MINUTES
Downtown Development Authority Meeting
Wednesday, January 3, 2001

Place: DDA Office
301 E. Liberty, Suite 690
Ann Arbor, MI 48104

Time: The Chair, Ron Dankert, called the meeting to order at 12:12 p.m.

1. ROLL CALL

Present: Rob Aldrich, Fred Beal, Ron Dankert, Leah Gunn, Karl Pohrt, Lorri Sipes, Skip Ungrodt

Absent: Neal Berlin, Dave DeVarti, David Fritz, Bob Gillett, Rene Greff

Staff Present: Susan Pollay, Executive Director
Sarah Armstrong
Joe Morehouse, Fiscal and Administrative Manager

Audience: Peter Allen, Allen & Kwan and University of Michigan
Brian Barrick, Pollack Design
Ray Detter, Citizens Advisory Council
Bob Henderson, Citizens Advisory Council
Adrian Iraola, City of Ann Arbor, Engineering/DDA Project Manager
Donna Johnson, City of Ann Arbor, Planning Department
Jerry Lax, DDA Attorney
Will Stewart, Ann Arbor News

2. APPROVAL OF MINUTES

Ms. Sipes moved and Ms. Gunn seconded the approval of the December 6, 2000 and December 11, 2000 Retreat meeting minutes.

A vote on the motion showed:
AYES: Idrich, Beal, Dankert, Gunn, Pohrt, Sipes, Ungrodt
NAYS: one
Absent: Berlin, DeVarti, Fritz, Gillett, Greff
The motion carried.

3. AUDIENCE PARTICIPATION

Mr. Jerry Lax, the DDA’s Attorney, said he was here to respond to a question raised by the Board at its retreat about DDA activities outside its borders as part of their efforts to draft a new DDA/TIF Plan.

Mr. DeVarti enters.

Mr. Lax said that the language in Section 7 of the State enabling statute does not clearly restrict the Authority to activities only within its downtown district or development area. What is clear is that the DDA is not able to collect funds from areas outside its district. It is also clear that the DDA must be able to justify its activities in terms of its mission to develop the downtown area. He said he would be delighted to meet with the DDA any time as it set about the process of drafting of a new DDA Plan.
Mr. Brian Barrick, of Pollack Design, presented a preliminary design for the State Street Area Improvements Project. Ideas included an asymmetric concept with wider sidewalks and different elements on the north and east sides of the streets, special emphasis on Maynard Street, and the creation of a plaza on the Diag corner at N. University and S. State St. Questions were asked about a proposed truss system along Maynard St. Mr. Beal said that the next State Street Design Advisory Committee meeting will be January 12 and DDA members were welcome to attend this meeting, as well as a meeting with City staff on January 17 in order to gain more insight into design recommendations. Washtenaw Engineering is currently underway estimating project costs based on present assumptions.

Mr. Peter Allen reported that after meeting with the Historic District Commission about his proposed project at 320 E. Liberty, he has decided to withdraw the site plan in order to allow more time for neighbors to provide input into the project’s design.

Mr. Allen also reported that the primary focus of the class he taught last semester was an analysis of the redevelopment potential of the Kline’s Lot, the First & Washington site, and 415 W. Washington. Presentations of student findings were televised on WOLV, and the five best reports would be made available for DDA members wishing a copy. This semester his students will investigate development potential at State/Washington, Lower Town, the former CVS/Rite Aide site on Broadway, and either the S. U. area or North Campus. He asked DDA members to participate as presenters at his class if interested.

4. CITIZENS ADVISORY COUNCIL

The Citizens Advisory Council (CAC) is firmly committed to achieving our stated goals and objectives for the downtown. I believe all of you have a printed copy. These include increasing and enhancing downtown housing, providing adequate downtown parking, improving the downtown pedestrian environment (art in public places, historical street exhibit program, parks and open space, and historic preservation) and encouraging desirable transportation and traffic management strategies. We strongly support the creative goals of the DDA which seek to achieve the same objectives, and appreciate your willingness to have our individual members sit in on DDA committee meetings and offer advice.

