

**Ann Arbor Downtown Development Authority Meeting Minutes  
Wednesday, November 5, 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.

<b>1. ROLL CALL</b>
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Present: Gary Boren, Russ Collins, Dave DeVarti, Rene Greff, Leah Gunn, Jennifer Hall, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Sandi Smith, John Splitt

Absent: None

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

Audience: Matthew Alemu, Citizen  
Steve Bean, Citizen  
Yohannes Cramlet, Village Green  
Bob Dascola, State Street Area Association  
Ray Detter, Downtown Area Citizens Advisory Council (CAC)  
Jada Hahlbrock, Republic Parking  
Adrian Iraola, Washtenaw Engineering  
Megan Keefer, Republic Parking  
Keith Orr, Aut Bar  
Nancy Shore, getDowntown Program

<b>2. AUDIENCE PARTICIPATION</b>
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Mr. Cramlet said that Village Green is in the process of securing financing for the City Apartments project. He asked the DDA if it would agree to modify the City/Village Green/DDA Parking Agreement to show a maximum number of parking spaces and thus a maximum payment from the DDA for these parking spaces so as to make the project more attractive to potential lenders.

Mr. Dascola thanked the DDA for its sponsorship of downtown association representatives to the IDA annual conference in September. He said that he felt that the conference provides many opportunities for networking and he learned about best practice information from downtowns across the country.

Mr. Detter said that CAC would like to see how the Downtown Plan amendments, new zoning, and design standards work together. Possibly computer models could be created that demonstrate this, with perhaps the DDA financing the modeling. He said that the CAC would support the approval of the Downtown Plan and zoning amendments if the design guidelines were approved at the same time. The CAC hopes that the community meetings deal with the most controversial areas of the integrated plans before it goes to City Council for final approval.

<b>3. STATUS OF CITY TASKFORCE EFFORTS WITH DDA MEMBERSHIP</b>
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A2D2 Steering Committee: Mr. Hewitt said that the Committee met last week. Ms. Rampson has been doing an excellent job meeting with many groups and individuals to elicit input, and he expects those meetings to continue for a couple months. He said that Ms. Rampson would be willing to meet with individuals upon request to answer questions or provide information. He said he expects the zoning changes to be approved early next year, and the Downtown Plan is not part of the A2D2 report.

Mr. Collins said that building heights seem to be a hot-button issue from the perspective of some community members. He wondered if citizens knew that restricting building heights may limit interest in development. Developers have indicated that a building must be quite tall to defray the costs of the project. Mr. Hieftje stated that even if City Council approved building height limits, additional floors could be added if the project were presented as a PUD.

Connector Feasibility Study: Mr. Hewitt reported that the cost estimate for the study is now approximately \$640,000. The Committee is negotiating with the company selected in response to the RFP. It is unclear at this time if the DDA will be asked to increase its level of funding.

Taskforce on Sustainable Revenue for Supportive Housing Services for Ending Homelessness: Ms. Smith said that the final report was presented to a County Working Session October 16 and thus the work of the Taskforce is completed. She will provide a copy of the report to the DDA in the near future.

415 W. Washington Selection Committee: Mr. Mouat reported that the Committee received new information about the site last week and is in the process of revising its final recommendations. This report is scheduled to be presented to City Council on December 1st.

**4.**

**NEW BUSINESS**

Ms. Hall said that it was a tradition to take a moment to appreciate the service of an outgoing DDA member. Mr. Hieftje moved and Ms. Gunn seconded the following resolution:

**RESOLUTION THANKING DAVE DE VARTI**

Whereas, Dave DeVarti has served with passion and dedication on the Ann Arbor Downtown Development Authority board since 1991, making him one of the longest serving volunteer board members in its 26 year history;

Whereas, During his tenure on the DDA Dave helped the organization to evolve beyond a relatively unknown agency to a highly visible, energetic and mission-driven organization that has developed enormous capacity to respond to the many, diverse and complex issues facing downtown;

Whereas, Dave DeVarti brought valuable insights as a small downtown business owner to the DDA, as well as an unswerving commitment to social justice concerns including affordable housing, living wage, and other policies that help to protect and enhance the worth of each individual;

Whereas, Dave's many contributions have been important factors in the goals and achievements of the DDA over the past many years;

RESOLVED, The Ann Arbor Downtown Development Authority extends its great thanks and best wishes to Dave DeVarti for his abundant contributions to the downtown, and indeed to the community as a whole, through his work on the Ann Arbor Downtown Development Authority.

