MINUTES
Downtown Development Authority Meeting
Wednesday, January 9, 2002

Place: Kerrytown Concert House
        415 N. Fourth Avenue, Ann Arbor, MI 48104

Time: Chairperson, Rob Aldrich, called the meeting to order at 12:10 p.m.

1. ROLL CALL

Present: Rob Aldrich, Fred Beal, Ron Dankert, Dave DeVarti, David Fritz, Rene Greff, Leah Gunn, Lorri
         Sipes, Dave Solo

Absent: Bob Gillett, John Hieftje, Skip Ungrodt

Staff: Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy DDA Director
         Sarah Armstrong

Audience: Anne Bauman, Ann Arbor Civic Theater Board Vice President
         Ray Detter, Citizens Advisory Council
         Cathy Duchon, YMCA
         Jim Frenza, Ann Arbor Hands-On Museum
         Bob Henderson, Citizens Advisory Council
         Herb Kaufer, Citizens Advisory Council
         David Keren, Ann Arbor Civic Theater Board-Treasurer
         Bill Kinley, The Ashley Group (Schwaben/Ann Arbor Civic Theater)
         Brenda Macon, Ann Arbor Area Chamber of Commerce
         Jim Mogensen, Citizen
         John Mouat, The Ashley Group (Schwaben/Ann Arbor Civic Theater)
         Cathy O’Donnell, Ann Arbor News
         Ethel Potts, Citizen

2. APPROVAL OF MINUTES

Ms. Sipes moved and Ms. Gunn seconded a motion to approve the minutes of December 5, 2001:

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Beal, Dankert, DeVarti, Fritz, Greff, Gunn, Sipes, Solo

NAYS: None

Absent: Gillett, Hieftje, Ungrodt

The motion carried.

3. AUDIENCE PARTICIPATION

Anne Bauman, AACT Vice President, informed the board that Civic Theater has received a proposal to
relocate to the Schwaben building. They are very excited about this opportunity and asked the DDA to
consider providing financial assistance to the developers to renovate the basement level for the theater’s use,
as this would attract many theatergoers to the downtown area. Mr. Kinley, one of the owners of the Schwaben
building, said that it is their intention to turn this historic building into a multi-use facility. Mr. Aldrich said the
request would be referred to the Operations Committee for consideration.

Mr. Mogensen addressed the Board regarding the proposed transfer of parking meter collection and repair to
the DDA. He said that the City faced budget reductions and many human service agencies required additional
funding due to State funding cuts.

4. CITIZENS ADVISORY COUNCIL

Among the issues discussed at last night’s Citizens Advisory Council meeting, I would like to report on four
items:
First, we are delighted with the progress the DDA is making in cooperation with the Mayor and City Council toward the goal of taking over responsibility for the on-street parking meter system. We anticipate great benefits for the downtown and the entire Ann Arbor community.

The other three items relate to proposals for downtown developments that will be considered before the Planning Commission next week on January 15: the Y on W. Washington, the Collegian on Maynard, and 215-217 East Washington.

The Citizens Advisory Council strongly supports the Y’s proposed PUD site plan rezoning for the former Technology Center on West Washington and Third. This proposal sets an example of the careful way that future developers should deal with problem areas in the downtown. The new Y will also eliminate a poorly kept eyesore on a gateway downtown location.

The Y has been a part of the cultural identity of downtown Ann Arbor for 140 years. We think it is essential that the Y remains downtown where it can provide easy access to adults, children and families.

Keeping the Y downtown also supports the CAC’s pedestrian, residential and transportation goals for the area. A majority of Y users walk or bike to the site. There will be 64 parking spaces and 66 bicycle spaces on the site and public transportation will be provided nearby.

The Citizens Council has a very clear policy regarding building in the floodplain. While we support a hydrological watershed study of the Allen Creek waterway, we do not support a moratorium on development in the floodplain while we are await the results of that study. Any development proposal, however, must make a substantial improvement over existing environmental and safety conditions. We believe the Y proposal sets an example for what others might need to do.

The Y plan opens up access to both the Murray/Washington and Allen Creek drains currently buried underneath the Technology Center and improves the future path of floodwater flow. The proposed Y building only uses 30% of a large site that is now 95% impervious. Planned landscape design will contribute to our historical awareness by visually recreating the Murray/Washington creek and including wetland plant species and trees as a part of the large greenspace area. A small park on the corner of Huron and Third will be deeded to the city for the possible display of artwork and/or historic markers.

The building is designed on stilts, four feet above the 100-year flood level, with parking beneath, a substantial improvement in floodwater flow over what now exists.

