

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES  
February 3, 2010**

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104  
Time: DDA Chair John Splitt called the meeting to order at 12:05 PM

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

Absent: Keith Orr

Staff: Susan Pollay, Executive Director  
Present: Joe Morehouse, Deputy Director  
Joan Lyke, Management Assistant  
Amber Miller, Planning & Research Specialist

Audience: Peter Allen, Peter Allen & Associates  
Dave Askins, *Ann Arbor Chronicle*  
Ray Detter, Downtown Area Citizens Advisory Council  
Judy Foy, Foy Communications  
Adrian Iraola, Park Avenue Consultants, Inc.  
Brian Kern, Republic Parking System  
Steve Knoespel, Republic Parking System  
Mark Lyons, Republic Parking System  
Brad Mikus, Citizen  
Oscar Notz, Turner Construction  
Nancy Shore, getDowntown

<b>2. AUDIENCE PARTICIPATION</b>
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Ms. Relyea thanked the DDA for its grants to the downtown associations in support of activities and projects. She said Kerrytown is the smallest of the merchant associations and the grants helped a great deal to promote important events such as Nash Bash and the Kindelfest, as well as to improve their website. When they needed help, the DDA was there.

Mr. Mikus thanked the DDA for broadcasting its meetings on CTN. He noted a variance in the DDA financial statements in parking revenues against budget, and asked for an explanation. He also asked that the DDA note a return on investment on its balance sheets for the parking structures and lots, as they are capital investments.

<b>3. REPORTS FROM CITY BOARDS AND COMMISSIONS</b>
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Downtown Area Citizens Advisory Council: Mr. Detter said CAC continues to be concerned about Courthouse Square, and they encourage the City to do everything they can for the senior residents. CAC supports a mixed use development on the Library site and would like to see extensive area planning including the Library, Blake, former Y lot, Liberty Plaza and perhaps the Palio parking lot. CAC supports the possibility of the 415 W. Washington site becoming an art center and greenway link. CAC looks forward to the completion of the A2D2 Design Guidelines and hopes the guidelines will include a mandatory design review process, a design review board and a voluntary system of compliance.

**4. STATUS OF TASKFORCE EFFORTS WITH DDA MEMBERSHIP**

A2D2 Steering Committee: Mr. Hewitt said the committee completed its work; City Council recently appointed a Design Guideline Steering Committee to complete the next phase of the A2D2 plan.

Mutually Beneficial Committee: Ms. Smith said staff will be getting information to the committee. She said that City Council passed a resolution asking the DDA for a public parking plan by April 19<sup>th</sup>.

Library Lot Advisory Committee: Mr. Splitt reported that one developer dropped out and the committee interviewed the remaining five developers. The committee has resolved to seek additional information from two of the project teams: Valiant and Acquest.

**5. MINUTES**

Mr. Collins moved and Ms. Gunn seconded approval of the January 6, 2010 DDA minutes. Ms. Smith asked for a text change to her report from the Mutually Beneficial Committee noting that staff have been asked for information and when this is compiled the committee would meet to discuss; staff said that they would make this change.

A vote on the motion to approve the minutes showed:

AYES: Boren, Collins, Gunn, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYS: None

Absent: Orr

Abstain: Clark, Hall, Hewitt

The motion carried.

**6. TRANSPORTATION COMMITTEE**

Pedestrian counts/satisfaction: Mr. Mouat said the Committee met with Kerry Gray, City Forest Planner, to understand more about how trees could be used to make downtown more walkable. The committee learned that there are 1,400 trees downtown, of which 46% are small/recently planted; the City aims for age diversity, as well as species diversity, so the planting of additional trees should be timed. Most downtown trees are healthy; like trees all over the city they need to be pruned as the City diverted resources for a few years to remove dead ash trees.

Mr. Collins said he believes some people have a hard time understanding the difference between a downtown and neighborhoods. He encouraged the committee not to forget that downtowns are about lots of activity, people, extended hours, and traffic, and as we work to improve the pedestrian experience downtown, he urged the committee not to attempt making the downtown into a suburban neighborhood.

