Minutes
Downtown Development Authority Meeting
Thursday, January 9, 1997

Place: Guy C. Larcom, Jr. Municipal Building (City Hall) Council Chambers, Second Floor, 100 North Fifth Avenue, Ann Arbor, Michigan 48107

Time: The Chair, Karl Pohrt called the meeting to order at 5:05 P.M.

1. Roll Call


Absent: Neal Berlin, Paul Ungrodt.

Staff Present: Susan Pollay, DDA Executive Director.

Audience: Jerry Billiter, National Garages  
Ray Detter, DDA Citizens Advisory Council  
Amy Harcourt, Director, State Area Association  
Lesley Gresham, Kerrytown Historic Market District  
Rich Thompson, Main Street Area Association

2. Approval of Minutes

Mr. Fritz made a motion and Ms. Harshe supported that the Board meeting minutes dated December 12, 1996 be approved with the following corrections:

Page 2 - third paragraph should read ....in the area of housing...
Page 3 - first paragraph should read ....committed to its success.
Page 3 - fifth paragraph should read ....bringing people and...
Page 11, first paragraph should read ....beyond her pay level...

A vote on the motion showed:


NAYS: None.

Absent: Berlin, DeVarti Gillett, Ungrodt.
The motion carried.

3. **DDA Citizen's Advisory Council**

Mr. Detter presented the following report:

Last night's Citizens Advisory Council meeting was devoted to a review of our housing and parking objectives and goals' statements. These, along with other goals' statements, will be circulated as soon as they are completed. Our advice to you, as well as our actions, is always guided by those printed statements.

Much has been accomplished since the Citizens Advisory Council first stated its objectives and goals for improving the parking system and parking opportunities in the downtown area. But, along with the need for more downtown housing, finding solutions to "the parking problem" will continue to be a matter of highest priority.

In our parking statement, the Citizens Advisory Council calls attention to six areas of concern to which our recommendations are directed. Two unifying concepts underlie the entire document. There is first the belief that the parking system must be financially independent and administratively effective. Second, we are convinced that although parking is essential to the economic health of the downtown, parking alone will not guarantee the area's prosperity and success. Recommendations pertaining to parking must always be considered within the larger context of overall community requirements for pedestrian orientation, health and well-being. All parking should be complimentary to an increased downtown resident population.

One of our areas of parking concern is that of "management, maintenance and financing procedures" – an area that is currently demanding a lot of your time and attention. The Citizens Advisory Council supports the general principle that the downtown parking system be made economically self-sufficient. This means that more income from all parking resources will be reserved solely for parking system requirements for current and future expenditures, maintenance, repairs and building.

More specifically, the Citizens Council offers the following recommendations in this important area.

a. All fees for short and long term parking should not only pay for the cost of the City's parking supply but also fund maintenance and improvements. We believe any necessary fee increases can be structured in ways which will not be harmful to downtown business.
b. To the extent possible, a portion of revenues from parking fines should be allocated to the parking system. Fine rates and enforcement policies should be structured to encourage greater turnover in prime short-term parking areas, greater use of parking structures, and minimal negative impact upon downtown business.

c. The City and the DDA must establish cooperative programs to set aside parking funds to assist downtown development projects that provide additional parking. If necessary, special assessments of downtown properties and businesses to help support construction and maintenance of parking structures should be seriously explored. Any system established must be equitable, recognizing that while nearby parking facilities clearly increases the value of property, different businesses do not benefit equally. Residential properties may warrant special consideration.

d. Long-term parking is an expensive subsidy. We must be aware of who is being subsidized and why, so that such subsidies are a consciously decided part of parking policy. There must be a way of giving the greatest support to those who most directly benefit the downtown area.

4. Audience Participation

Amy Harcourt, Director of the State Street Area Association introduced herself and stated that she is looking forward to working with the DDA. Rich Thompson, owner of Collective Works, and a member of the Main Street Area Association thanked the DDA for its support downtown, and especially with the holiday lights. Lesley Gresham a member of the Kerrytown Historic Market District thanked the DDA for its recognition and support. Ms. Harshe, also thanked the DDA on behalf of the South University Area Association, and informed the Board that the four area Associations will be meeting with the DDA on January 14, 1997. The purpose of the meeting is for the DDA to obtain feedback from the merchant groups on the state of the downtown parking structures and discuss ways that the merchants and the DDA can work together.

Mr. DeVarti entered.
5. **New Business**

City Council Presentation - January 13, 1997

The Chair stated that immediately following the Board meeting, there would be a meeting to plan the DDA’s presentation for the work session with City Council on January 13, 1997. All Board members were encouraged to stay for the meeting.

South Forest Structure - M. Harshe. No report.


Housing - D. DeVarti. No report. The Housing Committee scheduled a meeting for Thursday, January 16, 1997.

