

MINUTES
Downtown Development Authority Meeting
Wednesday, July 6, 2005

Place: Conor O'Neills, 318 S. Main Street, Ann Arbor, MI. 48104
Time: DDA Chair Fred Beal called the meeting to order at 12:05 p.m.

1. ROLL CALL

Present: Fred Beal, Gary Boren, Ron Dankert, Rene Greff, Leah Gunn, Roger Hewitt, Sandi Smith, Dave Solo

Absent: Rob Aldrich, Dave DeVarti, Bob Gillett, John Hieftje,

Staff Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy Director
Joan Lyke
Richard Murphy

Audience: Vivienne Armentrout, Ann Arbor Observer
Erica Briggs, getDowntown /Chamber of Commerce
Ed Connell, Joseph Freed & Associates
Ray Detter, Downtown Area Citizens Advisory Council
Tom Gantert, Ann Arbor News
Laith Hermiz, Joseph Freed & Associates
Mark Hodesh, Downtown Home & Garden
Adrian Iraola, Washtenaw Engineering Co.
Amy Klinke, Office of Community Development
Peter Pollack, Pollack Design
Alice Ralph, General Public
Mary Stasiak, AATA
Scott TenBrink, getDowntown
Chris White, AATA

2. AUDIENCE PARTICIPATION

Mr. Laith Hermiz, Joseph Freed & Associates, presented information on their Ashley Terrace project, saying that it is a pedestrian friendly project with a mix of uses, including ground floor retail, 2 levels of underground parking, 20,000 square feet of office space, and 93 residential condominiums on floors three to ten. Mr. Hermiz said that his company would work with the DDA to ensure the project matches the DDA's plans for the streetscape improvements on Huron Street.

Mayor Pro Tem Chris Easthope enters.

3. DOWNTOWN AREA CITIZENS ADVISORY COUNCIL

At our CAC meeting last night, members asked me to clearly state our position regarding the DDA Three Site Plan--one of the topics you will be discussing at today's retreat.

1. Members have asked me to take every opportunity to strongly urge the Mayor and City Council to move ahead as quickly as possible to support the DDA beginning the public process involved with the phased development of their three site plan. Since this project will, at best, take several years, we need to move the process forward right now.
2. Members have also asked me to urge the DDA to hire an architect as soon as possible to begin the work of planning those portions of a greenway that might be developed in the DDA District. This greenway should conform to the concepts as expressed in the Downtown Plan of 1988-- a

bicycle and pedestrian path connecting pocket parks and open spaces through the downtown area that will connect to the series of parks we have already developed along the Huron River. At a recent City Council meeting, Amy Kuras of the Parks department referred to those Huron River parks when she stated, "We already have a Greenway". Let's connect to it.

3. If people are really serious about a downtown greenway, we need to start working on very specific issues. What are its specifications? How can we connect key parts of that bicycle and pedestrian path—First and William and the Washington Yard area-- across the major obstacle of Liberty Street? An architect is needed to guide our decisions and the DDA should make that happen.

CAC support for this position grew out of a very intense discussion we had last night regarding our commitment to the Downtown Plan of 1988 and the Central Area Plan of 1992—both of which support this concept of a greenway. But we also discussed our continued support of "broad spectrum housing" in the downtown. We believe the DDA three-site plan advances that housing goal—housing for not only a diversity of income levels--although we insist that the downtown include affordable housing-- but a diversity of types of people, age groups, occupations, downtown workers, and families.

We believe the DDA plan for affordable housing at First and Washington fits into our concept of broad spectrum housing in the downtown. It relates to our commitment to very low-income units at the old YMCA site and market rate, mixed income units at a multiple number of locations in the downtown--not only Liberty Lofts and the Kline lot but Ashley Lane, the Townesend Center and the Library Lot.

We believe the DDA proposal should not be thought of as simply a three-site plan. It should be a key part of a four, five, six, and more site plan downtown development strategy which will fit well into the broad rezoning now being undertaken by the Peter Calthorpe group.

4. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Dankert seconded approval of the June 1, 2005 minutes.

A vote on the motion showed:

AYES: Beal, Boren, Dankert, Acting Mayor Easthope, Greff, Gunn, Hewitt, Smith, Solo

NAYS: None

Absent: Aldrich, DeVarti, Gillett

The motion carried.

