

MINUTES
Downtown Development Authority Meeting
Wednesday, December 1, 2004

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

1. ROLL CALL

Present: Rob Aldrich, Fred Beal, Gary Boren, Ron Dankert, Roger Hewitt, John Hieftje, Dave Solo

Absent: Dave DeVarti, Bob Gillette, Rene Greff, Leah Gunn, Sandi Smith

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

Audience: Erica Briggs, Ann Arbor Area Chamber/Get Downtown Program
Newcombe Clark, Citizens Advisory Council
Jim Corbett, Republic Parking
Ray Detter, Citizens Advisory Council
Donna Johnson, City Planning Department
Jeff Lampman, Republic Parking
Alice Ralph, Ann Arbor Greenway Group
Ed Steinman, citizen
Luis Vazquez, Market Commission
Chris White, AATA

2. APPROVAL OF MINUTES

Mr. Hieftje moved and Mr. Hewitt seconded approval of the November 3, 2004 minutes.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Dankert, Hewitt, Hieftje, Solo

NAYS: None

Absent: DeVarti, Gillett, Greff, Gunn, Smith

The motion carried.

3. AUDIENCE PARTICIPATION

Mr. Luis Vazquez, Farmers Market Commission member and citizen, spoke in support of the proposed Farmer's Market plan, saying that the renovations and additional vendor spaces are needed. He said that there are some vendors who oppose changes of any kind, and they claim to have a majority of the vendors on their side but that is not the case. Mr. Vazquez asked for the DDA's support for the Market Master Plan as currently proposed.

Ms. Gunn enters.

Ms. Smith enters.

4. NEW BUSINESS

None.

5. OLD BUSINESS

None.

6. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE

Mr. Dankert reported on the October 31, 2004 financial statement highlights. TIF revenues are over budget year-to-date; expenses are 5.6% under budget for October. Some notable expenses paid out were the façade loans to the Wuerth Building and 420 W. Huron Street, as well as \$159,000 for sidewalk repairs and improvements. Parking revenues are 5% under budget; expenses are over budget by 8% for year-to-date and some construction costs are now coming through for payment. The Committee is monitoring patron numbers, which are up slightly against last year, after being down the year before. Mr. Dankert moved and Mr. Hewitt seconded approval of the financial report.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Dankert, Gunn, Hewitt, Hieftje, Smith, Solo

NAYS: None

Absent: DeVarti, Gillett, Greff

The motion carried.

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

RESOLUTION PROVIDING \$24,000 TO SUPPORT THE LINK

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 a number of alternative transportation initiatives since its founding in 1982, 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 in 1999, as this program provides important assistance to downtown businesses and employees, including information on commuting options, such as biking, riding the bus, walking and carpooling;

Whereas, A key getDowntown program is the goPass, which provides unlimited bus pass usage for all downtown businesses at minimal co-pay, with the DDA providing 90% of the cost for this bus service;

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, AATA worked with a variety of stakeholders to shape a route that connects the four major downtown shopping and dining areas and the University of Michigan central campus, making it convenient for employees, visitors, students and residents to connect from one area of downtown to another;

Whereas, Link ridership has increased from 5,887 in September 2003 to 13,253 riders in October 2004;

Whereas, The DDA received a request from AATA at its October 2004 meeting for \$36,000 which would provide the local subsidy needed to match CMAQ grant funding from January 24, 2005 to April 30, 2005 at the current service level of 3 buses on the route at any given time;

Whereas, An AATA representative met with members of the DDA Operations Committee at their October meeting to discuss this request in greater detail;

Whereas, There is the possibility that the University of Michigan may in time become another Link financial partner given ridership demographics and a potential rerouting of the service by two blocks to include Oxford Housing;

Whereas, The University will require additional time to consider their potential involvement;

Whereas, The Operations Committee supports DDA funding for LINK service from January 25, 2005 through April 30, 2005 to enable AATA time to meet with University of Michigan about this program;

Whereas, The Operations Committee asked that DDA funding be provided contingent on a financial commitment by AATA as evidence of the organization's own commitment to the program;

Whereas, The Operations Committee recommends DDA provide up to 2/3 of the local subsidy needed to match CMAQ grant funding during the period of January 25, 2005 to April 30, 2005, with AATA providing the remaining 1/3 portion;

RESOLVED, The DDA will provide up to \$24,000 to support LINK service from January 25, 2005 through April 30, 2005 contingent on AATA funding the remaining funds needed to match the CMAQ grant.

