

MINUTES
Downtown Development Authority Meeting
Wednesday, December 3, 2003

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: DDA Chair Rene Greff called the meeting to order at 12:06 p.m.

1. Roll Call

Present: Rob Aldrich, Fred Beal, Gary Boren, Ron Dankert, Bob Gillett, Rene Greff, Leah Gunn, John Hieftje, Dave Solo

Absent: Dave DeVarti, David Fritz, Lorri Sipes

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

Audience: Brian Barrick, Pollack Design
Jim Corbett, Republic Parking
Ray Detter, Citizens Advisory Council
Roger Fraser, City Administrator
Kim Groome, City Councilmember
Jennifer Hall, City Community Development
Bob Henderson, Citizens Advisory Council
Mark Hodesh, Downtown Home and Garden
Donna Johnson, City Planning Department
Emily Kirkland, David Milling & Associates, Architects
Jeff Lampman, Republic Parking
Wayne Mixdorf, Republic Parking
Jim Mogensen, Citizen
Eleanor Pollack, Pollack Design
Ethel Potts, Citizen
Ed Shaffran, Citizen

2. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Solo seconded the approval of the November 3, 2003 meeting minutes.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Dankert, Gillett, Greff, Gunn, Hieftje, Solo

NAYS: None

Absent: DeVarti, Fritz, Sipes

The motion carried.

Mr. Fritz enters.

3. AUDIENCE PARTICIPATION

City Administrator Roger Fraser reported that the City was making arrangements to purchase the YMCA to ensure that 100 very low income residential units would be retained. Specifically the City will take out a 5 year \$3.5 million loan from the Bank of Ann Arbor, and would need to utilize DDA and City funds to repay this loan. It is assumed that sometime before the end of the five years the City will sell the property and reimburse the DDA and City housing fund for the amount used to repay the Bank note. A proposed schedule showing use of DDA funds was distributed to the DDA.

Ms. Gunn asked why the request was for a loan and not a grant; Mr. Fraser said that he and the City's Chief Financial Officer anticipate turning the property over within the next five years and recovering the investment. Returning funds to the DDA will enable it to continue its work investing in downtown housing. Mr. Gillett asked how the 100 units would be preserved. Mr. Fraser said that shortly after the first of the year the City will assemble a taskforce to explore various options, and the DDA will have a seat on this Taskforce. Many ideas have already been suggested, but the only point of agreement is there must be a minimum of 100 units perhaps at this site or another location. Mr. Gillett asked how the bank loan will be secured; Mr. Fraser said by City's full faith and credit. Mr. Aldrich asked how the DDA funds would be secured; Mr. Fraser said he assumed there would be some sort of a note between the City and DDA. Mr. Beal asked how the facility will be managed; Mr. Fraser said that the Y would continue to operate the housing even after they move to their new location or until such time as some other arrangement is made.

Mr. Gillett asked if a decision had been made as to how the AATA will fit into the future development; Mr. Fraser said that it's an issue that has yet to be resolved. He said the only thing they have done in coming to the DDA today is to assume that they are buying the site. How the future redevelopment will look or even how this decision might be made has not yet been resolved. Mr. Beal asked what the disadvantage would be in letting AATA buy the site; Mr. Hieftje said that the City and DDA should have more input into deciding where the community transportation hub should be. There were no other questions.

Mr. DeVarti enters.

Mr. Ed Shaffran said he wanted a chance to speak to City's purchase of the YMCA, saying he had worked with Greg Cook/AATA for the past 2-1/2 years on this deal and that Mr. Cook has been very clear about his commitment to providing the City an opportunity to construct affordable housing on this site. AATA has federal funds available to it for its transit center expansion which do not have to be paid back, so Mr. Shaffran questioned why the City is borrowing money and paying interest. It has no plans as to how it might develop the site, whereas AATA at least has a plan. He suggested that the DDA and City talk to Mr. Cook before going ahead with this purchase, particularly because the City retains final control through the site plan approval process.