5. NEW BUSINESS

Ms. Gunn moved and Ms. Greff seconded a motion to cancel the August 3, 2005 regularly scheduled DDA monthly Board Meeting.

A vote on the motion showed:

AYES: Beal, Boren, Dankert, Acting Mayor Easthope, Greff, Gunn, Hewitt, Smith, Solo

NAYS: None

Absent: Aldrich, DeVarti, Gillett

The motion carried.

6. OLD BUSINESS

None.

7. SUBCOMMITTEE REPORTS

CAPITAL IMPROVEMENTS

Irrigation Repairs. Mr. Beal reported that the irrigation problem in the State Street area planters has been fixed. He acknowledged Mr. Iraola's significant efforts working with the city to restore water to

the planters. The State Street Area merchants lost many of the flowers they had purchased that could not be planted due to the lack of a water source, however, Hilltop Greenhouse and Farms donated replacement plants and volunteers placed plants in time for the Art Fair. Mr. Beal said the City must find a way to maintain systems once they are installed. In this case the DDA installed planters and irrigation pipes in the State Street area which were in use last year. City staff did not turn the water off at the end of the autumn and the pipes and meters burst in the winter cold. The DDA stepped forward to help the City by repairing the pipes and replacing the meters, the City must find a way to prevent these problems in the future.

Alley repairs. Fred said the repairs for the first three alleys have been completed. Repairs to two more alleys will be undertaken after Art Fair. At that the time the Committee will frame recommendations for the next five alleys to be repaired in 2005/06.

2004/05 repairs. The streetlights along Ann were installed earlier this year and are still awaiting DTE connecting them to a power source.

Huron/Division/Fifth. The Huron and Division/Fifth Design Committees have been meeting regularly. Consultants are in the process of completing the first step in the project, which is to compile and analyze all field data for incorporation into a report and presentation of findings to the DDA and the City. The next step will be to develop alternative schematic designs and construction drawings, with associated construction estimates based on the results of the data gathered.

PARTNERSHIPS COMMITTEE

Mr. Solo reported that the Committee discussed a number of topics. Chris White of AATA presented the committee with the revised funding request to continue the Link. The Committee discussed the need to revisit the DDA's Partnerships Guidelines to provide greater clarity. The group also discussed the status of the Three Site Plan. There has been a great deal of public debate and at this point the question is in City Council's hands for a decision.

Mr. Gillett enters.

RESEARCH AND OPPORTUNITY COMMITTEE:

Mr. Boren said that ROC discussed several topics. Mr. White also attended the ROC meeting to present information on the Link. The Committee continued its discussion about finding ways to improve communication with the public about the DDA and its programs. Some ideas included reorganizing the DDA web site and dropping the "downtownannarbor.org website. The committee has met with representatives from two marketing firms to learn more about pursuing a communication plan. The committee reviewed its 2004/05 work plan in anticipation of the retreat. Priorities for the coming year will be presented at the DDA retreat.

OPERATIONS COMMITTEE

Mr. Hewitt reported on the May 31, 2005 financial statements. TIF income is slightly lower than anticipated, however TIF net excess of revenues over expenditures year-to-date is better than anticipated. The two maintenance reserve funds are as anticipated. Parking demand and income are slightly higher than last year. A motion to accept the May 31, 2005 financial statements was moved by Ms. Gunn seconded by Mr. Dankert and unanimously accepted.

Mr. Gillett moved and Mr. Dankert seconded the following resolution.

RESOLUTION TO MODIFY DDA PARKING RATES

Whereas, The DDA Operations Committee shaped a series of strategies relating to parking that are in keeping with the DDA's 2003 Renewal Plan, as follows:

- Parking exists to serve downtown business, resident, religious, government, educational and service provider needs. Parking rates should be coordinated to meet these needs.
- The parking system should be financially self sustaining, with revenues used to pay for all parking-related expenses such as construction, maintenance, operations and debt service. To that end, parking rates should be planned so that revenues are sufficient to accomplish this goal, taking into account the need for ongoing repairs, equipment upgrades, and occasional new construction.
- The availability of on-street parking meters conveys a great deal about the perceived convenience of shopping or doing business downtown, thus regular turn over at the meters should be encouraged. This can be affected by a rate configuration that makes it less expensive to park in the structure than on street at a meter.

