

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES

April 1, 2009

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: Gary Boren, Rene Greff, Leah Gunn, Jennifer Hall, Roger Hewitt, Marcia Higgins (for John Hieftje), Joan Lowenstein, John Mouat, Keith Orr, Sandi Smith, John Splitt

Absent: Russ Collins

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

Audience: Peter Allen, Peter Allen & Associates
Dave Askins, Ann Arbor Chronicle
Steve Bean, Citizen
Bob Dascola, Downtown Business Owner
Ray Detter, Downtown Area Citizens Advisory Council
Tyler Erickson, Citizen
Ray Fullerton, Downtown Area Citizens Advisory Council
Adrian Iraola, Washtenaw Engineering Company
Betsy Jackson, The Urban Agenda, Inc.
Kyle Mazurek, Ann Arbor Chamber of Commerce
Nancy Shore, getDowntown
Scott Snow, Republic Parking System
Rob Spears, Cabrio Properties, Downtown B12

2. AUDIENCE PARTICIPATION

Mr. Tyler said that he had come to urge the DDA to allow access to parking data from its website but learned that this access was already being provided. He thanked the DDA for doing this. He said that Ann Arbor is proud that Google is here and blocking data access even temporarily would be a negative thing. Ms. Hall asked that the Partnerships Committee review the DDA website and consider any policy issues.

Ms. Serras said that she was present to answer any questions related to the Main Street BIZ.

Mr. Dascola said that he supported the creation of a BIZ on Main Street and hoped the DDA would support this effort. He said that he attended the IDA conference in Denver and visited the Pearl Street Mall in Boulder and saw how successful a BID could be. He said the Main Street BIZ was a step in the right direction and he hoped other areas of the downtown would also create BIDs.

Mr. Bean said that as a near downtown resident he is supportive of the proposal for the Main Street BIZ. He stated that when he walks around he picks up trash from the sidewalks. He suggested that the DDA add more trash cans downtown. He also spoke in favor of the resolutions for additional bicycle racks downtown.

3. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council: Mr. Detter reported that the CAC supports the selection of Herbert Dreiseitl for the art project at the new municipal building. They also support increased and diverse downtown residential density while remaining committed to the adopted Downtown and Central Area Plans, and all historic districts. Members of the CAC believe that the Chamber "Business Environment Policy Statement," conflicts with the CAC commitments, the Downtown and Central Area Plans and the DDA renewal plan of 2003. The CAC encourages the DDA to "...preserve and improve the symbiotic relationship between downtown and its nearby neighborhoods." "We should resist development pressures and uses within these neighborhoods that are not consistent with their residential nature."

4. STATUS OF CITY TASKFORCE EFFORTS WITH DDA MEMBERSHIP

A2D2 Steering Committee: Mr. Hewitt said that the Steering Committee completed its review and submitted its final report to the Planning Commission, and the Commission has since forwarded their recommendations to City Council. Public meetings are scheduled for next week. The Steering Committee will begin to discuss the Downtown Plan in May.

415 W. Washington: Mr. Mouat said that City Staff e-mailed the revised RFP to the three original respondents asking them to res-submit their plans according to the revised guidelines.

Mutually Beneficial Agreement Committee: Ms. Greff stated that the committee met and began gathering information in preparation for meeting with City Council representatives to discuss Council's request for additional DDA funding. The group reviewed the history of the DDA's parking agreement with the City and the downtown tax capture by the City, DDA and others. The majority of the committee did not feel it was prudent or appropriate for the DDA to continually react to cover gaps in the City's General Fund budget; rather it was thought to be more appropriate to explore ideas that would mutually benefit the City and DDA. An example to be explored was the potential for the DDA to assume responsibility for parking enforcement in support of its larger parking and transportation Demand Management efforts. Ms. Gunn asked if City Council had selected members to meet; the answer was no, this discussion was not a Council priority at this time. Ms. Greff said that she hoped the Council would be willing to discuss this soon as the City's budgets assume a continuation of \$2 million/year coming from the DDA and this expectation makes it difficult to focus on the DDA's own mission until this is resolved.

