

MINUTES
Downtown Development Authority Meeting
Wednesday, January 7, 2004

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: DDA Chair Rene Greff called the meeting to order at 12:07 p.m.

1. Roll Call

Present: Rob Aldrich, Fred Beal, Gary Boren, Ron Dankert, Dave DeVarti, Dave Fritz, Rene Greff, Bob Gillett, Leah Gunn, Lorri Sipes, Dave Solo

Absent: John Hieftje,

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Adrian Iraola, Project Manager
Georgia Richardson, Intern

Audience: Jim Corbett, Republic Parking
Bob Dascola, State Street Area Association
Bob Henderson, Citizens Advisory Council
Donna Johnson, Planning Department
Peter Pollack, Pollack Design Associates
Ethel Potts
Wendy Rampson, Community Development Department
Richard Shackson, Citizens Advisory Council

2. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Solo seconded the approval of the December 3, 2003 meeting minutes.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Sipes, Solo

NAYS: None

Absent: Hieftje

The motion carried.

3. AUDIENCE PARTICIPATION

None.

4. CITIZENS ADVISORY COUNCIL

The Citizens Advisory Council is continuing discussion of possible revisions to its Goals and Objectives Statements in the areas of Housing, the Pedestrian Environment, Parking, and Transportation. These statements were last revised in 1997 and were distributed to all city government leaders, departments and commissions as well as to officials of the University of Michigan, and neighborhood and downtown business associations. We believe they have been very useful in providing a guide for ourselves, and others, in dealing with many downtown issues over the course of the last seven years.

Ordinarily, we might have considered revisions to our Goals Statements much sooner. Instead, during the last two to three years, we have been committed to playing a part in the process of developing and approving a new DDA 30-year plan that would incorporate our long-held objectives. We are very pleased that the new DDA Plan does that. We believe it is now necessary to update and revise our goals statements in order that we can provide future advise to you and to others that works to achieve the objective of realizing the many goals that are in the new DDA 2003-2033 Development Plan.

Some objectives have remained the same and some have changed in response to new issues and conditions:

In our Housing objectives, we remain committed to the goal of increasing the quantity and quality of downtown residences for people at all income levels. We are convinced that the future of our neighborhood is only as strong as its capacity to achieve and sustain visible, varied and well-maintained housing. In the next six months we expect to play a part in the development of the recommendations that will emerge from both the Mayor's Downtown Residential Task Force and the Fifth/Division/Huron Study. Both will be important for downtown housing. We expect to also work for greater consideration of the South University area as a site for the development of housing. But we recognize that density has limits, and should always be directly related to the availability of nearby retail and services and the need to maintain a desirable pedestrian environment.

To advance our Pedestrian Environment goals, the CAC will continue to work to enhance the pedestrian interest, scale and orientation of downtown streets and spaces in ways that are consistent with the City Master Plans. Pedestrian improvements, art in public places, historic preservation, and parks and open spaces remain objectives—just as they are in the new DDA Plan. But we recognize that we must have a clear policy on the issue of building height as we work to maintain the downtown's attractiveness to people on foot.

We are pleased that, unlike the old DDA plan, which had parking as a key objective, the 2033 DDA Plan incorporates parking into other DDA goals of Housing, Infrastructure, Transportation and Sustainability. The CAC's new Parking Goals Statement will recognize this major shift. Although parking is essential to the economic health of the downtown, it is an expensive subsidy and we must recognize for whom it is built. Parking alone will not guarantee the downtown's prosperity and success. The CAC believes that downtown residency is most important—combined with a successful pedestrian and retail environment. We will continue to stress the importance more downtown residents as a major alternative to providing more downtown parking. As a test of these goals, we look forward to working with the DDA on the major task of developing a neighborhood mixed-use concept for the area just west of Main Street.

Which leads me to our Transportation and Traffic Management Goals. We remain committed to maintaining the downtown as a center of our transportation system with convenient connections to local and national bus and rail lines as well as air transportation. But, as we seek parking alternatives, and promote the use of public transportation, park and ride lots, and cycling to achieve that goal, we will continue to encourage walking as the mode of choice for travelers for short trips in the downtown area.

We intend to continue to advocate and support public programs and private sector development that move us toward achieving these goals.

