MINUTES
Downtown Development Authority Meeting
Wednesday, February 7, 2001

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

Time:  The Chair, Ron Dankert, called the meeting to order at 12:07 p.m.

1. ROLL CALL

Present: Rob Aldrich, Neal Berlin, Ron Dankert, David Fritz, Leah Gunn, Karl Pohrt, Lorri Sipes

Absent: Fred Beal, Dave DeVarti, Bob Gillett, Rene Greff, Skip Ungrodt

Staff  Susan Pollay, Executive Director

Present: Sarah Armstrong

Joe Morehouse, Fiscal and Administrative Manager

Audience: 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
Peter Pollack, Pollack Design
Elizabeth Weber, Ann Arbor News

2. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Aldrich seconded a motion to approve the January 3, 2001 minutes.

A vote on the motion showed:

AYES:   Aldrich, Berlin, Dankert, Fritz, Gunn, Pohrt, Sipes

NAYS:   None

Absent:  Beal, DeVarti, Gillett, Greff, Ungrodt

The motion carried.

3. AUDIENCE PARTICIPATION

Mr. Pollack said he would address the Board during the committee report on the State Street Design Project.

4. NEW BUSINESS

None.

5. OLD BUSINESS

None.

6. CITIZENS ADVISORY COUNCIL

Last night's meeting of the Citizens Advisory Council dealt with a number of downtown issues. I wish to report to you on three of them.

Members of the Citizens Council have been meeting with city officials for the last several months to develop a process for completing a downtown homeless shelter impact study. Development of this impact study was one of the requirements of the Ann Arbor City Council
when they agreed to provide $1,000,000 to support the construction of the new homeless shelter on West Huron. Our objective has been to develop a database of information from which we can periodically attempt to measure the impact of the future shelter upon the downtown area and the homeless clients it serves. What is good? What is not so good? How can we improve or change it?

Many people have resisted the organization of this study, but we believe we are making progress. With the help of Mayor Hieftje, we have defined the boundary of the downtown area to be studied. (Essentially State St. on the east, William on the south, Seventh Ave. and West Park on the west and Felch and High St. on the north). The study will gather data within this geographic area on two levels: An area within a block of the shelter will be carefully examined for police calls, changing property values, business starts and closings, etc. The entire larger area will also look at police calls associated with any shelter address as well as document any changes in the addresses in the area that provide homeless services and transitional housing. Police reports will also provide us with information on any changes in numbers or condition of homeless people who congregate by day or overnight in locations outside the boundaries of our study-such as under bridges along the Huron, in parks, etc. In addition, we have asked for more complete and public information on the people served by the shelter itself. Where do they come from? Where do they go? What services are provided? Our desire is to collect the kinds of information that will help all of us measure the success of this joint County-City facility. While being careful to protect the individual privacy of shelter clients, this information will be available to the entire public.

We are pleased to report that the Homeless Shelter Advisory Board (which has two Citizens Advisory Council members) is expected to begin meeting in the next couple of months. It will be their task to report to the City, the County, and the Housing Alliance on any problems, benefits or questions that may be raised. The shelter impact study should be of great use to them as well as to all of us.

Citizen Council members, who are working on the Downtown Public Arts Committee and with the Commission on Art in Public Places, are pleased to report that an additional $10,000 has been committed by a private donor for public art somewhere in the Fourth Avenue pedestrian corridor. As you know, $100,000 of privately donated money is scheduled to be spent this spring on art works at three locations in the Fourth and Washington parking structure. Combined with the DDA improvements scheduled for the Fourth and William parking-structure --as well as the Fourth Avenue streetscape, these private donations will help to make Fourth Avenue an important pedestrian connector between the Kerrytown and Main Street shopping areas.

