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

Time: Chairperson, Rob Aldrich, called the meeting to order at 12:09 p.m.

1. **ROLL CALL**

Present: Rob Aldrich, Fred Beal, Ron Dankert, David Fritz, Leah Gunn, Lorri Sipes, Dave Solo, Skip Ungrodt

Absent: Dave DeVarti, Bob Gillett, Rene Greff, John Hieftje

Staff Present: Susan Pollay, Executive Director

Joe Morehouse, Deputy DDA Director  
Adrian Iraola, Project Manager  
Sarah Armstrong

Audience: Brian Barrick, Pollack Design Associates  
Jim Corbett, Republic Parking System  
Ray Detter, Citizens Advisory Council  
Joe Fitzsimmons, Washtenaw Housing Alliance  
Donna Johnson, Ann Arbor City Planning Department  
Brian Kern, Republic Parking System  
Brenda Macon, Ann Arbor Area Chamber of Commerce  
Cathy O’Donnell, Ann Arbor News  
Peter Pollack, Pollack Design Associates  
Mary Weiser, Washtenaw Housing Alliance

2. **APPROVAL OF MINUTES**

Ms. Sipes moved and Ms. Gunn seconded a motion to approve the minutes of January 9, 2002:

A VOTE ON THE MOTION SHOWED:

AYES:  Aldrich, Beal, Dankert, Fritz, Gunn, Sipes, Solo, Ungrodt

NAYS:  None

Absent:  DeVarti, Gillett, Greff, Hieftje

The motion carried.

3. **AUDIENCE PARTICIPATION**

Margaret Parker said she was part of Art Pro Tem, a group that provides temporary public art installations and a speaker series at the Library. She invited the DDA to hear their next presenter, Jack Williamson, on February 13 talk about ways communities can use design as a tool for downtown revitalization.

Mr. Gillett enters.

Brenda Macon, Chamber Housing Innovations Coordinator, spoke about her efforts working with others to encourage the development of affordable housing in the community. She distributed an informational brochure on employer assisted housing programs, and encouraged people to call her with questions.

Joe Fitzsimmons, Washtenaw Housing Alliance, presented information about the fund raising efforts for the construction and operation of a new downtown homeless shelter. WAH is made up of eleven local human services agencies providing services for the homeless. He spoke about the need for the shelter, and said that he strongly supported WAH goals. WAH is requesting $250,000 from the DDA, out of a total budget of $8.7 million, which includes a $1 million endowment, $725,000 in initial operating funds, and $375,000 toward the renovation of the family shelter out on Jackson Road. Pledges and gifts to date exceed $7 million. He said
that the current schedule anticipates construction beginning May 2002 and finishing September 2003. Mr. Aldrich thanked Mr. Fitzsimmons and said that this issue would be taken up by committee for review.

4. **CITIZENS ADVISORY COUNCIL**

Discussion at last night's Citizens Council meeting covered a broad range of issues but centered on our primary concern with the downtown residential environment. We were fortunate to have present two new residents to the DDA area, Laura and Bill Schlecte, who are in the process of completing a large and expensive new loft home at 114 North Fourth. They hope to be able to move in soon.

The Citizens Council is aware that some of the new housing being built and proposed in downtown Ann Arbor is expensive. But we also recognize that, according to a report from Larry Friedman in the Community Development Department, the downtown area has the largest concentration of affordable units in Ann Arbor—much of it small, shared, student rentals.

Citizens Council members are becoming increasingly aware that the issue of downtown housing has many complex facets, and we are coming to believe that it must be handled not in a stopgap but in a visionary and holistic way. Our position has always been to support “broad spectrum housing” in the downtown—emphasizing stabilization and support for existing housing while encouraging new construction at all levels of income. Our advocacy has been matched with actions that include organized tours of development sites, two organized loft tours, and significant public support for specific developments as they have been proposed.

We have always supported and defended the interests of the 116 units of affordable housing in Courthouse Square. We were early advocates of the Ashley Mews project, and we continue to give our support to that project with the addition of 8 units of permanently affordable housing on the site. We are currently insistent that the replacement of the parking structure at First and Washington include a large component of residential units.

We understand that the City’s current policy position is to try to get 20% affordable housing in all new developments—although this policy is not established by city ordinance. Now plans for the 1st and Washington site, as well as the Collegian site, have helped encourage public discussion of the question of whether it is better to place planned affordable housing in developments constructed in the high expense area of the downtown, or to have developers pay money in lieu of including downtown units in order to open the possibility of even more units in less expensive areas and projects.