This project in concept and design relates well to its residential neighbors and will provide a new and appealing gateway location to downtown Ann Arbor. It is stepped up from two stories at Third out of respect for its residential neighbors to the west. At the same time, the building rises to three and four stories along Washington Street to fit into the downtown streetscape of the Allmendinger Building and the railroad to the east. Trees, pavers, lighting and amenities will be added to the pedestrian Washington streetscape which we hope to connect to the pedestrian experience provided by the new development that will someday be approved for the First and Washington parking structure site.

The CAC for the DDA unanimously supports the proposed Y. We recognize, however, that we need to assist in whatever way possible the resettlement of artists and artisans who current occupy the Technology site. And we must not forget our commitment to finding ways of solving the problem of locating and operating the hundred units of SRO housing on the current YMCA site.

Finally, the other two items, both development proposals:

1 Jeffrey Spoon is asking the Planning Commission to approve changes in uses of floors in the proposed Collegian Building on Maynard Street. The first two levels will be returned to the original plan for retail.
We are pleased to see that, although residential will be limited to the top three floors, six residential units are still included in the proposal and all six will be assigned lower level parking spaces.

4 Mr. Spoon is also proposing to add two floors to the Washington Building at 215-217 East Washington. These will be set back from the street, preserve the historic roofline of the old Presbyterian Church (site of the first U. of M. commencement) and provide office space and one residential unit with parking below. While the CAC is generally supportive of this proposal, nearby residential neighbors will be present at Thursday’s Planning Commission meeting to raise issues of concern—fire dept. entry, blocking of the alley, shadow, wind, light, etc.

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Dankert reports that the November financials were not available in time for the December Committee meeting for review, and will be reviewed and presented with the December financials at the next meeting. Mr. Dankert said that the Committee reviewed the audit, and it was noted that there were a few minor changes to the thirteen-month financial report, including a charge to TIF for $1,500 for accrued employee wages and $18,000 for uncollectable property taxes. The other change was that the parking fund transferred $662,000 to the Fourth and William bond fund and this was not reflected on the June 30, 2001 financials.

Mr. Dankert said that the Committee approved extending the contract with Downtown Parking (Jim Stein). He said that since Downtown Parking was hired there has been a vast improvement in the cleanliness of parking facilities, customer satisfaction, and employee professionalism. Mr. Stein will spend more time working with downtown stakeholders to address their issues and concerns. The contract will be extended from 20 to 25 hours per week and the fee will go from $25,000/year to $35,000/year. The extension will be for two years.

Mr. Dankert said the Committee met with Mr. James Frenza, President of the Ann Arbor Hands On Museum, to discuss the Museum’s request of $150,000 to help defray repair costs for the old firehouse. Mr. Dankert moved and Ms. Gunn seconded the following resolution:

RESOLUTION PROVIDING FUNDS TO ASSIST WITH THE RESTORATION OF THE ANN ARBOR HANDS-ON MUSEUM FIREHOUSE BUILDING

Whereas, The 1982 Ann Arbor Downtown Development Authority Plan highlights the Hands-On Museum as an important existing public land use in the DDA District;

Whereas, The DDA Plan also sets forward the objective that the DDA shall work with others to “retain historic and/or architecturally significant buildings having potential for activities consistent with development objectives;”

Whereas, The Ann Arbor Firehouse Building is owned by the City of Ann Arbor and leased to the Hands-On Museum with the understanding that the Museum will assume responsibility for the internal and external maintenance of the building;

Whereas, The Hands-On Museum has determined that the Firehouse, constructed in 1892, will require repairs primarily due to the age of the building, including a new roof, re-pointing all exterior brick, replacement of five internal and two external heating/cooling units, and window frame repairs;
Whereas, The Hands-On Museum has requested $150,000 from the DDA to help pay for some of these repairs, as well as leverage additional funds from other public and private agencies;

Whereas, The DDA Operations Committee met with Hands-On Museum President and CEO Jim Frenza to discuss this request, and subsequently unanimously voted to put forward a recommendation to the Board to approve this request;

Whereas, This project would meet the historic preservation objectives of the DDA;

RESOLVED, The DDA shall provide the Hands-On Museum with $150,000 from its TIF funds to assist with its repair efforts.

Mr. Frenza explained that the Museum was concluding a $6.5M capital campaign to build its new building. The request to the DDA is for a different purpose: specifically repairs to the old firehouse. The building is owned by the City and repairs to this 120-year old building will include replacing the roof, as well as replacing the furnaces (5 internal and 2 rooftop). Total project costs are being developed and will be available shortly.

