

MINUTES
Downtown Development Authority Meeting
Wednesday, December 5, 2001

Place: Kerrytown Concert House
415 N. Fourth Avenue, Ann Arbor, MI 48104

Time: Vice-Chair, Bob Gillett, called the meeting to order at 12:11 p.m.

1. ROLL CALL

Present: Ron Dankert, David Fritz, Bob Gillett, Rene Greff, Leah Gunn, John Hieftje, Lorri Sipes, Dave Solo, Skip Ungrodt

Absent: Rob Aldrich, Fred Beal, Dave DeVarti

Staff Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy DDA Director
Sarah Armstrong

Audience: Jim Corbett, Republic Parking
Ray Detter, Citizens Advisory Council
Adrian Iraola, City of Ann Arbor/DDA
Brenda Macon, Ann Arbor Area Chamber of Commerce
Cathy O'Donnell, Ann Arbor News
Peter Pollack, Pollack Design Associates
Ethel Potts, Citizen
Wendy Rampson, City of Ann Arbor Planning Department

2. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Dankert seconded a motion to approve the minutes of November 7, 2001:

A VOTE ON THE MOTION SHOWED:

AYES: Dankert, Fritz, Gillett, Greff, Gunn, Hieftje, Sipes, Solo, Ungrodt

NAYS: None

Absent: Aldrich, Beal, DeVarti

The motion carried.

3. AUDIENCE PARTICIPATION

None.

4. CITIZENS ADVISORY COUNCIL

Every December the Citizens Advisory Council meets at my house for a dinner meeting at which we discuss our plans for the coming year. At last night's meeting we focused our discussion on recommendations we might make for changes in the Executive Summary of the DDA's 2032 DDA/TIF Plan as well as in the larger Plan itself. All the CAC members believe renewal of the DDA is essential to the future of our downtown. We are all going to have to live with this plan for the next thirty years, so it's important that we get it right.

Over the last year, the CAC has had the opportunity to provide our input in the shaping this plan. We are pleased with the progress that has been made in its development. Defining its objectives in seven broad areas-- development partnerships, infrastructure, transportation, business encouragement, housing, identity and sustainability-- it is both comprehensive in its vision and yet very specific about important details of what we need to do to create a better future for the downtown.

As you all know, a major part of the CAC's commitment is to improving the downtown residential environment and the downtown pedestrian experience shared alike by residents and visitors. That commitment is related to every one of the seven objectives in the emerging DDA Plan. In the coming year you can count on us to support you in the process of seeking DDA renewal. Once the DDA is renewed, the CAC looks forward to developing complementary strategies directed to help you in the process of implementing our common goals.

Of course, it won't happen without a good DDA Board and a strong Executive team. We admire the work and commitment of the current board, the wonderful intelligence, energy and direction of Executive Director Susan Pollay, and the work and talents of Joe Morehouse and other members of the DDA staff. But the DDA can be made even more perfect.

You have before you today a resolution to hire Adrian Iraola as the DDA's Project Manager. The CAC usually makes its decisions by consensus. But last night our members asked for a vote to show our strong support for your approval of the resolution to hire Adrian. The vote was loud and unanimous. Members of the CAC have all had the opportunity to meet Adrian as he has done a superb job of completing many past projects in the downtown. We are all witnesses to his dedication, his broad knowledge, his ability to get things done, and his impressive engineering skills. No person could perform the job of Project Manager better than Adrian. This chance to hire him for the downtown is an opportunity that we must not miss.

5. NEW BUSINESS

Ms. Pollay announced that as the DDA's regularly scheduled board meeting would fall a day after New Year's Day, following a survey of the Board, it was decided to reschedule the meeting to January 9, 2002.

6. OLD BUSINESS

Mayor Hieftje passed out a "retirement fact sheet, which was drafted in response to a series of newspaper articles containing inaccurate and incomplete remarks. He said as an example that the savings derived from positions eliminated last year was \$2.7M, and that the projected pay out of \$4.9M over the next 5 years is less than the \$6 M paid out over the previous 5 years.

Mr. Aldrich enters.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE

Mr. Dankert presented the financial report. He said that parking revenues are up, and that on the expense side there is shown the unbudgeted \$175,000 payment to the Chamber of Commerce for the Go! Pass. During the month the DDA received some of the Historic Foundation money earmarked for the historical markers. The expense for the markers is shown under "fixed assets" but will be separated in the future. **Mr. Dankert moved and Ms. Gunn seconded accepting the financial report.**

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Dankert, Fritz, Gillett, Greff, Gunn, Hieftje, Sipes, Solo, Ungrodt

NAYS: None

Absent: Beal, DeVarti

The motion carried.