Last night the Citizens Council was not yet willing to decide whether we favor affordable housing on site or contributions to a housing fund in lieu of on site housing—but we have opened a broader discussion on housing that we plan to continue with the goal of coming up with a carefully developed plan and clear objectives.

We have a number of housing proposals, sites and plans in the downtown. Beyond Ashley Mews and the First and Washington sites, the only other high-end proposals are for some housing in the Collegian, tentative Stegeman and Dahlmann concepts, and the approved rental units on the former Olga’s site. In the latter examples, some “affordable” housing might be included in the residential mix. On the other hand, more affordable housing will be included in the Shelter, replacement of the housing in the old YMCA site, and in the possible housing provided by new dormitories on campus. Outside the downtown, some affordable housing may be included in future Lower Town units as well as in mixed income housing in nearby townships, if we are willing to make the necessary serious commitment to regional planning.

How do all these and other possibilities provide us with a framework for developing a downtown and community-wide housing plan that works? Where should affordable housing be placed on site? Where should “in lieu of” funds be spent in order to get the most effective results? The Citizens Council will be discussing these issues and choices over the course of the next year. We will be presenting our ideas to the DDA in the
hope of contributing to the development of a community plan for housing within the central area of Ann Arbor that we can all accept.

Two final points on housing related issues:

1. Any financial support by the DDA for the proposed shelter should be given only on the same basis as the City Council already has done. It should be contingent upon the support by all parties of the already appointed Shelter Neighborhood Advisory Group as well as the development of a shelter impact study. Both the Advisory group and the impact study were requirements in the resolution approved by City Council to give the shelter program $1,000,000 of city support.

2. The Citizens Council is now firmly committed to asking the DDA to consider an RFP process if the current Fried negotiations fail to produce a desirable result—and any RFP for First and Washington should specify whether “affordable” housing is to be provided on site or a payment is to be made “in lieu of” that level of housing.

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Dankert reported on the November and December statements included in the packet and said that they show no significant budget variances. He reported on fund balances and parking income, and then moved that the DDA approve the financial statements as presented, this motion was supported by Ms. Gunn.

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Beal, Dankert, Fritz, Gillett, Gunn, Sipes, Solo, Ungrodt
NAYS: None
Absent: DeVarti, Greff, Hieftje
The motion carried.

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

RESOLUTION TO APPROVE THE DDA BUDGET FOR THE FISCAL YEAR 2002/2003

Whereas, The DDA has developed a Ten-Year financial plan, including projected income and expenses for its TIF, Housing and Parking Funds, including calculations for debt service, capital improvements projects and parking operations;

Whereas, The DDA Operations Committee has developed a detailed FY 2002/2003 budget for the DDA based on this Ten-Year plan;

Whereas, The Operations Committee recommends approval of this budget by the DDA;


Mr. Gillett asked where the costs of the parking meter operations were shown in the budget. Mr. Morehouse explained that the costs are shown under the parking contractor’s expenses along with the rent and transfer to other funds expense.

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

Hands-On-Museum Funding Request-Status. Mr. Dankert reported that Mr. Frenza was working on receiving cost estimates and would present a detailed project budget to the Operations Committee at its next meeting.

Parking Agreement Renewal/Amendment to Contract with Republic Parking-Status. Mr. Dankert said that the parking agreement renewal goes to Council in late February or the first meeting in March. Mr. Aldrich questioned how we would implement the program once approved. Ms. Pollay said that she and Joe have spent the last six months preparing for this transition. Republic Parking has recently hired a manager for meter operations, and Mr. Stein has been working with the Republic front office staff to assimilate new permit responsibilities. Ms. Pollay said that she and the City’s Public Services and Human Resources Dept. Directors were working with the unions to assist parking services employees, including outlining retraining programs and determining placement opportunities within the City. Mr. Dankert reminded the DDA that meter responsibilities will be added as an amendment to the contract with Republic Parking. He introduced Mr. Corbett, Manager with Republic Parking, who then introduced his boss, Mr. Brian Kern, Regional Manager for Republic Parking.

