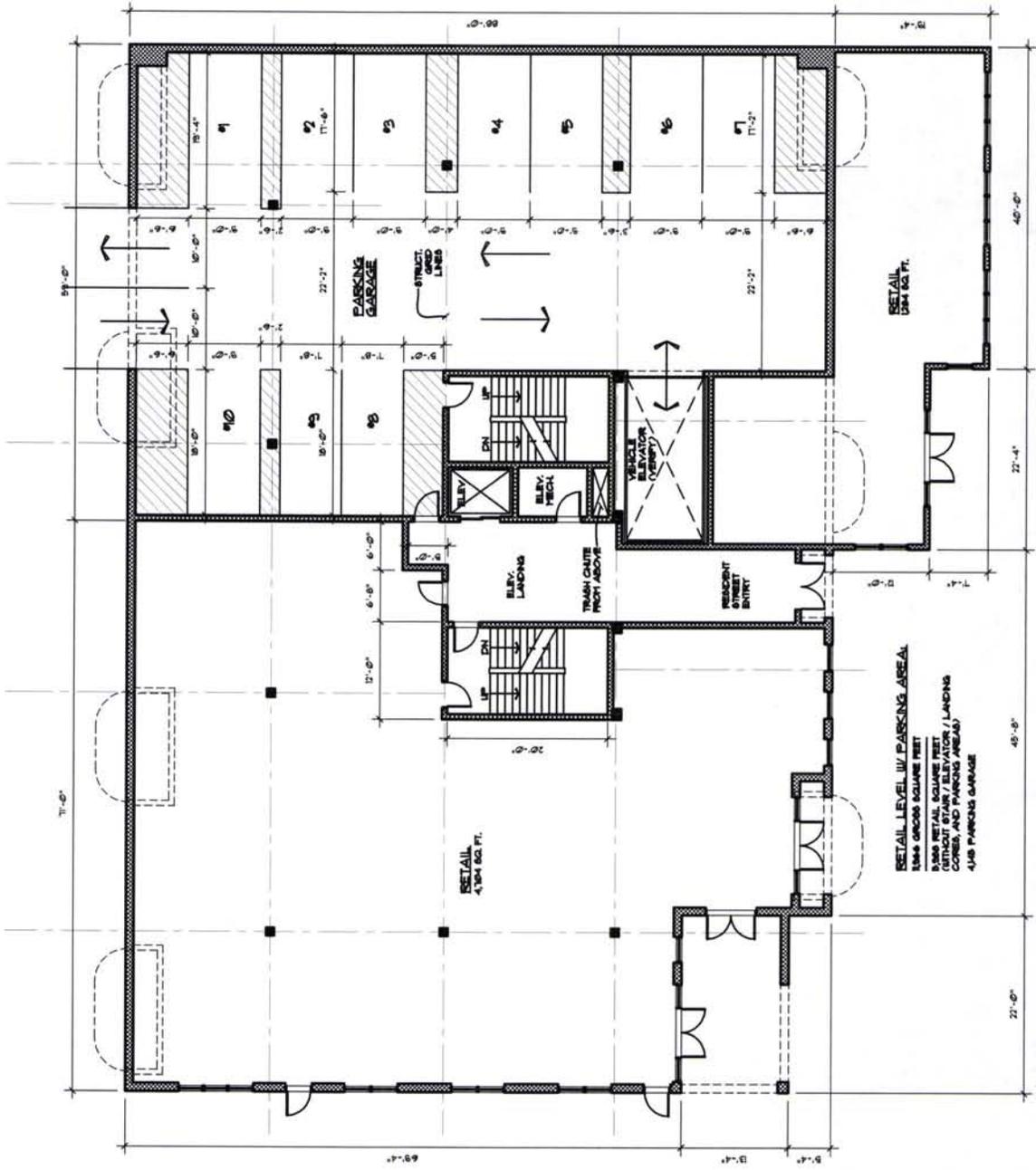
There are four items required under the Option Agreement you should be aware of at this time:

1. Section 4b requires that new appraisals of Lot W (221 Cass Street) and Lot 2 (215 Washington Street) be completed in order to establish the respective purchase prices. The appraisals will be done at Snafu's expense and must be completed within the 30 days before notice of exercise of the Option.
2. Section 5 requires Snafu, LLC to seek and receive approval of the City Commission for an approved project for Lot W and any adjacent property. At a minimum the approved project proposal must contain a description of the general use of the property; a building footprint and general lay out; parking location and lay outs; building elevations; and architectural design and information showing all sides of the project.
3. Section 5 requires Snafu, LLC to commence substantial construction of the approved project within 18 months of closing.
4. Closing shall take place 30-90 days from the date of exercise of the option.