5.	NEW BUSINESS
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None.

6.	OLD BUSINESS
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Ms. Rene Greff reported that shortly after the December meeting, the DDA Executive Committee met with City Administrator Roger Fraser and Chief Financial Officer Jeffrey Stark to discuss more fully the City's request that the DDA provide a loan to the City to enable it to purchase the YMCA site. The City secured a five year \$3.5 million loan from Bank of Ann Arbor, and the DDA was asked to loan the City approximately \$1.8 million to make payments on this bank loan. Per DDA's By Laws, the Executive Committee is empowered to act on behalf of the DDA between meetings. After much discussion, the Committee voted to approve the loan as requested conditioned on the DDA receiving a note from the

City and on the basis that the project would be assigned to the Partnership Committee for the purpose of developing an action plan. The Partnerships Committee will be expanded to include Council members as appointed by the Mayor and Council and other stakeholders as determined by Council and the DDA. This Committee will work to frame a recommended action plan for review by the DDA and Council by April. Ms. Gunn expressed her thanks to the Executive Committee for its work.

7.

SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE

Mr. Dankert reported that there was nothing new to report on TIF revenues which remain close to budget. Expenses are over budget due to project timing issues. Parking revenues are down against budget for several locations due to a decrease in the number of parking patrons, as well as the decrease generated by shifting to charging by the half hour. The measured reduction in patrons is echoed by higher office vacancies and lowered sales for some downtown businesses this year. Total parking revenues for year-to-date are about 3% above budget, but 4th and William and Maynard are doing the majority of the work. Many other decks, meters and meter bags are below budget for the month and down from last year. Parking expenses are above budget primarily due to the timing of maintenance and repair work. Mr. Solo pointed to a new report generated by the Ops Committee comparing number of patrons and dollars against the same month last year. Mr. Dankert made a motion to accept the financial statements, seconded by Ms. Gunn.

A vote on the motion showed:

AYES: Beal, Boren, Dankert, Fritz, Greff, Aldrich, DeVarti, Gillett, Sipes, Solo

NAYS: None

Absent: Hieftje

The motion carried.

Mr. Dankert was asked about the recent DDA audit. He reported that the Committee reviewed the audit in detail against the year-end report and found that there were only a few small differences between the two, including the addition of approximately \$90,000 in previously unreported property taxes and interest. Staff had done an excellent job tracking numbers throughout the year.

Mr. Morehouse reported that he had worked with a consultant recommended by the City auditor to investigate 4 or 5 accounting software packages, and resolved to select Black Baud as the one that best met the DDA's needs. References were checked and both gave very glowing comments. The software has been purchased, and he would leave for training at the end of the week. It is planned that systems will be up and running by the end of the month and the DDA will operate on a parallel system with the City for February. In March, if there are no apparent glitches, the DDA will be on its own.

Mr. Dankert pointed to a report in the DDA packet on the free holiday parking program. Patrons had been asked to provide comments, and over 230 responses were received. The Committee will review these comments and consider recommendations for any changes at some later point.

PARTNERSHIPS COMMITTEE

YMCA. Mr. Solo reported that this is the Committee's primary project, as the approval of DDA funding was based on the Committee taking an active role in the effort to shape a preferred action plan. The Committee is working to gather all the necessary information and has increased to two meetings a month in order to move ahead. City Council members Carlberg and Easthope have been participating, and a variety of community members have been in attendance.

First and Washington. Hamilton Anderson's second version of schematic designs and costs didn't arrive in time for the last meeting, but will be considered at the next meeting.

Kingsley Lane. A presentation was made by project team members to the Committee setting forward a request for \$350,000, including \$100,000 toward the cost of pedestrian improvements in the alley, \$50,000 for onsite parking, and \$200,000 to replace potential profits lost providing affordable housing. Mr. Solo clarified that this affordable housing subsidy wasn't needed to cover the difference between the cost to construct and the cost to sell these affordable units. Ms. Pollay said that the developers had also approached the City for funding assistance, and that there would be an attempt to coordinate responses. Mr. Gillett said that the Housing Policy Board had not had a chance to consider this request yet. Ms. Rampson, Interim Director Community Development Department, said that the developer's application to the City was still incomplete, thus it wasn't clear when the Housing Policy Board might have a chance to review the request, and that Mr. Allen has also made arrangements for a meeting later in the month with MSDA to determine if additional funding might be available.

CAPITAL IMPROVEMENTS COMMITTEE

First & Washington. Mr. Beal reported that structural inspections and nuisance repairs continue.

Forest Structure. Mr. Beal reported that quotes for the new pedestrian entrance were received and provided to the DDA Project Manager. It isn't clear if work will begin this winter or wait until spring.