Ann Arbor Civic Theater. Mr. Dankert said that while the Committee recognized the value of the arts to the quality of life in the community, the Committee also recognized that it didn’t have the necessary tools to ascertain the relative significance of specific arts groups and projects over others. Meting out a grant – particularly a significant one like this ($150,000) – would no doubt trigger an avalanche of other requests that the DDA was not prepared to receive. For this reason, the Committee resolved not to recommend funding a grant to Civic Theater, even if it understood that the owners of Schwaben Hall had made the same request to the DDA’s Partnerships Committee, but from a development perspective.

PARTNERSHIP COMMITTEE
Status Request for AACT/Schwaben. Mr. Gillett said that the Committee had met with the Schwaben Hall owners to understand more about their work renovating this historic building, as well as their goals to install Civic Theater in the basement “garden” level to complement the creation of a conference/meeting space, as well as a possible catering connection to an adjacent restaurant. It was helpful getting input from the Operations Committee. By the next board meeting, the Partnerships Committee will attempt to bring a resolution to proceed or not to proceed with this request.

First/Washington Project Status. Mr. Gillett reported that there have been meetings with the Freed Group, but there’s been no resolution as yet. Another meeting will be held on February 7th, and it had been very helpful to hear DDA member feedback at the Retreat so the Committee knew which way to go with discussions. It is hoped that an acceptable development plan will come from this meeting which the Committee can support. Ms. Pollay said that Freed has been asked to provide a revised conceptual plan for the City-site only.

CAPITAL IMPROVEMENTS COMMITTEE
Mr. Beal reported that a year ago the DDA received a request from the neighborhood advisory group asking that the DDA contribute funds for additional street lighting near the new Shelter. The request had been forwarded to the Capital Improvements Committee, who in turn asked the Shelter design team to define what was needed and its estimated cost. This information was received recently, and recommended for approval by the Committee. Upon a motion by Mr. Beal, seconded by Ms. Gunn, the following resolution was put forward:

RESOLUTION IN SUPPORT OF A $22,725 GRANT TO THE WASHTENAW HOUSING ALLIANCE FOR LIGHTING ALONG W. HURON STREET
Whereas, In June 2000 the DDA voted to support the initiative spearheaded by Washtenaw County, the City of Ann Arbor, and the Washtenaw Housing Alliance to provide integrated and comprehensive services to individuals and families in the County with the goal of moving individuals out of homelessness;

Whereas, As part of this initiative, plans were developed by the Washtenaw Housing Alliance to build a shelter for single individuals at a W. Huron Street location owned by the County;

Whereas, In its resolution of support, the DDA praised a number of project goals, one of which was that the new shelter would be designed to minimize negative impacts to the surrounding neighborhood and would follow the CPTED guidelines recommended by the Ann Arbor Police Department;

Whereas, At the time of its resolution the DDA received a request from the Shelter’s Neighborhood Advisory Committee to fund additional lighting along W. Huron Street to address concerns about safety and security;

Whereas, This request was forwarded to the DDA’s Capital Improvements Committee, who then worked with the Washtenaw Housing Alliance design team to determine the kind of light fixture to be used, as well as the estimated cost;

Whereas, The Washtenaw Housing Alliance design team would oversee purchase and installation of these lights as part of its project construction;

Whereas, The DDA Capital Improvements Committee recommends approval of this grant request;

RESOLVED, The DDA approves a $22,725 grant to the Washtenaw Housing Alliance to fund additional lighting along W. Huron Street in front of the new Homeless Shelter building.

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

State Street Area Pedestrian Improvement Project-Status. Mr. Beal said that when the project design was approved by the DDA in April 2001 there were concerns that bids might exceed budget, so priorities were established. As it turns out, the low bid was sufficiently low enough to enable the DDA to include the entire project scope, including base bid items and alternates. Mr. Brian Barrick, of Pollack Design, went over design details, and said work would begin mid-March 2002 and be completed by May, 2003. Ms. Pollay reported that Mr. Iraola has moved into an office at the Maynard deck so as to be available to respond to concerns and more directly oversee the project. Mr. Aldrich reaffirmed project budget details including contract amount, signs & signal additions, and contingency funds. Mr. Beal moved and Ms. Gunn seconded the following resolution:

RESOLUTION TO APPROVE A PROJECT SCOPE FOR THE STATE STREET AREA PEDESTRIAN IMPROVEMENT PROJECT

Whereas, On April 4, 2001 the DDA approved a conceptual plan for the State Street Area Pedestrian Improvement Project describing the proposed improvements;

Whereas, As part of the same resolution, the DDA also accepted recommendations for additional project elements to be bid separately as alternates;