5. MINUTES

Mr. Mouat moved and Ms. Lowenstein seconded approval of the March 4, 2009 DDA meeting minutes.

Ms. Hall asked that the word ~~proposed~~ be changed to **suggested** on Page 4 since as Chair she is unable to propose a motion. Also she noted that the third Whereas clause for the Resolution to Provide \$25,000 in Support of the getDowntown Commuter Challenge had been deleted. Ms. Lyke said that she would make these changes.

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Higgins (for Hieftje), Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

6. PARTNERSHIPS COMMITTEE

Ms. Smith moved and Ms. Greff seconded the following resolution:

RESOLUTION TO APPROVE A GRANT TO SUPPORT THE DEVELOPMENT OF A BUSINESS IMPROVEMENT ZONE (BIZ) ON S. MAIN STREET

Whereas, The DDA 2003 Renewal Plan set forward that the DDA would work to make it possible for downtown businesses and civic groups to undertake downtown beautification projects and efforts to keep sidewalks cleaned of snow and debris;

Whereas, The DDA recognizes the importance of a clean and safe downtown visitor experience in creating and sustaining vitality in the district;

Whereas, Business Improvement Districts (BID) and Business Improvement Zones (BIZ) are in use in Michigan and around the country to enable property owners to select and fund services they wish to purchase as a group that are *over and above* the services provided by local governmental agencies;

Whereas, The number of BIDs and BIZs are growing because they have proven to be successful as a tool for private property owners to address public space maintenance and other issues as a group;

Whereas, The DDA was asked to support an initiative that is taking shape by a number of property owners interested in working together to develop a BIZ on S. Main Street to pay for services *over and above* those currently provided by the city;

Whereas, The successful creation of a BIZ would result in a sustainable private-sector funding stream to provide services including but not limited to sidewalk snow removal and planter box maintenance that would contribute to safety, cleanliness, and beautification in the BIZ district;

Whereas, Specifically what the DDA is being asked to provide is a grant to enable this group to hire a consultant expert in the formation of BIZs to guide them through the process of creating this BIZ, including organizing group meetings and on-line surveys, drafting the BIZ business plan, and assisting with the formal approvals, as well as to cover administrative costs for such things as mailings, attorney fees, etc.;

Whereas, It is anticipated that this process will result in the creation of a general template for creating such an organization including the creation of valuable documents that can be utilized by others similarly interested in creating their own BIZs or BIDs elsewhere in downtown;

Whereas, These materials and information will be provided to the DDA throughout the process and the DDA will create a BIZ/BID creation reference library for reuse by others;

Whereas, The cost to complete the formation of this new BIZ has been estimated at \$100,700, including consultant costs and other expenses, and the property owners on Main Street have committed \$25,000 of their own funds to this cost to match DDA dollars;

Whereas, The project has been discussed several times by the DDA Partnerships Committee, which recommends to the DDA that it approve a grant in the amount of \$75,700 plus a 10% contingency to cover unforeseen exigencies during this two year period for a total of \$83,270 with the expectation that the documents generated by this process will be provided to the DDA so it can facilitate similar efforts elsewhere in downtown;

RESOLVED, The DDA approves a grant not to exceed \$83,270 to support the effort to create a new Business Improvement Zone on S. Main Street.

Ms. Smith stated that several property owners want to create a BIZ on S. Main Street to pay for services over and above those currently provided by the city. The DDA grant would enable this group to hire a consultant and undertake the process which is anticipated to result in generation of information that can be used by others similarly interested in creating their own BIZs or BIDs elsewhere in downtown.

A vote on the motion to approve the resolution showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Higgins (for Hieftje), Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Energy Audits: Ms. Smith reported that nine energy audits had been completed and reviewed by Mr. Konkle, who provided a report showing projected energy savings upon implementation of items noted in the audit.

