

**Ann Arbor Downtown Development Authority Meeting Minutes  
Wednesday, July 5, 2006**

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, 48104  
Time: DDA Chair Leah Gunn called the meeting to order at 12:10 p.m.

<b>1. ROLL CALL</b>
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Present: Fred Beal, Russ Collins, Ron Dankert, Rene Greff, Leah Gunn, Sandi Smith

Absent: Rob Aldrich, Gary Boren, Dave DeVarti, Bob Gillett, Roger Hewitt, John Hieftje

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

Audience: Tony Bisesi, Republic Parking System  
Liz Conlin, Re:Group  
Bob Dascola, Fire Up Downtown Art Project and State Street Area Association  
Ray Detter, Downtown Area Citizens Advisory Council  
Luke Forrest, Citizen  
Rhonda Huey, Re:Group  
Adrian Iraola, Washtenaw Engineering  
Carey Jernigan, Re:Group  
Jan Muhleman, Re:Group  
Frank Nagy, Republic Parking System  
Laura Svejnar, Re:Group

<b>2 AUDIENCE PARTICIPATION</b>
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Mr. Dascola reported that a downtown "fire-up" art project was underway in which 10 artists were painting traffic signal boxes. He thanked the DDA for its annual Spring Clean Up grant which was used in part to pay for the paint and supplies for this project.

**Mr. Boren and Mr. Hieftje enter.**

Mr. Bisesi of Republic Parking spoke in support of the resolution clause which would add a speed ramp to the 4<sup>th</sup> & William structure. He reported that after special events it can take upwards to an hour for a vehicle to exit the structure. A speed ramp along with some minor traffic pattern changes could go a long way to improve customer satisfaction.

**Mr. Gillett enters.**

Ms. Muhleman of Re:Group read the brand statement that had been proposed for the DDA, which was distilled into "making downtown vital." She also presented the three potential logos isolated by ROC for the DDA approval. By consensus, the board selected a logo pending one minor change. ROC will follow up with Re:Group and will sign off on the logo.

<b>3. OLD BUSINESS</b>
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None.

<b>4. APPROVAL OF MINUTES</b>
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Mr. Dankert moved and Mr. Gillett seconded approval of the June 7, 2006 Board Minutes.

**A vote on the motion showed:**

**AYES:** Beal, Boren, Collins, Dankert, Gillett, Greff, Gunn, Hieftje, Smith

**NAYES:** None

**Absent:** Aldrich, DeVarti, Hewitt

**The motion carried.**

<b>5. NEW BUSINESS</b>
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None.

<b>6. DOWNTOWN AREA CITIZENS ADVISORY COUNCIL</b>
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Mr. Detter reported: At last week's meeting of the Downtown Area CAC members discussed the City's RFP for the First and Washington site and the two proposals being considered. That topic stimulated a broader discussion of downtown issues including housing, adequate parking and commercial vitality.

When the CAC encouraged the DDA three-site plan, we did so based on the principles stated in the 2003 Renewal Plan. They called for "Creating a 24-Hour Neighborhood with a full Spectrum of Housing Options in the Downtown..." "To encourage a diverse downtown population, a wide variety of housing opportunities, retail and service business, food stores and other businesses providing basic goods and services should be available." Our goals, like those of the DDA, also include providing the first link in a bicycle and pedestrian "greenway," improving the Allen Creek drain, and cleaning up a highly contaminated location at 1<sup>st</sup> & William. A parking structure on the First and William site would support mixed income residential on the First and Washington site and market rate residential and commercial development on the Kline lot.

We remain committed to those general goals even though the DDA 3 site plan has now been replaced by the City Council's 2-site plan. Our commitment to mixed income residential on the First and Washington site remains the same-- whether it is condominium housing or apartment housing—as long as permanent residents are added to the downtown. Adding bodies to downtown sidewalks is not our major concern.