4. CITIZENS ADVISORY COUNCIL

At last night's traditional dinner meeting at my house, the CAC discussed a number of issues and asked me to speak to you about three:

First, the CAC wishes me to express our strong support for the DDA resolution approving the recommendations from the Greenway Collaborative to improve pedestrian and bicycle conditions in the State Street Area. The public process that made these recommendations possible included two workshops that succeeded in getting the viewpoints of representative cyclists, State Street merchants, downtown residents and area pedestrians. The recommendations that have emerged attempt to balance the need for pedestrian safety on the sidewalk in this heavily congested area with the need for greater safety for cyclists in the street. Recommendations provide, among other things, for "Walk Your Bike" signs on the sidewalks in the area of State and Liberty. Last night, we learned that yesterday another pedestrian was hit by a bike on the sidewalk in the State and Liberty area. The cyclist (as is too often the case) did not stop.

The recommendations also include provision for "shared use" arrow pavement markings in the streets which will be part of an effort to educate motorists to respect cyclists and to remind motorists that cyclists have an equal right to use the streets. There will also be bicycle-warning signs to further alert motorists of the presence of bikes. There are other provisions for Intersection improvements, bike parking, bike parking signage, and bike safety posters and banners. We note that the DDA resolution you are asked

to support today urges the approval of these recommendations by the City of Ann Arbor Traffic Engineers. We believe we have the support of the Mayor and the Chief of Police for the "Walk Your Bike" signs in the State Street area. We hope that these important changes will not be held up by any single individual in the Traffic Engineering Dept.—one of whom, as you know, had earlier been a strong opponent of changing auto traffic to two-way in the State Street area.

The CAC also asked me to express our eagerness to provide as much input as possible to the recently appointed Downtown Residential Task Force when it begins its meetings. Some of us believed that one of our members should have been appointed to that Task Force. We have already provided some input to Planning Commissioner Steve Thorp, a downtown resident, who is on the Task Force. Steve has encouraged us to participate in the discussions as they proceed.

Finally, the CAC is now considering revision of our Goals and Objective Statements on the issues of Housing, Parking, the Downtown Pedestrian Environment, and Transportation in the light of DDA renewal and in relation to recent issues of downtown housing, density, height and general development proposals. If revisions are made, they will be presented to the DDA and well as interested city departments and boards.

5. NEW BUSINESS

Ms. Pollay announced that there would be a work session with City Council on December 8 to discuss the last DDA retreat and upcoming projects. Everyone was invited to attend.

Mr. Hieftje said that Council had approved the members of the Downtown Residential Taskforce. The DDA appointees are Mr. Beal and Mr. Gillett. Council will appoint Council committees at their next meeting.

6. OLD BUSINESS

None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE

Mr. Dankert reported on the highlights from the October financial statements. Four months into the fiscal year TIF revenues are over budget, but expenses are also over budget mostly to capital project timing. Parking revenues were better than in September. Meter bags are 2.89% over budget year to date with parking meters above budget by 4.5%. Total parking revenues are up 4.2% or \$161,000. Expenses are 7% over budget due in large part to the timing of deck repairs. Parking revenues are down across the board versus last year except Maynard. There has been no activity lately with the Housing fund. Mr. Dankert moved and Ms. Gunn seconded to accept the financial report.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

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

**RESOLUTION RECOMMENDING CITY APPROVAL OF A PARKING AGREEMENT WITH
WASHTENAW COUNTY TO PROVIDE PARKING SPACES FOR WASHTENAW COUNTY
EMPLOYEES IN THE ANN ASHLEY PARKING STRUCTURE**

Whereas, On March 4, 1986 the City of Ann Arbor and Washtenaw County executed a parking agreement whereby the County would donate land to the City to locate the Ann Ashley parking structure

and in exchange the County would lease 250 parking spaces in Ann Ashley at a reduced rate for its employees;

Whereas, This Agreement expired in November 2002;

Whereas, The City has an Agreement with the Ann Arbor DDA to manage its public parking system, including the Ann Ashley parking structure, through 2012;