DDA Mid-Year Retreat: Ms. Smith said that the mid-year retreat will take place May 20th and will be held at the Michigan Theater. The agenda would take shape soon.

UM Grant Request. Ms. Smith said that the Transportation Committee had reviewed the UM request for a DDA grant for the bus facility on N. U., and as this took the form of kiosks, the matter was given to Partnerships to consider. After much discussion, Partnerships decided there was not enough interest in this item to pursue it.

DDA Board Agenda: Ms. Smith reported that the committee requested the addition of a slot for reports by City boards & commissions, and will create a special section if there is a presentation of some kind. Those changes were incorporated with this agenda.

Other Agenda Items: Ms. Smith stated that the Committee will discuss several topics at its next meeting, including the DDA web site, adding sidewalk recycle containers, and developing a community vision for the 300 block of S. Fifth Avenue.

7.

TRANSPORTATION COMMITTEE

LINK: Mr. Mouat reported that Mr. White/AATA said that the LINK was created in 2003 in response to requests from

downtown businesses. Earlier circulators had not been successful and although the LINK is highly utilized, Mr. White stated that the AATA board doesn't see the LINK as key to their mission. Data showed that running the service 4 hours longer in the evening did not increase ridership. Oxford service is the UM's primary reason for paying their share of costs. In a ridership survey, most patrons self-identify as students, but fewer than 40% ride to get to school; 60% ride to get to work, dinner with friends, entertainment, etc. The Committee discussed why the DDA should fund the LINK as this must be clear before it can be decided if service should be expanded. Reasons include: it is a "gateway" mode of transit for youthful riders, makes downtown feel like an urban experience, and 3) it gets students past Division St. The Committee is also discussed what hasn't been done yet to encourage success including more frequent service, better signage and web content. A special meeting will be held Monday April 6 at 1 pm to continue this discussion.

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

RESOLUTION TO PURCHASE AND INSTALL BIKE PARKING RACKS THAT AFFIX TO POSTS THAT FORMERLY HELD PARKING METERS

Whereas, The DDA has been a committed supporter of and funder of a variety of transportation modes that enable community members to travel to and through downtown;

Whereas, The DDA voted to approve the purchase of 25 multi-space parking pay stations as the first step toward the eventual replacement of most on-street parking meters, and with installation of these 25 pay stations approximately 100 meter posts will be available for use as space markers and other purposes;

Whereas, The cities of Seattle, Boulder, and Toronto have installed "bike circle" racks on meter posts as they transitioned to multi-space pay stations and the DDA has a similar opportunity to enhance downtown bike parking;

Whereas, bike parking spaces are in high demand in our downtown and the DDA continually receives requests to install additional spaces;

Whereas, The cost to fabricate and install a "bike circle" has been estimated to be \$150-\$200 each;

Whereas, The DDA Transportation Committee sees the value of this project and recommends the purchase of up to 100 bike circle bike parking racks;

RESOLVED, The DDA approves an expenditure of up to \$20,000 to fabricate and install up to 100 bike circle bike parking racks onto former parking meter posts;

Mr. Orr said that these additional hoops will provide much needed bike parking downtown and hopefully will keep people from using trees to secure their bikes. Mr. Mouat thanked Ms. Hall for suggesting this program as it is innovative, inexpensive, and high impact.

A vote on the motion to approve the resolution showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Higgins (for Hieftje), Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Mr. Mouat moved and Ms. Smith seconded the following resolution:

RESOLUTION TO PURCHASE AND INSTALL BIKE PARKING RACKS IN ON-STREET LOCATIONS

Whereas, The DDA has been a committed supporter of and funder of a variety of transportation modes that enable community members to travel to and through downtown;

Whereas, The demand for bicycle parking is growing and has already exceeded available sidewalk space in high-pedestrian areas such as State/Liberty and Catherine/N. Fourth Avenue;