I have discussed these requirements with counsel for Snafu, LLC so that we are all on the same page going forward. Please let me know if you have questions.







**RETAIL LEVEL FLOOR PLAN**  
SCALE: 1/8" = 1'-0"

**RETAIL LEVEL (W/ PARKING AREA)**  
 15,000 SQUARE FEET  
 8,000 RETAIL SQUARE FEET  
 4,000 PARKING GARAGE  
 3,000 SQUARE FEET  
 CORES, AND PARKING AREA

**RETAIL**  
5,044 SQ. FT.

**RETAIL**  
4,764 SQ. FT.

**RETAIL LEVEL FLOOR PLAN**

Drawn By	JLB
Approved By	KCP
Date Issued	1-27-2011
	2-4-2011
	4-4-2013 REVISED
	8-15-2013
Prepared By	<b>MONTYRE</b>
	* PRELIMINARY *

**A3**

**WASHINGTON PLACE**

**RICHMOND**  
Architects

Ken Richmond, AIA

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 Traverse City, Michigan 49684  
 Phone: 231-946-0400  
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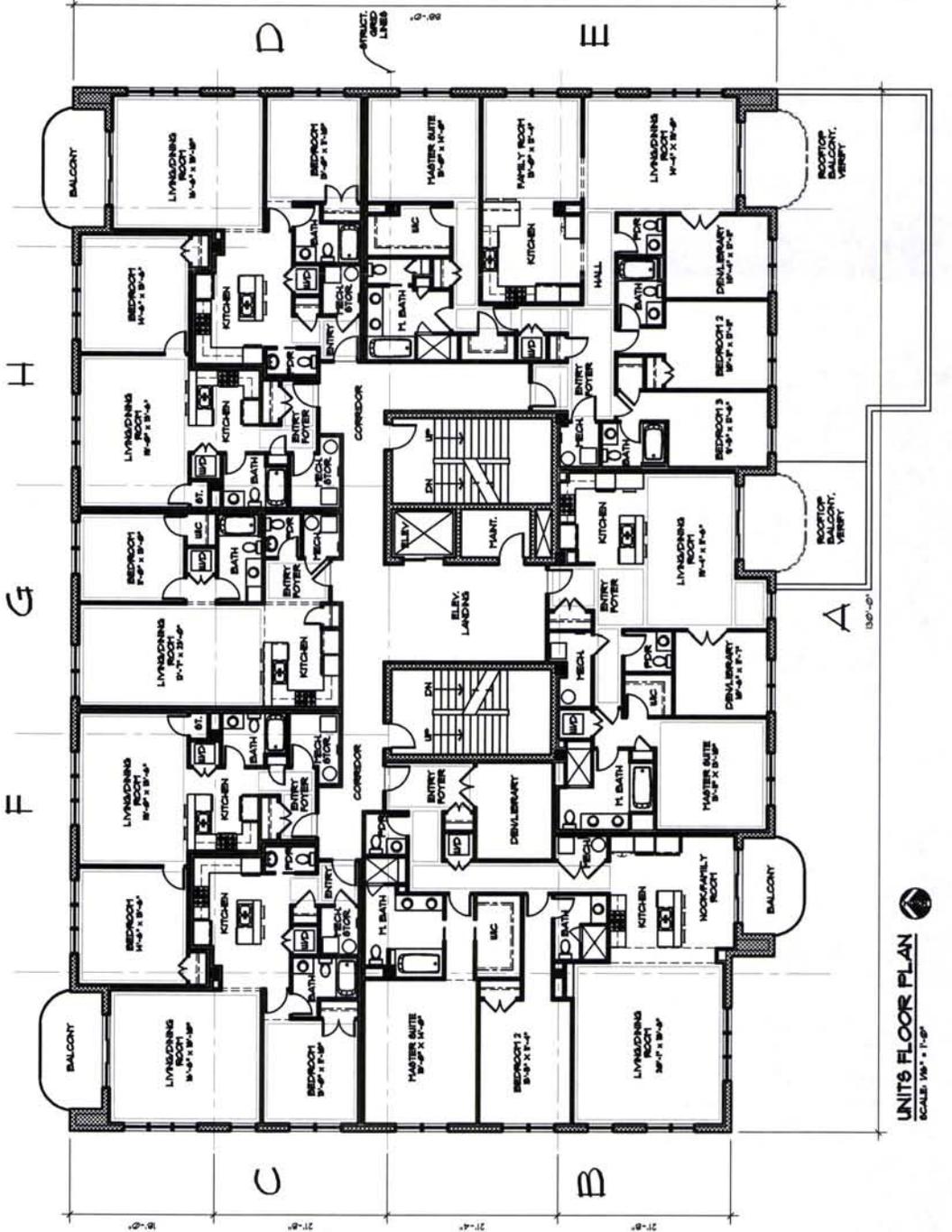
# RICHMOND Architects