CAC members are also actively involved in many other groups and activities to achieve our common goals: Downtown Marketing Task Force, Main Street, State Street and Kerrytown Associations, Commission for Art in Public Places, Downtown Public Arts Committee, State Street Improvements Advisory group, Homeless Shelter Neighborhood Advisory Board, Urban Environment Alliance, and Courthouse Square activities. Last year CAC member Dick Shackson played a major role in advancing plans to develop the new Lansing-Ann Arbor-Detroit R.R. Line. We believe all these activities contribute to achieving our goals and objectives for the Downtown. We realize that it is difficult for the DDA to be involved in every one of these activities. Some of them are outside the DDA district. But the CAC is not limited to areas within the DDA boundaries in the actions that it takes to benefit the downtown.

We believe the creative development of Ann Arbor’s "Lower Town" area, although outside the DDA District, is extremely important to the future of the downtown. Today I want to outline our strategy for achieving a community vision for that area—a vision that we hope will benefit the downtown, the University of Michigan and the entire Ann Arbor community.
UM Executive Vice President Robert Kasdin, has promised to call a meeting of community and University leaders early in 2001 to discuss the future of the historic "Lower Town" area. The issue: What might be our common vision for the entire area bordered by the Huron River on the south and east, both sides of Broadway on the west, and the large commercial and parking area east of Broadway back to Maiden Lane on the north? While the University is most interested in the area where it owns (or intends to own) property along Wall Street and Maiden Lane, the City and its Planning Dept. are eager to partner with the University to make this entire area a vital village center, an exciting place to live, work and recreate. The DDA and its CAC, the Downtown Marketing Task Force, the Urban Environment Alliance and other community groups all recognize the great importance of this under-utilized neighborhood to the future development of our central city. Late this spring the NE Area Planning group, appointed by the Planning Commission, is scheduled to take up discussion of future Lower Town land use and design guidelines in a series of public workshops. This winter semester EMU Professor Normal Tyler is having his graduate Urban Planning class undertake a studio study of a one-block portion of the Lower Town area bordered by Broadway, Pontiac and Moore Streets. Professor Tyler is eager to cooperate with others in developing a shared vision for the entire area.

Last week, an email proposing an architectural studio project on the Lower Town area was sent to Doug Kelbaugh, Dean of the Architecture School. Professor Kelbaugh circulated the request among architecture school facility. What we need at this point are architectural and development concepts for any and all portions of the public and private lands in this Lower Town area. What are the possibilities? More housing? High-rise, mixed use buildings along Maiden Lane and Wall Street? A village concept for the properties surrounding the large parking lot east of Broadway and north of Maiden Lane? The new Broadway Bridges will be completed in two years. If Edison completes the purchase of the Michcon property, there is the possibility of a future Convention Center on that site. The new rail connection and terminal for Lansing-Detroit traffic is to be located nearby. Many issues will emerge as this challenging project develops. What we need now are visionary concepts that will enrich and stimulate the dialogue in which the community and the University will be involved over the course of the next months.

Peter Allen and Urban Planning Professor Aseem Inam have already responded to Dean Kelbaugh's email, and have agreed to have their students work on developing ideas for the area. The Urban Environment Alliance, which is made up of neighborhood and environmental groups including the DDA Citizens Advisory Council and the Ecology Center, will be taking this issue to the City Council caucus this Sunday. A formal, public presentation to City Council is planned two weeks later. In February the issue will be presented to the University of Michigan Regents.

When Vice President Kasdin calls for the meeting of University and community leaders to shape a common vision for Lower Town, we should all be ready to participate. This is important for the downtown, the DDA, and the entire Ann Arbor community. Members of the Citizens Advisory Council intend to be very active on this issue. We will keep you completely informed.

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS
OPERATIONS COMMITTEE

Mr. Aldrich presented the 1999-2000 Audit. He said that its findings were nearly identical to the information provided in the DDA’s thirteenth month report.

Mr. Pohrt exits.

Mr. Aldrich reported on the highlights of the November financial statements, including the TIF, Parking, and Housing Fund balances.

