

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, October 3, 2007**

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

1. ROLL CALL

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

Absent: Dave DeVarti, Rene Greff, Leah Gunn

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant
Lindsay-Jean Hard, Special Projects Manager

Audience: Chris Cheng, City Planning
Bob Dascola, State Street Area Association
Ray Detter, Downtown Area Citizens Advisory Council
Mary Joan Fales, City Attorney
Paul M. Hickman, Art & Design Junto
Adrian Iraola, Washtenaw Engineering
Bob Jacobson, HDC, LLC
Mike Jacobson, HDC, LLC
Mike Nicklowitz, FHI, Inc.
Nancy Shore, getDowntown Program
Ira Ury, FHI, Inc.

2. AUDIENCE PARTICIPATION

City Attorney Mary Fales provided an overview of Michigan's Public Act 501 of 2006 which created a new type of public on-premise liquor license (Development District Liquor License), as a mechanism to promote downtown redevelopment and revitalization. She also presented a flow chart that described how license applications would be reviewed.

Mr. Dascola thanked the DDA for its grant sponsoring his attendance at the recent International Downtown Association annual conference in New York City in September.

Mr. Detter reported that CAC had met the night before and had discussed the draft urban design guidelines and recommended zoning changes. The group is committed to being a part of the A2D2 process.

3. MINUTES

Ms. Smith moved and Mr. Hieftje seconded approval of the September 5, 2007 DDA meeting minutes.

A vote on the motion showed:

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

NAYES: None

Absent: DeVarti, Greff, Gunn

The motion carried.

4. STATUS OF CITY TASKFORCE EFFORTS

A2D2: Mr. Hewitt said that the A2D2 Steering Committee will review the Transportation and Parking Strategies Implementation plan on November 5th at 5:30pm at the DDA office. All DDA are urged to attend.

5. PARTNERSHIPS

Ms. Smith moved and Ms. Lowenstein seconded the following resolution:

RESOLUTION TO PROVIDE ASSISTANCE TO ZARAGON PLACE

Whereas, In April 2007 the DDA approved its Resolution to Provide Assistance to Downtown Developments in which it set forward guiding principles to direct how it may assist downtown developments which merit support in addition to or instead of DDA Partnerships Grants or historic façade loans;

Whereas, One of its guiding principles is that the DDA may assist projects so that construction for downtown developments takes place in such a way as to minimize inconvenience to pedestrians and other downtown stakeholders;

Whereas, The DDA received a request from the developers of Zaragon Place, a project located at 619 E. University in the South University area, to waive the cost of six meter bags which are needed to create a pedestrian walk-through for the duration of their construction;

Whereas, The City has requested that this walk way be maintained for an extended period to enable members of the public to become accustomed to an established set-up which will extend well beyond the heavy construction phase of the project;

Whereas, The South University Area Association contacted the DDA and asked its support for this request, given the great number of pedestrians in this district;

Whereas, The DDA Partnerships Committee considered the merits of the project and the benefits of maintaining safe, pedestrian thoroughfare in this high pedestrian area where the area for construction staging is limited, and following a thorough discussion have recommended approval of this request;

RESOLVED, The DDA shall provide assistance to Zaragon Place by waiving the cost of six meter bags on E. University for one year to provide for the creation and maintenance of a pedestrian walkway during the project construction.

A vote on the motion showed:

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

NAYES: None

Absent: DeVarti, Greff, Gunn

The motion carried.

Ms. Smith moved and Mr. Hieftje seconded the following resolution:

RESOLUTION OF SUPPORT FOR A PARKING CONTRACT WITH XY, LLC FOR THE WILLIAM STREET STATION PROJECT FOR 190 PARKING SPACES

Whereas, HDC was selected by the City to purchase and develop the City-owned property located at Fifth at William because its project, William Street Station, will provide several important community benefits, including:

- Construction of 100 units of housing affordable to individuals earning <40% of AMI, with rent levels set at 30% of individual income
- Creation of the new community transit center
- A new mid block mews connecting Fourth to Fifth Avenue, energy efficient windows for the affordable units, and streetscape improvements on Fifth, William and Fourth
- Creation of 5,000sf of new retail on William St., which will enhance the walkability of this street

Whereas, In 2005 the DDA received a request from the William Street Station project for 163 parking spaces within a radius of two blocks, including at least 60 spaces in the Fourth & William structure on a month-to-month basis using the existing permit wait list, as well as overnight residential permits;

Whereas, In February 2006 the DDA approved this request;