**Resolution with Insurance Board**

Ms. Pollay stated that she and Mr. Berlin met with members of the Insurance Board, and they framed the following resolution:

**Resolution to Offer Insurance Settlement**

*WHEREAS* a 1992 accident on South University involving Ms. Tiffany Hopkins led to allegations of City and others’ liability; and

*WHEREAS* a settlement agreement was reached between the City of Ann Arbor and Ms. Hopkins in June 1995; and

*WHEREAS* in June 1996 the DDA resolved to begin entering into negotiations with the City of Ann Arbor Insurance Board regarding settlement payments for this accident; and

*WHEREAS* representatives of the DDA and Insurance Board met together three times to discuss this matter; and

*WHEREAS* there is agreement to share the cost for payment equally subject to Board approval;
THEREFORE BE IT RESOLVED that $125,000 be accepted as the total amount to be paid for by the DDA, with an annual payment amount to be determined jointly.

BE IT FURTHER RESOLVED that the DDA and the City will agree to outline the specific duration and extent of DDA responsibility in past, current and future development projects.

Mr. Shaffran made a motion and Ms. Gunn supported that the above resolution be adopted by the DDA.

A vote on the motion showed:


NAYS: None.

Absent: Berlin, Ungrod.

The motion carried.

Homeless Issues

Mr. Shaffran reported that he, Susan Pollay, and Karl Pohrt met and discussed the homeless issues downtown. They are recommending that the DDA allocate funds in an attempt to employ some of the homeless to do low skill maintenance work in the area.

There was discussion regarding the recommendation. The Chair referred the recommendation to both the Parking and Housing Committees for evaluation.

6. Financial Reports

Ms. Pollay stated that because of the calendar year-end, the DDA has not received the December 1996 financial reports. The reports will be mailed to Board members as soon as they become available. She added that the November 1996 financial reports show an increase in parking revenue of 15.93% from last year.

There was discussion regarding the financial reports. Mr. Gates explained that because cash flow varies from month to month, it causes the numbers in the budget column to be misleading. He stated that him and Ms. Pollay plan to revise the year to date budget column, and develop a one page summary.
Mr. Shaffran made a motion and Ms. Gunn supported that the November 1996 Financial Reports be approved.

A vote on the motion showed:

**AYES:** DeVarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Sipes.

**NAYS:** None.

**Absent:** Berlin, Ungrodt.

The motion carried.

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**7. Subcommittee Reports**

**Executive Director Report - S. Pollay**

Ms. Pollay acknowledged the copy of a thank you card from Joan Lyke to the DDA. She reported that City Council approved the bid for the Kerrytown light project. Action on the DDA bylaws was tabled due to the section regarding a quorum.

There was discussion regarding the bylaws. Ms. Sipes made a motion and Ms. Gunn supported that the section changing the number of members present for a quorum be withdrawn.

A vote on the motion showed:

**AYES:** DeVarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Sipes.

**NAYS:** None.

**Absent:** Berlin, Ungrodt.

The motion carried.

The Board will request that City Council approve the amended bylaws and ratify prior actions taken by the Board.
Public Relations Committee - D. Relyea

Ms. Relyea reported that the Public Relations Committee met and agreed that the four area Associations should receive a $10,000 grant each. She stated that this will be year two of a three year grant. She also gave the Board an overview of how the area Associations used the grants during the first year.

Mr. Shaffran made a motion and Mr. DeVarti supported that the following resolutions be adopted as amended:

**Resolution Awarding a Promotional Fund Grant to the Kerrytown Historic Market District Association**

WHEREAS the Ann Arbor Downtown Development Authority Plan (1982) contains a component for the encouragement of retail businesses, and for maintaining the economic vitality of downtown; and

WHEREAS the parking system has become increasingly profitable.

THEREFORE BE IT RESOLVED that the Ann Arbor Downtown Development Authority award to the Kerrytown Historic Market District Association a grant in the amount of $10,000.00 for fiscal year 1996/97, the amount coming from parking revenues.

BE IT FURTHER RESOLVED that the Kerrytown Historic Market District Association submit invoices for goods and/or services to the Downtown Development Authority for the amount of the grant in 1996/97 and a description of its planned use with a final report of their activities and expenses.

**Resolution Awarding a Promotional Fund Grant to the State Street Area Association**

WHEREAS the Ann Arbor Downtown Development Authority Plan (1982) contains a component for the encouragement of retail businesses, and for maintaining the economic vitality of downtown; and

WHEREAS the parking system has become increasingly profitable.

THEREFORE BE IT RESOLVED that the Ann Arbor Downtown Development Authority award to the State Street Area Association a grant in the amount of $10,000.00 for fiscal year 1996/97, the amount coming from parking revenues.

BE IT FURTHER RESOLVED that the State Street Area Association submit invoices for goods and/or services to the Downtown Development Authority for the
amount of the grant in 1996/97 and a description of its planned use with a final report of their activities and expenses.

Resolution Awarding a Promotional Fund Grant to the Main Street Area Association

WHEREAS the Ann Arbor Downtown Development Authority Plan (1982) contains a component for the encouragement of retail businesses, and for maintaining the economic vitality of downtown; and

WHEREAS the parking system has become increasingly profitable.

