

MINUTES
Downtown Development Authority Meeting
Wednesday, March 5, 2003

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: DDA Chair Bob Gillett called the meeting to order at 12:08 p.m.

1. Roll Call

Present: Rob Aldrich, Fred Beal, Ron Dankert, David Fritz, Bob Gillett, Rene Greff, Leah Gunn, John Hieftje, Lorri Sipes, Dave Solo

Absent: Dave DeVarti

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Adrian Iraola, Project Manager
Sarah Armstrong

Audience: Jim Corbett, Republic Parking System
Brandt Coultas, Chamber of Commerce/Get!Downtown Program
Ray Detter, Citizens Advisory Council
Kim Groome, City Council member
Mark Hodesh, Downtown Home and Garden
Donna Johnson, City Planning Department
Cathy O'Donnell, Ann Arbor News
Ethel Potts, Citizen

2. APPROVAL OF MINUTES

Mr. Dankert moved and Ms. Gunn seconded the approval of the February 5, 2003 minutes.

A vote on the motion showed:

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

NAYS: None

Absent: DeVarti

The motion carried.

3. AUDIENCE PARTICIPATION

None.

4. CITIZENS ADVISORY COUNCIL

The Citizens Advisory Council members are looking forward to meeting on Thursday, 7:00 Edison Bldg. to gain neighborhood input into possible alternatives for the First and Washington parking site. We are pleased with DDA's broad approach to considering the future of the 1st and Washington site in relationship to the possibilities for parking and/or mixed use on the 1st and William site as well as the Klein's lot.

The CAC strongly supports DDA approval of the well-crafted resolution before you today to approve a proposal for Greenway Collaborative and Norm Cox to study ways to improve pedestrian and bicycle safety in the State Street Area. We admire DDA's commitment to encouraging a variety of types of alternative transportation-- including buses, bicycles and walking. The timing for this study is perfectly timed for the completion of the street improvements and the planned shift from one-way to two-way traffic in the State Street area.

Norm Cox is highly qualified, has an excellent reputation based upon his work in many cities, and most recently has been praised for his work in the development of transportation issues in the new Northeast Area Plan. He is also under consideration for possible leadership of the larger Alternative Transportation Plan for the entire city of Ann Arbor.

Don Todd, Coordinator of the city's "ALT" Program sat in on the DDA Planning Committee discussions and has given his support to the concept encouraged by this resolution. Susan Pollay has reported twice to the full City ALT Committee and that group is supportive. Mayor Hieftje has also indicated his support of the concept of using the State and Liberty area as a model and a test for new directions in bicycle and pedestrian planning. We hope the resolution will be passed today.

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| 5. | NEW BUSINESS |
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Mr. Gillett announced that it was Adrian Iraola's birthday. Everyone wished him a happy birthday. Mr. Gillett reported that the DDA's Executive Director's annual evaluation was overdue, but would be completed over the next month.

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| 6. | OLD BUSINESS |
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None.

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| 7. | SUBCOMMITTEE REPORTS |
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OPERATIONS COMMITTEE

Mr. Dankert reported on highlights from the January financial statements: January parking revenue rebounded after falling under budget in December, and is now up \$75,000 over budget for the year. Of note, the Forest structure is 61% over budget. Parking expenses were down for the month but they are still over budget for the year by 4% (\$232,000), which includes the cost to subsidize the Go!Pass Program (\$220,000.) TIF capture continues to exceed budget primarily due to the Ashley Mews project coming on line. TIF expenses for the year are approximately on budget.

Mr. Solo pointed out that on page 8 of the packet is an updated format of the financial summary. Mr. Gillett questioned the meter collection amount shown on page 12, saying that he had heard that meter collections were much higher than anticipated, however, looking at the report he saw only a \$60,000 variance from budget. He asked Mr. Morehouse to verify this figure. Mr. Morehouse said that he would double-check this.

Mr. Dankert then moved and Ms. Gunn seconded the motion to accept the January financial statements.

A VOTE ON THE MOTION SHOWED:

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

NAYS: None

Absent: DeVarti

The motion carried.