Mr. DeVarti thanked the Mayor and City Council for allowing him to serve on the DDA Board. He also thanked them for appointing Mr. Orr to succeed him on the DDA as he believes that Mr. Orr will be an asset to the Board. He encouraged the DDA to work with the City to replace the very affordadable housing units lost at the former YMCA site. He said he looked forward to seeing the DDA succeed in meeting its challenges.

Mr. Collins said that in honor of Mr. DeVarti he wanted to make several amendments to the resolution (Mr. DeVarti and all laughed). Mr. Hieftje and Ms. Gunn both accepted these changes as friendly:

### RESOLUTION THANKING DAVE DE VARTI

Whereas, Dave DeVarti has served with passion and dedication on the Ann Arbor Downtown Development Authority board since 1991, making him one of the longest serving volunteer board members in its 26 year history;

Whereas, During his tenure on the DDA Dave helped the organization to evolve beyond a relatively unknown agency to a highly visible, energetic and mission-driven organization that has developed enormous capacity to respond to the many, diverse and complex issues facing downtown;

Whereas, Dave DeVarti brought **wonderfully** valuable insights as a small downtown business owner to the DDA, as well as an unswerving **and ardent** commitment to social justice concerns including affordable housing, living wage, and other policies that help to protect and enhance the worth of each individual;

Whereas, Dave's **service and** many contributions have been important factors in the goals and achievements of the DDA over the past many years;

RESOLVED, The Ann Arbor Downtown Development Authority extends its great thanks and best wishes to Dave DeVarti for his abundant contributions to the downtown, and indeed to the community as a whole, through his work on the Ann Arbor Downtown Development Authority.

#### A vote on the amended motion showed:

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

**NAYS: None**

**Abstain: DeVarti**

**Absent: None**

**The motion carried.**

All applauded.

New DDA Committee Arrangement: The Board reviewed a committee structure draft and provided edits. This information will be uploaded to the DDA website.

<b>5. MINUTES</b>
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Ms. Lowenstein moved and Mr. Splitt seconded approval of the October 1, 2008 DDA meeting minutes.

#### A vote on the motion showed:

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

**NAYS: None**

**Absent: None**

**The motion carried.**

<b>6. OPERATIONS COMMITTEE</b>
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Financials: Mr. Hewitt said that all line items were within accepted budgeted amounts for the first quarter. He shared a new bar graph report that compared actual numbers to budget and asked for comments. It was agreed that an additional line would be added showing the current quarter, but that

the new graph effectively communicated the status of funds. The Board agreed that the committee should propose a way to clarify the functionality of the reserve fund and how those funds will be used.

**Financial reports through September 30, 2008 were moved by Ms. Gunn seconded by Mr. Mouat and unanimously approved.**

Shift to Demand Management: Mr. Hewitt reported that progress continues toward a transportation demand system. Also, he noted two resolutions in the packet as necessary steps toward TDM. Mr. Hewitt moved and Ms. Gunn seconded the following resolution:

#### **RESOLUTION TO PURCHASE AND INSTALL 25 ON-STREET PARKING PAY STATIONS**

Whereas, In their 2007 study Nelson/Nygaard set forward a recommendation that the current on-street parking meters be replaced with new multi-space pay stations;

Whereas, Parking pay stations offer important benefits, including improving patron convenience as they allow payment with credit cards, cash and cell phones; they will enable the DDA to gather more detailed usage data; and they will enable the City to pursue more strategic parking strategies including demand management through parking rates;