Whereas, William Street Station has modified its site plan to include a hotel and conference facility and requested that the DDA provide 27 additional parking spaces for a total of 190 parking spaces to meet the zoning requirements for its new plan;

Whereas, The DDA/City Partnerships Committee met with HDC to discuss this request and has resolved to recommend approval of the additional 27 parking spaces with a contract between the developer and the City for 190 parking spaces for the William Street Station project;

Whereas, The 2007 Parking Strategies report recommends that the DDA eventually migrate its parking permit system to a demand management system, and the DDA/City Partnerships Committee recommends that future parking contracts reflect the potential for this future direction;

Whereas, With a new community transit center as one of its components, the William Street Station project has an important opportunity to become a model transit-oriented project, thus the DDA/City Partnerships Committee also recommends that the parking contract provide some flexibility in the number of required parking spaces, as its actual parking needs may diminish after the project is established;

RESOLVED, The DDA approves the provision of 27 additional parking spaces to the William Street Station project, for a total of 190 parking spaces;

RESOLVED, The DDA recommends approval of a parking contract between the City, DDA, and the William Street Station project that reflects the potential for a future change from a monthly permit system to a demand management system.

RESOLVED, The DDA also respectfully requests the City Planning Commission and City Council to consider the opportunity manifest in this project given its transit center component, and allow a reduction in the number of parking spaces required for the approval of this project.

RESOLVED, The DDA asks the City that the DDA Chair, DDA Executive Director, and DDA Attorney be provided an opportunity to review this City agreement for parking with the William Street Station project to ensure that the interests of the DDA are met while meeting the City parking requirements for the project.

Mr. Collins stated his support for the resolution, saying that although he had some concerns about the viability of the project, the number of additional parking spaces requested seemed modest. Mr. Hieftje said that the project is the most complicated one the city has ever undertaken, as it includes \$18 million in state funds, plus federal funds for the transit facility and local funds from the DDA. The City established important deadlines that the developer must meet, i.e., a deadline of December 2007 to announce the name of the hotel that will be part of the project.

Mr. DeVarti enters.

A vote on the motion showed:

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

NAYES: DeVarti

Absent: Greff, Gunn

The motion carried.

Ms. Smith Moved and Ms. Lowenstein seconded the following resolution:

RESOLUTION OF SUPPORT FOR 26 ADDITIONAL PARKING SPACES FOR THE ANN ARBOR HOTEL PROJECT

Whereas, In November 2005 the DDA voted to support a parking contract between the City and McKinley for 252 parking permits held by McKinley in the Liberty Square to support McKinley's proposed redevelopment plans in the Washington/Division area;

Whereas, This contract provided that McKinley's permits would come under contract as each of three development sites received their Certificate of Occupancy, with permit allocations as follows:

- 107 spaces for Parcel #1 (McKinley Town Center and its infill development along E. Liberty Street
- 45 spaces for Parcel #2 (former rental car site at corner of Division at Washington
- 100 spaces for Parcel #3 & 4 (former TCF Training Center at corner of Washington at Division)

Whereas, Mckinley has established a relationship with First Hospitality Group, Inc., which has proposed the construction of a 120-room hotel on the site of Parcel #2, and has provided FHG with 44 of the spaces assigned to this site under its contract with the City;

Whereas, First Hospitality Group has submitted a site plan to the City and it has been determined that zoning requires that the project provide 70 parking spaces;

Whereas, The DDA received a request from First Hospitality Group for 26 additional parking spaces to enable it to meet zoning requirements, and the DDA/City Partnerships Committee recommends approval of this request under a contract between the developer and the City and DDA;

Whereas, The 2007 Parking Strategies report recommends that the DDA eventually migrate its parking permit system to a demand management system, and the DDA/City Partnerships Committee recommends that future parking contracts reflect the potential for this future direction;

Whereas, The DDA/City Partnerships Committee also recommends that the parking contract provide some flexibility in the number of required parking spaces, as its actual parking needs may diminish after the project is established;

RESOLVED, The DDA approves the provision of 26 additional parking spaces to the Ann Arbor Hotel for a total of 70 parking spaces for this site, including the 44 provided earlier to McKinley;

RESOLVED, The DDA recommends approval of a parking contract between the City, DDA, and Ann Arbor Hotel that reflects the potential for a future change from a monthly permit system to a demand management system.

RESOLVED, The DDA also respectfully requests the City Planning Commission and City Council to consider the opportunity to reduce the number of parking spaces required for the approval of this project.