A vote on the motion showed:

AYES: Beal, Boren, Dankert, Gunn, Hewitt, Hieftje, Smith, Solo

NAYS: Aldrich

Absent: DeVarti, Gillett, Greff

The motion carried.

Mr. DeVarti enters.

Fall 2004 parking facility assessment. Mr. Dankert reported that a facility walk through was conducted and a list of maintenance items was compiled. Some items have already been corrected and some will be undertaken by Republic Parking or DDA contractors this spring.

Farmers Market Improvement Plan. Mr. Dankert reported that Karla Henderson of the City Parks Department attended the committee meeting to provide additional details on the proposed improvement project. There was no action, but there may be a request to the DDA at a later date to help with this project.

CAPITAL IMPROVEMENTS COMMITTEE

State Street-Phase I, II, III. Mr. Beal reported that the project is completed, although tree replacements will be delayed until the spring to allow for better tree quality.

2004 Sidewalk Repairs and Improvements. Mr. Beal reported that work has largely been completed with the exception of lights along Ann Street, which will be received and installed in the spring.

Huron/Division/Fifth. Mr. Beal reported that the design RFP is due back December 10. Mr. Iraola reported that he has received inquiries from six firms and is hopeful that they will receive at least four proposals.

Alley Repairs. Mr. Beal said that the alley assessment was completed by Washtenaw Engineering and a repair plan compiled based on scores assigned to such issues as drainage, pavement conditions, lighting, aesthetics, ownership and public use. The committee recommended beginning with repairs to the five alleys that are 100% publicly owned and designated to be in the worst condition. He noted that this is not intended as a beautification project, and that alleys with private ownership are not being considered at this time to allow the Committee an opportunity to formulate recommendations regarding whether an assessment will be involved. Mr. Beal moved and Ms. Gunn seconded the following resolution:

**RESOLUTION AUTHORIZING THE CAPITAL IMPROVEMENTS COMMITTEE TO INITIATE
DOWNTOWN ALLEY REPAIRS AND IMPROVEMENTS**

Whereas, At its 2002 and 2003 retreats the DDA discussed its role providing for downtown vitality, and as part of these discussions shaped future project lists, which included alley repairs;

Whereas, Within this strategy, the DDA set forward that alley repairs should be undertaken "to facilitate deliveries, solid waste and recycling collection, improve alley cleanliness and attractiveness, assist pedestrian use, and discourage graffiti;"

Whereas, These repairs would also address other important needs, such as preventing water seepage into adjacent historic buildings and repairing damaged storm drains;

Whereas, On May 5, 2004 the DDA authorized the Capital Improvements Committee to undertake an assessment of all downtown alleys in the DDA District to determine their condition and estimated costs for repairs;

Whereas, Following receipt of proposals and after conducting interviews, the Capital Improvements Committee selected Washtenaw Engineering Co. to undertake the assessment;

Whereas, The assessment is now completed and includes a determination of public or private ownership and a ranking of alleys according to their condition, including such considerations as drainage, pavement, lighting, aesthetics, and public use;

Whereas, Five public alleys have been identified as needing the most repairs, as follows:

Liberty, Fifth, Washington & Fourth
Liberty, Fourth, Washington & Main
Washington, Main, Huron & Ashley
Ann, Fifth, Catherine & Fourth
Liberty, Main, Washington & Ashley

Whereas, The cost to repair these alleys is anticipated to be \$400,000;

Whereas, The project would begin with preparation of repair plans, followed by repairs to one alley as a pilot program;

RESOLVED, The DDA authorizes the DDA Capital Improvements Committee to initiate the repair of the five alleys listed above, with an estimated total construction cost of four hundred thousand dollars, and

RESOLVED, That the DDA may consider approval of repairs to other alleys subject to review of bids when received.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Dankert, DeVarti, Gunn, Hewitt, Hieftje, Smith, Solo

NAYS: None.

Absent: Gillett, Greff

The motion carried.