Reducing sidewalk obstacles: Mr. Mouat reported that City Council is considering an ordinance regulating sidewalk sandwich signs in the downtown and committee members will be drafting a statement stating that elements like these signs add to downtown vitality/interest.

Urban gardening: The committee will explore integrating decorative vegetables/herbs in high pedestrian areas to create visual surprise, as a way of encouraging more walkability.

Plan for S. 4<sup>th</sup> Avenue: The committee is exploring ideas where it might be able to partner with AATA to improve the block, including building out the first floor of the 4<sup>th</sup> & William structure, signage on the

deck for Blake users, and encouraging greater density on the Blake Transit Center site. As ideas are developed this information will be shared with the board.

Transportation/Parking Demand Management: The Transportation Committee and the Operations Committee will continue to meet each month while focusing on specific goals toward the creation and use of more sustainable transportation options.

<b>7. OPERATIONS COMMITTEE</b>
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Financial Statements: Mr. Hewitt said in response to the comments during Audience Participation, that the budget was set in advance of decisions about parking rate increases needed to cover construction costs, and anticipated higher parking rates and a rate increase taking effect six months sooner than was actually implemented. The Ten Year Plan, of which Year One is the current budget year, was utilized to model parking rate scenarios, and the approved parking rates are resulting in revenues nearly identical to what was anticipated. It was recommended that at the next meeting the DDA vote to approve a budget adjustment to reflect this. Ms. Hall said the gross parking revenue reports do not reflect the number of monthly permits issued for a specific structure which is why revenue increases did not match the number of hourly patron increases. Mr. Hewitt agreed, saying that these are two different reports.

As to other financial matters, Mr. Hewitt noted that direct parking expenses are 5% over budget due to project timing, and Parking and TIF expenses are over budget because the project bond for 5<sup>th</sup>/Division and the parking structure hasn't yet begun reimbursing the DDA for construction costs. This will change in coming months.

Mr. Clark stated he was concerned that declining property values for the largest buildings within the DDA district could have a negative impact on the DDA TIF capture. Ms. Smith explained the DDA's TIF capture is based on building assessments when they come on line and doesn't include increasing property values over time. In order for the DDA TIF to be effected the buildings would have to be valued below their original assessment. Mr. Hewitt asked if Mr. Clark could provide a list of the buildings that he is most concerned about so staff can speak with the City Assessor for more information. Mr. Clark said he felt the DDA should know the value of downtown properties and should also report the value of its assets including the parking structures and lots. Mr. Hewitt explained the DDA does not show structures and lots as assets because it doesn't own them, the City does. Ms. Lowenstein said the City Insurance Board may have had city properties assessed, and staff were asked to contact the city to see if that information is readily available and will report back to Operations Committee. Mr. Hieftje expressed concern for staff time to address this question.

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

**RESOLUTION TO AUTHORIZE A 2009 YEAR-END MANAGEMENT INCENTIVE FOR  
REPUBLIC PARKING FOR MANAGEMENT OF DDA PARKING FACILITIES**

Whereas, The DDA entered into a contract with Republic Parking Systems (RPS) beginning February 1, 2007 for management of the DDA's parking system;

Whereas, According to this contract, RPS's \$200,000 management fees are to be paid in two parts, the first \$150,000 was paid on a monthly basis with the remaining amount to be paid at the year-end as a management incentive based on quantifiable criteria;

Whereas, In calendar year 2009 RPS improved its scores in patron satisfaction, operating surplus, facility cleanliness and greatly improved its dead ticket management;

Whereas, After reviewing RPS's performance, the Operations Committee recommended that the DDA provide RPS with a \$45,000 year-end management incentive out of a possible \$50,000 which is identical to what was approved by the DDA in 2008;

RESOLVED, The DDA authorizes a 2009 year-end management incentive of \$45,000 for Republic Parking Systems.

Mr. Hewitt explained the management contract specified a fixed management fee of \$150,000 and up to \$50,000 payable if certain, quantifiable criteria are met. Ms. Hall asked about the delinquent accounts; Mr. Morehouse said that those accounts had been paid and were no longer delinquent. Ms. Hall asked who held the delinquent accounts and Mr. Hewitt said one was a private entity and one was a public entity. In discussion it was revealed that the public entity was the City.