The CAC may object to particular development proposals because they are clearly in conflict with community expectations. However, whether it is the Gallery Project, Ashley Terrace, Washington Terrace, Metro 202, the Kline Lot—or 1<sup>st</sup> & Washington-- our commitment is to continue to support the goal of creating a vibrant downtown residential neighborhood and successful retail where possible. That remains our vision. We look forward to the upcoming DDA Retreat to see if the vision of this DDA board remains the same as that put forward in your Renewal Plan.

As a result of the Calthorpe Report there has been much discussion recently about establishing a design review process for new developments in downtown Ann Arbor. We favor that direction and we believe there are currently enough successful community examples in the nation to provide a model to follow and to help us shape our policies.

I am giving all of you a copy of an Ann Arbor example that has helped enormously in shaping the design patterns of our downtown. Published in 1989, *Downtown Design Guidelines: A Handbook for Preservation, New Construction and Loft Re-Use* has helped to define many buildings and streetscapes in the downtown area. It should continue to help us in the future.

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**SUBCOMMITTEE REPORTS**

**OPERATIONS COMMITTEE:**

**May 2006 Financial Reports:** Mr. Dankert reported that TIF Income is on budget; TIF operating expenses under budget 5%; Parking income and expenses are on budget; Parking Maintenance Expenses are under budget 31% due to timing issues; and Housing Expenses are under budget because Avalon and Dawn Farm have not asked for their grants. **A motion to accept the May 2006 financial statements was moved by Mr. Dankert, seconded by Mr. Beal and unanimously approved.**

**Capital Improvements Committee:**

**Alley Repairs:** Mr. Beal reported that the alley off Washington between Fourth & Fifth is completed.

**Sculpture Park Plaza:** The design committee meetings with the community are on going..

**Miscellaneous Downtown Improvements:** Sidewalk repairs are ongoing, light poles have been repainted and trash cans sent away for repainting. Work will be suspended during Art Fair.

**Huron Design:** The design team continues to work on the construction drawings.

**5<sup>th</sup> & Division Design Committee:** The initial design figures appear costly. The design team was asked to develop a phasing plan which will make it easier to apply for grants.

Mr. Beal moved and Ms. Smith supported the following resolution:

**RESOLUTION TO APPROVE THE SELECTION OF SPENCE BROTHERS AS CONTRACTORS FOR THE FOURTH & WILLIAM PARKING STRUCTURE ADDITION AND TO INCREASE THE PROJECT BUDGET TO \$5.12 MILLION**

Whereas, On August 1, 2005 City Council voted to approve the "Resolution Requesting Preparation of Requests for Proposals for the Redevelopment of City Owned Properties" and in this resolution authorized the DDA to "immediately take the necessary action to construct an additional floor of public parking at the Fourth & William garage as soon as possible";

Whereas, The increasing numbers of workers in the Ashley Mews building, the William Street Station project and other nearby developments are placing immediate demands on the structure;

Whereas, The DDA approved a resolution on October 5, 2005 to pursue the construction of an additional floor to the Fourth & William structure which set forward a project cost estimate of \$4 million which would generate approximately 125 new public parking spaces;

Whereas, CWI developed construction drawings which included elements that were not anticipated at the time the DDA approved its October 2005 resolution, including additional structural bracing, and four alternates: 1) a new speed ramp, 2) ramp extension, 3) lighting upgrade, and 4) deck coating for the additional floor;

Whereas, A soil analysis determined that additional bracing would be needed to add this new floor, and this additional bracing will require the elimination of approximately 22 parking spaces;

Whereas, At its June 2006 meeting the DDA resolved to place the project out to bid with the lighting upgrade and new speed ramp as alternative bid items and to increase its project budget for the Fourth & William addition to \$4.6 million;

Whereas, The project received two bids on June 27, 2006 and the DDA Capital Improvements

Committee determined that Spence Brothers was the lowest responsible bid at \$3.875 million, which includes the base bid, the ramp extension and the deck coating, making the project cost \$4,843,750 including soft costs and contingencies;

