1. **ROLL CALL**

Present: Gary Boren, Newcombe Clark, Russ Collins, Bob Guenzel, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Keith Orr, John Splitt

Absent: Leah Gunn, Sandi Smith

Staff: Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy Director

Amber Miller, Planning & Research Specialist

Julie Uden, Management Assistant

Audience: Mark Lyons, Republic Parking System

Ryan Stanton, *Ann Arbor.com*

Adrian Iraola, Park Avenue Consultants, Inc.

Ray Fullerton, Allen Creek Greenway Conservancy

Dave Askins, *Ann Arbor Chronicle*

Ray Detter, Downtown Area Citizens Advisory Council

Nancy Shore, getDowntown

William Gross, 416 W. Huron Properties

2. **AUDIENCE PARTICIPATION**

Ms. Pollay reported that there had been an electrical surge a half hour before the meeting that shorted out the audio/video recording equipment used to record DDA meetings. Unfortunately this meant that there would be no video record of this meeting.

Mr. Fullerton spoke to the Parks and Recreation Open Space (PROS) Plan, saying that he wanted to reassure the DDA that there was definitely the possibility of extending the Allen Creek Greenway southward towards the UM athletic campus which would include nice parks and such if the UM would provide an easement.

3. **REPORTS FROM CITY BOARDS AND COMMISSIONS**

**Downtown Area Citizens Advisory Council:** Mr. Detter said Richard DeVarti, owner of Dominick’s along with his brother Dave had attended the CAC meeting to share their concerns regarding UM’s desire to close off Monroe to traffic and parking. Mr. Detter stated it has long been the policy of the CAC to support preservation of the historic downtown street grid as well as alleys, pedestrian passageways, and public right of ways. The CAC is also strong supporters of downtown and near-downtown businesses. The CAC believe there is no benefit to the community or City in closing Monroe Street. Further, closing the street would not only be a disaster for Dominick’s Restaurant, it would close off an essential traffic route, and it would mean the loss of parking that would affect residents in the neighborhood. Mr. Detter affirmed the CAC is very committed to the integration of off-campus and on-campus communities, including physical connections, not just on South University and State Street but throughout the downtown.
The CAC also discussed plans for construction of a two-story home at 215 North Fifth Avenue on the site of the former Bessenberg Bindery, located beside the Armory. This will be the fourth new home to be constructed in the area near Kerrytown in the last year. Mr. Detter stated they will support this project when it appears before the Ann Arbor Historic District Commission.

Mr. Detter said the CAC had also reviewed the new design guidelines which can be found online.

4. STATUS OF TASKFORCE EFFORTS WITH DDA MEMBERSHIP

Library Lot RFP Advisory Committee: Mr. Splitt reported that the committee has not met.

Mutually Beneficial Committee: Mr. Hewitt reported that the committee has not met in the past month. Meanwhile members of the DDA are working with the DDA Attorney to draft a proposed new parking agreement to provide to the City for its review. Ms. Lowenstein commented that it will be helpful to have specific details on paper for discussion with the City. Mr. Clark asked if Mutually Beneficial Committee meetings were taking place, as there was a commitment to keeping things transparent; Mr. Hewitt said that there have been no meetings in the past month.

5. MINUTES

Mr. Hieftje said that he had arrived at the January meeting late and asked that the minutes reflect his late arrival, rather than stating that he wasn’t in attendance at the beginning of the meeting. With this change noted, Mr. Splitt moved and Mr. Collins seconded approval of the January 5, 2011 DDA meeting minutes and the January 5, 2011 DDA retreat meeting minutes.

A vote on the motion to approve the minutes showed:
AYES: Boren, Clark, Collins, Guenzel, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Splitt
NAYS: None
Absent: Gunn, Smith
The motion carried.

6. BRICKS AND MONEY COMMITTEE

Financial Statements Through December 2010: Mr. Hewitt reported that the DDA had received nearly all of its TIF and the amount is within 2% of budget. Mr. Hewitt said that Republic Parking had worked to better align its operational hours with the times the parking facilities are active, which will reduce costs. Halfway through the DDA’s fiscal year parking revenues are nearly equal to budget, with the only shortfall due to the delayed implementation of the 2010 parking rate increase, which was scheduled for July but was implemented in September.

First & Washington: Mr. Hewitt introduced the second amendment to the City/DDA/Village Green Parking Agreement by reminding the board of the project’s background, highlighting the fact that the DDA would be purchasing the deck based on a fixed amount per parking space. He noted that the DDA board had already approved the Parking Agreement and this amendment was intended to outline how the DDA/City would be assured of the quality structure design and construction guaranteed in the Agreement.