Mr. Dankert moved and Mr. Fritz seconded the following resolution:

RESOLUTION TO CHANGE THE MINIMUM TIME INCREMENT CHARGED IN DDA-MANAGED FACILITIES AND TO REDUCE THE HOURLY RATE CHARGED IN THE FOURTH AND WASHINGTON PARKING STRUCTURE

Whereas, In 1997 the DDA formulated its Ten-Year Plan, which included an anticipated schedule of parking rate increases;

Whereas, In 1997 a parking rate increase was made by adjusting the minimum time increment by which rates would be charged from one half hour to one hour;

Whereas, At its July 8, 1999 meeting the DDA resolved to set the hourly rate at the Fourth & Washington parking structure to be \$0.30/hour higher than at its other parking structures as a way to defray its higher than anticipated construction costs.

Whereas, At its January 2003 meeting the Operations Committee reviewed the current status of the Ten Year Plan in order to establish a FY 2003/04 budget;

Whereas, The Operations Committee recommended a proposed FY 2003/04 budget that included a recommendation that the Fourth & Washington hourly rates be reduced to an amount equivalent to what is charged in other structures, and a recommendation that the DDA return to charging by the half hour in all attended facilities;

Whereas, The anticipated impact of both changes would be a reduction of approximately \$500,000 in parking revenues in 2003/04;

Whereas, The FY 2003/04 budget was approved by the DDA at its February 5, 2003 meeting, which included this revenue assumption;

RESOLVED, The hourly parking rate for the Fourth and Washington structure will be reduced \$1.25 to \$.95 per hour, equivalent to the rate charged at other structures;

RESOLVED, Parking rates in attended lots and structures will be charged in half hour increments;

RESOLVED, City Council shall be notified of this resolution per the terms of the City/DDA parking management agreement, with the expectation that these rate changes will go into effect no later than July 1, 2003.

Ms. Gunn thought there was a resolved saying we would do a survey? Ms. Pollay agreed that this resolved had been included by the Operations Committee, however an earlier version of the resolution was inadvertently included in the board packet. Per Mr. Aldrich's motion with a second from Mr. Solo, the following resolved clause was reinserted:

RESOLVED, A thorough parking rate analysis will be conducted no later than the end of December 2003.

Given the reversion to half hourly time increments, Mr. Gillett recommended another friendly amendment to reaffirm the DDA's commitment to a public parking system that can pay for itself without subsidy, and Mr. Solo seconded this motion:

Whereas, The DDA has adopted a principle that the parking system should pay for itself;

Whereas, The DDA reaffirms that principle;

A VOTE ON THE AMENDED MOTION SHOWED:

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

NAYS: None

Absent: DeVarti

The motion carried.

Mr. Dankert said the Committee had received a request from University Towers for some help with their parking situation. The committee has invited the manager to the next committee meeting to discuss this problem. Mr. Dankert reported that they had tabled discussion on the MSAA request to install high school artwork in the Fourth & William parking structure to provide time for additional information.

PARTNERSHIP COMMITTEE

First/Washington Project Status. Mr. Solo reported that the Committee debated various options to replace public parking on this site, and/or the Kline Lot and First/William. Mr. Iraola provided details from a geotechnical study commissioned in 1992, and stated that the Kline's lot was a "magnificent" site for a parking structure, with excellent soil and low water table. Carl Walker Inc. was commissioned to analyze how many spaces could be built in a mixed-use building on this site, and Mr. Solo distributed some of their preliminary ideas. All had retail on the ground floor with either offices or residential above, with or without additional parking. A question to debate is how much parking do we need in this section of downtown. There are many obstacles to redeveloping the First/William site, including the Ann Arbor Railroad bisecting the site, the location of the Allen Creek drain and the easement associated with it. He, Mr. Beal, and Ms. Pollay will meet with the County Drain Commissioner later in the month to discuss the site, but right now it doesn't look good. There will be a public meeting on March 6 to discuss various options for the First & Washington site, and all DDA members were invited to attend and participate.

Mr. Aldrich asked what would happen to First & Washington if we were to go ahead with a development on the Kline's lot? Mr. Solo said that preliminarily, it was thought that redeveloping First & Washington and the Kline's Lot at the same time would enable the neighborhood to realize a mix of uses, without necessarily having to include all uses in any one site. For instance, a residential development at First and Washington could be built, with a public parking structure with retail and commercial uses built at the Kline's Lot. Mr. Gillett said that between the two sites we would need to build a minimum of 350 parking spaces merely to replace existing parking, plus whatever spaces we would construct to support future development in the area. Mr. Hieftje suggested that the DDA consider housing options on the Kline's site, as the new YMCA project doesn't have housing, and 100 residential units will need to be found somewhere.