Whereas, In spring 2008 the DDA distributed an RFP for this equipment, and in May 2008 three responses were received, with all three vendors interviewed by a Selection Committee that included City, DDA, and Republic Parking staff representatives;

Whereas, Input was also sought from DDA board members and members of the City's Commission on Disabilities, as well as reference checks and site visits to Milwaukee and Seattle;

Whereas, The Selection Committee chose Digital Payment Technologies as the equipment that would best meet the needs of the Ann Arbor community and the DDA Operations Committee reviewed this recommendation and endorses its acceptance by the DDA;

Whereas, The project cost for this installation is estimated to be \$400,000, including the cost to purchase 25 on-street parking pay stations (\$325,000), as well as installation and contingency (\$75,000);

Whereas, These 25 machines will be solar powered, and will be the first installment of a larger system of pay stations which will eventually total 175 machines;

RESOLVED, The DDA approves the purchase and installation of 25 parking pay stations within a project budget of \$400,000, of which \$325,000 is the cost for the machines, with these funds to be taken from the DDA 063 Parking Fund;

RESOLVED, The DDA authorizes a contract with Digital Payment Technologies for the purchase of these 25 machines, with a requirement that there be a guarantee on the solar elements during their first year of operation.

Mr. Hewitt said that the resolution represented months of analysis and hard work by DDA staff. These 25 solar powered machines will be the first installment of 175 that will eventually replace most parking meters, and will be placed in the core area bordered by State, William, Ashley, and Washington Streets.

**A vote on the motion showed:**

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

**NAYS: None**  
**Absent: None**  
**The motion carried.**

Mr. Hewitt stated that in order for the DDA to meet its financial obligations parking rates will have to be increased. Mr. Hewitt moved and Ms. Gunn seconded the following resolution:

**RESOLUTION TO INCREASE ON- AND OFF-STREET PARKING RATES**

Whereas, A multi-year schedule (“Ten-Year Plan”) of anticipated DDA revenues and expenses has been developed, including estimated costs for projects approved by the DDA and a forecast of proposed annual hourly and monthly parking rates;

Whereas, The DDA has determined that parking revenues will be the primary source of funding for future parking facility repairs and additions to the parking system, in addition to the costs for on-going parking operations and maintenance; and

Whereas, The Operations Committee has reviewed the current parking rates being charged on- and off-street, and has recommended the following parking rate changes over the following fiscal years:

	<b>Parking Structures: Hourly</b>	<b>Standard Monthly Parking Permits</b>	<b>Parking Lots: Hourly</b>	<b>On- and Off-Street Parking Meters</b>
Current (2008)	\$0.80	\$125.00	\$1.00	\$1.00
FY 2009	\$1.00	\$130.00	\$1.10	\$1.20
FY 2010	\$1.10	\$135.00	\$1.30	\$1.40
FY 2011	\$1.20	\$140.00	\$1.40	\$1.40

Whereas, The 1992 DDA/City parking agreement as amended sets forward that the DDA shall file its parking rate schedule with the City and said rates take effect sixty days after filing and publication in a newspaper of local circulation unless disapproved by Ann Arbor City Council;

RESOLVED, The DDA approves the parking rate increases as indicated above;

RESOLVED, The DDA will work with City Council to discuss and possibly implement a range of hourly parking rates on and off-street as part of a demand management framework, with the average of these rates being shown above;

RESOLVED, Ann Arbor City Council shall be notified of this resolution per its Agreement with the DDA, with the expectation that these rates shall go into effect February 1, 2009 unless disapproved by City Council.

