

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, October 1, 2008**

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

1. ROLL CALL

Present: Russ Collins, Dave DeVarti, Leah Gunn, Jennifer Hall, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Sandi Smith, John Splitt

Absent: Gary Boren, Rene Greff

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant

Audience: Fran Alexander, Alexander Resources
Peter Allen, Peter Allen & Associates
Dave Askins, Ann Arbor Chronicle
Tony Bisesi, Republic Parking
Ray Detter, CAC
Ray Fullerton, CAC
Alex Hassinger, U/M Public Policy School
Adrian Iraola, Washtenaw Engineering
Courtney Mitchel, getDowntown Program
Ethel Potts, Citizen
Nancy Shore, getDowntown Program

2. AUDIENCE PARTICIPATION

Mr. Detter said that Jon Frank/Village Green presented information on First & Washington project changes since January, including apartments increasing from 146 to 156, affordable housing units increasing from 15 to 16, and the switch to a metal façade instead of brick as a cost saving measure. The project goes before the Planning Commission on Tuesday and the CAC will communicate its support for the project.

3. STATUS OF CITY TASKFORCE EFFORTS WITH DDA MEMBERSHIP
--

A2D2: Mr. Hewitt said that new zoning changes were given to the Planning Commission and two public hearings were held on them. There are no other meetings scheduled for the A2D2 at this time. After this item is approved the A2D2 Taskforce will use the Calthorpe Study to determine next steps.

Connector: Mr. Hewitt said that AATA received 3 responses to its Connector Feasibility Study RFP and a selection will be made at their October board meeting. This Study will assess job and population locations, travel patterns, and potential new ridership. A future phase will select a preferred route and mode type.

Mr. Boren enters.

Taskforce on Sustainable Revenue for Supportive Housing Services for Ending Homelessness: Ms. Smith said that the Taskforce completed its final report and is scheduled for a County Commission Working Session on October 16. The report focuses on locating \$5,000 per unit per year for 500 units. Ideas include creating an endowment, and establishing bridge funding from a complex pool of sources until the endowment is in place, including redirecting existing service dollars and a millage.

415 W. Washington Selection Committee: Mr. Mouat reported that interviews were held August 13 and although none of the three bidders responded 100% to the RFP, there were some exciting ideas. The Committee is in the process of finalizing its recommendation.

4. MINUTES

Ms. Smith moved and Mr. Hewitt seconded approval of the September 3, 2008 regular board meeting minutes. Ms. Hall asked for a correction on page 5... "she was not saying no to all new public parking ever, but just not this project *at this time.*" Mr. Collins noted a correction on bottom of Page 4 – he voted *in support of the amendment.* Ms. Smith noted that *“. . .that the new DDA Transportation committee will also be charged with ongoing assessment of downtown parking demand.”* Ms. Lyke and Ms. Pollay said that these changes would be made to the September minutes.

A vote on the motion to approve the minutes as revised showed:

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

NAYS: None

Absent: Greff

The motion carried.

5. OPERATIONS COMMITTEE

Financials: Mr. Hewitt explained that June 2008 financial reports reflected audited numbers. He said that the difference in anticipated and actual TIF capital expenses was due to the contractors' delay in submitting bills for work performed. Mr. Collins suggested that future contracts include a clause that invoices must be submitted within 30 days of the completion of work. Mr. Hewitt said that parking revenue was better than anticipated, and other funds were as anticipated. He said that MSA reported that their electric costs had improved due to the new LED holiday lights. **Financial reports through June 30, 2008 were moved by Mr. Hewitt, seconded by Ms. Gunn and unanimously approved.**

Shift to Demand Management: Mr. Hewitt reported that the pay station selection committee will visit Milwaukee and Seattle to evaluate the proposed equipment in the field. Initially, the DDA will install 25 machines as a pilot project before the installation of 150 additional machines. Data transmission is being tested with the existing machine at Ashley Mews. Republic Parking is installing new credit card software and will begin testing credit card billing for AVI usage in November.

Parking Rates. Mr. Hewitt said the committee will discuss parking rate increases at their next meeting and invited all interested board members to participate in the discussion.

8. PARTNERSHIPS COMMITTEE

The following resolution was moved by Ms. Smith and seconded by Mr. Collins:

RESOLUTION TO SUPPORT THE ANN ARBOR AREA CONVENTION & VISITOR BUREAU'S REQUEST FOR A 3% INCREASE IN THE COUNTY ACCOMMODATIONS TAX

Whereas, The Ann Arbor Area Convention & Visitors Bureau (AAACVB) is the umbrella organization for tourism attraction in Ann Arbor, and it has shown a remarkable record of success;

Whereas, A 2006 study noted that tourism directly accounts for 5,900 jobs and \$133 million in wages, salaries and payroll benefits in Washtenaw County and annually generates \$431 million in visitor spending;

Whereas, The Ann Arbor DDA has been asked to join business/entertainment associations, hotels, restaurants, and the University of Michigan to support the AAAC&VB's request for a 3% increase in the accommodations tax in Washtenaw County (currently at 2%) paid for by out-of-town visitors;

Whereas, If the accommodations tax is increased as requested, the County room tax rate will remain as low as or lower than nearly all peer areas in the state;

Whereas, Revenues generated by a tax increase will be designated for the Ann Arbor and Ypsilanti Area Convention and Visitor Bureaus, and will be used to attract tourism to the County using a comprehensive and strategic marketing plan involving additional advertising, public relations, outreach and tourism/convention attraction;

Whereas, The DDA/City Partnerships Committee reviewed this request and enthusiastically recommends that the DDA approve this request, as visitors play a critical role in the economic health of the downtown and bolstering awareness of our downtown and its attractions will have a very positive impact on the viability of downtown businesses and cultural organizations;

RESOLVED, The DDA lends its support to the Ann Arbor Area Convention and Visitors Bureau request to increase the accommodations tax in Washtenaw County from 2% to 5%.

