

**Ann Arbor Downtown Development Authority  
Spring Mini Retreat Meeting Minutes  
Tuesday, April 22, 2008**

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

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

Absent: Gary Boren, Dave DeVarti, John Hieftje

Staff Present: Susan Pollay, Executive Director  
Joe Morehouse, Deputy Director  
Joan Lyke, Management Assistant  
Lindsay-Jean Hard, Special Projects Manager

Audience: None

<b>2. SURVEY</b>
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As DDA members entered the room they were asked to complete a survey that served as a springboard for discussion. With a scale from 1 to 5 with 1 being unimportant and 5 being very important the survey showed the following: (the final total was altered to include results from Mr. DeVarti after the retreat).

**#1. Projects – How would you rate the significance of the following projects:**

- |  |     |
|--|-----|
| a). New underground parking structure at S. Fifth Avenue                     | 4.2 |
| b). Downtown infrastructure improvements (e.g. sanitary & water mains, etc). | 3.1 |
| c). Court/police building grant for the City                                 | 3.6 |
| d). Fifth & Division bike/pedestrian improvement project                     | 3.0 |
| e). Downtown affordable housing (0-60% AMI)                                  | 3.3 |

**#2. Out of a total 10 points, how many points of importance would you assign to the following:**

- |  |     |
|--|-----|
| a). Fifth Avenue underground parking structure       | 4.1 |
| b). Court/police building grant                      | 2.0 |
| c). Downtown infrastructure                          | 0.9 |
| d). 5 <sup>th</sup> & Division bike/ped improvements | 1.3 |
| e). Affordable housing                               | 1.7 |

**#3. Finances – how do you value the following:**

- |   |     |
|---|-----|
| a). TIF can only be used for non-parking projects, e.g. sidewalks, alleys, studies, etc.    | 2.3 |
| b). Parking (and not TIF) funds must be used for alternative transportation projects        | 2.5 |
| c). Maintaining large fund balances is important for current operations and future projects | 2.1 |
| d). Parking rates should be driven by demand- charge what the market can bear               | 3.7 |

**#4. Other Projects/Other Thoughts:**

Parking at 1<sup>st</sup> & Washington; Hotel; Train/light rail/trolley; Other mass transit; Uses for vacant spaces; Master planning for downtown; Better meeting/open space downtown – convention center and park

<b>3. DISCUSSION</b>
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Downtown Infrastructure: Mr. Collins stated that he rated this issue as less important because he saw upsizing utilities as the responsibility of the City water utility department. Ms. Hall said that there seemed to be a huge gap between the revenues collected by the City and the great cost to developers to tap into

the system. It was noted that if a water or sanitary main is seen to be undersized, the first project requesting to tap in is charged with upsizing the system that subsequent projects get to use at no added cost. Ms. Lowenstein said that most of the money collected by the Water Utilities is going toward emergency repairs and maintenance rather than upsizing the system. Mr. Mouat said that downtown pipes are the oldest in the system and their state may be questionable. Mr. Splitt suggested that the DDA could serve as a bank i.e., pay to upsize and get repaid as other projects come in. Since the topic of infrastructure improvements generated more discussion than time allowed, Mr. Collins agreed to accept this item for further discussion at future ROC meetings.

Court/Police Building: There was much discussion about this project. Ms. Greff asked that the DDA consider it as it would any other project and approve funds if it met DDA goals for downtown. She asked that it be considered alongside the DDA 5<sup>th</sup>/Division and Huron plans. Others said that they felt the building was a long-standing infrastructure issue, and/or a signal of support for City Council.

5<sup>th</sup> Division: Mr. Mouat suggested that the DDA frame a "Fifth Avenue Corridor" vision that connected the court/police project and the DDA's Fifth/Division plans plus the Library's new facility planning. As an integrated vision, all these projects make more sense connected, rather than apart. Mr. Collins stated his strong support for framing the issues this way, as this helped all to realize their goals.

Affordable Housing: Mr. Collins stated that this was a high priority for him as he felt it important that the DDA continue to support affordable housing initiatives. He said he debates with himself about whether or not the DDA should spend some of its housing funds on support services, as the DDA historically has only paid for bricks/mortar type projects. Ms. Lowenstein reported that the HHSAB will be providing City Council with a recommendation about the 100 units at the end of next month.

#### 4.

#### USES OF FUNDS

The group discussed whether to retain their self-imposed restriction on TIF use or whether to return to using it for parking projects. There appears to be adequate TIF funds for 5<sup>th</sup> & Division and the court/police building if both amounts are bonded/not using cash. There appeared to be a general consensus to allow TIF to be used for a variety of projects. A question was raised about whether DDA parking funds should continue to be the sole source of funds for alternative transportation projects like the golpass and commuter train project sponsorships. There appeared to be a willingness to explore the use of TIF for this purpose, particularly because there may be a great financial demand on the DDA in the coming years should a trolley car system be installed in the City.

Ms. Smith said that it would make more sense for downtown stakeholders to have more regular parking rate increases that are publicized well in advance, rather than larger increases every so often. Ms. Greff requested that parking rate increases should go into effect in the fall, not in January. There were several suggestions for how various financial scenarios should look, with heavier or lighter use of TIF. There was also a request to present a snap shot for how the parking system operates today – is it making money or is it not. Mr. Hewitt said that these discussions will continue at the Operations Committee, with Mr. Morehouse providing different financial models to help Board members make choices for how they would like to fund certain projects. All members of the board were invited to participate in these Operations Committee meeting discussions.

#### 5.

#### ADJOURNMENT

The meeting was adjourned at 5:36 P.M.

Respectfully submitted,  
Susan Pollay, Executive Director