Mr. Clark said that he was happy the project was moving forward, but had concerns about the impact it might have on the DDA’s 10-year plan if the project were delayed. Mr. Clark said that his review of the City Council-approved timetable showed that the project was nine weeks behind schedule already. He said he was also concerned that the scheduled showed that there was only three days notice before bond issuance, which might catch the DDA by surprise. Ms. Pollay said
the City will be issuing the bond, which will occur at the time the parking structure receives its Certificate of Occupancy.

Mr. Clark said that his other concern was about the impact of a deal not going through, since the City was expecting to receive $3 Million for the land which was part of the financing arrangement for the new Municipal Center, and the City might then need to look to the DDA for these funds since its budget was so tight already.

Mr. Hewitt said that he felt that any delay was a City concern, not the DDA’s. He said that he also felt that Mr. Clark’s comments were getting into a discussion of the city’s budget, and he didn’t feel it was appropriate for the DDA to comment. Mr. Collins said he acknowledged Mr. Clark’s concerns, but he didn’t believe they were germane to this resolution. Mr. Guenzel said that he also acknowledged Mr. Clark’s concerns, but thought that it may be more of a cash-flow issue for the City, rather than a budget concern.

Mr. Hewitt moved and Mr. Mouat seconded the following resolution:

RESOLUTION TO APPROVE AMENDMENT NUMBER TWO TO THE PARKING AGREEMENT BETWEEN VILLAGE GREEN RESIDENTIAL PROPERTIES, L.L.C., THE CITY OF ANN ARBOR AND THE ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY

Whereas, In response to City RFP 621, Village Green was selected by the City of Ann Arbor in 2006 to redevelop the City property at First & Washington with a mixed-use project that included apartments and a multi-story public parking structure to be owned by the City;

Whereas, The City, DDA and Village Green entered into a Parking Agreement, on October 3, 2007, followed by an Amendment in 2008, which now must be further amended to clarify details relating to the design and construction of the public parking structure, including the DDA and City rights to request design specification changes, as well as requirements to provide opportunities for inspection during construction, construction records and warrantees, and other elements;

Whereas, The proposed Parking Agreement Amendment Number Two has been reviewed extensively by the DDA Attorney and is being recommended for approval by the DDA Bricks and Money Committee;

RESOLVED, The DDA approves Amendment Number Two to Parking Agreement Between Village Green Residential Properties, LLC, the City of Ann Arbor and the Ann Arbor Downtown Development Authority.

A vote on the motion to approve the amended resolution showed:
AYES: Boren, Clark, Collins, Guenzel, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Splitt,
NAYS: None
Absent: Gunn, Smith

The motion carried.

S. Fifth Avenue Underground Structure: Mr. Splitt reported that two mass concrete pours had taken place this month. Another mass concrete pour, the largest of the project, is scheduled for the end of February, with approximately 5,000 cubic yards of concrete to be poured. Rebar reinforcement assembly continues as well as decks, walls, and columns. The speed ramp at Division is 80%
complete and the east end of the garage will be at ground level by the end of February. Dewatering continues along Phase II. The crane located at Division will be removed and the west side of Division will be reopened to traffic by early March.

Fifth & Division Improvements: Mr. Splitt said Detroit Edison has activated many of the street lights.

Mr. Splitt said that the DDA’s office lease will expire in July and a variety of office location options have been explored. Immediately following the board meeting a tour of an alternate new office location would take place for any interested board members.

7. TRANSPORTATION COMMITTEE

Mr. Mouat reported the Committee reviewed the DDA’s Demand Management Strategies report, and developed a list of projects for its work plan. This will include items such as amassing all transportation and parking information for employees working evening hours into a single piece that can be posted to the DDA website, printed as a brochure, or sent as a PDF to restaurants and other businesses with evening hours. Other items will include a discussion of how to add more moped/motorcycle parking, finding ways to encourage electric vehicle use, and investigating how to encourage more taxi use in downtown. Mr. Mouat said that the next Committee meeting will include a discussion of potential budget items and a presentation on the AATA’s Thirty Year Transit Plan.

Mr. Hieftje commented that Andrew Brix and Dave Konkle would be able to set up a meeting with DTE to go over the logistics of charging stations if this were needed.

8. ECONOMIC DEVELOPMENT/COMMUNICATION COMMITTEE

Ms. Lowenstein reported that for its second meeting, the committee members reviewed existing downtown and DDA communication efforts. As with the first meeting, this background helped create a sense of context for the communication role for the DDA’s new committee. She thanked Mr. Clark for sharing knowledge he’d gained from the Ross School of Business about how communication flows, which provided a great jumping off point for the committee discussion. In general there is consensus that the committee wants to change the existing dialogue – focusing on communicating the many positive assets the DDA and downtown has to offer.

