

**Ann Arbor Downtown Development Authority Meeting Minutes
January 7, 2009**

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: DDA Chair Jennifer Hall called the meeting to order at 12:05 p.m.

1. ROLL CALL

Present: Gary Boren Russ Collins, Rene Greff, Jennifer Hall, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, John Splitt

Absent: Leah Gunn, Keith Orr, Sandi Smith

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant

Audience: Dave Askins, Ann Arbor Chronicle
Steve Bean, Berg & Associates
Tony Bisesi, Republic Parking
Ray Detter, Downtown Area Citizens Advisory Council (CAC)
Adrian Iraola, Washtenaw Engineering
Nancy Shore, getDowntown Program
Maura Thomson, Main Street Area Association
Edward Vielmetti, Edward.Vielmetti@gmail.com

2. AUDIENCE PARTICIPATION

Mr. Vielmetti said that he would not be talking again about inadequate signage for the LINK, although he did want to report that he and some colleagues had created a schedule using a new format which he thought would be more user-friendly. Mr. Vielmetti stated that the DDA and downtown business owners could do a better job of removing snow from the streets and sidewalks.

Mr. Orr enters.

Mr. Detter reported that the CAC discussed the significance of DDA boundaries in defining the borders of downtown. Neighborhoods abutting the downtown are in the Central Area and CAC is committed to protecting the existing housing in those neighborhoods. CAC remains committed to the Art Center proposal for the 415 W. Washington site; but it hopes the three respondents can join forces to meet the expectations outlined in the revised RFP. CAC submitted comments about the revised A2D2 document to Wendy Rampson and are looking forward to participating in future discussions before the matter is presented to City Council. The CAC remains committed to the old YMCA site for the 100 units of very affordable housing until a better site is selected. CAC believes that wherever these units are built they must receive adequate security, support services, and public transportation and must not have a negative impact upon surrounding neighborhoods.

Mr. Bean stated that the DDA could do a better job of removing snow from the streets and sidewalks. He said the intersections were especially troublesome during the recent snow storm.

Ms. Shore announced a meeting 2/3/09, 12-1:30PM, at the Chamber of Commerce regarding tax benefits for employers that offer bike fringe benefit to employees.

3. STATUS OF CITY TASKFORCE EFFORTS WITH DDA MEMBERSHIP
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A2D2 Steering Committee: Mr. Hewitt said that Ms. Rampson continues to meet with the public to elicit input on recommended text. Ms. Rampson will meet with the DDA Partnerships Committee at its next

meeting to review edits to parking recommendations. It is anticipated the report will be reviewed by the Steering Committee in February.

415 W. Washington: Mr. Mouat reported that the Selection Committee refined its final recommendations and is looking at alternative ways to meet those goals, such as a collaborative effort between the three respondents.

4. MINUTES

Mr. Hewitt moved and Mr. Collins seconded approval of the December 3, 2008 DDA meeting minutes.

A vote on the motion to approve the minutes showed:

AYES: Boren, Collins, Greff, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Splitt

NAYS: None

Absent: Gunn, Smith

The motion carried.

5. OPERATIONS COMMITTEE

Parking Income: Mr. Hewitt said that the 07/08 parking income statement showed that revenue was down \$7,000 from the year before; that there was one fewer business day could account for the decrease. Five of the six structures showed an increase in patrons; the meters and lots showed a decrease.

Transition to Demand Management: Mr. Hewitt reported that the Maynard valet service has begun, thus far with a maximum 11 cars/day parked. The number is expected to increase as businesses and students resume their regular schedules after the holidays. A draft placement plan for the first 25 pay-by-space machines has been developed and installation is scheduled for late March. Ten volunteers are being billed for actual parking structure usage to check the accuracy and reliability of the AVI card system. Progress continues in the effort to change the merchant validation system from stamps to encoded tickets and the new system is scheduled to begin in March. Estimates have been received for the possible purchase and installation of equipment that would allow customers to enter and exit the facilities during unattended hours but will track usage by AVI card holders more accurately for billing purposes.

Reserved fund balances: Mr. Hewitt presented a first draft of a statement about how fund balances would be shown as reserved or unreserved. Suggested changes were provided, and staff will make edits.