Whereas, sidewalk bicycle parking can conflict with other uses of sidewalk space such as pedestrian access and sidewalk café areas;

Whereas, The city of Seattle and others have utilized in-street bike racks to accommodate bike parking in high pedestrian areas and the DDA has a similar opportunity to enhance downtown bike parking by using on-street parking meter spaces for part of the year for this purpose;

Whereas, these in-street bike racks are mobile and can provide flexibility as to where and when extra bike parking is provided in the downtown, such as during events;

Whereas, The cost to fabricate and install an in-street bike rack has been estimated to cost approximately \$1,200 each;

Whereas, The DDA Transportation Committee sees the value of this project and recommends the purchase of up to 5 in-street bike racks or \$6,000;

Whereas, The DDA will ask its staff to work with City staff to approve Traffic Control Orders to accommodate this innovative program with the idea that the racks will be used in warm weather months when bicycle use is at its greatest, and stored from October to April; which will allow these metered parking spaces to be used by vehicles during high demand parking periods and plowed of snow during winter months;

RESOLVED, The DDA approves an expenditure of up to \$6,000 to purchase/fabricate up to 5 in-street parking racks.

Mr. Mouat thanked Ms. Hall again for suggesting this program, saying that this may also help to accommodate moped and scooter parking. Ms. Smith asked who will remove abandoned bicycles; Ms. Pollay said that the police department has equipment to cut through graphite locks and removes abandoned bikes for an annual auction. Ms. Lowenstein complemented the police for assisting in the removal of abandoned bicycles at the 4th/Washington structure. Mr. Mouat said that City staff are being asked to assist with the placement of these racks.

Ms. Smith indicated this is an example of something that costs just a few dollars but has a great benefit. Mr. Splitt stated that he is supportive of the resolution although he still has some concerns about some logistics i.e., placement of the racks and the removal of abandoned bikes. He said that he knows that these details will be worked out by staff. Mr. Orr suggested that the bike racks be fabricated by a local or at least a Michigan manufacturer. Mr. Mouat suggested that liability for these bike racks should be established; Mr. Boren said he would assist with this question.

A vote on the motion to approve the resolution showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Higgins (for Hieftje), Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Moveable Mini Committee Retreat Mr. Mouat said that the next meeting would begin with a LINK ride, a walk back to the office, and then time spent debriefing. This will give the committee a chance to talk about shared and individual transportation modes and what the specific role the DDA can play to support each.

Zipcars: Ms. Shore reported that the Zipcar program is off to a very good start. She will provide additional details to the committee in the months ahead.

8. OPERATIONS COMMITTEE

Transition to Demand Management: Mr. Hewitt reported that the Maynard valet program from December 15 through March 17 indicated a high of 22 vehicles and a low of 1 vehicle valet parked per day on several occasions. Staff will continue to monitor demand and will provide operational costs to the committee in the near future. The second month of the pilot project to use AVI cards by patrons is completed and minor adjustments are being made. The new encoded merchant validation system is scheduled to begin in April. Ms. Pollay reported that she, Eli Cooper, and Nelson Nygaard staff will be presenting a session at the annual APA conference in Minneapolis on the DDA's Demand Management efforts and the City's new Lead by Example effort.

Parking Pay Stations: The second prototype of the sidewalk space number sign is being produced and should be ready soon for final approval. Staff provided annual meter revenue by space for FY 2008. This information will be helpful should the committee decide to set parking rates based on demand for specific areas. Mr. Mouat suggested that the bike hoops approved earlier and the pay by space number sign be coordinated for continuity downtown.

Customer Service Line: The new customer service telephone number was operational March 18 and the service was publicized.

Parking Totals: Mr. Hewitt stated that the comparison of February 2008 and February 2009 showed that the number of hourly patrons was up but revenues were down 3.85%. The difference was attributed to there being one less business day for the same time period.