WASHINGTON PLACE

UNITS FLOOR PLAN  
 (8 UNIT OPTION)

Drawn By	JLB
Approved By	MCY
Date Issued	11-29-2012
	8-16-2013
	8-26-2013
Architect	<b>MONTYRE</b>
	* PRELIMINARY *
Sheet No.	<b>A4</b>

- UNIT "A"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "B"**  
 2 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 188 SF (INT. NET)
- UNIT "C"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "D"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "E"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "F"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "G"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "H"**  
 1 BEDROOM  
 1 BATH  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 134 SF (INT. NET)
- UNIT "I"**  
 3 BEDROOM  
 2-1/2 BATHROOM  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (66 SF)  
 264 SF (INT. NET)



**UNITS FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"

Ken Richmond, AIA  
**RICHMOND**  
 Architects

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 Traverse City, Michigan 49684  
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 Fax: 231-946-3323  
 Email: ken@richmondarchitects.net

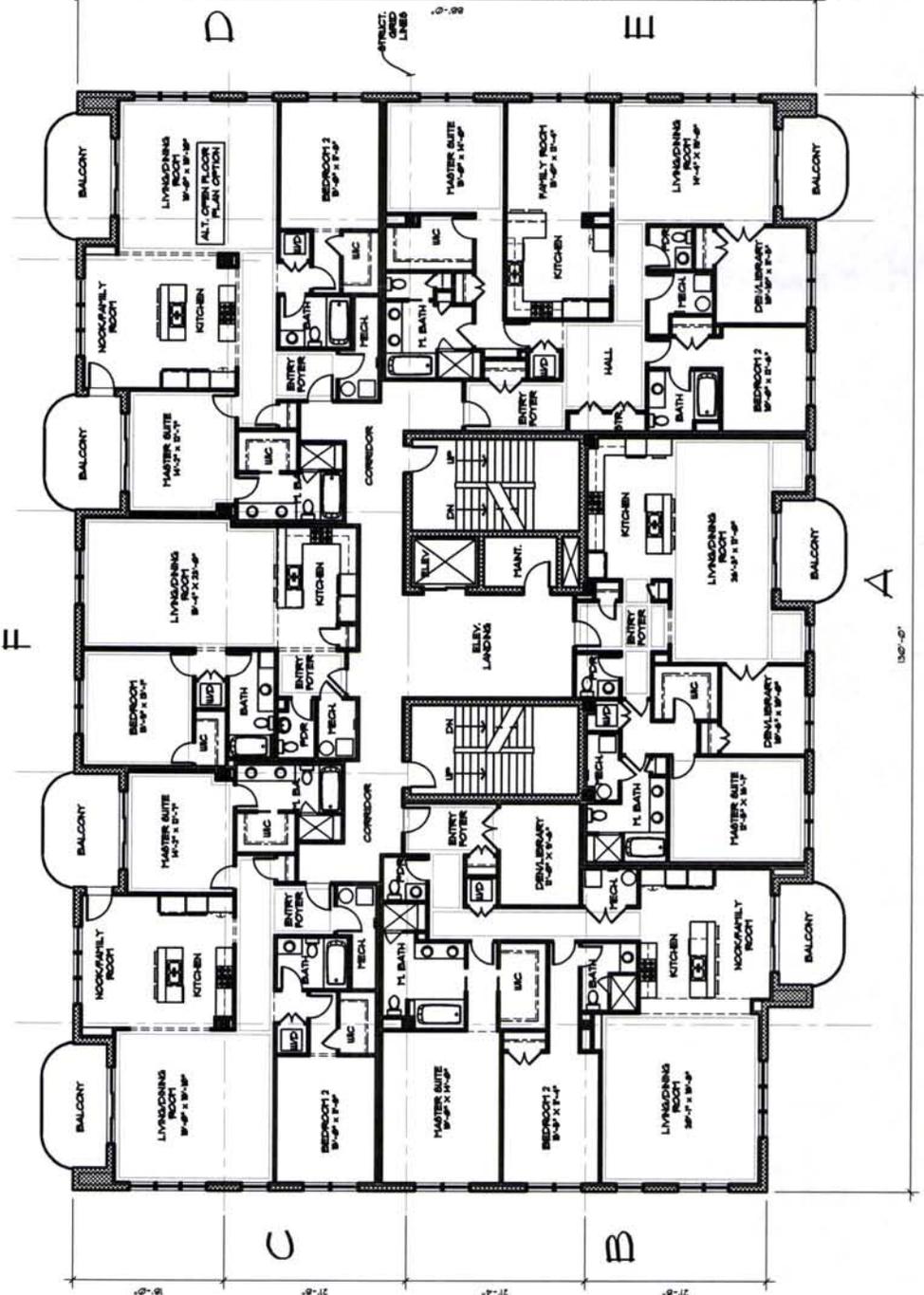
WASHINGTON PLACE

**UNITS THIRD LEVEL FLOOR PLAN**

Drawn By: JLB  
 Approved By: JCB  
 Scale: As Shown  
 Date Issued: 8-16-2015 / 9-12-2015

**MONTYRE**  
 \* PRELIMINARY \*  
**A5**

- UNIT "A"**  
 1 BEDROOM  
 1/2 BATHROOM  
 BREAKFAST ROOM  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (64 sq. ft.)  
 1585 sq. ft. (INT. NET)
- UNIT "B"**  
 2 BEDROOM  
 2 1/2 BATHROOM  
 BREAKFAST ROOM  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (111 sq. ft.)  
 1585 sq. ft. (INT. NET)
- UNIT "C" & "D"**  
 2 BEDROOM  
 2 BATHROOM  
 BREAKFAST ROOM  
 LIVING / DINING  
 ENTRY Foyer  
 NOOK / FAMILY ROOM  
 BALCONY (111 sq. ft.)  
 1585 sq. ft. (INT. NET)
- UNIT "E"**  
 2 BEDROOM  
 1 1/2 BATHROOM  
 BREAKFAST ROOM  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (64 sq. ft.)  
 1585 sq. ft. (INT. NET)
- UNIT "F"**  
 1 BEDROOM  
 1/2 BATHROOM  
 BREAKFAST ROOM  
 LIVING / DINING  
 ENTRY Foyer  
 BALCONY (64 sq. ft.)  
 1585 sq. ft. (INT. NET)



**UNITS FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"

Ken Richmond, AIA  
**RICHMOND**  
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**RICHMOND**  
 Architects