Whereas, In its Renewal Plan, the DDA determined it would strive to meet its mission with strategies in eight key areas, including "Community Services"; which set forward the objective to work with and support other public agencies in maintaining a strong downtown presence;

Whereas, Washtenaw County has a need to ensure continued parking at the Ann Ashley parking structure for its employees;

Whereas, Representatives of the DDA and County have met and have formulated recommended contract terms, as follows:

1. Lease of Parking Spaces. 315 monthly permits will be leased to the County in the Ann Ashley structure. Five of these spaces will be provided on the first floor of the deck reasonably close to the entrance for the County's exclusive use. The County will have the right to seek the rental of additional spaces in the structure upon ninety (90) days written notice.
2. Term of Agreement. This Agreement would begin on January 1, 2004 and would extend until December 31, 2023. At the end of the original term, the Agreement would automatically extend every year for an additional one year period until either party terminates the Agreement by giving the other party six (6) months written notice.
3. Lease Rate. For the initial two years of this Agreement, the County will pay the DDA's regular monthly rental rate minus \$14.10 per space for 300 permits. At the end of this two year period, County will pay the DDA's regular monthly rental rate for these permits. The County will be provided two months written notice of any monthly permit rate increase. 15 monthly permits will be provided at no cost to the County for its use providing parking assistance to Robert J. Delonis Shelter employees. The DDA shall also provide hourly parking validation stickers in a quantity to be determined to the County for use by Shelter volunteers during their hours of service at the Shelter.

Resolved, The DDA recommends approval of a parking agreement between the City and Washtenaw County based on the terms mentioned above.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

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

RESOLUTION TO APPROVE A LEASE AGREEMENT BETWEEN THE DDA AND THE ANN ARBOR PUBLIC SCHOOLS FOR THE COMMUNITY HIGH PARKING LOT

Whereas, On October 9, 1996 the City of Ann Arbor and the Ann Arbor Public Schools (AAPS) executed a lease agreement whereby the City would operate the parking spaces in the Community High Parking Lot on non-schools days for public parking;

Whereas, The initial term of this Agreement expired December 31, 1999, but there were automatic renewal provisions for one year periods if neither party acted to terminate the Agreement;

Whereas, The City has an Agreement with the Ann Arbor DDA to manage its public parking system through 2012;

Whereas, The existing parking equipment on the Community High School parking lot is nonfunctioning and cannot be repaired due to its condition and age, causing a steep decline in the revenue collected from the lot;

Whereas; The DDA operated the lot this summer with parking attendants and found a strong demand for the parking in the lot, as it serves area businesses, residences, and the Farmers Market;

Whereas, The DDA and AAPS have agreed to the installation of parking meters in the lot, at the DDA's expense, to make revenue collection more reliable and cost effective;

Whereas, Representatives of the DDA and AAPS have met and have agreed to the terms contained in the attached lease agreement governing the use of the parking lot; and

Whereas, The DDA Operations Committee has reviewed and recommends approval of the proposed lease agreement;

Resolved, The DDA authorizes the Executive Director to execute the attached lease agreement with the Ann Arbor Public Schools.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

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

**RESOLUTION AUTHORIZING THE OPENING OF A DDA CHECKING ACCOUNT AND
MAINTAINING THE DDA'S GENERAL LEDGER AT THE DDA OFFICES**

Whereas, In July, 1998 The DDA hired a Fiscal and Administrative Manager to oversee its financial operations;

Whereas, In 2001 the DDA opened its own bank account to deposit parking facility revenue and began reimbursing some vendors from this account;

Whereas, In 2002 the DDA opened a second bank account to deposit parking meter revenue;

Whereas, In January, 2003 the DDA hired its own financial advisor to maximize the DDA's investment income;

Whereas, The Ann Arbor Housing Commission, Ann Arbor Pension Board and the Ann Arbor Transportation Authority maintain separate financial operations from the City;

Whereas, The Operations Committee has voted to recommend that the DDA assume responsibility for the remaining portion of its accounting operations, including maintaining its general ledger at the DDA office;

Whereas, This would reduce pressures on the City's Finance Department;

Whereas, The total cost of transferring this remaining portion of the DDA's financial operations to the DDA office is estimated to be less than \$10,000, including the purchase of new software;

Whereas, The DDA will contract with the City's auditor for a semi-annual and an annual audit of the DDA's finances for the first year to be presented to the DDA Operations Committee, and an annual audit thereafter, with the option of having additional semi annual audits if deemed necessary;

RESOLVED, That the DDA authorizes opening a checking account for the remainder of the DDA vendor payments and maintaining the DDA's general ledger in the DDA offices as of January 1, 2004.