Mr. Hewitt said that MSAA made a request to delay the November 2008 parking rate increase approved by the DDA until January 2010. The Ops Committee created a slightly revised parking rate schedule to accommodate this request. Mr. Hewitt moved and Ms. Greff seconded the following resolution:

RESOLUTION TO INCREASE ON- AND OFF-STREET PARKING RATES AND DELAY THIS RATE INCREASE UNTIL JANUARY 2010

Whereas, A multi-year schedule ("Ten-Year Plan") of anticipated DDA revenues and expenses has been developed to include estimated costs for projects approved by the DDA and a forecast of proposed annual hourly and monthly parking rates;

Whereas, The DDA has determined that parking revenues will be the primary source of funding for additions to the parking system, major repairs, the costs for on-going parking operations and maintenance, as well as its alternative transportation initiatives;

Whereas, The DDA approved an increase in off-street and on-street parking rates at its November 2008 meeting;

Whereas, The DDA subsequently received a request from the Main Street Area Association board to forestall these parking rate increases until January 2010 in partnership with their efforts to help their business members confront uncertain economic conditions downtown;

Whereas, This request was considered and supported by the DDA Operations Committee, which adjusted parking rate increases to hold current rates constant in 2009 but still providing sufficient financial underwriting for DDA projects, and these new rates are recommended as follows;

	Parking Structures: Hourly	Standard Monthly Parking Permits	Parking Lots: Hourly	On- and Off- Street Parking Meters
Current (2008)	\$0.80	\$125.00	\$1.00	\$1.00
FY 2009	\$0.80	\$125.00	\$1.00	\$1.00
FY 2010	\$1.00	\$135.00	\$1.20	\$1.20
FY 2011	\$1.10	\$145.00	\$1.40	\$1.40
FY 2012	\$1.20	\$145.00	\$1.40	\$1.40

Whereas, The 1992 DDA/City parking agreement as amended sets forward that the DDA shall file its parking rate schedule with the City and said rates take effect sixty days after filing and publication in a newspaper of local circulation unless disapproved by Ann Arbor City Council;

RESOLVED, The DDA approves the parking rate increases as indicated above;

RESOLVED, Ann Arbor City Council shall be notified of this resolution per its Agreement with the DDA, with the expectation that these rate increases shall go into effect January 4, 2010 unless disapproved by City Council.

RESOLVED, The DDA will work with City Council to discuss and possibly implement a range of hourly parking rates on and off-street as part of a demand management framework, with the average of these rates being shown above;

RESOLVED, In order to delay this parking rate change until January 2010, the DDA will borrow \$3.65 million from its (003) TIF Fund which will be repaid with (063) Parking Funds within three years.

Ms. Hall said that although she could sympathize with the MSAA, she could not support the delay in parking rate increases as it would result in the DDA borrowing from its TIF fund, which would preclude the DDA from taking on new projects until the TIF funds are replenished. She said that the DDA uses its TIF funds for projects that have a significant impact downtown, i.e., alley repairs, ADA sidewalk curb ramp replacements, etc. She said that she surveyed approximately 30 people she knows, and although the survey was personal and unscientific, she said that only 2 people she talked to noted parking as a reason for not shopping downtown.

Mr. Boren said that although he is sympathetic towards MSAA, he agreed with Ms. Hall. Spending TIF dollars makes downtown a better place. He does not support the delay in parking rate increases. Mr. Hieftje said that anecdotally he hears from downtown merchants that it is the lack of parking more than the cost of parking that impacts their businesses. Ms. Greff noted that there is a collective consciousness that works in a community and she felt that a parking rate increase would bring a very heavy burden to downtown business owners that are struggling, particularly a rate increase this winter.

Mr. Hieftje said that the City Council Budget committee decided to postpone the discussion of the 5th Avenue Underground parking structure until the February 17th City Council meeting. He said he wasn't sure if that information would give the DDA more time to discuss this matter.

Mr. Mouat said that since the parking rate increase seemed to be adding an emotional and psychological impact to business owners, he would be supportive of the resolution to delay the parking rate increase at this time. Mr. Collins said that he felt that the Board seemed to be torn by the unpleasant reality that we have to increase parking rates, but that this should be addressed in a rational way, and not in an emotional way.

Mr. Hieftje asked if the Board had to take action on this resolution. If not, the resolution approved in November would still be in effect.

Ms. Hall said that she felt that this resolution was the result of a specific request from the MSAA, and that she felt that indeed the discussion about finances and projects were being considered in a rational way. Mr. Collins said that this is a simple decision: delay the increase or not. Mr. Orr stated he would support delaying the increase for a few months. Mr. Hieftje asked for information reflecting the cost of parking in Ann Arbor with comparable communities and staff provided the information as a handout.

Mr. Hieftje moved and Mr. Collins seconded postponing the discussion until the next meeting.

A vote on the motion to postpone the discussion until the next meeting showed:

AYES: Boren, Collins, Greff, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Splitt

NAYS: None

Absent: Gunn, Smith

The motion carried.