**WASHINGTON PLACE**

**UNITS 4TH LEVEL FLOOR PLAN**

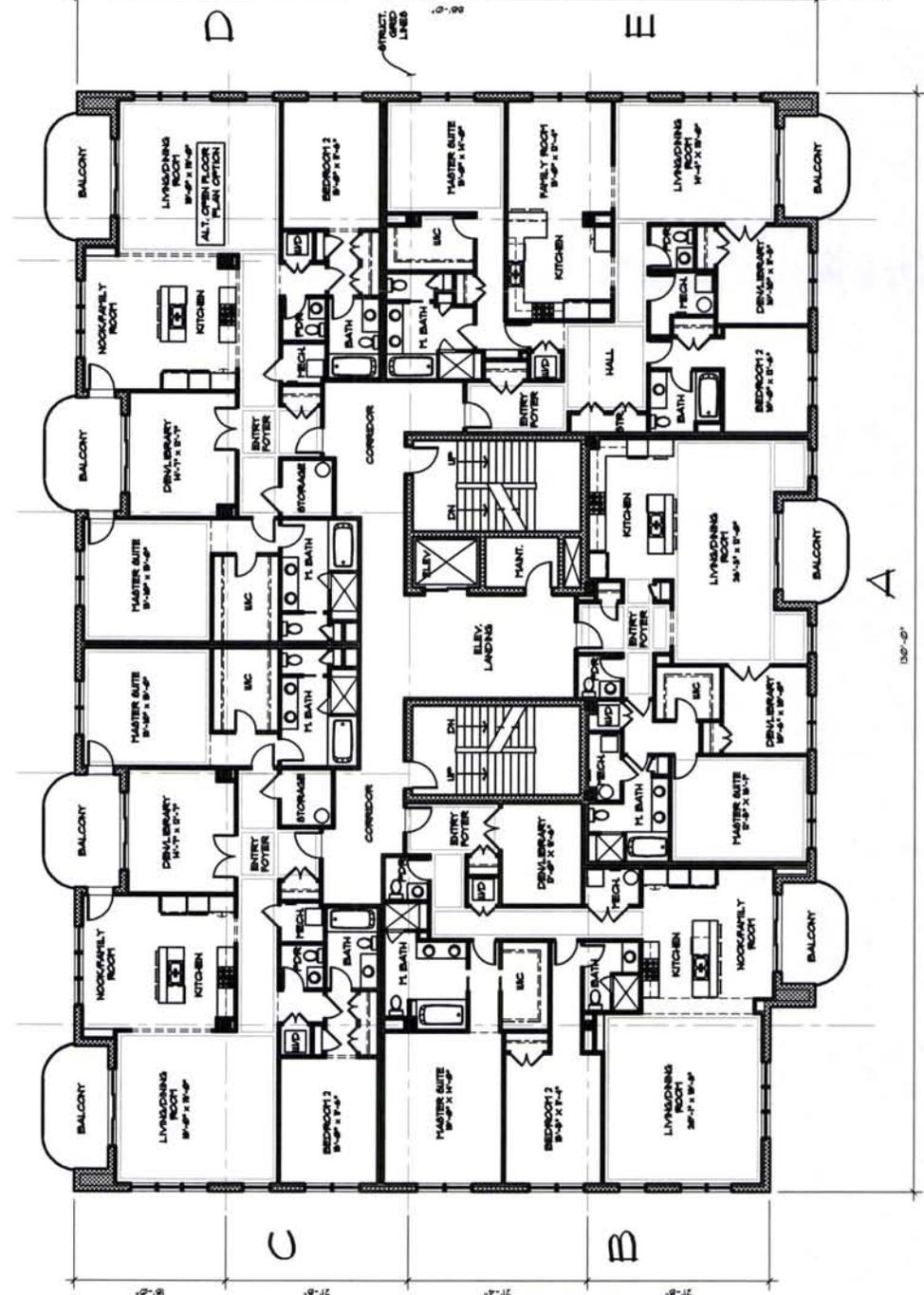
Drawn By: JLB  
 Approved By: JLB  
 Scale: As Shown  
 Date Issued: 1-18-2011  
 1-20-2011  
 2-4-2011  
 8-16-2013 / 9-12-2013

Architect: **MONTYRE**

\* PRELIMINARY \*

**A6**

- UNIT "A"**  
 1 BEDROOM  
 1/2 BATHROOM  
 LIVING / DINING  
 ENTRY POTTER  
 BALCONY (84 SF)  
 (USP 84' (INT. NET))
- UNIT "B"**  
 2 BEDROOM  
 2 1/2 BATHROOM  
 LIVING / DINING  
 ENTRY POTTER  
 BALCONY (84 SF)  
 (USP 84' (INT. NET))
- UNIT "C" & "D"**  
 2 BEDROOM  
 2 1/2 BATHROOM  
 LIVING / DINING  
 ENTRY POTTER  
 BALCONY (84 SF)  
 (USP 84' (INT. NET))
- UNIT "E"**  
 2 BEDROOM  
 2 1/2 BATHROOM  
 LIVING / DINING  
 ENTRY POTTER  
 BALCONY (84 SF)  
 (USP 84' (INT. NET))