Mr. Morehouse reported that he and Ms. Pollay met with Jeffrey Stark, Chief Financial Officer for the City, to discuss this change and to discuss the checks and balances that would be in place to safeguard DDA finances. There were no strong objections to this change.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

Mr. Dankert said that the 2002/2003 audit was distributed to DDA members and would be reviewed in detail at the next committee meeting.

PARTNERSHIPS COMMITTEE

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

**RESOLUTION APPROVING A \$51,900 LOW-INTEREST LOAN TO THE SCHWABEN BUILDING
IN SUPPORT OF ITS HISTORIC FAÇADE 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 for the Schwaben Building (113 & 115 S. Ashley Street) seeking assistance for a façade restoration on a property located within the Main Street Historic District, which is part of 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 DDA has been asked to provide a low-interest loan for \$51,900 at 2% interest at the following terms:

Amortization: 10 years
Balloon: 5 years
Payments: Months 1-12 principal only
Monthly 13-24 principal only
Months 25-36 interest only
Months 37-48 interest only
Months 49-59 interest only
Month 60 payment in full

Whereas, The building façade is a prominent feature of this building and represent only a 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 owners of the Schwaben Building in the amount of \$51,900 under the terms requested above;

Resolved, The DDA Executive Director is authorized to sign the necessary documents for this action.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

First/Washington-Status. Mr. Solo reported that architects from Hamilton-Anderson gave a presentation on various scenarios and cost estimating for this site. They were asked to provide more detailed information on soft costs and construction costs for downtown Ann Arbor.

CAPITAL IMPROVEMENTS COMMITTEE

First/Washington. Mr. Beal reported that the supplemental repair work by Western Waterproofing had been completed and that bi-monthly structural inspections and nuisance repairs continue.

S. State Street Area Project. Mr. Beal reported that they are in the process of closing Phases I and II with final invoice payments for Abbott and Doan Construction, although there is still discussion of some remaining change orders. Construction for Phase III will begin in the spring as arrangements with Doan have been set.

Forest Structure. Mr. Beal reported that additional quotes for construction of the pedestrian entrance are expected this month with work to be performed next spring. A credit for the roof repairs has been provided by the original contractor so work can be performed by an alternate contractor next spring.

Bike Lockers. Mr. Beal reported that 20 lockers have been orders to be installed at various locations in downtown parking structures/lots. Delivery and installation is anticipated in January/February.

First/William Parking Structure. A contract has been signed with Fishbeck, Thompson, Carr & Huber and a kick-off meeting was held on November 20, 2003. Responsibilities were assigned for sub-consultants and for first phase of the work plan. A meeting with the Ann Arbor Railroad will be held this week to discuss right-of-way and clearance issues. There will be a public meeting on December 9, 2003 at 7 pm at the Library to give community members a chance to meet some of the members of the design team and provide information on this project. All are invited.

Other. Mr. Beal moved and Mr. Boren seconded the following resolution:

**RESOLUTION APPROVING THE RECOMMENDATIONS FROM THE GREENWAY
COLLABORATIVE, INC. TO IMPROVE PEDESTRIAN AND BICYCLE CONDITIONS IN THE
STATE STREET AREA**

Whereas, The 2003 DDA Renewal 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 serving as the primary sponsor of the Get!Downtown's Go!Pass program;

Whereas, Upon the request of the DDA's Citizens Advisory Council, on March 5, 2003 the DDA approved a proposal from the Greenway Collaborative, Inc. for a study which would develop recommendations to minimize conflicts between pedestrians and bicycles in the State Street Area;