I also wish to report that the Historical Street Exhibit Program is scheduled to install nine more transparent frames this year at eight exhibit sites in the Main Street and Kerrytown areas. We have also completed development work on the content and photos for eighteen new wall images in this area. With the help of Rob Aldrich and Ron Dankert we have now succeeded in getting full private financial support for seven of these downtown frames. We are already working on content and image development of the remaining seven exhibit sites in the program. Those in the State Street and South University area will be installed next year, while the two frames to be located at the exhibit near the railroad depot and historic Lower Town will have to wait on the completion of the new Broadway Bridges in two years. We are continuing
our fund-raising campaign for the program which will include a $50,000 endowment to provide for the future maintenance of all exhibits.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Aldrich moved and Ms. Gunn seconded the following resolution:

RESOLUTION TO APPROVE THE DDA BUDGET FOR THE FISCAL YEAR 2001/02

Whereas, State of Michigan law requires City Council approval of the DDA’s budget each year;

Whereas, The DDA maintains a TIF, Housing and Parking Fund which are accounted for using the City’s Finance Department;

Whereas, The DDA Operations Committee has reviewed believes the estimates of income and expense for the three funds are accurate and necessary to maintain the operations of the DDA;

RESOLVED, The DDA approves its fiscal year 2001/02 budget.

Mr. DeVarti enters.

Mr. Aldrich said the TIF fund shows a net excess over expenditures of $160,000, which is down from the current approved budget primarily due to the cash outlays for the Fourth Avenue and State Street projects. It is assumed in this budget that we would bond for the State Street project. The Housing fund assumes a $200,000 transfer from the TIF fund and forecasts only expenditures that have already been committed. The Parking fund has been modified from previous budgets to show parking contractor expenditures in more detail, and a worksheet was provided to compare expenses for the current year with the new budget. The net decrease in the parking fund balance next year is $551,000 as compared to an $858,000 deficit forecasted for the current fiscal year. The major reason for the deficit would be the $750,000 cash contribution toward the $4 million bond for the Fourth/William structure repairs.

Mr. Gillett enters.

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

Mr. Aldrich reported on the financial statements for the six months ended 12/31/00. Currently the TIF fund balance is $7.2M, which is close to the budget, with the exception of the Syndeco payment which had not been budgeted for. The Housing fund shows a balance of $250,000 but that does not include the current year’s allocation from TIF. Parking operations currently are 12% over budget, and expenses are 10% less than anticipated. The timing of the Fourth/William repairs will show costs appearing later this spring.
Mr. Aldrich reported that the DDA’s new parking operator, Republic Parking, is getting up to speed very quickly and that the transition between operators went very smoothly. As part of this transition, the DDA has a new bank account at TCF to handle parking receipts, and Mr. Jim Stein, our new Parking Inspector, is now aboard working with Republic to ensure the parking facilities are kept in good operating order. The committee reviewed employee health benefits and decided to recommend M-Care be offered to Republic employees starting March 1, 2001, both because it will provide better coverage for the employees and may also reduce costs to the DDA.

Mr. Aldrich said the next committee meeting will be February 22nd, and urged everyone to attend the DDA’s “most exciting” committee.

Mr. Beal enters.

Mr. Gillett asked why the DDA is involved in the selection of employee benefits if they are employed by Republic Parking. Mr. Aldrich answered that the employees petitioned the Board to review the benefits program. The insurance is a cost to Republic, but since the cost is passed on to the DDA, the Committee felt compelled to research this issue and frame a recommendation.

PARTNERSHIPS COMMITTEE
First/Washington Parking Structure RFQ-Status
Mr. Gillett gave a short report on the status of the First/Washington project. Five proposals were received and the committee has met several times to discuss their contents and frame a process by which a private project partner will be selected. The initial action taken so far was to ask for more detailed information from each of developer in order to better compare the submissions. There will be another meeting February 16th in order to make some preliminary selections and interviews will be held the first week in March. Ms. Pollay said she has copies of the proposals in her office if anyone is interested in looking at them.

Ann/Ashley Agreement-Status
Mr. Gillett said the Committee was still in negotiations about a possible restaurant on the site, however both sides are still far apart after the last round of discussions. The Committee feels that the chance of coming to an agreement is remote, but the developer is still trying to reach an agreement.

Mr. Gillett reported that they have received a request from Mr. Jeffery Spoon for a free parking space related to the affordable housing portion of the redevelopment at the old McDonald’s site and the committee will be meeting with Mr. Spoon to explore the ways to support the project.