**UNITS FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"

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 Tallahassee, Florida 32304  
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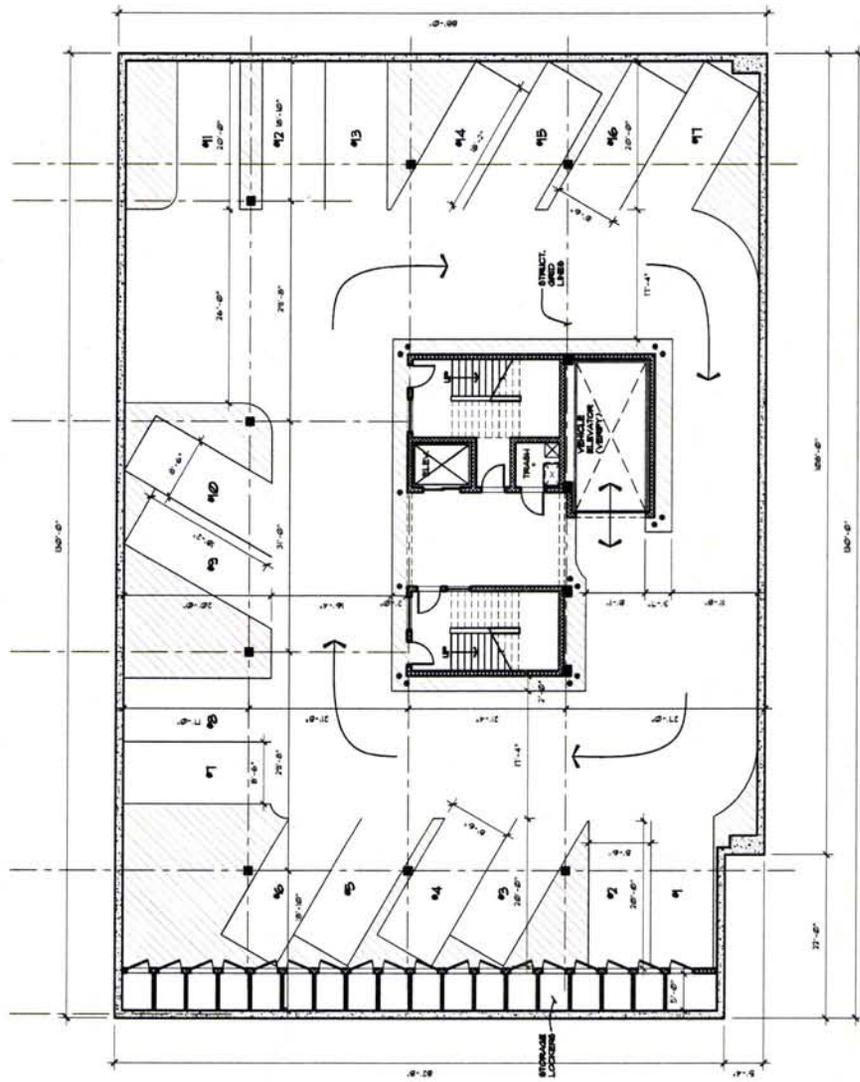
**RICHMOND**  
 Architects

WASHINGTON PLACE

**UNDERGROUND  
 PARKING GARAGE  
 FLOOR PLAN**

Project No.	1-20-2011
Client	3-4-2011
Architect	4-4-2013 REV/RED
Contractor	8-16-2013
Monty're	

**A7**



**\* PRELIMINARY \***  
 (NOT FOR CONSTRUCTION)

**UNDERGROUND PARKING GARAGE FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"



EXISTING CITY LOT PLANS AND AERIAL MAP



SCALE: 1" = 40'-0"

Depiction of Properties  
Pre-Swap/Current Situation

\* PRELIMINARY \*

A21

Drawn By	RLB
Approved By	
Client	
Date Issued	11-11-2013
Project No.	MCINTYRE

EXISTING CITY LOTS

WASHINGTON PLACE

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Email: ken@richmondarchitects.net



PROPOSED LOT PLANS AND AERIAL MAP  
 SCALE: 1" = 40'-0"

Depiction of Properties After Swap

\* PRELIMINARY \*

A22

Drawn By	MLB
Approved By	
Scale	1" = 40'-0"
Date Issued	11-11-2013
Project No.	MCINTYRE

PROPOSED CITY LOTS

WASHINGTON PLACE

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**PROPOSED BUILDING AND AERIAL MAP**



Depiction of Properties After Swap, showing building footprint at 221 Cass Street

\* PRELIMINARY \*

**A12**

Drawn By	MCINTYRE
Checked By	
Approved By	
Date	11-11-2013
Sheet Number	
Project Name	
Project No.	