6.

PARTNERSHIPS COMMITTEE

Energy Saving Grants: Mr. Collins reported that Mr. Konkle told the committee that nearly all of the businesses approved for the energy audit have selected an auditor. Since the DDA set aside \$200,000 for energy grants and is using only about half of this for energy audits, the committee decided to forge ahead with Phase II grants with what's left in this fiscal year on a first come-first serve basis to keep the momentum going. Mr. Konkle is reviewing the first audit report. Mr. Konkle said that most of the auditors are affiliated with local architects who very much appreciated the dollars during slow economic times. He also asked DDA staff help to get payment to these firms faster than our traditional 30 days if possible.

A2D2: Mr. Collins said that Ms. Rampson provided an A2D2 update, and asked the Committee to formulate a position statement about the recommended parking policy changes that she can present to the Planning Commission and A2D2 Steering Committee for consideration. Staff will bring a draft statement to the next committee meeting for review/action.

Mr. Collins moved and Mr. Hieftje seconded the following resolution:

RESOLUTION TO PURCHASE AND INSTALL EQUIPMENT TO BROADCAST DDA BOARD MEETINGS

Whereas, The Ann Arbor Downtown Development Authority has always worked to conduct its work as transparently as possible so that the public is aware of its actions, goals, and projects;

Whereas, The DDA Partnerships Committee has discussed ways to increase community awareness of DDA activities, and has determined that it would be useful to broadcast DDA meetings on the City's Community Television Network (CTN), and if possible to archive this content on the DDA website;

Whereas, The DDA Partnerships Committee considered broadcasting meetings from either City Hall or the County Administration building, where meeting space is already equipped with cameras and microphones but determined that there was benefit to meeting at the DDA office space;

Whereas, It has been determined that the cost to purchase and install up to four cameras, 14 microphones, an audio mixer, desktop computer, software and other equipment is approximately \$43,800;

RESOLVED, The DDA authorizes a project budget not to exceed \$43,800 to purchase and install equipment to broadcast DDA board meetings for public viewing.

Mr. Hieftje expressed appreciation to the committee for its work on this issue, and said that he thought the cost was less than he expected. He said he supported the resolution and felt it was long overdue. Mr. Collins said that the Chair of the DDA Board, Ms. Hall, deserved the credit for this initiative.

A vote on the motion to approve the resolution showed

AYES: Boren, Collins, Greff, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Splitt

NAYS: None

Absent: Gunn, Smith

The motion carried.

Replacement of the 100 Units: Mr. Collins reported that Jennifer Hall from Community Development presented information on the sites under consideration for use to replace the 100 units formally at the old Y site: County Courthouse, County lot at 4th/Catherine and the City lot at 4th/Catherine. Tax credits would be sought as a way to pay for most of the construction costs. At this point city staff are assuming that the land would be donated and funds would be found to provide supportive services. Meetings with the public are to be held in the coming weeks to elicit comments about the various sites.

5th & William parking lot revenues: Mr. Collins said that a question was raised in committee to see if there was support to allocate revenues from the new 5th/William parking lot to the DDA's Housing Fund as a way to develop additional dollars for the construction of the 100 units. A resolution was drafted to spark a conversation about this concept, which Mr. Collins moved and Mr. Mouat seconded:

RESOLUTION TO ALLOCATE THE PARKING REVENUES GENERATED BY THE DDA'S FIFTH & WILLIAM PARKING LOT TO THE DDA HOUSING FUND (001)

Whereas, The City of Ann Arbor purchased the former YMCA property at 350 S. Fifth Avenue in December 2003 with the financial assistance of the DDA in recognition of the value the DDA and City Council placed in preserving the 100 units of housing on this site for very low income individuals in the downtown;

Whereas, The former YMCA building was closed in 2005 because it was no longer habitable, and in November 2007 City Council requested that the DDA demolish the former YMCA building and establish a temporary public parking lot;

Whereas, In March 2008 the DDA voted to select a contractor to oversee this demolition and lot construction and in fall 2008 opened the Fifth & William parking lot to the public;

Whereas, Planning efforts are underway to replace the 100 units of very low income housing lost with the closure of the former YMCA, and the DDA is supportive of this effort as part of its Renewal Plan goal to have a wide spectrum of housing available in the downtown;

Whereas, The Partnerships Committee discussed these planning efforts and recommends that the parking revenues from the new Fifth/William parking lot be directed to the DDA's Housing Fund (001) to increase financial resources for a DDA investment in the new affordable units;

RESOLVED, The DDA will redirect parking revenues from the Fifth/William parking lot to its Housing Fund (001) to provide additional resources for a DDA investment in replacement units for very low income individuals in the downtown.