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

RESOLUTION ALLOCATING $200,000 TO THE DDA HOUSING FUND IN FISCAL YEAR 2000/2001

Whereas, The DDA Board created a DDA Housing Fund in 1997;
Whereas, DDA Housing Fund allocations have supported a variety of important downtown residential projects, including Avalon supportive housing on N. Ashley, Courthouse Square Apartments, LISC, and Syndeco’s development at Main/Packard;

Whereas, The resolution creating the Fund stated that the DDA, “shall designate a significant annual contribution to the Housing Fund;”

Whereas, The DDA must designate a contribution to the DDA Housing Fund for 2000/2001;

RESOLVED, That the DDA approve an allocation of TIF funding into the Housing Fund of $200,000 for fiscal year 2000/2001.

A vote on the motion showed:

AYES: Aldrich, Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Gunn, Pohrt, Sipes
NAYS: None
Absent: Greff, Ungrodt

The motion carried.

Mr. Gillett moved and Mr. Pohrt seconded the following resolution:

RESOLUTION PROVIDING $40,000 FOR PROMOTION GRANTS FOR THE FOUR DOWNTOWN AREA ASSOCIATIONS FOR FY 2000/2001 IN ADDITION TO SPONSORING A REPRESENTATIVE FROM EACH GROUP TO THE 2001 IDA CONFERENCE

Whereas, The Ann Arbor Downtown Development Authority Plan contains a component for the encouragement of retail businesses;

Whereas, The DDA has provided annual support for the promotional activities of the four downtown area merchant associations since 1995/96;

Whereas, The DDA seeks to encourage innovative collaborative marketing and event planning on the part of the downtown area associations to attract new audiences to downtown Ann Arbor and uses grants to support innovative special events, cooperative advertising, joint marketing efforts such as the Downtown Walking Map, as well as educational programs for association representatives;

Whereas, The International Downtown Association provides an important opportunity for networking and education at its annual conference; including the opportunity to learn about innovative marketing and event ideas from around the country;

RESOLVED, The DDA shall set aside up to $10,000 each for the State Street Area Association, Main Street Area Association, South University Area Association, and Kerrytown Historic Market District in FY 2000/2001 for promotional activities which best benefit retail businesses in their area;

RESOLVED, Project proposals shall be presented to the DDA for consideration before payment may be issued;

RESOLVED, Project receipts shall be required from each Association before payment may be issued, in addition to general membership meeting minutes for the period July 1999 through June 2001;
RESOLVED, A representative from each Association shall be a sponsored guest of the DDA at the 47th annual International Downtown Association conference to be held this year in September in Pittsburgh, Pennsylvania;

RESOLVED, Each Association representative shall be required to attend Conference roundtable discussions and workshop presentations on such subjects as retail promotion, promotions, and business development, and report back to their Associations on the conclusions gained from this experience.

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

PLANNING COMMITTEE
Ms. Sipes reported that the Committee met and consolidated input generated at the December DDA retreat, in addition to discussing some outstanding issues, including storm water management, DDA boundaries, and infrastructure to encourage high tech businesses downtown. The Committee will meet again February 8th to focus on the City Council Work Session which will be held in two weeks. The committee also discussed the Go!Pass, and supported its continuation after federal funding ends in November, and would try to figure out a way for the DDA to support its continuation.

Ms. Pollay reported that two interns were hired to gather information in support of the DDA’s efforts to write a new plan, and that valuable information has been generated as benchmark data. This data will be provided to the DDA after it has been double-checked for accuracy.

CAPITAL IMPROVEMENTS COMMITTEE
First/Washington Repairs-Status
Mr. Beal reported that the structure is scheduled to close the end of June, but Carl Walker Inc. has been commissioned to do another analysis to determine if the deck can remain open until a replacement scheme has been decided on. The report should be available at the end of the month, and will be presented to the City Building Department Director to ensure he supports the idea of the deck remaining open past June 30th.

Fourth & William Parking Structure Repairs - Project Status
Mr. Beal reported that there will be a meeting February 26th to review the status of the construction drawings, and that the project is slated to be out to bid by mid-March.

Fourth Avenue Improvements - Project Status
Mr. Iraola said there would be a meeting on February 14th, which will include a review of the drawings and an evaluation of cost estimates.