State Street. Phases I & II are closed, and Phase III will begin in the spring.

Bike Lockers. They have been ordered and will be installed as soon as the snow clears.

Fifth/Division/Huron. A Professional Services Agreement between Pollack Design Associates and the DDA was signed, and work will begin this month.

Mr. Hieftje enters

First & William. A Professional Services Agreement has been signed by Fishbeck, Thompson, Carr & Huber. A meeting was held with Ann Arbor Railroad in December to discuss right-of-way and clearances issues, and a letter of warranty has been drafted. A first public meeting was held in December, and both positive and negative comments were received. Positive comments were made about the benefit of consolidating parking into one location and the advantages gained by placing parking on a less valuable site, thus freeing up land for new residential and other uses. On the other side, concerns were raised about building anything in the floodway, as well as the perception that this deck will encourage downtown employees to drive to work rather than utilize public transit. The project team will meet with the Washtenaw County Drain Commissioner in the coming weeks to explore options regarding the Allen Creek Drain. Focus group meetings have been scheduled for January 21st, with a follow-up public meeting on February 4th. Mr. Dankert asked about the issues related to the railroad, Mr. Iraola said that the Railroad expressed no opposition to the project and provided details about clearances and the crash wall that will be necessary. He said the DDA has agreed to spend up to \$5,000 on survey and title work to enable the Railroad to eventually release their easement.

RESEARCH AND OPPORTUNITY COMMITTEE

Mr. Aldrich pointed to charts with which the Committee compared demographics within the DDA to those within the City and the County. It confirms that the DDA tends to be younger and slightly more diverse, with a lower percentage of married households and a greater percentage of renters compared to the City and double that in the County. There are many ways to interpret this, such as that there is a greater transient population downtown than elsewhere in the City and County.

The Committee continues to assemble data and is beginning work on an index which is one of the Committee's important goals for the year.

The Committee invited Greg Cook to its most recent meeting to get a better understanding of how AATA operates. Much discussion also centered on the YMCA property, and what motivated AATA's bid for the site. It would be valuable to invite Mr. Cook to a future DDA meeting to answer questions. The current Blake Transit Center (BTC) holds 8 buses with 6 buses on Fourth Avenue, and serves 5-6,000 patrons a day. The proposed expansion was not intended to increase ridership but would provide for greater efficiencies, would make it more convenient for patrons who need to transfer buses, and would provide a rest stop opportunity for Link drivers. Whether AATA is involved with the Y site or not it will continue to operate its BTC. Ms. Greff said that she inferred that there would not be any negative impact to BTC operations if the expansion doesn't go through, even if AATA solidifies a partnership with the UM for greater student access. Mr. Aldrich said that he was left with the impression that AATA is still interested in the YMCA site and had some funding available to contribute to project costs. Mr. DeVarti asked what the advantages would be to moving the buses off the street; Mr. Solo said that clustering the busses at BTC would make it easier for patrons to transfer between buses, plus the expansion would enable AATA to improve its waiting area. Mr. Beal said that an expanded BTC could accommodate Greyhound Buses, as well, creating an intermodal transit center. Mr. Aldrich said that Greyhound appears to be changing its mode of operations and moving stations from downtowns to expressway areas. Mr. Solo said that Mr. Cook also made reference to expanding its Park & Ride lot system, which is a project the DDA could assist with. Mr. Gillett said that he was unclear wither AATA could bring all the money it would need to the project or if it would be looking for government subsidies. Mr. Dankert said that AATA had secured some federal grant funds and Ms. Greff said that it appeared that the project proposal also anticipated selling air rights in order to make the finances work. Mr. Aldrich said that the financial details were not clear enough at this time to lead to a development plan.

9.	OTHER BUSINESS
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Mr. Hieftje asked for an update on the workings of the Downtown Residential Taskforce. Mr. Beal said that the group had met 3-4 times and has been collecting information and throwing ideas around. He said that there appeared to be a group consensus to establish some numerical goals at the next meeting which may/may not get modified later on, but will provide the group something to shoot for, e.g. X number of people in X number of years. There has been a discussion about such questions as what do we mean when we say "downtown" and it may be that the group might develop goals for what we're going to call downtown and the rest of the community.

10.	AUDIENCE PARTICIPATION
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None.

11.	ADJOURNMENT
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With no other business, Ms. Greff declared the meeting adjourned at 12:55 p.m.

Respectfully submitted,
Susan Pollay, Executive Director