Mr. Solo said Heather Edwards, Historic Preservation Coordinator, met with the Committee to discuss a request for the DDA's Historic Façade Loan program. With her support, Mr. Solo said the Committee recommended approval of the following resolution, which he moved and Ms. Sipes seconded:

RESOLUTION APPROVING A \$15,000 LOW-INTEREST LOAN TO THE 300 S. STATE STREET BUILDING IN SUPPORT OF ITS HISTORIC FACADE RESTORATION

Whereas, In May 2002 the DDA approved a resolution creating a revolving loan fund from which it would assist private developers in city-approved historic restorations of important downtown buildings within the DDA District;

Whereas, The DDA recently received a request from the owner of the 300 S. State Street building (located at the southwest corner of S. State Street and E. Liberty Street) seeking assistance with a project that has received Historic District Commission approval and which meets the U.S. Secretary of the Interior standards for historic restorations;

Whereas, The petitioner's project includes the restoration of the building facade;

Whereas, The DDA has been asked to provide a low-interest loan for \$15,000 at 2% interest for the window replacement element of the project with an interest-only carry for the first two years;

Whereas, These windows are a prominent feature of this building and represent only a very small portion of the total cost of the restoration;

Whereas, The DDA Partnerships Committee met with the City Historic Preservation Coordinator to discuss the merits of this project and heard support for moving forward;

Whereas, The DDA Partnerships Committee discussed this request and has resolved to recommend its approval;

Resolved, The DDA approves a low-interest loan to the owner of the 300 S. State Street building in the amount of \$15,000;

Resolved, The Partnerships Committee Chair and DDA Executive Director are authorized to work with the DDA Attorney to formulate the loan agreement with the petitioner, and then bring back the agreement to the Partnerships Committee for approval.

Mr. Beal asked if the DDA was in agreement about what was an historic restoration; for instance, does the project have to qualify for tax credits. It was affirmed that the building is located in the State Street Historic District and its restoration was done according to Federal Department of the Interior standards and had been approved by the City Historic Commission. Discussion ensued on what the total budget for this project was likely to be, and Mr. Aldrich suggested that the resolution be tabled to provide time to receive information on any TIF capture. Ms. Gunn offered a friendly amendment to the last Resolved, revising it to include the TIF calculation, so that the final Resolved would read as follows:

Resolved, The Partnerships Committee Chair and DDA Executive Director are authorized to determine the projected TIF capture from the project, and work with the DDA Attorney to formulate the loan agreement with the petitioner, and then bring back the agreement to the Partnerships Committee for approval."

A VOTE ON THE AMENDED MOTION SHOWED:

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

NAYS: None

Absent: DeVarti

The motion carried.

Mr. Solo reported that the DDA has received a request from Baker Commons for \$100,000 to enable them to repair their HVAC equipment. The Housing Commission Director will be invited to the next meeting to discuss it.

CAPITAL IMPROVEMENTS COMMITTEE

State Street Area Pedestrian Improvement Project, Liberty Plaza Park Repair Project, and EU/Church/Forest Sidewalk Repair Project, Clean Up Bridge Removal at Forest-Status. Mr. Beal reported that preparation of construction drawings for these projects are within days of completion, and will be distributed within the next two weeks. An RFQ was distributed to contractors, and a panel selected by the committee four firms to provide bids. The DDA will be provided an opportunity to approve contractor selection and project budgets at the next meeting.

Bike Locker Grant Request-Status. Mr. Beal reported that the Parks Department asked the DDA to repair the bike lockers in front of City Hall. A discussion was held to determine who uses them, how are they being used, who has access to them. It was agreed that the process of obtaining permission to use the bike lockers will be turned over to the Get Downtown Coordinator. Mr. Iraola contacted locksmiths to ascertain possible repairs, and it was determined that the doors themselves should be replaced. The Committee is also encouraging the placement of additional bike lockers in the parking structures, and will bring a resolution to the next board meeting.

Access Downtown-Status. Mr. Beal reported that Mr. Don Todd, the Alternative Transportation Coordinator, attended their committee meeting and reported on the City's efforts. Mr. Todd is aware of the DDA's interest in pursuing improvements along the major north/south Streets and Huron Street, and encouraged us to begin our work rather than wait for the City to develop its Non Motorized Transportation Study and Inter Modal Transportation Study RFP's.