Whereas, The DDA Operations Committee has reviewed a series of rate schemes and have determined that the following scenario would best address the strategies set forward above:

	<u>Current rate</u>	<u>Proposed rate</u>
Structure		
Hourly	\$0.95/hour	\$0.80/hour
After hours	\$2/entry	\$2/entry
Permit/month	\$105/month	\$105/month
Lot		
Hourly (hours 1-3)	\$1.05/hour	\$1.00/hour
Hourly (after 3 rd hour)	\$1.15/hour	\$1.10/hour
Permit/month (1 st & Wm lot)	\$75/month	\$85/month
Premium		
Permit/month	\$135/month	\$145/month
Meters		
	\$0.80/hour	\$1.00/hour
Meter bags		
	\$10/day	\$15/day

Whereas, This revised parking rate arrangement is anticipated to be revenue-neutral to the DDA, and is not anticipated to imperil the DDA's estimated yearly parking income;

RESOLVED, The DDA approves the parking rate proposal put forward by the DDA Operations Committee;

RESOLVED, This rate change shall be publicized and the City Council notified of this resolution per its Agreement with the DDA, with the expectation that these rates shall go into effect no earlier than October 1, 2005.

Mr. Aldrich enters.

Mr. Hewitt said that it was anticipated that the proposed rate changes would be revenue neutral, but would better meet the needs of the downtown. Mr. Gillett said that he had expected that the proposed rate changes would be accompanied by a proposal to extend enforcement hours past 6pm. Mr. Hewitt said that this could be discussed with City Council and brought back at a later date if there was

Council support. Ms. Smith explained that the Operations Committee wanted to do more research before extending enforcement hours, as it was unclear what the impact would be by extending enforcement hours. Mr. Aldrich said it has been talked about for a long time that the current parking rates were upside down. He said that the rate structure as proposed was the first step. If additional revenues were needed in the future, rates could be increased and hours could be extended, but at this time we don't have the data we need to do more than what has been proposed. Mr. Beal said that he would be satisfied to take this first step, to reorganize how we charge for parking, but asked that the new \$50/month overnight residential rate be shown as part of the rate listings. Mr. Solo said that the DDA had approved a \$1 million/year transfer to the City and fees would have to be increased if \$2 million is to be transferred each year.

Mr. Beal proposed an amendment that would set the hourly rate in the structures at \$0.90/hour. This amendment was seconded by Mr. Gillett.

Mr. Beal said that his proposal would still provide a five cent per hour savings over the current hourly rate in the structures, but would better ensure that revenues would be sufficient to cover the cost of transferring \$2 million to the City. Mr. Aldrich said that the key issue at the moment was righting a faulty rate structure and that a ten cent/hour rate differential between the structures and street meters would not be sufficient to encourage long term parkers to shift to from the meters to the structures.

A vote on the motion to amend the resolution showed:

AYES: Beal, Boren, Gillett, Greff, Solo

NAYS: Aldrich, Dankert, Acting Mayor Easthope, Gunn, Hewitt, Smith

Absent: DeVarti

The amendment failed.

Ms. Gunn and Mr. Hewitt asked for a vote on the original motion.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Dankert, Acting Mayor Easthope, Gillett, Gunn, Hewitt, Smith

NAYS: Greff, Solo

Absent: DeVarti

The motion carried.

Mr. Dankert moved and Ms. Gunn seconded the following resolution.