THEREFORE BE IT RESOLVED that the Ann Arbor Downtown Development Authority award to the Main Street Area Association a grant in the amount of $10,000.00 for fiscal year 1996/97, the amount coming from parking revenues.

BE IT FURTHER RESOLVED that the Main Street Area Association submit invoices for goods and/or services to the Downtown Development Authority for the amount of the grant in 1996/97 and a description of its planned use with a final report of their activities and expenses.

Resolution Awarding a Promotional Fund Grant to the South University Merchant Association

WHEREAS the Ann Arbor Downtown Development Authority Plan (1982) contains a component for the encouragement of retail businesses, and for maintaining the economic vitality of downtown; and

WHEREAS the parking system has become increasingly profitable.

THEREFORE BE IT RESOLVED that the Ann Arbor Downtown Development Authority award to the South University Merchant Association a grant in the amount of $10,000.00 for fiscal year 1996/97, the amount coming from parking revenues.

BE IT FURTHER RESOLVED that the South University Merchant Association submit invoices for goods and/or services to the Downtown Development Authority for the amount of the grant in 1996/97 and a description of its planned use with a final report of their activities and expenses.

A vote on the motion showed:

NAYS: None.

Absent: Berlin, Ungrodt.

The motion carried.

Parking Committee - E. Shaffran

Mr. Shaffran made a motion and Mr. Fritz supported that the following resolution be adopted by the DDA:

**Resolution to Amend the Parking Structure Lease Agreement**
Between the DDA and the City of Ann Arbor

WHEREAS annual parking revenues generated by the operations of parking facilities are in excess of amounts used to defray TIFA bond indebtedness or required annual rent, maintenance, operation, and administration; and

WHEREAS increased parking revenues would enhance the DDA’s ability to finance necessary repairs to the parking structures;

THEREFORE BE IT RESOLVED that the agreement signed April 9, 1992, whereby the City leased the downtown parking facilities to the DDA should be amended to reflect that an annual reserve in the amount of 25% of gross parking revenues shall be set aside by the DDA for major capital repairs and replacements.

There was discussion regarding the resolution. A vote on the motion showed:


NAYS: DeVarti.

Absent: Berlin, Ungrodt.

The motion carried.

Ms. Pollay stated that Mr. Billiter has requested a Parking Committee meeting to discuss elevator repairs.
Pedestrian Improvements Committee - D. Fritz

Mr. Fritz stated that the Pedestrian Improvements Committee is recommending that repairs be completed on Washington and North Main Street. He made a motion and Ms. Gunn supported that the following resolution be adopted:

Resolution to Complete
Washington and North Main Street Repairs

WHEREAS, the Washington Street and North Main Street areas are important commercial districts within the downtown; and

WHEREAS, the Downtown Development Authority demonstrated its commitment to developing these areas by undertaking a $2,750,000 pedestrian improvements program in 1993; and

WHEREAS, as many as 50 trees planted at the time have since died and numerous tree wells, grates, and brick need repair or replacement,

THEREFORE, BE IT RESOLVED that $50,000 be appropriated from the 1996/97 budget to replace damaged brick, tree grates and tree wells which will complete DDA pedestrian improvement efforts in this area.

There was discussion regarding the resolution. Board members requested that Ms. Pollay look into the issue of when the DDA will cease responsibility for maintenance of trees, and other maintenance projects.

The resolution was amended to add:

WHEREAS the DDA and the City agree to outline the specific duration and extent of DDA responsibility in past, current, and future projects.

Ms. Harshe made a motion to support the amended resolution, and Ms. Sipes seconded.

A vote on the motion showed:


NAYS:    None.

Absent:  Berlin, Gillett, Ungrodt.
The motion carried.

Finance Committee - R. Gates

Mr. Gates stated that the City has a new schedule for budget preparation. Therefore, the DDA Board will need to vote on the 1997/98 budget at the February Board meeting. The Budget Committee will meet three times prior to the Board meeting. Thursday, January 16, Thursday, January 30, and Thursday, February 6. The meetings will take place at the new DDA office, 301 East Liberty, each meeting at 12:00 noon.

Ms. Pollay requested that all members provide input to the budget.

8. Other DDA Business Matters

Ms. Sipes recommended that Board members watch the program on public television titled “Back from the Brink.” It is a two hour film about three communities approximately the size of Ann Arbor, and focuses on the importance of the downtown in the communities.

Mr. Fritz stated that the Parking Committee is looking at alternative places to place a new structure. They would like for the DDA to consider the area near Ashley and First Street. Also, the DDA should evaluate the need for a bike path and rail system.

Mr. Shaffran stated that the Parking Committee will be discussing the possibility of funding a DDA/City/AATA study of downtown streets to help create a circular of the streets downtown. He asked Board members to provide input.

9. Motion to Adjourn

Mr. Shaffran made a motion and Ms. Harshe supported that the meeting adjourn.

A vote on the motion showed:


NAYS: None.

Absent: Berlin, Ungrodt.

The motion carried.
There being no further business, the Chair declared the meeting adjourned at 7:00 P.M.

Respectfully submitted by:

Susan Pollay, Recording Secretary