Ms. Gunn said that Museum attendance was over 200,000 visitors last year, and that she felt a grant would be well within the DDA’s mission. Mr. DeVarti expressed concern that there was no total project budget to review, nor information on the scope of the repair plan. Mr. Beal said he would like to see how DDA funds might leverage additional dollars. Mr. Aldrich asked to table action to enable Mr. Frenza time to provide information requested by DDA. A motion to table was moved by Ms. Gunn and seconded by Ms. Sipes,

A VOTE ON THE MOTION TO TABLE SHOWED:
AYES: Aldrich, Beal, Dankert, DeVarti, Fritz, Greff, Gunn, Sipes, Solo
NAYS: None
Absent: Gillett, Hieftje, Ungrodt
The motion to table carried.

Mr. Dankert reported a renewal of the Parking Agreement with the City would not be presented at this time. Amendments are still being drafted, and the renewal will be brought to the Board at the February meeting.

The next Operations Committee Meeting will be held on Wednesday, January 30 at noon.

CAPITAL IMPROVEMENTS COMMITTEE
Fourth & William Repairs-Status. Mr. Beal reported that the project is partially shut down for the winter.

Forest Parking Structure-Status. Mr. Beal said that numerous items remain on the project punchlist, and that Mr. Iraola continues to dedicate a great deal of time attempting to see these items completed.

State Street Area Pedestrian Improvement Project-Status. Mr. Beal said that his company, J.C. Beal would bid on this contract so he would abstain from voting. The next committee meeting will be on January 21 at noon.

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

RESOLUTION INCREASING THE PROJECT BUDGET FOR THE STATE STREET AREA PEDESTRIAN IMPROVEMENTS PROJECT TO $5.5 MILLION AND AUTHORIZING THE DDA CAPITAL IMPROVEMENTS COMMITTEE TO SELECT A CONTRACTOR TO IMPLEMENT IMPROVEMENTS

Whereas, DDA Plan objectives include undertaking improvements to existing streets and public utilities in order to stimulate new private investment in the area;

Whereas, The DDA has undertaken extensive pedestrian improvement projects in the DDA District, including the Main Street, Kerrytown, and South University areas;
Whereas, In 1995 the DDA began discussions about future sidewalk improvements to the State Street area;

Whereas, The DDA commissioned a comprehensive study of the State Street Area from the University of Michigan and in April 2000 received an Urban Design Workbook which set forward recommendations for future improvements to the State Street area;

Whereas, In June 2000 the DDA established a State Street Area Pedestrian Improvements Project budget of $5 million, although it also reserved for itself the opportunity to alter this amount at a later date;

Whereas, In September 2000, Sasaki Associates Inc., Pollack Design Associates, Washtenaw Engineering Co. Inc., and Neil Adams Inc. were selected as the project team overseeing the design of the State Street Area Project;

Whereas, On April 4, 2001 the DDA approved a conceptual plan for the project, estimated at that time to cost $4,348,114.45:

1. Lighting, paving, planters, trees, furniture, etc. on the following blocks:
   - State St. ~ Washington to William
   - Liberty St. ~ State to S. Division
   - North University ~ State to Thayer
   - Maynard St. ~ Liberty to William
   - William St. ~ State to Thompson

2. Lighting only improvements for:
   - Washington St. ~ State to Fifth
   - Thompson St. ~ Liberty to William
   - Thayer St. ~ Washington to N. University
   - Liberty St. ~ S. Division to S. Fifth

Whereas, As part of this resolution, the DDA also accepted recommendations for additional project elements to be bid separately as alternates which may or may not be completed as part of the current project, estimated at that time to cost $752,232.42:

1. Lighting improvements to the Maynard and Liberty Square parking structures
2. Sidewalk replacement on tertiary streets (Washington, Thompson, Thayer, Liberty from Division to Fifth, and William from Thompson to Fifth)
3. Lighting on William, between Thompson and Fifth

Whereas, A site plan was provided to the City for comment and during the course of plan review City Transportation engineers affirmed that alteration of the traffic patterns in the State Street Area warranted the addition of three new signal arms, a cost that had not been previously anticipated in earlier project budget estimates;

Whereas, These fixtures plus additional contingency amounts may increase project costs as much as $500,000 to a total of $5.5 Million;

Whereas, After extensive consultation with the DDA Projects Manager, construction documents were completed and the project was put out to bid November 15, 2001;

Whereas, Bids are to be returned to the DDA on January 15, 2002;

Whereas, It is anticipated that bid tabulations will be available January 18th and if a contractor is selected, construction phasing, material ordering, utility scheduling, and other important project elements could begin before the end of the month;

Whereas, The next DDA meeting will be February 6, 2002;
RESOLVED, The DDA shall increase its project budget for the State Street Area Pedestrian Improvements Project to $5.5 Million;

RESOLVED, The DDA Capital Improvements Committee is authorized to oversee the selection of the contractor for this project upon bid review;

RESOLVED, The DDA Capital Improvements Committee shall bring forward to the DDA at its next meeting recommendations for complete project scope and details, including lighting and sidewalk replacement.