RESOLVED, The DDA asks the City that the DDA Chair, Executive Director, and Attorney be provided an opportunity to review this City agreement with First Hospitality Group to ensure that the interests of the DDA are met.

Ms. Smith explained that at this time the resolution does not indicate the monthly parking rate. The cost of a monthly permit will be part of the action to follow.

A vote on the motion showed:

AYES: Boren, Collins, DeVarti, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYES: None.

Absent: Greff, Gunn

The motion carried.

Larcom Parking Structure Feasibility Report: Ms. Smith said that City Council's resolution R-394-8-07 requested that the DDA report on the feasibility of constructing a structure on the properties east of the Larcom Building. This document was nearly complete. She expressed thanks to the Capital Improvements Committee for their help developing construction cost estimates and design options. She also thanked the Operations Committee for its help with a parking system profit/loss analysis. The Partnerships Committee

reviewed a first draft and made several editorial changes which were incorporated into the current draft. She asked that any remaining changes be sent to staff by October 8th at the latest.

Ms. Smith said that at the next meeting the committee will include a discussion of how the DDA Partnerships Grant Guidelines could be rewritten to amplify the DDA's commitment to supporting downtown projects that will be LEEDS certified. Ms. Smith invited all Board members to participate in Partnerships Committee meetings as their schedule allows.

7. CAPITAL IMPROVEMENTS

Mr. Splitt moved and Ms. Smith seconded the following resolution:

RESOLUTION TO ASK CITY COUNCIL TO APPROVE AN ADDITION TO THE ANN ASHLEY PARKING STRUCTURE AS PART OF A COMPREHENSIVE PARKING PLAN

Whereas, A comprehensive downtown parking study completed in January 2007 determined that 50-100 parking permits a year for each of the next ten years must be found in order to meet anticipated City downtown development goals;

Whereas, There exists an extensive monthly parking permit wait list, making it tremendously difficult to support important downtown projects including the encouragement of new downtown jobs;

Whereas, The DDA formulated a plan at its January 2007 retreat and met with City Council in a work session in February 2007 to present its strategies to address immediate, short-term, and long-term parking needs to meet the purposes of downtown visitors, residents, employees, and others;

Whereas, This vision set forward an immediate objective to install the Fifth & Division Phase I improvements, thereby gaining 100 on-street parking spaces, in addition to much-needed bicycle lanes and pedestrian improvements called out by the City's 2007 Non-Motorized Plan and the Mayor and City Council;

Whereas, The vision set forward a short term objective to add at least one floor or as many as three floors to the Ann Ashley parking structure, for a total of 125 to 375 new parking spaces, because the cost to construct structured parking at this site has been determined to be the least expensive structured parking option in the downtown;

Whereas, the vision also set forward a longer-term objective to construct a 500+ space parking structure in a central downtown location that would meet the needs of a wide variety of users;

Whereas, The DDA vision also set forward a series of strategies to modify parking management practices and support several alternative transportation options to maximize current parking spaces and encourage greater access to the downtown;

Whereas, Three months after the work session, the DDA provided the City Council with an extensive report on eleven parking construction scenarios, including information on expanding the Ann Ashley structure;

Whereas, The construction drawings for an Ann Ashley addition have been completed and the additional floor or floors could be constructed in approximately 12 to 18 months;

Whereas, The DDA Capital Improvements Committee has recommended that the DDA present a resolution to City Council asking authorization to immediately proceed with an addition to the Ann Ashley parking structure to clarify the Council's view on this option;

Whereas, City Council is currently exploring a variety of options to meet the long-term goal to add a minimum of 500 new public parking spaces;

Whereas, An addition to the Ann Ashley parking structure does not preclude a commitment to this long-term goal;

RESOLVED, The DDA sets forward its interest in expanding the Ann Ashley parking structure and asks City Council support to construct this project.

Mr. Hieftje said that he believes that any additional downtown public parking should be built in the center city area, i.e., Larcom or the S. 5th Avenue lot, and a DDA commitment of funds to an Ann Ashley addition may preclude the development of a new larger center city structure. Ms. Hall said that this resolution would add parking to the system, not just the area, and that the DDA can flex the system by shifting permits from one structure to another to free up hourly spaces in critical areas. She said that she supports the Ann Ashley addition, as it does not use more land for parking and is the most cost-effective alternative which means it saves funds for future projects.

Ms. Lowenstein stated she is concerned that a project at Ann Ashley would prevent a long-term vision goal for additional parking at the Library lot. She said that the focus should be on 5th Avenue not Ann Ashley. Mr. Mouat said he was not comfortable supporting the Ann Ashley addition until he has more information about downtown parking and the specifics of the Larcom project and the Fifth Avenue lot.