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

RESOLUTION TO HIRE ADRIAN IRAOLA AS THE DDA's PROJECT MANAGER

Whereas, The DDA was created with a mandate to undertake public improvements to encourage private investment downtown;

Whereas, These DDA improvements include large parking structure and pedestrian improvement construction projects which involve complex engineering and a great deal of communication between the DDA and the City and the community;

Whereas, At its August 1997 meeting the DDA voted to approve an ambitious multi-year parking structure repair program and also approved the creation of a Project Manager position to be principally responsible for oversight of these repairs;

Whereas, At the December 11, 1997 DDA meeting the DDA approved a resolution put forward by the DDA Parking Construction Committee that a City Engineer be assigned to the DDA as Project Manager and that Adrian Iraola specifically be named as DDA Project Manager given his extensive familiarity with downtown facilities and the DDA Board and its Committees, and his lengthy involvement with DDA projects at that point;

Whereas, No action was taken on this resolution due to City Public Services Department needs for Mr. Iraola's services with a number of other important City projects;

Whereas, On April 18, 2002 the DDA voted to hire Adrian Iraola as a contract employee for the period of May 1, 2000 through April 30, 2002 for eight hours a week, supplementary to his responsibilities for the City Public Services Division, as a way to make him available to oversee such DDA projects as the State Street Area Pedestrian Improvements and Fourth & William parking structure repair projects;

Whereas, Mr. Iraola has signaled his intention to resign from the City of Ann Arbor effective December 31, 2001 to pursue other opportunities;

Whereas, The DDA Operations Committee voted to recommend hiring Adrian Iraola effective January 1, 2002 as the DDA's full time Project Manager;

Whereas, The DDA Executive Director has met with Mr. Iraola to discuss terms of employment as agreed to by the DDA's Operations Committee, and these terms are acceptable to both parties;

RESOLVED, The DDA resolves to hire Adrian Iraola as the DDA's Project Manager effective January 1, 2002;

RESOLVED, The DDA Executive Director is authorized to complete the necessary administrative and budgetary documentation to implement this resolution.

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Dankert, Fritz, Gillett, Greff, Gunn, Hieftje, Sipes, Solo, Ungrodt

NAYS: None

Absent: Beal, DeVarti

The motion carried.

Mr. Dankert reported that the Operations Committee is very pleased with the work that's been done on the structures for a lot of different reasons.

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

**RESOLUTION TO AUTHORIZE A 2001 YEAR-END BONUS FOR REPUBLIC PARKING
FOR MANAGEMENT OF THE DDA PARKING FACILITIES**

Whereas, The DDA entered into a contract with Republic Parking Systems that began February 1, 2001 for management of the DDA's parking system;

Whereas, The contract specified that Republic Parking was eligible for a year-end bonus based upon the criteria set forth by the contract in the range of \$70,000;

Whereas, Quarterly survey responses indicate customer satisfaction at levels of excellent, good or average rose 12.5% when measured against responses in 2000;

Whereas, Republic Parking was able to create a budgeted operating surplus of 2.5% during the first five months of the contract;

Whereas, The DDA's Parking Inspector's ratings for facility cleanliness have given Republic 98.15% points out of a possible 100 during the past year;

Whereas, The number of unaccounted for (dead) tickets has been reduced from 10.5% under the old management company to 1.6% under Republic management;

Whereas, The overall satisfaction with Republic's management of the facilities has been very good, with very high marks being given for communication and prompt resolution of all problems brought to their attention; and

Whereas, The DDA's Operations Committee has recommended a \$60,000 bonus payment to the DDA Board;

RESOLVED, That the DDA Board authorizes the payment of \$60,000 to Republic Parking Systems as a bonus to be payable with the December expense reimbursement paid in January 2002.

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Dankert, Fritz, Gillett, Greff, Gunn, Hieftje, Sipes, Solo, Ungrodt

NAYS: None

Absent: Beal, DeVarti

The motion carried.

Mr. Dankert reported that the DDA had received a request from the Main Street Area Association to use the Kline's lot to expand their annual "Rolling Sculpture" car show next July. The Committee had approved its use, and Ms. Pollay said that a letter had been subsequently mailed to MSAA indicating this approval. Mr. Fritz indicated his support for this action, saying that the success of the event has necessitated expansion.

Mr. Dankert reported that the Committee had not approved the request from Mr. Konkle for special sales incentives for low-speed electric cars, including the provision of discounted monthly permit rates and free electrical outlets, but rather would continue to study the issue. In the meanwhile, staff has been directed to continue to work with Mr. Konkle to assist on a case-by-case basis.