RESOLUTION PROVIDING \$32,598 TO SUPPORT THE LINK FOR SEPTEMBER 2005 TO APRIL 2006

Whereas, The 2003 DDA Renewal Plan encourages the DDA to support alternative transportation programs that help people get to and through downtown comfortably and enjoyably, without the need of an automobile;

Whereas, The DDA has supported several important alternative transportation initiatives including installation of bicycle lockers and hoops, construction of pedestrian friendly sidewalks, and funding for several non-motorized transportation studies;

Whereas, The DDA has also supported the getDowntown program since its inception, and have provided the principal funding for go!passes which have been provided to 5,200 downtown employees;

Whereas, The Ann Arbor Transportation Authority (AATA) introduced a downtown circulator called the "LINK" in late August 2003 utilizing funds received from a Congestion Mitigation Air Quality (CMAQ) grant;

Whereas, During the second year operation, LINK ridership increased steadily, building to 800+ riders per day by the time the LINK ceased operation for the summer in April 30, 2005;

Whereas, The total cost for service to continue LINK operation September 2005 to April 2006 will be \$489,605;

Whereas, Funding the LINK will come from a variety of sources; the UM has committed up to \$96,908, State Operating Assistance will provide \$135,600, the remaining CMAQ grant funds provide \$57,765, and advertising on the Link is estimated to generate \$50,000;

Whereas, The DDA has been asked to provide \$32,598 to help fund LINK service September 2005 to April 2006;

Whereas, The DDA Operations Committee has reviewed this request in detail;

RESOLVED, The DDA will provide \$32,598 to support LINK service from September 2005 to April 2006.

Mr. Hewitt moved to amend the resolution to change the amount of the funding to \$22,598, asking that the AATA board indicate its own support for the Link by providing \$10,000 from its operating millage during the coming year. Ms. Gunn seconded this amendment.

A vote on the amended resolution showed:

AYES: Boren, Acting Mayor Easthope, Gillett, Greff, Gunn, Hewitt, Smith, Solo

NAYS: Aldrich, Beal, Dankert

Absent: DeVarti

The motion carried.

Ms. Gunn moved and Ms. Greff seconded the following resolution.

**RESOLUTION TO PROVIDE \$15,000 IN DDA HOUSING FUNDS TO HELP FUND A
COMMUNITY HOUSING NEEDS ASSESSMENT**

Whereas, The DDA Board created a DDA Housing Fund in 1997 to support the goal of the DDA to encourage residential development in the downtown to serve individuals at a range of incomes;

Whereas, If the community is to succeed in the goal of increasing the number downtown residential units it is important to understand the nature of demand for downtown housing in order to shape policies, revise ordinances, and prioritize funding;

Whereas, The Washtenaw County/City of Ann Arbor Office of Community Development has prepared a draft RFP for a County-wide Housing Needs Assessment;

Whereas, This study will provide a detailed assessment of the downtown housing market including income targets, preferred unit sizes and amenities, and details on the funding sources that may be required to create mixed income units downtown;

Whereas, A review of other County studies has revealed that the cost of this study will likely fall in the range of \$60,000 - \$120,000;

Whereas, Funding for this study will come from a variety of sources, including the County, City of Ann Arbor, MSHDA, and others;

Whereas, The DDA has been asked to contribute \$15,000 toward the cost of the study;

Whereas, The DDA Operations Committee has reviewed this request and determined that this request should be presented to the full board for consideration;

RESOLVED, The DDA approved a grant in the amount of \$15,000 toward the cost of the Community Housing Needs Assessment to be conducted by the Washtenaw County/City of Ann Arbor Office of Community Development.

A vote on the motion showed.

AYES: Beal, Boren, Dankert, Acting Mayor Easthope, Gillett, Greff, Gunn, Hewitt, Smith, Solo

NAYS: Aldrich

Absent: DeVarti

The motion carried.

Kempf House Grant Request: Mr. Hewitt asked for a volunteer with fund raising and other not-for-profit experience to assist the Operations Committee as it reviews the Kempf House request for the remaining DDA grant dollars and for an additional DDA grant. Mr. Beal volunteered to review the Kempf House materials and follow up with the Operations Committee.

8. OTHER DDA BUSINESS MATTERS

None.

9. AUDIENCE PARTICIPATION

Mr. Peter Pollack regarding extending the hours for enforcement of the parking meters beyond 6pm. He said that should the DDA decide to extend the enforcement hours, the primary challenge would be to effect a behavioral change in the public. Downtown used to operate 8am-5pm so it made sense for the meters to run until 6pm. Activity downtown now extends well into the evening but people have grown used to searching for a free parking space on the street after 6pm. Communication and education will be important elements of any change.

10. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:23 P.M.

Respectfully submitted,
Susan Pollay, Executive Director