Ms. Lowenstein said that Jennifer Owens from SPARK will attend the next committee meeting to help determine how the Committee and SPARK can align efforts. Mr. Mouat questioned what the impact on SPARK was when key individuals headed to Lansing to help the new administration; Ms. Lowenstein said she felt that SPARK would refill these positions with talented people, but the interesting change will be the increasing collaboration between MEDC and Michigan economic development agencies such as SPARK. Mr. Guenzel said that he thought SPARK would be moving forward much as it is currently as before.

9. PARTNERSHIPS COMMITTEE

Energy Saving Grant Program: Mr. Collins reported that for 2008/09 and 2009/10: 81 energy audits were completed and several others are under final review, and 23 buildings/businesses have installed energy saving improvements. For 2010/11 32 applications had been accepted. At this time all DDA Energy Saving Grant Program funds have either been expended or are now obligated, and Mr. Collins said Mr. Konkle sent an email to program participants letting them know that there are no remaining Phase II funds, but that the City anticipates having a low-interest PACE
loan program in place that can assist them by October 2011. By every measure the DDA Grant Program has been a tremendous success.

Mutually Beneficial: Mr. Collins reported that the Partnerships Committee debriefed with Partnerships Committee member/ City Council member Derenzinski about the January DDA retreat, including the board consensus about the potential transfer amounts from the DDA to the City with a new parking agreement amendment and the potential new role for the DDA facilitating the redevelopment of the City lots.

Downtown Lot Redevelopment. Mr. Collins stated Wendy Rampson will attend the next Committee meeting to discuss A2D2 and design guidelines.

10. OTHER DDA BUSINESS MATTERS

Mr. Hieftje said that Downtown Marketing Taskforce has been meeting monthly for many years, and is currently on hiatus. When it reconvenes again it may be on a quarterly basis and he welcomed DDA members to attend, as there are often interesting topics to consider.

Mr. Hieftje stated he had been quoted in the media a couple of weeks ago when he’d been asked to comment about the impending Borders bankruptcy. After he was quoted, Mr. Hieftje said he met with the person who handled Borders’ real estate, and they had both acknowledged that neither wanted Borders to leave downtown, and if Borders did close stores, then the downtown store would likely be among the last to close. That being said, Mr. Hieftje said that other retailers have expressed interest in the location should Borders vacate the space, but a major concern is a perceived lack of parking. Mr. Hieftje said that he pointed out that the new underground parking garage would provide additional parking spaces within a few blocks of the site, and that the person he’d spoken with was happy to hear that.

11. OTHER AUDIENCE PARTICIPATION

Bill Gross said that he was the property manager for 416 W. Huron. He said that he voluntarily took care of the property along the Ann Arbor Railroad tracks, which is actually the railroad’s responsibility; including regularly picking up trash and cutting back the weeds. He said that the sidewalks along Huron Street are in disrepair, and he has been hoping to see repairs in the alley abutting his property that would address flooding and lack of lighting. Mr. Gross also raised concerns about behavior issues with individuals who appear to be coming to the Delonis Center for the daily free lunch, as they often behave in a way that disturbs the people who rent parking spaces from him. Mr. Hieftje suggested that Mr. Gross take up the behavior issues with the Delonis Center.

Ms. Lowenstein noted that it was not the board’s practice to engage in discussion after audience participation but felt some leeway could be given.

Mr. Collins suggested that Mr. Gross meet with DDA staff, as they may be better able to assist than the DDA board.

Mr. Clark stated that he had suggested that Mr. Gross address the DDA board, as he knows that Mr. Gross has been in contact with DDA staff and City staff over the past few years asking for help with these concerns, which unfortunately have not been resolved. He said that the behavioral issues are difficult to address without regular police presence, which is more challenging than ever given the reduction in the police force. He also commented that the DDA had previously
scheduled an alley repair at this location to address the flooding and lighting issues, as well as a sidewalk repair project for Huron, but that these projects were taken off the DDA work plan due to financial demands. Mr. Clark said that “the buck stops with the DDA board” and they alone can choose DDA priorities including whether to fund these improvements that benefit their District.

Mr. Fullerton said that it is important for residents to report street light outages, because the City only does an annual inspection and it could take as long as a year for a streetlight to get replaced.

12. ADJOURNMENT
There being no other business, Mr. Guenzel moved and Mr. Hewitt seconded the motion to adjourn. Ms. Lowenstein declared the meeting adjourned at 1:12 p.m.

Respectfully submitted,
Susan Pollay, Executive Director