PARTNERSHIPS COMMITTEE

YMCA request. Mr. Solo moved and Ms. Gunn seconded the following resolution:

**RESOLUTION PROVIDING FUNDS TO ASSIST WITH THE DEVELOPMENT OF THE YMCA
(\$100,000)**

Whereas, The 2003 DDA Renewal Plan set forward that the DDA would work to promote downtown as a place for families with children, by supporting programs serving families and children, including the YMCA and others;

Whereas, The YMCA is investing over \$18,500,000 to construct a new facility on West Washington Street which is expected to serve over 1,000 individuals per day;

Whereas, The YMCA estimates that 4.5% of its project costs, or \$836,850, relate to outdoor, public access areas which will provide an attractive open green space, encourage pedestrian and bicycle access to the Old West Side, and beautify this gateway entrance into the downtown;

Whereas, Some of the YMCA's project costs also relate to providing storm water detention in excess of what is required on site, thereby helping to alleviate flooding conditions along the Allen Creek floodway;

Whereas, The YMCA submitted a request for funding to the DDA in November 2003, and the request has been discussed at length by the DDA Partnerships Committee, which resolved to put forward a recommendation for a \$100,000 grant to the YMCA in support of its new development;

RESOLVED, The DDA shall provide the YMCA with a grant of \$100,000 to support the development of their new facility on West Washington Street.

Mr. Solo said that most of the items listed in the informational letter from the YMCA have support from the Partnership Committee, which considered the draft DDA Grant Guidelines formulated by ROC.

Mr. Dankert proposed a friendly amendment to the third Whereas which reads, "Whereas,...and specifically to beautify this gateway entrance into the downtown. Mr. Solo said that he would accept this amendment as friendly.

A vote on the amended resolution showed:

AYES: Beal, Boren, Dankert, DeVarti, Gunn, Hewitt, Hieftje, Smith, Solo

NAYS: None.

Abstain: Aldrich

Absent: Gillett, Greff

The motion carried.

First/Washington site redevelopment planning. Mr. Solo reported that the committee set forward elements of an "ideal project," as well as estimated project costs. Current thinking would recommend a six

story building containing approximately 100 units, in smaller sizes ranging from 600 to 1,000 sq. ft. to help contain unit costs to \$200,000-\$350,000, with a portion of these units subsidized to bring their cost down further. This is an initial thumbnail sketch and will be discussed again at the next committee meeting on December 17th.

Eaton Redevelopment. Mr. Solo reported that Ron Mucha of the Morningside Group invited DDA members to tour the Eaton property to become more familiar with the proposed redevelopment. The tour will take place on December 2 at 4:00 p.m. All are welcome.

RESEARCH AND OPPORTUNITY COMMITTEE

Downtown Vitality Index/benchmarking-status. Mr. Boren reported Dr. Norm Tyler, EMU professor, attended the last meeting and provided insight into research methodology. One of Dr. Tyler's own projects involved a survey of shop owners in 16 small Michigan cities (populations less than 25,000) to gauge their opinions of various economic development efforts in their towns. In this study, Dr. Tyler learned that shop owners valued new sidewalks and parking less than successful retail recruitment efforts. He said that valuable insights are gained over time, so changes can be noted, and he provided practical ideas like tapping into ISR for survey assistance, and revisiting the mission of the Index project. To that end, the Committee distributed a questionnaire for DDA input, and Mr. Boren encouraged the board to take time to fill it out. The committee will meet on December 13th to discuss responses.

DDA Grant Decision Guidelines. Mr. Boren reported that the committee will reintroduce the draft guidelines at the upcoming retreat, along with recommendations for discussion of internal issues such as budgeting, should grant requests get assigned to one committee, and communication with the public.

DDA Midyear Retreat. Mr. Boren reminded the board the DDA would hold its midyear retreat on Wednesday, December 15th at 12noon at Arbor Brewing.

7. OTHER BUSINESS

Council Work Session on the Downtown Residential Taskforce. Mr. Beal reported that the Downtown Residential Taskforce gave a presentation to Council at the beginning of the month and responded to a number of questions. Mr. Hieftje reported that there would be a resolution on the agenda at the next Council meeting to set up a process to move forward with recommendations. He said that there was a discussion at the Downtown Marketing Taskforce about how to engage the public on the topic of greater density so as to gain their input.

Meeting with the Ann Arbor District Library Board. Mr. Solo reported several DDA members met with representatives of the Library board and each board member presented information on current projects and programs. For instance, DDA members were given information on the construction of new branches and future renovations to the downtown facility. DDA members were asked their thoughts on the library, and all said that the downtown library was a very important community asset. Library board members expressed concerns about the current YMCA residence and about the proposed redevelopment plan which would rebuild very affordable units on the Fourth Avenue side of the site.