Ms. Smith stated that an addition at Ann Ashley would be relatively inexpensive, quick and will help parking demands in the short-term. The parking study indicated that Ann Arbor will need approximately 1,000 spaces within 10 years if it is to continue supporting downtown developments with parking at the same pace it has followed for the past decade. She stated a concern that constructing a parking structure at a new site would be 4-5 years before spaces would be available to the public. If the DDA voted to approve the Ann Ashley addition, the project could be bid immediately, and thus completed within a year or so.

Ms. Hall said that the resolution is important and warrants careful consideration. **Ms. Hall moved to postpone action until the next Board meeting; this motion was seconded by Mr. Mouat.** Mr. DeVarti said that he would support the postponement, although he sees many benefits to adding onto the Ann Ashley structure. Mr. Collins stated he did not support the postponement. He stated that the 4th & William project added parking quickly and inexpensively with little interruption of service. We still need to accommodate cars even as we promote alternative transportation efforts. He said that an addition to Ann Ashley could be the first step with the next step being a “big ass” parking structure at Larcom or Fifth Avenue. Mr. Hieftje stated he supported the postponement and he asked for more information for Ann Ashley and for the Fifth Avenue lot, saying that if we are going to have business growth in mid-town we must add parking in mid-town.

A vote on the motion to postpone the resolution showed:

AYES: Boren, DeVarti, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYES: Collins

Absent: Greff, Gunn

The motion carried.

Alley Repairs: Work in the Maynard alley has been completed. The project took longer than anticipated due to issues with DTE transformers. Mr. Iraola’s great work managing the project was acknowledged.

ADA Sidewalk Ramps: Mr. Split reported that 38 downtown sidewalk ramps have already been replaced.

Trees: 62 downtown trees have been replaced this summer, most of them dead ash trees.

8.

OPERATIONS COMMITTEE

Financial Statements: Mr. Hewitt reported that the fiscal year had just begun so there isn’t much yet to note. He showed the list of outstanding DDA financial commitments including grants that haven’t been released yet and projects that haven’t been implemented, as this helps to put DDA fund balances in perspective. Mr.

Morehouse reported that auditors were in the office earlier this week and everything went well. A report will be provided to the Operations committee in approximately two months.

Temporary Parking Lot at 415 W. Washington: The Historic District Commission is scheduled to review the plans for the temporary lot, and work will begin as soon as approval is granted. Efforts are being made to keep costs to a minimum and include using crushed, recycled concrete.

Mr. Hewitt moved and Ms. Smith seconded the following resolution:

RESOLUTION TO APPROVE THE ONE YEAR RENEWAL OF THE FINGERLE LOT LEASE

Whereas, Since October 1, 2004 the DDA has leased the parking lot on the Southeast corner of First and William Streets from the Fingerle Lumber Company;

Whereas, The parking receipts are anticipated to exceed the rent by \$10,000 during this fiscal year;

Whereas, The Operations Committee recommends approval of this lease renewal by the DDA:

RESOLVED, The DDA approves of entering into this lease for a one year term.

A vote on the motion showed:

AYES: Boren, Collins, DeVarti, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYES: None

Absent: Greff, Gunn

The motion carried.

9. RESEARCH AND OPPORTUNITY

DDA annual retreat: Mr. Collins reminded everyone that the retreat will be held at the Ann Arbor Art Center on October 16 and Fran Alexander will facilitate. ROC will meet with Fran in the coming week to finalize the agenda. He encouraged everyone to complete the on-line survey before the retreat.

Bylaws: Mr. Collins said that the DDA bylaws were last reviewed by the DDA in 2003. Committee members are recommending amendments which clarify the roles of board members, officers and staff. He asked the DDA to review the recommended changes and let ROC members know if there are concerns or comments, as this will be presented to the board for action at its November meeting.

10. OTHER DDA BUSINESS MATTERS

Sundance Summit: Mr. Hieftje announced that City Energy Coordinator, Dave Konkle, attended this recent summit to accept an award on behalf of the City for its LED light program, made possible by the DDA grant.

11. OTHER AUDIENCE PARTICIPATION

Ms. Shore announced an upcoming public meeting regarding a variety of alternative transportation options, including the MichVan, getDowntown, etc. There are 4,980 go!passes in distribution this year. The GetDowntown program will hold a retreat on the 23rd to discuss future directions.

12. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:33 P.M.

Respectfully submitted,
Susan Pollay, Executive Director