Whereas, This study is now complete and a series of recommendations have been made on a number of issues, including the following:

Shared use arrow pavement markings	Signalized "T" intersection improvements
Bicycle warning signs	Bike parking and bike parking signage
"Walk Your Bike" signs	Bike safety posters and banners

Resolved, The DDA endorses the recommendations as set forward by the Greenway Collaborative, Inc. to minimize pedestrian/bicyclist conflicts in the State Street Area, and urges their approval by the City of Ann Arbor Traffic Engineers.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

Mr. Beal moved and Mr. Gillett seconded the following resolution:

RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH POLLACK DESIGN ASSOCIATES FOR THE HURON, FIFTH, & DIVISION STREETS IMPROVEMENTS PROJECT STUDY

Whereas, At its January 2003, meeting, the DDA reviewed a draft transportation Goal Statement, which set forward ideas to improve access to downtown, including fostering alternative transportation, developing a way finding program and mitigating traffic congestion;

Whereas, At its June 4, 2003 meeting the DDA authorized the DDA Capital Improvements Committee to commit resources to pursue the development of an improvement project along Huron Street, from Chapin to Thayer, and along Fifth and Division Streets, from Packard to Beakes;

Whereas, As part of this resolution the DDA set forward that this project would be undertaken in association with the City Alternative Transportation Coordinator and Committee, in order to meet the City's alternative transportation and non-motorized goals;

Whereas, The DDA Capital Improvements Committee resolved to begin by undertaking an indepth examination of these corridors which would ultimately lead to a shared vision, similar in scope to the Urban Workbook produced by the University of Michigan preceding the State Street Area Improvements Project;

Whereas, On September 23, 2003, a request for proposals for this Urban Workbook was mailed to 20 urban planning/design/architectural firms; five of which submitted proposals on October 21, 2003;

Whereas, On October 27, 2003, a Selection Committee comprised of DDA representatives and City staff, including the Alternative Transportation Coordinator, elected to interview three firms, and following these interviews, on November 14, 2003 the Selection Committee chose the firm of Pollack Design Associates, in association with Quinn Evans/Architects, Washtenaw Engineering Co., Inc.,

The Greenway Collaborative, Inc., and Alexander Resources, as the best firm to develop an Urban Design Workbook for the Fifth, Division, and Huron Streets Improvements Project; and

Whereas, The DDA Project Manager and Capital Improvements Committee reviewed and approved the scope of services to be provided by the consultant, and the fees associated with those services;

Resolved, That the DDA approves a Professional Services Agreement with Pollack Design Associates in the amount not to exceed \$241,725.00 to work with the DDA, City, and community to develop an Urban Design Workbook for the Fifth, Division, and Huron Streets Improvement Project; and

Resolved, That the Capital Improvements Committee Chair and DDA Executive Director are authorized to oversee and execute said Professional Services Agreement.

Resolved, The DDA shall request assistance from the City in support of this project, including the active participation of the City Alternative Transportation Coordinator and Planning Director.

A vote on the motion showed:

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

NAYS: None

Absent: Sipes

The motion carried.

RESEARCH AND OPPORTUNITY COMMITTEE

Mr. Aldrich reported that the Committee asked staff to collect census data, which was included in the board packet for all DDA members to review. Mr. Aldrich pointed to some census details. They will refine the information and compare them to the Citywide and Countywide statistics. Mr. Aldrich reported that they have also discussed how to market the DDA and the downtown.

8. OTHER BUSINESS

None.

9. AUDIENCE PARTICIPATION

Jim Mogensen said that with the reorganization taking place at the City, this was an important time to consider the various policy choices relating to AATA, First & Washington, and YMCA. We need more coordination between the Housing Policy Board, Council, and the DDA. He said that in addition to attending DDA meetings, he also works to keep track of AATA, which can be very complicated. AATA receives federal funding and as a result they must assemble community comments which is a good source of information.

10. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:30 p.m.

Respectfully submitted,
Susan Pollay, Executive Director