Ms. Smith reported that tourism accounts for a great deal of economic benefit in the downtown and revenues from this room tax will be used by the Ann Arbor and Ypsilanti Convention Bureaus to attract additional tourism. **Mr. DeVarti suggested two amendments to the resolution and both were accepted as friendly by Ms. Smith and Mr. Collins.**

Whereas, The Ann Arbor DDA has been asked to join business/entertainment associations, hotels, restaurants, and the University of Michigan to support the AAAC&VB's request for ~~a 3% increase~~ an increase to 5% in the accommodations tax in Washtenaw County (~~currently at 2%~~) paid for by out-of-town visitors;

RESOLVED, The DDA ~~lends its~~ supports ~~to~~ the Ann Arbor Area Convention and Visitors Bureau request to increase the accommodations tax in Washtenaw County from 2% to 5%.

A vote on the amended resolution motion showed:

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

NAYS: None

Absent: Greff

The motion carried.

Ann Arbor District Library Plans – Ms. Smith reported that Ms. Josie Parker attended the last meeting and provided an update. She said that the AADL board is committed to stay at their current site and rebuild with a larger facility that will include a 400-seat auditorium; Reading Room and a much larger children's area. The estimated cost for the project is currently \$71 million which may be paid for through a combination of bond, millage and fundraising.

UM Request for a DDA Grant. Ms. Smith said that the UM has asked the DDA for a \$50,000 grant to be used for improvements to the UM/AATA bus facility on NU/Geddes near CC Little. The Committee determined that this request should be referred to the future DDA Transportation Committee, and at that time the UM would need to provide a design sketch, information on their bike/pedestrian strategies, and a map showing the City right-of-way line.

First & Washington: Ms. Smith said that the Committee discussed proposals provided by Village Green. The first would have the DDA providing \$20,000/space for motorcycle parking in the new structure for a total of \$380,000. The second would provide 3 additional car parking spaces at a cost/space previously agreed upon. The Committee directed staff to write a letter saying yes to the new car spaces and no to the motorcycle spaces.

LEEDS and Energy Saving Programs: Ms. Smith reported that the committee will continue to discuss the potential development of a LEEDS incentive program at its next meeting, as well as a possible Housing Fund grant program for affordable housing providers interested in making energy saving improvements to their facilities.

6. CAPITAL IMPROVEMENTS COMMITTEE

S. Fifth Avenue Structure: Mr. Splitt reported that the site plan was submitted and additional information provided to City staff. There is a City Council working session scheduled for October 13th to discuss this project and the 5th & Division Phase I project. An open house is scheduled for the public on October 14th, and the session will provide an opportunity to present the plan and to receive public comments. The project is scheduled for the October 21st Planning Commission agenda.

5th & Division Phase I: Mr. Splitt said that after Monday's work session, that a resolution to accept the Transportation Enhancement (TE) grant from the State would be on City Council's October 20th agenda.

Alley Repairs: The DDA received a request to repair the alley between Huron/Chapin. A title search was done and the location has been added to the list as a potential project for next year.

7. RESEARCH AND OPERATIONS COMMITTEE

Energy Saving Grants: Mr. Collins reported that the DDA's application deadline was September 30th and 47 applications had been received which is a terrific response for a first-time program. Mr. Dave Konkle, former City Energy Coordinator, has been hired to help coordinate the process and provide advice on next steps. ROC will review staff recommendations and make decisions on grant awards for Phase I and begin to shape Phase II at its next Committee meeting.

DDA Annual Retreat: Mr. Collins stated that the DDA retreat will take place October 29 and Ms. Fran Alexander will facilitate the session again this year. The agenda will include a discussion of the DDA committee structure and priority projects for the coming year. A survey will be sent to Board members to complete prior to the retreat.

Wayfinding: Mr. Collins said that information was sent to MDOT approximately 2 months ago asking approval for our signs in the MDOT right-of-way and staff expects to hear from them soon. DDA staff met with City staff to hear their comments. They've asked to make some changes to the sign poles and sample materials have been requested. Once these have been addressed Corbin will put the project out to bid and will bring the DDA a recommended contractor for approval.

Board Meetings: Mr. Collins noted that ROC is discussing the possibility of telecasting or live streaming DDA Board meetings and staff have been asked to bring back options. Mr. Hieftje said that most City commissions are televised.

10. OTHER DDA BUSINESS MATTERS

Mr. Heiftje said that the City has been approached by a company interested in replacing existing billboards with LED billboards. He asked for opinions on this idea. One possible benefit would be the opportunity for the police to take over the billboards for Amber Alerts, boil water advisories, etc.

Mr. DeVarti said that community members have told him their concern that the City is no longer replacing dead trees in the downtown because the city has redirected these funds to the new court/police building. Ms. Pollay said that in 2008 the DDA replaced nearly 100 downtown trees and she would work with staff to highlight this on the DDA website as a way to let community members know that tree replacements continue. She also asked Mr. DeVarti if he could provide her with locations for downtown tree replacements for next season to ensure citizen needs were being met.

11.	OTHER AUDIENCE PARTICIPATION
------------	-------------------------------------

Mr. Detter invited everyone to a public dedication of a trio of historic wall exhibits on October 2nd at West Washington and Ashley Streets.

12.	ADJOURNMENT
------------	--------------------

As there was no further discussion Ms. Gunn moved and Mr. Collins seconded adjournment of the meeting at 1:15 PM.

Respectfully submitted,
Susan Pollay, Executive Director