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

RESOLUTION TO ESTABLISH A DDA POLICY REGARDING EXPECTATIONS FOR REMAINING DDA PARTNERSHIPS GRANTS

Whereas, There are two projects for which the DDA voted to approve a Partnerships Grant before eliminating the program in March 2008;

Whereas, The DDA Operations Committee is reviewing ways to improve DDA budgeting including managing DDA grants with more firm expectations for implementation;

Whereas, As part of its regular review of DDA budgets the Operations Committee has come to recommend that the DDA notify the two developers who received DDA Partnerships Grants that the DDA's expectations are that there will not be significant changes to the development projects reviewed by the DDA at the time of their grant award;

RESOLVED, The DDA will notify the developers who have received and still have outstanding DDA Partnerships Grants that the DDA is asserting its expectation that there will not be significant changes to the development projects as reviewed by the DDA at the time of their grant award.

Mr. Hewitt stated that there are two projects falling into this category: Kingsley Lane and Tierra on Ashley. The site plans for both projects are currently active. Ms. Smith asked if there was a better phrase than "significant changes" because the term is open to interpretation. She also questioned the policy of adding this statement as it was not in the original DDA grant resolutions and it could place the developers in jeopardy with funders. Mr. Mouat noted that if the Board provides grants in the future for projects, it could include a statement about site plan changes. **Mr. Hewitt moved and Ms. Gunn seconded the motion to table the resolution.**

A vote on the motion to table the resolution showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Higgins (for Hieftje), Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

6. CAPITAL IMPROVEMENTS COMMITTEE
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Fifth /Division: Mr. Splitt announced that MDOT had officially awarded the Transportation Enhancement grant. It is anticipated the project will be out to bid by mid-May, with construction beginning in July on Division Street, and work on Fifth Avenue in summer 2010.

S. Fifth Ave Parking Structure Project: Mr. Splitt said that the design team met with Mr. Morehouse and Republic Parking to go over operational issues, and with the Capital Improvements Committee to refine the design. City engineers and fire department personnel have agreed to a recommendation regarding the location of one of the project fire hydrants. Adrian continues to work with DTE regarding electric issues and he has begun work to secure the necessary utility easements. Given the DDA's commitment to minimize the project's environmental impact it is hoped to minimize the distance trucks will have to travel. To that end, Adrian is working to secure permission to relocate the dirt removed from the site to the City airport after the soil has been analyzed to ensure there is no contamination. Also, some of the gravel from the site will be used in the concrete mix.

9. OTHER DDA BUSINESS MATTERS

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

RESOLUTION TO SUPPORT APPROVAL OF A2D2 ZONING ORDINANCE AMENDMENTS WITH RECOMMENDED EDITS

Whereas, The City established the Downtown Residential Taskforce in October 2003 to discover barriers to downtown residential development, and in May 2005 hired Calthorpe Associates to work with the community to develop a vision for the downtown, as well as recommendations to realize this vision;

Whereas, in March 2006, City Council approved the Downtown Development Strategies Final Report Implementation Plan and in September 2006 City Council approved the A2D2: Ann Arbor Discovering Downtown name to refer to the next steps in the Downtown Development Strategies Project;

Whereas, A2D2 zoning ordinance amendments have been developed through extensive public involvement and input, and are now being reviewed by City Council;

Whereas, The DDA has had an opportunity to review the draft zoning amendments and has determined that most of the proposed ordinance amendments will do a great deal to encourage increased residential development in the downtown, and to make it more clear what the community's expectations are for these developments in terms of form and scale;

Whereas, The DDA supports approval of A2D2 zoning ordinance amendments but respectfully requests that City Council make the following changes before the amendments are adopted:

1. Given that one of A2D2's most important goals is to encourage increased residential development in the downtown, we recommend that the premium credit for residential be calculated as 300% of FAR, not 300% of residential. The recommendation as currently written would not allow mixed use buildings to get to the maximum 700% with premiums.
2. We understand that an ordinance is under review by the Planning Commission that will address the FAR utilized by mechanical rooms, elevator shafts, and other non-habitable portions of a development. We recommend that the City alter the A2D2 zoning ordinance amendments to allow an increase in a project FAR to match the FAR required for mechanical and other requirements of a building.
3. We recommend that diagonals not be used to determine building form. They work to accommodate office construction, but discourage residential development, because they favor a square floor plate as most efficient, rather than a rectangular floor plate preferred for residential projects.
4. We recommend that no building height limit be established in the D1 zoning area. However, we prefer a building height limit with no diagonal to determine building form, rather than no height limit and a diagonal.
5. If City Council elects to establish a building height limit, we recommend parking should not be counted toward the maximum allowable FAR. We would like to encourage developments to include parking to reduce demand on the public parking system, not penalize them by reducing the amount of habitable space.
6. One of the important goals of the A2D2 process was to simplify the zoning process. We recommend that the character area elements of the zoning ordinance be eliminated as this information will be addressed in the design guidelines.
7. We recommend that the ground floor active use limitation be removed from the A2D2 zoning ordinance. We fully appreciate why this was suggested, but we believe that this is not the way to accomplish the goal of an active street frontage. In difficult economic times a restriction like this will ensure that a street frontage will be inactive because commercial space may sit empty for want of an attractive tenant. And in good economic times we have seen the market place operate effectively to create a mix of uses in each commercial area. Many concerns that are assigned to specific user types can actually be better addressed through design guidelines including large windows and doors, and other design elements.

RESOLVED, The DDA formally congratulates the City of Ann Arbor, its staff, Planning Commission members, A2D2 committee members and other members of the public for developing excellent recommendations to change downtown zoning to encourage community goals such as increased numbers of downtown residents;

RESOLVED, The DDA formally requests that City Council adopt the recommendations for changes to the A2D2 downtown zoning ordinance amendments as set forward above.

Mr. Hewitt stated that the A2D2 Steering Committee has been meeting for approximately four years and one of the goals of A2D2 is to make zoning as clear as possible. An ad hoc group of DDA members met recently with City staff member Wendy Rampson to become informed about the recommendations going to City Council and the group framed the resolution above to recommend suggested text changes that could be considered by City Council.

Ms. Gunn said that an example was text on character areas, which will be addressed thoroughly in the upcoming downtown design guidelines; addressing this issue both in zoning and design guidelines creates the potential for confusion. Ms. Smith said she supports the character area recommendations. Ms. Smith proposed and Ms. Greff seconded an amendment to delete #6 from the resolution. It was not accepted as friendly by Ms. Gunn. Ms. Lowenstein said that #6 was low on the priority list and asked if deleting it would weaken the resolution. Mr. Orr said he felt that it is important to keep the character areas. Mr. Hewitt stated that he felt that there were issues of greater importance such as #7, as he felt concerns could be better addressed by design guidelines. Ms. Greff said that after hearing the comments she would like to withdraw her support of the amendment to delete #6. Ms. Higgins announced that because the issue would come before City Council next week she would abstain from voting on this issue.

A vote on the amendment to delete #6 from the resolution showed:

AYES: Hall, Smith

NAYS: Boren, Greff, Gunn, Hewitt, Lowenstein, Mouat, Orr, Splitt

ABSTAIN: Higgins

Absent: Collins

The motion failed.

A vote to approve the resolution as presented showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

ABSTAIN: Higgins

Absent: Collins

The motion carried.

10. OTHER AUDIENCE PARTICIPATION

Mr. Fullerton commended the DDA for its approval of the resolution to increase the number of bicycle racks. He said that the City is being recognized by the American League of Bicycles for its efforts to become more bicycle friendly. Participation in the bicycling community has increased significantly and Ann Arbor is quickly moving from the Bronze to the Silver level by the League.

11. ADJOURNMENT

As there was no further discussion Ms. Lowenstein moved and Ms. Gunn seconded adjournment of the meeting at 1:40 PM.

Respectfully submitted,
Susan Pollay, Executive Director