**PROPOSED BUILDING AND LOT PLAN**

**WASHINGTON PLACE**

**RICHMOND**  
Architects

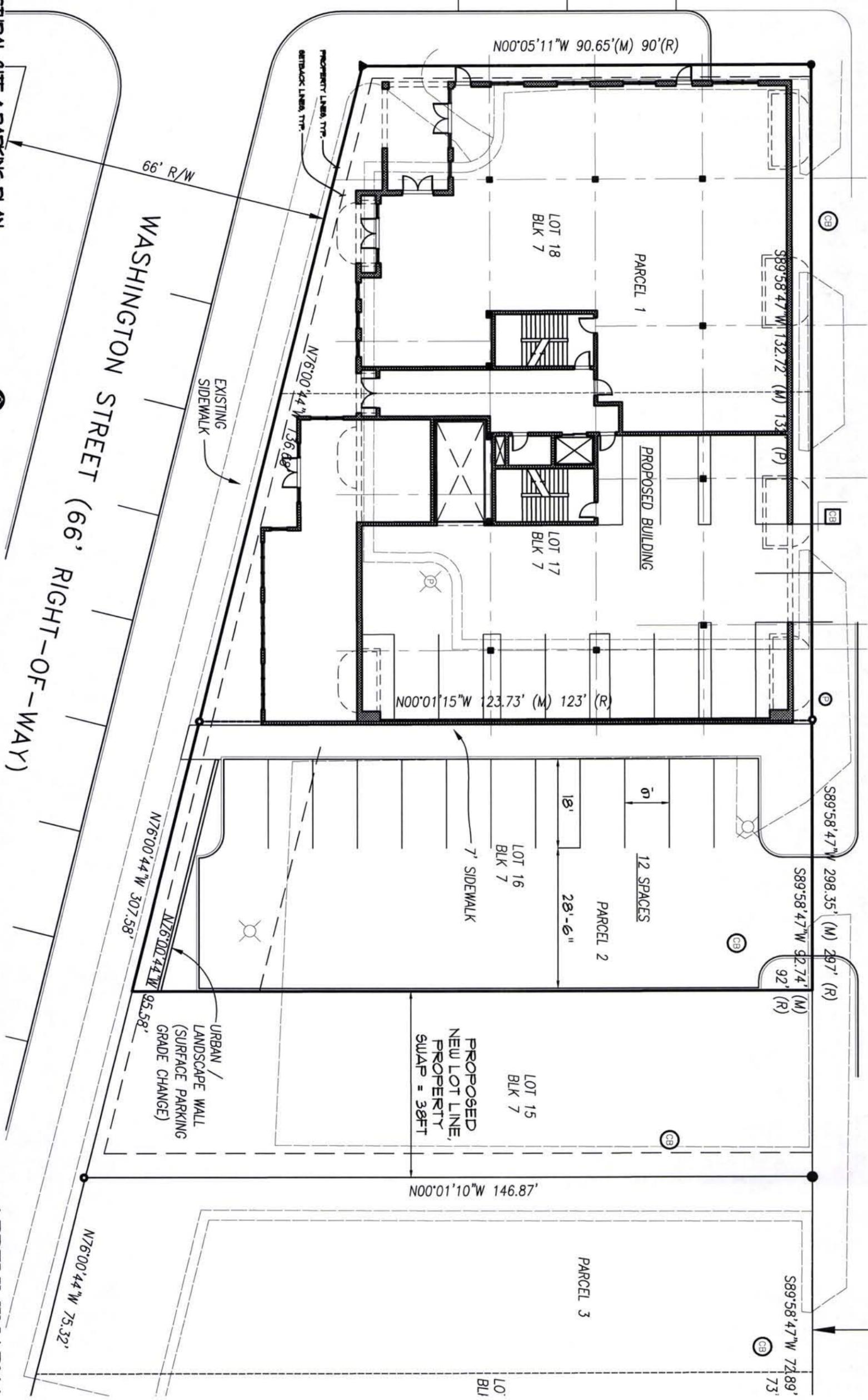
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Fax: 231-946-3323  
Email: ken@richmondarchitects.net

☐ CASS STREET (66' RIGHT-OF-WAY)

ALLEY (33' RIGHT-OF-WAY)

ARCHITECTURAL SITE & PARKING PLAN  
SCALE: 1" = 30'-0"



WASHINGTON STREET (66' RIGHT-OF-WAY)