Ms. Greff said that she would like to see the parking rate increase most heavily affect monthly permits, rather than a balanced affect across all rates. She said if the DDA aspires to eventually eliminate monthly permits; it would be easier to do this if the permits were equal in cost to someone paying to park 8 hours/day in the parking structures. Mr. Morehouse was asked about the average length of stay and he reported that many monthly users don't park 8 hours/day thus they are not receiving the benefit of a discounted parking arrangement. Ms. Smith proposed an amendment that was accepted as friendly by Mr. Hewitt and Ms. Gunn, to remove the statement “with the average; of these rates shown above;” so that it was not perceived that the DDA would assign a range of parking rates in the downtown without further discussion with City Council. This language now reads:

***RESOLVED, The DDA will continue our discussion with City Council with an annual review and possibly implement a range of hourly parking rates on and off-street as part of a demand management framework,***

**A vote on the amended motion showed:**

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

**NAYS: Boren, Greff, Hall**

**Absent: None**

**The motion carried.**

Mr. Hewitt said that Republic Parking installed a new Accounts Receivable system and once customized, this will allow testing of billing for actual usage of AVI cards in parking facilities. Staff informed the Committee that if the future AVI system is to be kept accurate, a long-standing parking procedure will need to be changed. For decades the gate arms at the structures and lots have been left up afterhours (evenings and Sundays). The new equipment will require that gate arms stay down all the time, and in off-hours patrons would pull a ticket upon entry and place it in a slot upon exiting to ensure proper counts are kept. Staff and committee talked about how best to communicate this change to the occasional user who comes downtown only sporadically for things like church, as they might interpret the lowered gate arm as signaling that there was now a charge for parking afterhours/Sundays. As a first step, committee members will meet with representatives of the State Street area churches to elicit ideas for how best to communicate this change.

Mr. Hewitt said that the Operations Committee is also in the process of addressing another recommendation from the Nelson/Nygaard report which is to implement a daytime peak valet parking service in the Maynard Structure as a way to gain more parking spaces. Republic Parking has provided some initial cost estimates and the committee will continue working on the details of this program at its next meeting.

<b>7. RESEARCH AND OPPORTUNITY COMMITTEE</b>
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DDA Energy Saving Grants: Mr. Collins reported that the DDA received 47 applications for an energy audit by the grant deadline which is an excellent result for a first-time program. He, Ms. Smith and Mr. Boren were present at the committee meeting and they resolved to approve all 47 applications. The cost of these audits will be just over \$100,000 which is well within the budgeted amount of \$200,000, which means that there will be funds available to begin Phase II of the program. The committee will now begin work framing the elements of Phase II. The overall goal of this grant program is to spark private reinvestment in buildings with energy saving improvements that help make downtown more sustainable economically and environmentally.

Wayfinding: Mr. Collins stated that we are still awaiting MDOT's approval. We are also awaiting the City's response to a proposed sign pole material change that would address their concerns about handbills and graffiti.

Recycle Containers: Staff have collected initial feedback on our pilot program which will be discussed within committee so it can be determined whether to extend the project next year.

Board Meetings: ROC is exploring the feasibility of the Board meetings being televised and/or audio streamed on the DDA web-site. More details to follow as the information becomes available.

<b>8. PARTNERSHIPS COMMITTEE</b>
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A2D2 Parking Changes: Wendy Rampson gave the committee a comprehensive overview of the recommended A2D2 zoning changes that involve parking policy in hopes of getting feedback before these recommendations are brought before City Council. An example is a recommendation that if a developer signed a lease agreement with the DDA to make parking in the project available to the public, this amount of FAR up to 200% FAR would be exempt from their total FAR calculation limit. This would be parking above ground (the FAR for parking below ground is already exempted from the total calculation). The upside would be the potential to have more parking in the downtown. The downside is that more parking would be above ground, thus affecting the streetscape. Also, this would lead to more curb cuts, as developers who have no parking requirement might build parking because a DDA lease would enable them to provide their tenants access to parking at no cost to the developer. And with more curb cuts come the loss of valuable on-street parking spaces. Another recommended for change would be the addition of bicycling parking requirements added to zoning just as car parking is currently. The committee welcomed this addition, but also asked Wendy to explore adding a requirement relating to motorcycle & moped parking. Finally, Wendy said that there is an A2D2 recommendation that a developer could meet his/her parking requirements using a payment-in lieu rather than constructing the spaces. The committee asked a number of questions about this, which were debated but remain unanswered. For instance, how much to charge per space? Who gets the funds (City or DDA)? And does the payment of an in-lieu fee lead to a guarantee of parking rights for a developer's tenants?