PLANNING COMMITTEE

Ms. Greff said that the Planning Committee responded to the request from the Citizens Advisory Council to pursue a study with the Greenway Collaborative to consider ways to reduce pedestrian/bicycle conflicts in the State Street area. The Committee met with Mr. Norm Cox about this and received a proposal that would produce a report by the end of August/early September. Upon motion by Ms. Greff with support from Mr. Hieftje, the following resolution was presented:

RESOLUTION APPROVING A PROPOSAL FROM THE GREENWAY COLLABORATIVE, INC. TO STUDY WAYS TO IMPROVE PEDESTRIAN AND BICYCLE SAFETY IN THE STATE STREET AREA (\$23,150)

Whereas, The 1982 DDA Plan provides that the DDA shall undertake efforts to serve the non-motorist needs of existing and new developments in the Development District;

Whereas, The DDA has taken a leadership role encouraging alternative transportation, including grants to the Bicycle Coordinating Committee, co-sponsoring the recent study by Dr. Jonathan Levine analyzing communities with greater bicycle use, and serving as the primary sponsor of the Get!Downtown's Go!Pass program;

Whereas, The DDA's State Street Area improvement project includes the installation of several dozen new bicycle hoops intended to accommodate bicycle use off campus, and at the conclusion of construction, two-way traffic will be restored in the State Street Area;

Whereas, One of the reasons for restoring two-way traffic in the Area is to make it safer for bicyclists to travel with traffic, rather than against traffic or on the sidewalk which can lead to conflicts with pedestrians;

Whereas, The DDA's Citizens Advisory Council made a request to the DDA to find ways to minimize conflicts between pedestrians and bicyclists in the State Street Area;

Whereas, The Greenway Collaborative worked with the City on its Northeast Area Plan, in addition to a variety of other communities;

Whereas, The Greenway Collaborative met with the DDA Planning Committee to discuss a project in the State Street Area and provided a proposal that will include the following elements:

- Evaluation of existing downtown conditions and the opportunities to accommodate adult bicyclists in the roadway
- Preparation of schematic alternatives to handle bicyclists and pedestrians on State and Liberty Streets
- Preparation of a preliminary plan based on the preferred alternative
- Finalization of the plan, identifying the elements that should be implemented when the streets become two-way
- Presentations as needed to the DDA, City staff and City Council, and Chamber of Commerce, and assistance as necessary to the DDA and City in the implementation of the plan

Whereas, The cost for this study is \$23,150;

Whereas, The City is planning to prepare a citywide non-motorized transportation plan later this year and a study in the State and Liberty area may produce valuable findings applicable to this plan, as the Planning Committee will work with the City's Alternative Transportation Coordinator throughout the DDA study;

Whereas, The DDA Planning Committee recommends approval of the proposal from the Greenway Collaborative, Inc.

Resolved, The DDA approves the proposal from the Greenway Collaborative Inc. for \$23,150 to analyze how best to handle bicycle and pedestrian travel in the State Street Area to minimize conflict and encourage these modes of alternative transportations.

A VOTE ON THE MOTION SHOWED:

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

NAYS: None

Absent: DeVarti

The motion carried.

Ms. Greff reported that the Committee has been working on the DDA Renewal Plan, and thanked all DDA members who had taken time to provide recommended changes. DDA members were provided a newly marked-up and a new clean copy of the Plan. Most significantly the introduction was rewritten, as was the section on "Effective Execution of the DDA Plan", and another Plan objective was added, entitled "Community Services" which directs the DDA to work with government, nonprofit and other service providers. The Committee addressed an earlier concern about the DDA spending its funds outside its District, on page 12 of the marked-up version or page 9 of the unmarked version. Ms. Greff asked that the board review the Renewal Plan one last time and let her or Ms. Pollay know of any concerns or further changes, as the Committee hopes to vote to recommend the Plan at its next meeting, and will then bring this back before the Board at its April meeting. Ms. Greff said that a work session will be held with City Council in mid-April, and the DDA would ask Council to consider approval in June. Ms. Gunn thanked Ms. Greff for all the work she has done on this Plan. Ms. Greff thanked everyone for his or her input and comments.

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| 8. | OTHER BUSINESS |
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None.

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| 9. | AUDIENCE PARTICIPATION |
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None.

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| 10. | ADJOURNMENT |
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As there was no further discussion the meeting was adjourned at 1:15 p.m.

Respectfully submitted,
Susan Pollay, Executive Director