WASHINGTON PLACE

\* PRELIMINARY \*

A11

DATE	DESCRIPTION
2-4-2011	DATE ISSUED
4-4-2013	REVISED
6-16-2013	REVISED
11-11-2013	REVISED
MONTYRE	

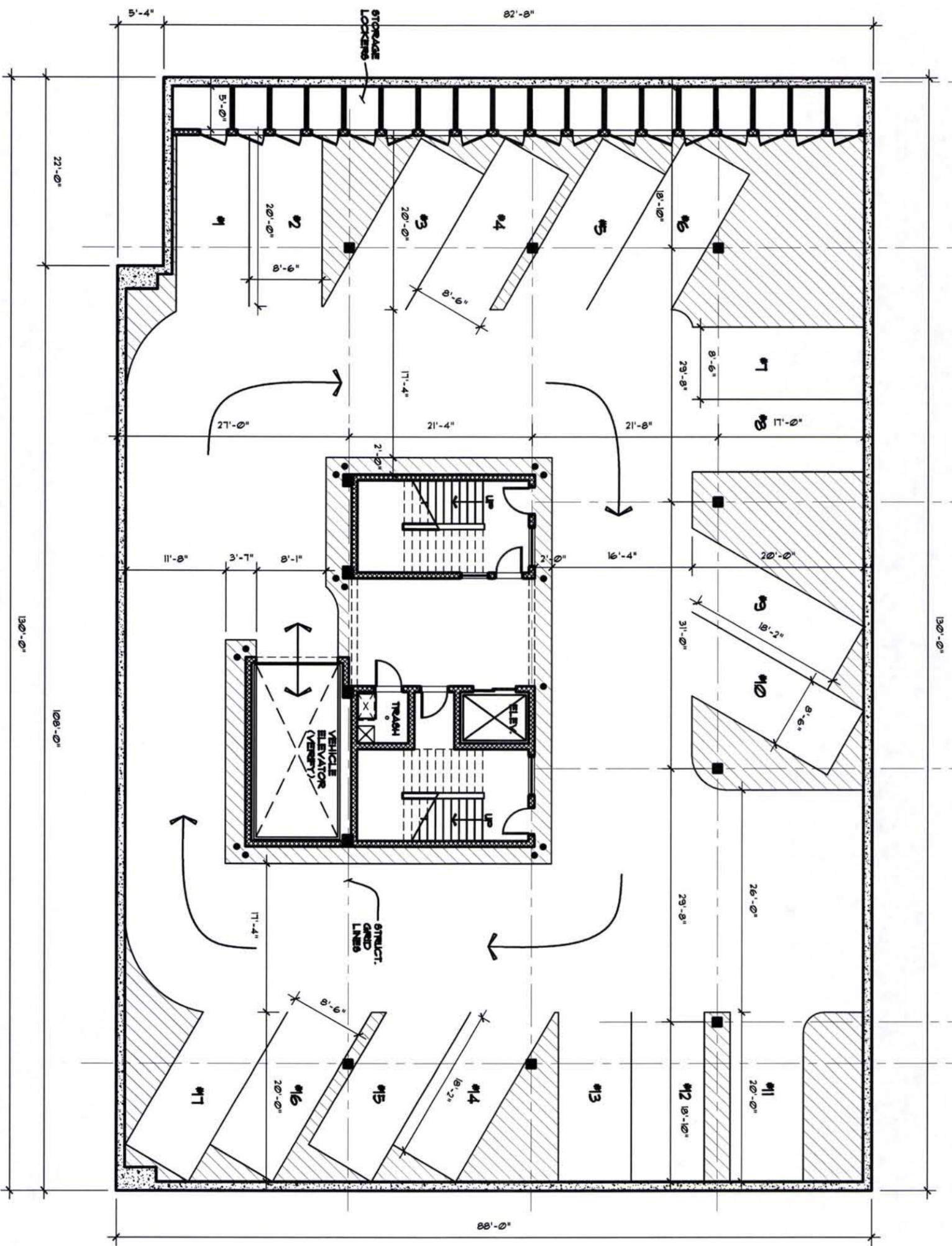
ARCHITECTURAL SITE & PARKING PLAN

WASHINGTON PLACE

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**UNDERGROUND PARKING GARAGE FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"



**\* PRELIMINARY \***  
 (NOT FOR CONSTRUCTION)

Ken Richmond, A.I.A.

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Project  
**WASHINGTON PLACE**

Architect  
**UNDERGROUND  
 PARKING GARAGE  
 FLOOR PLAN**

Drawn By	NLS
Approved By	KCR
Date Issued	1-20-2011
	2-4-2011
	4-4-2013 REVISED
	8-16-2013
File No.	<b>MCNTYRE</b>

Sheet No.  
**A7**