Whereas, The Project was advertised and plans were made available to contractors on Thursday, November 15, 2001;
Whereas, Twelve (12) sets of plans were picked up from the Purchasing Department of the City of Ann Arbor and fourteen (14) plans were also obtained through the Internet's PlanWell service;

Whereas, Five (5) bids were received and opened on Tuesday, January 15th, 2002;

Whereas, The lowest responsible bidder was Abbott Construction, Inc., of Flat Rock, Michigan, in the sum of $2,579,468 (base bid);

Whereas, A meeting with the low bidder was held on Thursday, January 17th, 2002 to confirm their prices;

Whereas, References for the contractor were received Thursday, January 17th, 2002 and calls to check those references were made on Friday, January 18th, 2002;

Whereas, On January 9th, 2002, the DDA resolved to increase its project budget to $5.5 million, authorize the Capital Improvements Committee to oversee the contractor selection process and make recommendations on project scope;

Whereas, The Capital Improvements Committee selected Abbott Construction Inc.;

Whereas, The Capital Improvements Committee recommends the full project scope as presented by Pollack Design Associates on April 4, 2001 as follows:

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
3. Alternate Improvements:
   - Lighting improvements to the Maynard and Liberty Square parking structures, sidewalk replacement on tertiary streets (Washington, Thompson, Thayer, Liberty from Division to Fifth, and William from Thompson to Fifth), lighting on William, between Thompson and Fifth

Resolved, That the project scope for the State Street Area Pedestrian Improvements Project shall be as recommended by the DDA Capital Improvements Committee;

Resolved, That the DDA Capital Improvements Committee Chair and Executive Director is authorized by the DDA to execute a contract with Abbott Construction Inc. in the amount of $2,711,177.00;

Resolved, That the Capital Improvements Committee Chair and Executive Director be authorized to oversee and execute Professional Services Agreements necessary for the completion of this project as noted in the approved budget;

Resolved, That the DDA Capital Improvements Committee Chair and Executive Director be authorized to oversee and execute changes in the scope of work as necessary to complete the project within the limits of the approved budget.

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

Fourth Avenue Project-Status. Mr. Beal reports the project is scheduled to start March 1st, weather permitting.

Forest structure-Status. Mr. Beal said there is no substantial change. Rudolph Libbe has a new project manager and things are moving forward but there is still disagreement over dollars. There were also delays associated with resolving the issue of the bridge to the Galleria. We are still waiting for the Building Department to submit information to the State.

Sidewalk Maintenance. Mr. Beal said they are looking ahead as to the kinds of projects that will be done this year. There’s still a need for a more comprehensive plan in order to propose a budget for future years.

Regular Committee meetings have been established as the third Monday of each month at 2:30pm at the DDA office. The next Capital Improvements Committee meetings will be February 18th and March 18th.

PLANNING COMMITTEE
Ms. Sipes reported that the Winter Retreat went very well. There are still some issues to resolve and hopefully we can resolve these on a committee level. On February 14th there will be a joint meeting with Partnership Committee and Planning Committee, to discuss a number of items, including affordable housing initiatives.

On February 11th and 12th there will be work sessions with City Council and Planning Commission to discuss DDA renewal. Mr. Aldrich, Ms. Pollay and Ms. Sipes will present information and answer questions. The resolution of intent, which will begin the process, will be before City Council on March 18th.

8. OTHER BUSINESS
Ms. Pollay announced that City Council approved the changes to the sidewalk ordinance that allows for a reduction of fees to use the sidewalk and gives the business owners right of first refusal to use the sidewalk area in front of their establishment.

Ms. Pollay reported that AATA is planning a downtown circulator route connecting Main Street area to State Street area. It will run every 7-8 minutes from 11AM-11PM. There is at this time some disagreement on the route it will run, as some stakeholders would like it to include S. University Avenue.

Mr. Gillett wanted to know which committee should the Shelter project funding request be referred to. Ms. Pollay suggested it start out as a joint discussion item between the Operations and Partnership Committees, which could also include a discussion of the idea that DDA funding be directed toward lighting on W. Huron rather than the shelter itself.

Mr. Barrick, of Pollack Design, thanked the Board for their input on the State Street project and said he enjoyed working with everyone.

9. ADJOURNMENT
As there was no further discussion, upon motion, the meeting was adjourned at 1:54 p.m.

Respectfully submitted,
Susan Pollay, Executive Director