Whereas, The DDA Operations Committee has requested that the DDA also include the addition of a new speed ramp in the Fourth & William structure as part of this construction project;

Whereas, The construction bid for this element is \$222,000, and with soft costs, the cost for this element is estimated to be \$277,500;

Whereas, The total projected cost for the additional floor to the Fourth & William parking structure, including an additional ramp extension, deck coating for the additional floor, and new speed ramp is \$5,121,250;

RESOLVED, The DDA approves the selection of Spence Brothers as contractors for the Fourth & William addition;

RESOLVED, The DDA shall increase its project budget for the Fourth & William addition to \$5,121,250;

RESOLVED, The DDA Chair, Capital Improvements Committee Chair and Executive Director are authorized to sign a contract, and to take the necessary administrative actions to implement this resolution.

Mr. Gillett asked if the deck coating and light upgrades had to be done as part of this project; Mr. Beal said that both could be undertaken at a later date. Mr. Hieftje suggested that the lighting be coordinated with Mike Bergren as he was testing LED lighting throughout the city. Mr. Beal accepted a friendly amendment for these changes. The amended resolution is as follows:

**RESOLUTION TO APPROVE THE SELECTION OF SPENCE BROTHERS AS CONTRACTORS FOR THE FOURTH & WILLIAM PARKING STRUCTURE ADDITION AND TO INCREASE THE PROJECT BUDGET TO \$5 MILLION**

Whereas, On August 1, 2005 City Council voted to approve the "Resolution Requesting Preparation of Requests for Proposals for the Redevelopment of City Owned Properties" and in this resolution authorized the DDA to "immediately take the necessary action to construct an additional floor of public parking at the Fourth & William garage as soon as possible";

Whereas, The increasing numbers of workers in the Ashley Mews building, the William Street Station project and other nearby developments are placing immediate demands on the structure;

Whereas, The DDA approved a resolution on October 5, 2005 to pursue the construction of an additional floor to the Fourth & William structure which set forward a project cost estimate of \$4 million which would generate approximately 125 new public parking spaces;

Whereas, CWI developed construction drawings which included elements that were not anticipated at the time the DDA approved its October 2005 resolution, including additional structural bracing, and four alternates: 1) a new speed ramp, 2) ramp extension, 3) lighting upgrade, and 4) deck coating for the additional floor;

Whereas, A soil analysis determined that additional bracing would be needed to add this new floor,

and this additional bracing will require the elimination of approximately 22 parking spaces;

Whereas, At its June 2006 meeting the DDA resolved to place the project out to bid with the lighting upgrade and new speed ramp as alternative bid items and to increase its project budget for the Fourth & William addition to \$4.6 million;

Whereas, The project received two bids on June 27, 2006 and the DDA Capital Improvements Committee determined that Spence Brothers was the lowest responsible bid at \$3.875 million, which includes the base bid and ramp extension, making the project cost \$4,708,750 including soft costs and contingencies;

Whereas, The DDA Operations Committee has requested that the DDA also include the addition of a new speed ramp in the Fourth & William structure as part of this construction project;

Whereas, The construction bid for this element is \$222,000, and with soft costs, the cost for this element is estimated to be \$277,500;

Whereas, The total projected cost for the additional floor to the Fourth & William parking structure, including an additional ramp extension and new speed ramp is \$5 million;

RESOLVED, The DDA approves the selection of Spence Brothers as contractors for the Fourth & William addition;

RESOLVED, The DDA shall increase its project budget for the Fourth & William addition to \$5 million;

RESOLVED, The DDA Chair, Capital Improvements Committee Chair and Executive Director are authorized to sign a contract, and to take the necessary administrative actions to implement this resolution.