PARTNERSHIP COMMITTEE

Mr. Gillett moved and Ms. Sipes presented the following resolution:

RESOLUTION PROVIDING \$50,000 FOR DOWNTOWN AREA ASSOCIATION GRANTS FOR FY 2001/2002 AND SPONSORSHIP OF ASSOCIATION REPRESENTATIVES TO THE 2002 IDA CONFERENCE

Whereas, The Ann Arbor Downtown Development Authority Plan contains a component for the encouragement of retail businesses;

Whereas, The DDA has worked to meet this goal in large part through partnerships with the four downtown area associations;

Whereas, This has included annual financial grants to the associations since 1995/96 to underwrite their marketing, analysis, and event planning efforts;

Whereas, The DDA has a special interest in efforts aimed at supporting downtown's smaller, independent businesses, as well as projects that help to strengthen each downtown area's unique identity and attractiveness;

Whereas, The International Downtown Association provides an important opportunity for networking and education at its annual conference; including the opportunity to learn about innovative downtown programs

from around the country;

RESOLVED, The DDA shall increase its grant program and set aside up to \$12,500 each for the State Street Area Association, Main Street Area Association, South University Area Association, and Kerrytown Historic Market District in FY 2001/2002 for projects which best benefit businesses in their respective areas;

RESOLVED, Detailed project proposals must be presented no later than May 15, 2002 to the DDA for consideration before it can be determined that payment will be made;

RESOLVED, Prior to providing project grants, the DDA must receive the following no later than June 15, 2002 detailed project proposals must be presented in form and content acceptable to the DDA:

- τ A copy of all general membership meeting minutes for the previous year
- τ A list of Association members, board members and officers
- τ A fiscal year Association budget, including details on income sources and amounts, administrative costs, etc. A suggested budget outline is attached to this resolution.
- τ A detailed project description, including total expenses and audience served, etc.
- τ Original project receipts

RESOLVED, A representative from each Association will be invited as a sponsored guest of the DDA at the 48th annual International Downtown Association conference to be held this year in September in Boston, Massachusetts. The DDA will take responsibility for conference enrollment, and will reimburse Association participants a per diem amount for hotel and travel costs that will be determined prior to registration;

RESOLVED, Each Association representative shall be required to attend Conference roundtable discussions and workshop presentations on such subjects as retail promotion, promotions, and business development, and report back to their Associations on the conclusions gained from this experience.

Mr. Gillett stated that he had become an advocate for this program, as he has seen most of the associations become more sophisticated and proactive for their members over the years. Ms. Greff reported that the committee decided to increase the amount of the grant from \$40,000 to \$50,000 as it has been several years since the amount was augmented. The associations' commitment to the downtown was praised. Ms. Greff and Mr. Solo said they would be abstaining due to their board roles in two of the associations.

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Dankert, Fritz, Gillett, Gunn, Hieftje, Sipes, Ungrodt

NAYS: None

Abstain: Greff, Solo

Absent: Beal, DeVarti

The motion carried.

First/Washington Project-Status. Mr. Gillett reported that the committee met with the Freed Group recently. It had been suggested by the Freed Group to bifurcate negotiations, focussing on parking issues with the DDA and housing and air rights sale issues with Council. The Committee said they had resisted this, as Council had directed them to develop a comprehensive plan that both the DDA and Council would be comfortable with. The Committee hopes to be able to report on more details in the coming months, as Freed has been directed to provide a conceptual plan for the City-site only by mid-January, given their lack of success formulating partnerships with adjoining property owners.

CAPITAL IMPROVEMENTS COMMITTEE

Fourth & William Repairs-Status. In Mr. Beal's absence, Mr. Iraola reported that the project is essentially closed down for the winter. He had met with Detroit Edison regarding the electrical work and it was decided to stay with secondary power rather than primary as it will reduce project costs. The adjacent alley will be closed

for 2-3 days in the next few weeks for electrical work. Work on the northeast stairway continues. Concrete and other work will begin again in March.

State Street Area Pedestrian Improvement Project-Status. Bids will be opened in January 15th. Mr. Iraola said that there will be a prebid meeting with public utilities and a presentation to SSAA members, saying that it is very important that stakeholders be made aware of the schedule and how they will be affected. Ms. Pollay reported that there was a meeting a month ago to address concerns with Liberty Plaza Park, and a request has been made to include additional lighting in the Park as part of this project. She will be meeting with the newly formed "Friends of Liberty Plaza Park", the Parks Dept. and Peter Pollack to determine what kinds of lighting improvements might be made and at what cost. Mayor Hieftje reported that the porta potty at Liberty Plaza has been removed and they are looking into installing coin restrooms.

Mr. Dankert asked the status of the State Street Lofts project. Ms. Pollay said she has been working with Planning and Attorney's office staff on the parking agreement, and that it is planned to go to Council on December 17th.

Forest Parking Structure-Status. Mr. Iraola reported that they are still working on a final punch list. Things are moving slowly and the contractor has submitted additional cost claims that they will be addressing.