Mr. Aldrich included in the packet a draft of the latest version of the proposed Management Agreement between DDA and the new Parking Operator, Republic Parking. He said that this Agreement should be completed in the two weeks, and that the drafting of this new contract prompted the Operations Committee to put forward the following two resolutions:

Mr. Aldrich moved and Ms. Gunn supported the following resolution:

RESOLUTION TO SUPPORT OPENING A DDA BANK ACCOUNT TO PROCESS PARKING REVENUES

Whereas, Republic Parking Systems will begin overseeing DDA parking facilities and parking operations February 1, 2001;

Whereas, The DDA contract with Republic Parking Systems requires the deposit of parking revenues in a bank account under DDA control;

Whereas, This arrangement will enable the DDA to transfer net parking revenue to the City which will allow it to be invested in a timely fashion;

Whereas, This arrangement will allow the DDA to maintain better oversight of its funds as it will receive deposit and banking cost information directly from the bank, thus information will be both current and accurate;

Whereas, This arrangement will also provide the DDA with any interest generated by these funds;

Whereas, Withdrawals from this account will be wire transfers authorized by signatories on the DDA board and by the DDA Executive Director solely for the purpose of reimbursing the parking operator for operational and maintenance expenses and for transfers into City accounts for investment and accounts payable purposes; and

Whereas, A Request for Proposals, due January 12, 2001, has been distributed to enable the DDA Operations Committee to select the bank offering a proposal best suited to meet DDA’s needs;

RESOLVED, That the DDA authorizes the Operations Committee to review proposals, select the bank providing the proposal best suited to DDA’s needs, and finalize arrangements so that the bank account can be opened by February 1, 2001.

Mr. Morehouse explained that under the old contract, the operator held parking funds and provided the DDA a partial payment midmonth and the balance at the end of the month. This proposal would allow establishment of a DDA bank account, thus the DDA would retain any interest earned, and it would provide the DDA with more information, including amount of bank fees and customer names with bad checks. Information would also be available to the Committee on a more-timely
manner than is currently possible. Ms. Pollay explained that management oversight would be provided by Mr. Morehouse under the direction of Operations Committee members, and that the account would be set up so that funds would transfer out only to Republic Parking to reimburse expenses or to the City of Ann Arbor. There will be no checks utilized.

A vote on the motion showed:
AYES: Aldrich, Beal, Dankert, DeVarti, Gunn, Sipes, Ungrodt
NAYS: None
Absent: Berlin, Fritz, Gillett, Greff, Pohrt
The motion carried.

Mr. Aldrich then moved and Ms. Gunn seconded the second resolution:

Resolution to Contract for a Parking Facility Inspector and to Reclassify the DDA’s Fiscal and Administrative Manager Position

WHEREAS, The DDA Board has selected a new parking operator to manage its facilities;

WHEREAS, The Operations Committee recognizes that maximizing customer service requires intensive and focussed quality-control oversight of the DDA’s parking operations;

WHEREAS, Earlier this year the DDA Executive Director accepted a role as Co-Associate City Administrator, which reduced her DDA salary by half;

WHEREAS, The DDA’s Fiscal and Administrative Manager’s duties have changed over the past two years, and he continues to take on more administrative duties to assist the Executive Director;

WHEREAS, Hiring a Parking Facility Inspector contractor would provide for more regular and detailed customer satisfaction surveys and unannounced random facility inspections;

WHEREAS, Hiring a Parking Facility Inspector contractor would enable the DDA to remain within its current budget despite this new expense because of the savings created by the reduction to the DDA Executive Director’s salary;

RESOLVED, That the DDA hire a parking facility inspector contractor for a one-year contract with the duties and compensation described on the attached contract description;

RESOLVED, That the DDA reclassify the Fiscal and Administrative Manager to the position of Deputy Executive Director as described on the attached position description; and

RESOLVED, That these changes are effective as of January 4, 2001.