**A vote on the motion showed:**

**AYES: Beal, Boren, Collins, Dankert, Gillett, Greff, Gunn, Hieftje, Smith**

**NAYES: None**

**Absent: Aldrich, DeVarti, Hewitt**

**The motion carried.**

Mr. Beal moved and Mr. Dankert supported the following resolution:

**RESOLUTION TO APPROVE \$245,000 FOR ADDITIONAL DEMOLITION OF THE FIRST AND WASHINGTON PARKING STRUCTURE**

Whereas, Members of the DDA met with the Planning and Development Services Unit Director and representatives of Carl Walker Inc. to discuss an August 2005 conditional assessment of the First and Washington parking structure, and jointly resolved to recommend closure and demolition of the structure prior to winter 2005;

Whereas, At its September 2005 meeting the DDA accepted this recommendation and on October 4, 2005 City Council authorized the demolition of the First & Washington parking structure;

Whereas, On October 5, 2005 the DDA approved an agreement with H & M Demolition Company, for the demolition of the First & Washington parking structure, and set a total project cost of \$280,000;

Whereas, This amount was sufficient to demolish the upper two floors of the structure, thereby allowing the installation of a temporary surface lot on the western portion of the First & Washington site;

Whereas, This demolition did not remove the ramp to the upper level on the east end of the property, the lowest level concrete slab and parking structure walls which were left in place to secure the site until future construction could take place;

Whereas, The City has come to agreement with Mr. Mark Hodesh, an adjacent property owner, on a property exchange which would include the 44' X 76' portion of the former First & Washington parking structure east of what was once a public alley;

Whereas, The lowest level of the parking structure still remaining on this site must be removed for this property exchange to take place;

Whereas, The cost for this removal has been estimated to be \$245,000 which includes contingencies and engineering;

Whereas, These funds may be placed in escrow to allow the property purchaser time to develop plans to redevelop this site;

RESOLVED, The DDA approves an increase in its construction budget for the demolition of the First & Washington parking structure in the amount of \$245,000 which will be used to remove the lowest level concrete slab and parking structure walls on the portion of the First & Washington property east of the former public alley along Washington Street;

RESOLVED, The DDA Chair, Capital Improvements Committee Chair and Executive Director are authorized to take the necessary administrative actions to implement this resolution.

Mr. Gillett asked when the demolition would take place; Ms. Pollay said that the property purchaser does not have clear plans to redevelop the site at the present time thus a schedule has not yet been set. Mr. Gillett asked to make two friendly amendments, stating that the project should take place as soon as is feasible, preferably no later than when the First & Washington site is redeveloped, and that the DDA's funds be limited to a not-to-exceed amount to be paid on actual receipts. Mr. Beal accepted these as friendly, and the amended resolution reads as follows:

**RESOLUTION TO APPROVE \$245,000 FOR ADDITIONAL DEMOLITION OF THE FIRST AND WASHINGTON PARKING STRUCTURE**

Whereas, Members of the DDA met with the Planning and Development Services Unit Director and representatives of Carl Walker Inc. to discuss an August 2005 conditional assessment of the First and Washington parking structure, and jointly resolved to recommend closure and demolition of the structure prior to winter 2005;

Whereas, At its September 2005 meeting the DDA accepted this recommendation and on October 4, 2005 City Council authorized the demolition of the First & Washington parking structure;

Whereas, On October 5, 2005 the DDA approved an agreement with H & M Demolition Company, for the demolition of the First & Washington parking structure, and set a total project cost of \$280,000;

Whereas, This amount was sufficient to demolish the upper two floors of the structure, thereby allowing the installation of a temporary surface lot on the western portion of the First and Washington site;

Whereas, This demolition did not remove the ramp to the upper level on the east end of the property, the lowest level concrete slabs and parking structure walls which were left in place to secure the site until future construction could take place;

Whereas, The City has come to agreement with Mr. Mark Hodesh, an adjacent property owner, on a property exchange which would include the 44' X 76' portion of the former First & Washington parking structure east of what was once a public alley;

Whereas, The lowest level of the parking structure still remaining on this site must be removed for this property exchange to take place;

Whereas, The cost for this removal has been estimated to be \$245,000 which includes contingencies and engineering;