PLANNING COMMITTEE

Ms. Sipes moved and Ms. Gunn seconded the following resolution:

RESOLUTION TO PROCEED WITH THE PUBLIC APPROVAL PROCESS OF THE 2032 DOWNTOWN DEVELOPMENT AUTHORITY PLAN

WHEREAS, the DDA Planning Committee began discussions in September, 1999 regarding renewal of the Downtown Development Authority, and;

WHEREAS, there are three important benefits that will result from that renewal:

1. Focus – renewal of the DDA allows a dedicated body to pay singular attention to the continuing health and vitality of downtown Ann Arbor. The DDA is also the only downtown-focused group with a funding source for implementing its vision.
2. Demonstrated success – since 1982 the DDA has invested over \$50M in downtown Ann Arbor that has supported over 1M additional SF of private development downtown. New and future opportunities for downtown partnerships, housing, open space, transportation and parking projects can best be accomplished by the DDA.
3. Existing commitments – should the DDA cease to exist in 2012, the responsibility for significant long-term debt would fall to the City of Ann Arbor. Further, the ability of the DDA to undertake new projects and incur additional debt would be hampered without extending its life beyond 2012.

WHEREAS, the DDA passed a resolution (November, 2001) to maintain the existing boundaries with the exception of the Forest structure in the 2032 DDA Plan; and,

WHEREAS, over the past two years many discussions with stakeholders, Board members and the citizenry in general have taken place and those discussions have shaped the current Working Draft of the 2032 Plan (dated December 5, 2001); be it hereby

RESOLVED, that the Planning Committee be granted the authority to proceed with the public review process, to receive feedback, to revise the 2032; and, to present the Final Draft of the plan to the Board for review and approval once the public process is complete.

Ms. Sipes thanked everyone, including past and present Board members, and also Wendy Rampson and Ray Detter for their help in developing the 2032 Plan, which is essentially complete at this time.

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Dankert, Fritz, Gillett, Greff, Gunn, Hieftje, Sipes, Solo, Ungrodt
NAYS: None
Absent: Beal, DeVarti
The motion carried.

South University Study-Status. Mr. Solo reported that there was a public meeting with Mr. Larry Molnar presiding. It was not heavily attended but there were representatives from the South University Association in attendance. Ms. Pollay said that there will be focus group meetings in January and students are still gathering data on concerns such as: 1) Do we have a problem in this area?; 2) If yes, what is the problem?; and 3) How do we address this problem in terms of a neighborhood vision for this area? Mr. Solo said that with the information from the study SUAA hopes to work with area property owners to recruit a diversity of businesses that will make the area viable for the long term.

8. OTHER BUSINESS

Mr. Aldrich reported that the DDA received a request from the Hands On Museum for \$150,000 to support repairs to the old firehouse building, and this request will be referred to the Operations Committee. Jim Frenza will be asked to attend the next Committee meeting to provide additional information.

Mr. Aldrich thanked Ms. Sipes for all her work drafting the DDA's 2032 Plan. Others added their appreciation.

Mr. Ungrodt said he thought that someone from the SSAA should be appointed to the DDA since two other associations were represented on the Board. Mr. Aldrich pointed out that the Council ordinance creating the DDA did not specify area association membership when setting forward membership criteria; rather board members were asked to be concerned about all of downtown. Ms. Greff agreed, saying that selecting DDA members on the basis of association membership fostered partisan biases, rather than a concern for broader perspectives. Many other DDA members affirmed their agreement.

Mayor Hieftje said he just returned from our sister city of Tubingen and one of the things discussed was to have an Ann Arbor business group go there. He suggested the DDA consider sending a delegation, as there's a tremendous amount to learn. It's a vibrant City with a lot of retail shops and people living downtown.

9. OTHER AUDIENCE PARTICIPATION

Ms. Rampson said she had a number of things to report on to the DDA. She said that the Planning Commission had adopted the City's Capital Improvements Plan and at a retreat said that they would like to continue discussions with the DDA and others on height issues in downtown. She said that the YMCA had submitted a site plan for the Technology Center site and the Planning Commission would like the DDA to comment on this plan. She reported that the Accessory Dwelling Units ordinance amendment has been revised and will come back to the Planning Commission in January. She promised to get copies of this amendment to the DDA for their information. Ms. Rampson also reported that Peter Allen met with City staff to see if there is an opportunity for City involvement in the Lower Town project, but that the DDA should know that the Lower Town plan is still a draft that hasn't yet been approved by the Planning Commission.

10. ADJOURNMENT

As there was no further discussion, upon motion, the meeting was adjourned at 1:34 p.m.

Respectfully submitted,
Susan Pollay, Executive Director