Mr. Hewitt stated he had concerns about this resolution, as he didn't want to see the DDA designating parking revenues from specific sites to various causes. At present, the DDA directs its parking revenues solely to parking-related expenses. Moreover, there already exists an annual TIF transfer into the DDA Housing Fund. Mr. Boren said that he saw the lot as representing the lost 100 housing units, and the resolution could make a positive statement about the DDA's commitment to their replacement. Mr. Mouat said that he agreed with Mr. Hewitt about keeping the finances clean and neat; however, since this is a temporary lot he would support this resolution. Ms. Greff said that there are operational costs associated with that lot (e.g. snow removal, etc.) and taking away revenues would assign these costs to the rest of the parking system. Mr. Collins said that thus far operating costs exceeds revenues. Mr. Hewitt moved and Mr. Boren seconded postponing the discussion in order to allow the Partnerships Committee to continue its discussion about this topic.

A vote on the motion to postpone the discussion showed:

AYES: Boren, Collins, Greff, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Splitt

NAYS: Orr

Absent: Gunn, Smith

The motion carried.

Future Avalon request for funds: Mr. Collins said that Avalon is undergoing a merger with Washtenaw Affordable Housing Corporation, and several WAHC properties in the DDA District are in bad condition. Avalon has notified the DDA that it will be seeking a grant to help with the cost of the repairs.

6. CAPITAL IMPROVEMENTS COMMITTEE
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5th & Division Phase I: Mr. Splitt reported that the construction drawings were resubmitted to MDOT and a meeting is scheduled with them next week to go over details. The same drawings were also provided to the City staff for review and comments, and their response is expected by the end of the week.

S. 5th Avenue Parking Structure: Mr. Splitt said that the site plan has been postponed again to the February 17th City Council meeting. Meanwhile, the committee and the design team have begun the design development work, on project details. Mr. Iraola has met with the City Fire Marshal regarding fire hydrants and is continuing to work with DTE staff. The design development discussion will continue at the next committee meeting.

Wayfinding: Mr. Splitt indicated that the City has given its approval; but we are still waiting on MDOT's approval. He reported that we anticipate meeting with MDOT by the end of January.

Huron Street Conceptual Improvements Plan: Although the design work is complete, the Committee recommends not pursuing the implementation of the project in the near term due to other large projects already on the DDA's work plan.

7. TRANSPORTATION COMMITTEE

Mr. Mouat said that the committee continues to discuss the elements of its purpose, including the following themes: What does an ideal transportation vision look like? Which modes of transportation? Which downtown users? Understanding roadblocks to commuter use of alternatives.

Building a shared knowledge base: Mr. Mouat said that Ms. Shore was the first invited guest speaker. She presented an overview of the Get Downtown program including GoPasses, LINK, Chelsea/A2 Express and Zip Cars. The GetDowntown program is a partnership of the DDA, AATA, Chamber, and City of A2 since 1999. It is housed at the Chamber but all four are equal partners. The goal is to reduce traffic congestion/parking stress by promoting commuting options for downtown employees, including bus, walking, bicycling, ride sharing. The program also coordinates sustainable transportation programs and events including the Commuter Challenge.

WALLY: The Committee supported a staff request to use \$35,000 of the grant previously approved by the DDA for additional planning efforts.

Guest Speaker: Mr. Mouat reported that Sue Gott, from the U/M will be the guest speaker at the next meeting. She will be presenting information about the UM transportation projects and plans, including a grant request for an improvement to the bus facility on Geddes/N.U.

9. OTHER DDA BUSINESS MATTERS

Mr. Hieftje said that he participated in a meeting with Mr. Hewitt, Mr. Cooper and Mr. Kosteva regarding a range of issues on such things as slush/snow removal and the regional rail system. He said that at this meeting he shared his sentiments that the U/M not consider the DDA and the City as separate entities when it comes to requesting funds for studies. He shared with the board that the City of Ann Arbor will be experiencing a tough budget year, although the City's bond rating is the best in the state. Mr. Hieftje said that the City and County are working in partnership to replace the 100 units and to ensure that funding is in place to provide case management type supportive services for tenants.

10. OTHER AUDIENCE PARTICIPATION

None.

11. ADJOURNMENT

As there was no further discussion Mr. Collins moved and Ms. Lowenstein seconded adjournment of the meeting at 1:45 PM.

Respectfully submitted,
Susan Pollay, Executive Director