State Street Area Improvements - Project Status
Mr. Beal reported that Pollack Design has been working on this project and a number of presentations have been made to the Design Committee, the community, and City Staff. Mr. Pollack presented information along with diagrams showing the proposed design.
Mr. Beal moved and Ms. Gunn seconded the following resolution:

RESOLUTION APPROVING THE CONCEPTUAL DESIGN FOR THE STATE STREET AREA IMPROVEMENTS PROJECT

Whereas, Pursuant to DDA Plan objectives the DDA recently approved certain resolutions intended to develop improvements to the State Street Area;

Whereas, Said resolutions included; the selection of the consulting firm of Pollack Design Associates; project budget and boundaries;

Whereas, The project design team was asked to prepare several conceptual designs of improvements to the area;

Whereas, The design team has followed recommendations set forward by the Urban Design Workbook, which was prepared by the University of Michigan;

Whereas, The design team has received input relevant to the conceptual during several community meetings and work sessions with stakeholders and City staff;

Whereas, A design concept entitled “The Ultimate” was developed and evolved during the design phase now nearing completion;

Whereas, It is now necessary to progress from said design concept to construction with endorsement by the DDA;

Whereas, Early cost opinions associated with the design concept preliminarily indicate that the final cost of design and construction may exceed the project’s budget

RESOLVED, That the DDA approves the conceptual plan known as “The Ultimate” as presented to the DDA Board at their regular meeting of February 7, 2001.

RESOLVED, That the DDA authorizes the design Consultants to proceed with preparation of construction plans for said concept.

RESOLVED, That the DDA directs the design team to develop a menu of cost options and alternates which will be reviewed by the Capital Improvements Committee and presented to the DDA for approval.

Ms. Gunn asked Mr. Pollack if this design is within the $5 million project budget, to which Mr. Pollack said no, that initial estimates were $8.5 million, however the team was ready to respond to a priority list considered by the DDA that listed Liberty, State, and Thayer Streets as Priority A, followed by Maynard, William Streets and lighting along with E. Washington as Priority B, and Priority C as Thompson, and Thayer Streets. Mr. Beal expressed concern about prioritizing streets as a way to contain costs, as he didn’t feel there was a consensus of support among the DDA members for all proposed project elements. He cited the Maynard Street light trusses as an example that he and others had expressed dissatisfaction with. Mr. Beal also stated a need to know more about the specific cost assumptions, both to determine if cost savings could be realized, and to better understand the kinds of design choices that had been made. He cited the example of pavers versus poured concrete sidewalks. There was more discussion among the board members. Mr. Beal then suggested postponing a vote on the resolution until March to allow a detailed examination of the cost estimates and to enable the board to consider an alternate design for Maynard Street.
Mr. Berlin moved and Mr. Gillett seconded a motion to table the resolution. A vote on the motion to table the resolution until the next meeting showed:

**AYES:** Aldrich, Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Gunn, Pohrt, Sipes  
**NAYS:** None  
**Absent:** Greff, Ungrodt

The motion carried.

Ms. Pollay announced that there would be a public meeting on February 13th in Council Chambers to provide the community another opportunity to respond to our design recommendations. All were invited to attend this session.

Mr. Iraola asked that a one-hour work session be scheduled to evaluate alternative solutions to the Maynard Street area. Mr. Berlin thought is would be helpful if Mr. Pollack could show some of these other approaches that could be considered, and asked if sketches could be distributed to the Board prior to the next meeting.

### 8. Other DDA Business

Ms. Pollay reported that the DDA had received and responded to a FOIA request from Jack Stegeman related to his 1997 proposal for S. U. Place.

Ms. Pollay also said that the “living wage” ordinance will be going to Council for first reading and if approved, would have an impact on the DDA’s parking operations. A draft of the proposed ordinance was distributed.

Ms. Pollay reported that in her capacity as Associate City Administrator she had been asked to facilitate a recommendation to try and solve a dispute in the South University Area Association and the Ann Arbor Street Art Fair. She said she wanted to make the DDA aware of this effort, on the chance that at some point the DDA may be asked to get involved. Ms. Sipes said that the DDA should make an attempt to mediate because it might affect the health of the whole downtown.

Ms. Gunn announced that the New Washtenaw County Building at 200 N. Main St. would be holding an Open House on February 21st from 3:30-5:00 p.m.

### 9. Adjournment

As there was no further discussion, upon motion, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,  
Susan Pollay, Executive Director