**A vote on the motion to approve the minutes showed:**

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

NAYS: Hieftje

Absent: Orr

The motion carried.

<b>6. PARTNERSHIPS COMMITTEE</b>
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Energy Saving Grant Program update: Ms. Smith said that 38 energy audits were completed for the 08/09 program and 8 had already completed Phase II; total DDA costs for FY 08/09 is \$106,836 for energy audits and \$32,800 for Phase II improvements. Ms. Smith said that 52 applications were approved for FY 09/10 and nearly all are underway with their energy audits.

Library Lot RFP: Ms. Smith said that Ms. Teall provided a status report to the committee.

DDA retreat: Mr. Collins announced the DDA retreat would take place on March 16<sup>th</sup> and the timing, location and other details will be provided as they are determined. Ms. Alexander will lead the group discussion and will attend the next committee meeting to plan the retreat.

DDA Housing Fund: Ms. Smith said that a report showed that in the past 10 years the DDA has approved 23 grants, of which 11 were given to a single nonprofit. The average grant amount was \$80,000 and Near North is the single largest grant. Current obligations are approximately \$1.1 million which is about equal to the fund balance. Mr. Mouat asked about grants to the Ann Arbor Housing Commission; Ms. Smith said that Baker Commons had received a grant of \$93,445 for a heating/cooling unit and front door a few years ago.

Parking plan: Mr. Collins said the committee recommended adding DDA parking goals and principles, support for new technology vehicles and encouraging transportation hubs that include public parking as well as transit, taxi stands and more.

<b>9. CAPITAL IMPROVEMENTS COMMITTEE</b>
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S. Fifth Avenue Underground Structure: Mr. Splitt reported drilling for earth retention systems (ERS) began at the end of January. After a few days of drilling the contractor brought in a larger auger and crane to expedite the progress. All overhead utility lines at the site have been relocated, and utilities along the south property line were relocated and switched on January 17<sup>th</sup>. Site work by DTE and AT & T continues along Liberty. Christman has bid packages out for the concrete portion of the project which are due back in early March.

<b>10. EXECUTIVE COMMITTEE</b>
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Updating DDA Bylaws. Mr. Splitt said that the proposed changes to the Bylaws were discussed at the January meeting. Ms. Hall moved and Mr. Collins seconded the following resolution:

**RESOLUTION APPROVING AMENDMENTS TO THE DDA BYLAWS**

Whereas, The DDA operates by a set of bylaws that were first approved in 1984 and last amended in 2003;

Whereas, These bylaws name the DDA's officers and their duties, provides details on the DDA annual and regular meetings, rules for quorum, voting, funding requests, committees and conflict of interest;

Whereas, These bylaws may be amended at any regular meeting of the Board by a majority vote, provided that the amendment has been submitted in writing at a previous regular meeting;

Whereas, The DDA Executive Committee has reviewed the document, and recommends changes to clarify the roles of DDA board members, board officers, and staff;

Whereas, These recommended amendments were provided to the board for their review and comment at the January 2010 meeting;

RESOLVED, The DDA approves DDA bylaw amendments as recommended, and shall forward them onto City Council for approval.

**Mr. Boren proposed an amendment to Article V Executive Committee section that was accepted as friendly.** The third sentence of the section now reads: "*The executive committee shall fix the hours and place of meetings, make recommendations to the Board, and shall perform such other duties as specified in these By-Laws or as may be specified by the Board.*"

A vote on the motion to approve the resolution showed:

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

NAYS: None

Absent: Orr

The motion carried.

<b>11. OTHER DDA BUSINESS MATTERS</b>
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415 W. Washington Site: Ms. Hall suggested the DDA begin discussion of setting aside revenue from the temporary parking lot to be used toward an art center and a segment of a future greenway.

Mr. Hieftje said the Greenway Conservancy and the Arts Alliance are working together to frame a plan to make something happen at that site.

<b>12. OTHER AUDIENCE PARTICIPATION</b>
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None.

<b>13. ADJOURNMENT</b>
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Mr. Hewitt moved and Mr. Collins seconded adjournment of the meeting at 1:36 PM.

Respectfully submitted,  
Susan Pollay, Executive Director