Mr. Aldrich explained the value of having an inspector acting as an owner’s rep directed to maximize customer service and maintenance levels. He said that the City’s Human Resources Department had helped frame the two job descriptions. Ms. Pollay was asked about the cost for these changes and explained that there had been significant payroll savings when she acquired the secondary role as Associate City Administrator that could be applied to this contract. She said that even with the reclassification, there would be no immediate salary increase. Ms. Gunn affirmed her belief that the changes will provide multiple benefits, including utilizing Mr. Morehouse to focus more on DDA financial matters, increasing customer service, and assisting Ms. Pollay in her dual roles. Ms. Gunn said that past experience had proved the need to have a person pay
attention to the day-to-day details of parking. Mr. Aldrich said that the contract with the inspector would be for one year and would be reviewed later to ensure the position was still needed.

A vote on the motion showed:
AYES:   Aldrich, Beal, Dankert, DeVarti, Gunn, Sipes, Ungrodt
NAYS:   None
Absent:  Berlin, Fritz, Gillett, Greff, Pohrt
The motion carried.

PARTNERSHIPS COMMITTEE
In Mr. Gillett’s absence, Ms. Pollay reported that negotiations are still underway for a potential lease at the Ann/Ashley structure. She reminded the DDA that submittals for the First & Washington RFQ would be received January 19, and that there will be a committee meeting at 4pm that afternoon to discuss the next steps toward selecting a private development partner to which all DDA members were welcome.

CAPITAL IMPROVEMENTS COMMITTEE
Fourth & William Parking Structure Repairs - Project Status
Mr. Beal reported that very cold weather delayed completion of temporary repair construction, but that work was nearly complete and the deck would be fully reopened early next week.

Mr. Beal said that there had been a meeting just before the holidays with the project engineers and architect to discuss the status of construction document development. There will be another meeting on January 10. It is anticipated that 90A% complete drawings will be available for Building Department review by March 9 with bids being taken in April. Construction will begin in May, and will take place over the next two years, including deck coating in 2002.

Fourth Avenue Improvements - Project Status
Mr. Beal said a meeting was held with Mitchell & Mouat to discuss their progress and to review cost estimates that appear to be in line with the budget approved by the DDA. At this time it is not anticipated that there will be sufficient funds to extend the area of work beyond repairs and lighting improvements.

As a related topic, the Committee discussed the request to the DDA from Mr. Bilakos with City Public Services Department staff. It appears that a Building Department plan review did not trigger an Engineering Department review because there was no initial indication that there would be any work outside the building. Thus, an effort to make the sidewalk ADA compliant led to other unanticipated problems. As a result, the two City Departments have instituted a new procedure for sidewalk projects in the DDA District to prevent similar problems in the future. Subsequently the Committee informed Mr. Bilakos that they could not approve his request because they did not agree with his proposed construction solution.

State Street Area Improvements - Project Status
Mr. Beal reminded the Board that there would be a Design Advisory Meeting on January 12 and asked that DDA members attend the meeting if they have any concerns. Mr. Ungrodt said he disagreed with the ideas for Maynard Street, and that in the past trees didn’t survive because the under-sidewalk vaults on the east side made it difficult to allow for their root systems.

On a different note, Mr. Ungrodt said that he thought the City’s free holiday parking program worked against retailers because it was taken advantage of by employees, thus eliminating parking
for customers. The City’s delay in removing snow from downtown sidewalks and streets further devastated holiday shopping this year, as it made it hard to drive or park, and made pedestrian street crossing very difficult.

**PLANNING COMMITTEE**
Ms. Sipes thanked DDA members for their work at the DDA’s retreat last month, and said that the Committee would meet again on January 24th to continue its work writing the new DDA/TIF Plan. She also reminded everyone that the DDA would participate in a City Council work session on February 26th to familiarize Council members with its plans.

8. **Other DDA Business**
Ms. Pollay asked the DDA to note the plaque on the wall across from her office. It is an Award of Excellence presented to the DDA from the International Concrete Repair Institute for its work repairing the Maynard parking structure. Mr. Iraola said the DDA’s efforts were singled out of 27 submittals for this award.

Mr. Dankert congratulated Mr. Iraola upon receiving a letter of appreciation for his work on the Forest parking structure

9. **Adjournment**
As there was no further discussion, upon motion, the meeting was adjourned at 1:33 p.m.

Respectfully submitted,
Susan Pollay, Executive Director