7. CITIZENS ADVISORY COUNCIL

Last night's Citizens Advisory Council's annual December meeting combined discussion of a lot of downtown issues with an equally large amount of beer, wine and food. Among the many issues discussed, five stand out:

- The CAC supports the DDA grant to keep the Link bus service operating until April. By that time we hope the AATA has worked out a financial and business plan that will permit continued independent operation of the program. A lot of work went into setting up this service. The DDA should not be seen as failing to support this alternative transportation program if there is some possibility of future success. If we are successful in producing greater downtown residential density we might have to reinvent the Link in some new form.
- Two weeks ago I joined others in appearing before the UM Board of Regents to raise questions regarding university plans to tear down the Frieze Building and erect a 500 bed dormitory with classrooms on the site. We also plan to address the Regents in December. There are a number of issues. Certainly, we support consideration of the possibility of preserving or rehabilitating all or part of the Frieze building as part of any new structure. We recognize Frieze's architectural and historical importance to this community. It is part of that gateway "identity" which defines State and Huron. We also fear the negative impact a dorm at that location might have in raising the rents of local retailers and small businesses in the State Street area. We don't want to see the State and Liberty area turned over to national restaurant and bar chains. We must recognize that student foot traffic on South University has not provided success for that area. Also, we question the desirability of building a 500-bed dorm at that site without any provision for student, faculty and guest parking. The Old Fourth Ward is now going to resident permit parking. The Oxbridge/Ann Arbor Hills area, as well as the Burns Park area, is already in process of developing a parking permit program. Neighborhood permit parking will have a major impact upon the downtown area. We will need more downtown parking places as students as well as downtown workers are no longer able to park in these nearby residential areas. Jim Kosteva has announced University plans to hold a public meeting in January in order to get community comments on these issues and plans for the Frieze Building site.
- Yesterday afternoon three members of the Citizens Advisory Council attended a meeting of the Shelter Advisory Committee which was set up by the City and the County to provide advice on issues relating to the Delonis Shelter. Amy Klinke, head of the new combined City-County Community Development Department, also attended, along with Allen Schulmeister, who heads the shelter. The impact of the operation of the current shelter, which is "dry", was discussed in relation to the need for more "wet" transitional housing and another detox location. Dawn Farms is currently turning away as many as 30-40 people each night who are seeking detox and housing. With changes planned in the housing and support programs now provided at the YMCA, many of us fear that the County's commitment to end homelessness will not include many current residents and future transients who need more temporary housing. Fifty percent of current Y residents have been identified as addicted and/or psychologically impaired. The Shelter Advisory Committee, as well as the CAC, will be struggling to make sure that the DDA, the City and the County are fully compliant with our commitment to provide replacement housing and support services for people living at the Y.

The CAC is very interested in the vision for future development of the Eaton, 1st and William, 1st and Washington and Klines' Lot sites. We believe we must continue to clarify our values, define our vision and carefully develop an integrated plan for those sites. Our plan for 1st and William should include parking, greenspace, improved Allen Creed drainage, removal of site contamination and the development of a portion of a new greenway. A Substantial amount of affordable housing and related parking should be developed on the 1st and Washington site. Mixed use retail, housing, office and underground parking should be developed on the Klines' lot. The CAC has asked me to take a leadership role in pushing for these goals and this vision. I spoke to Peter Allen's class last

week. On the 21st of December I will be speaking to the Park Advisory Commission. I will be presenting an "Another Voices" article to the Ann Arbor News in January. We all need to be united and vocal on these issues if we are to succeed.

The CAC is in general agreement with the changes advocated in Phase 1 of the current Farmers' Market proposal. It has always been our position that the Market should remain a market and not be treated as a public park. We reject Phase 2 of the Market proposal which at might close off Detroit Street some time in the future. If the DDA is financially involved in the process, we believe they should give serious consideration to finding a way to increase the amount of water retention included on the market site. It is our hope that some program can be worked out to share the expense and benefits of this excess retention with future developments that may be proposed in the nearby neighborhood. It might enable the size and design of new developments to be less destructive of the Kerrytown neighborhood's character and environment.

9. AUDIENCE PARTICIPATION

Ms. Alice Ralph spoke about the Farmer's Market project. She said that she was concerned that the vendors are not represented by Council because none of them live within the City, and thus they are being left out of discussions. She felt that the vendors are not happy with the plans for the market and asked the DDA to be aware that there is "not all approvals and happiness about these renovations." She said that she felt there should be more attention to the public process and more discussions with the general public as well as with the vendors.

10. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:25 p.m.

Respectfully submitted,
Susan Pollay, Executive Director