Village Green Parking Agreement: Ms. Smith stated that in light of Mr. Cramlet's earlier statements, she asked to table the following resolution so that the Committee could consider Village Green's request. The board indicated its agreement with this.

RESOLUTION TO AMEND THE VILLAGE GREEN PARKING AGREEMENT TO SHOW 244  
PARKING SPACES

Whereas, At a Special DDA meeting in January 2008 the DDA voted to approve a 241-space parking structure design proposed by Village Green for public parking as follows:

26 completely below grade parking spaces X \$45,000 =	\$1,170,000
68 partially below grade parking spaces X \$35,000 =	\$2,380,000
147 parking spaces completely above grade X \$35,000 =	<u>\$5,145,000</u>
	\$8,695,000
Premium requested by Village Green for 68 spaces that are partially below grade X \$5,000 =	<u>\$ 340,000</u>
TOTAL ESTIMATED PROJECT COST AGREED TO BY THE DDA	\$9,035,000

Whereas, In August 2008 Village Green contacted the DDA to explain that project design changes had made it possible to provide 3 additional above grade parking spaces;

Whereas, The DDA Partnerships Committee reviewed this proposal at its September meeting and asked DDA staff to notify Village Green that the DDA would be interested to acquire these additional spaces at the price per space previously agreed upon to meet a goal of maximizing available public parking on this site;

Whereas, The DDA has been asked to amend the parking agreement between Village Green, the City of Ann Arbor, and the Ann Arbor DDA to include these additional three parking spaces for a total of 244 parking spaces at \$9,140,000;

RESOLVED, The DDA approves the amendment of the Village Green, City of Ann Arbor, and Ann Arbor DDA Parking Agreement to show a total of 244 parking spaces at a cost of \$9,140,000 to be paid for by the Ann Arbor DDA.

**9. CAPITAL IMPROVEMENTS COMMITTEE**

S. Fifth Avenue Structure: Mr. Splitt reported that the site plan was approved by Planning Commission and it is scheduled for action by City Council in December. A project overview was presented at a Council work session last month. Mr. Iraola is working with DTE, Federal Building representatives and others to prepare strategies for the future project.

5<sup>th</sup> & Division Phase I: Mr. Splitt said that a project overview was also presented at the same Council work session as the parking structure. City Council voted to accept the Transportation Enhancement (TE) grant from the State at its October 20<sup>th</sup> meeting. Construction documents are being prepared.

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.

**10. OTHER DDA BUSINESS MATTERS**

Mr. Collins congratulated Ms. Smith on her election to City Council, Mr. Hieftje on his reelection as Mayor, and Ms. Gunn on her reelection as Washtenaw County Commissioner. He also congratulated Ms. Lowenstein on a very successful and productive career as City Council member. All added their congratulations, as well.

**11. OTHER AUDIENCE PARTICIPATION**

Mr. Bean encouraged the DDA to learn more about peak oil. He said that the recent decline in gasoline prices notwithstanding, this was an important issue and he offered to host a workshop to provide more information. He also questioned the DDA staff decision to travel to other communities to see how their parking pay stations were operating, saying that in the future, staff should consider conducting its research while minimizing the DDA's carbon footprint.

Mr. Detter invited everyone to the dedication of four new historical street exhibit displays, on November 6<sup>th</sup> at the corner of S.U./E.U., followed by a party at the Pizza House Restaurant at 618 Church Street.

**12. ADJOURNMENT**

As there was no further discussion Ms. Lowenstein moved and Mr. Collins seconded adjournment of the meeting at 2:10 PM.

Respectfully submitted,  
Susan Pollay, Executive Director