Whereas, These funds may be placed in escrow to allow the property purchaser time to develop plans to redevelop this site no later than the completion of the 1<sup>st</sup> and Washington redevelopment project;

RESOLVED, The DDA approves an increase in its construction budget for the demolition of the First & Washington parking structure in the amount not to exceed, \$245,000, based on actual receipts which will be used to remove the lowest level concrete slab and parking structure walls on the portion of the First & Washington property east of the former public alley along Washington Street;

RESOLVED, This project shall take place as soon as is feasible, and no later than the completion of the 1<sup>st</sup> & Washington redevelopment project;

RESOLVED, The DDA Chair, Capital Improvements Committee Chair and Executive Director are authorized to take the necessary administrative actions to implement this resolution.

**A vote on the amended motion showed:**

**AYES:** Beal, Boren, Collins, Dankert, Gillett, Greff, Gunn, Hieftje, Smith

**NAYES:** None

**Absent:** Aldrich, DeVarti, Hewitt,

**The motion carried.**

**Research and Opportunity Committee:**

DDA Communications: Mr. Boren said that the proposed "identity" for the DDA called out the DDA's unique role sparking downtown reinvestment, and our "brand" will focus on the word "vitality." The timing of the logo is fortuitous, as the DDA is scheduled to move into its new office this month and the logo will be used on letterhead, business cards, and office signage.

DDA Parking Study: Mr. Boren reported that Nelson/Nygaard will officially begin work in September, however some preliminary data collecting will take place this summer, notably an assessment of private parking spaces which will be amassed by the DDA intern. This will help Nelson/Nygaard

determine how much downtown parking demand is currently being met by the private sector, determine if the availability of private parking has an impact on commuter choices and determine how many cars may be displaced if private lots are redeveloped in the future.

**Partnerships Committee:**

Kline Lot: Ms. Smith said that the Committee continues to work on the RFP. Thus far, it has been agreed that the project will be a PUD; it must reinforce a connection between Main and Ashley Streets and it must maximize the financial benefit to the City for the sale of the land. What has been left undefined is the number of required parking spaces and whether the site must be redeveloped with residential units. The Committee anticipates completing its work this summer and setting the RFP aside for a few months.

First & Washington: Ms. Smith reported that the Selection Committee met several times and completed its recommendation which will be presented to City Council on July 17th.

Request from Think Local First: The Committee reviewed a grant request from Think Local First (formerly known as Living Economy Network) to reprint its directory. The Committee noted that the membership of the group has evolved to include businesses throughout Ann Arbor and Washtenaw County, and given this expanded membership, it was suggested that they seek support from groups serving the broader community, including the Chamber, Convention & Visitors Bureau, Washtenaw Development Council, etc. Think Local First is also considering a special event this fall to promote local businesses, and we have invited them to meet with the committee once details are available.

Community Security & Public Space Task Force: Ms. Smith reported that the Task Force has been reviewing two possible sites for the project, and initial cost estimates are extremely high i.e., \$360/sf. Phasing will be important since the City has relatively little funding available for this project. The Task Force has a great deal of work to do before making its report to Council by September 1<sup>st</sup>.

Greenway Task Force: Ms. Smith said that a Public Meeting is scheduled for August 2 at Courthouse Square. The Task Force will be seeking input from the community before finalizing its report.

<b>8. OTHER DDA BUSINESS MATTERS</b>
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Mr. Hieftje said that a proposal for an east/west and north/south rail project is being developed. The University seems very interested in avoiding the cost of building more parking and may be a partner in this project. Several sites are being explored as possible shuttle parking locations.

Mr. Hieftje also stated that Jennifer Hall would be asked to serve on the DDA Board.

<b>9. OTHER AUDIENCE PARTICIPATION</b>
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None.

<b>10. ADJOURNMENT</b>
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As there was no further discussion the meeting was adjourned at 1:03 P.M.

Respectfully submitted,  
Susan Pollay, Executive Director