Ms. Pollay said that signals would be needed once two-way traffic was restored, and that a new City standard required that signals be placed on mast arms rather than over-street wires. Mr. Aldrich asked for cost details. Ms. Pollay said that the three mast arms would each cost approximately $150,000, with an additional $50,000 added to the project contingency. Given that this was a City staff request, Ms. Pollay was asked if the City would contribute a portion of this cost from its streets funds. Ms. Pollay said that it is her understanding that the City does not have funds available.

A VOTE ON THE MOTION SHOWED:
AYES:  Aldrich, Dankert, DeVarti, Fritz, Greff, Gunn, Sipes, Solo
NAYS:  None
ABSTAIN:  Beal
Absent:  Gillett, Hieftje, Ungrodt
The motion carried.

PLANNING COMMITTEE
Ms. Sipes said that the agenda for January 15th retreat was included in the Board packet. She asked that each Committee chair give Ms. Pollay a one-page status summary in advance. The retreat will focus on a review of the DDA renewal plan, as well as other important projects. Ms. Sipes pointed out the goals each committee set for itself for their 2001-work plan.

Ms. Sipes said she would not be voting on the following resolution regarding the YMCA due to a professional conflict of interest. Mr. Aldrich also stated that he would abstain from voting as he is on the YMCA’s board.

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

RESOLUTION SUPPORTING THE YMCA’S REQUESTED PLANNED UNIT DEVELOPMENT REZONING AND CONSTRUCTION

Whereas, The DDA seeks to foster projects and policies that support and enhance downtown’s role as the center of the community;

Whereas, The Ann Arbor YMCA has submitted to the City a site plan which includes a request for rezoning the property currently known as the “Technology Center” located at the western-most edge of the DDA District, bordered by W. Washington, Third, and W. Huron Streets, to PUD;

Whereas, The DDA was requested by the Planning Commission to provide comments on this proposed site plan;

Whereas, The DDA Planning Committee considered this plan, and has put forward a recommendation that the DDA strongly support its approval due to the many benefits this project will provide, including:

- The YMCA is one of the few and most important attractions drawing children and families to downtown. It is essential that the YMCA remain downtown, as the breadth of its offerings and the diversity of its 13,000-person audience make it irreplaceable.
- The proposed project will dramatically improve storm water runoff on this site. Existing buildings and parking lots make the site nearly 95% impervious, collecting and directing tremendous amounts of storm
water into the Allen Creek and Murray/Washington drains. The YMCA plan would reduce the amount of impervious surface by 50%. Native plantings and a detention system would enable natural percolation of water into the ground water system. Given its location within the Allen Creek floodplain and floodway, this is an innovative and constructive model for future developments.

- The project will also dramatically improve floodwater obstruction on this site, which is important given its location in the Allen Creek floodway. Nearly the entire YMCA building would be raised more than five feet above the estimated 100-year flood level for the Allen Creek floodplain, thereby providing a greatly improved path for storm water to flow.
- The YMCA building design is sensitive to and respectful of its Old West Side neighborhood context, and provides an attractive transition between this residential district and downtown.
- Its location will encourage pedestrian and bicycle travel to and from the downtown and its design will provide valuable open space for Old West Side neighbors.

**RESOLVED.** The DDA endorses the site plan submitted by the Ann Arbor YMCA for the site of the former Technology Center, and strongly urges its approval by Ann Arbor City Council and Planning Commission.

Cathy Duchon, YMCA Executive Director, addressed the Board about the proposed design, and the importance of keeping its location in the downtown area.

**A VOTE ON THE MOTION SHOWED:**

**AYES:** Beal, DeVarti Dankert, Fritz, Greff, Gunn, Solo

**NAYS:** None

**ABSTAINS:** Aldrich, Sipes

**Absent:** Gillett, Hieftje, Ungrodt

The motion carried.

**PARTNERSHIP COMMITTEE**

**First/Washington Project-Status.** Ms. Pollay said that Joseph Freed would be providing the Committee with a concept for the city-site only.

**Affordable Housing Initiatives.** Ms. Pollay said that she, Mr. Gillett and Mr. Aldrich had met with City, UM and Chamber representatives about the Chamber Housing Coordinator position which is a shared initiative. Future funding and other information may be forthcoming at a future meeting.

8. **OTHER BUSINESS**

None.

9. **OTHER AUDIENCE PARTICIPATION**

Mr. Morgensen addressed the board once again on uses of parking revenues.

10. **ADJOURNMENT**

As there was no further discussion, upon motion, the meeting was adjourned at 1:43 p.m.

Respectfully submitted,
Susan Pollay, Executive Director