Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, 48104
Time: DDA Chair Leah Gunn called the meeting to order at 12:04 p.m.

1. ROLL CALL

Present: Fred Beal, Russ Collins, Leah Gunn, Roger Hewitt, Sandi Smith
Absent: Rob Aldrich, Gary Boren, Ron Dankert, Dave DeVarti, Bob Gillett, Rene Greff, John Hieftje
Staff Susan Pollay, Executive Director
Present: Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant
Kate Davidoff, intern
Audience: Vivienne Armentrout, Ann Arbor Observer
Tony Bisesi, Republic Parking
Adrian Iraola, Washtenaw Engineering
Frank Nagy, Republic Parking
Ethel Potts, Citizen
Alice Ralph, Citizen
Chris White, AATA

2. OLD BUSINESS

None.

3. AUDIENCE PARTICIPATION

None.

4. DOWNTOWN AREA CITIZENS ADVISORY COUNCIL

Last night’s CAC meeting was devoted to a broad discussion of our future positive role in relation to the process of implementing the Calthorpe recommendations.

The CAC has always supported higher density downtown development to encourage a pedestrian, retail and residential environment supportive of a broad spectrum of housing, work, and office opportunities. Over time, we have been led to believe that the possibility of this broad spectrum housing is, in part, related to developer ability to build higher and denser.

Last night, members expressed disappointment in the DDA’s failure to approve a resolution to give a $1 million loan to support 45 units of workforce 60% AMI housing as a part of the 14 story building which is to be a part of the William Street Station project. One Calthorpe recommendation (p. 34) was to match income distribution in the downtown to that of Ann Arbor. We believe that affordable housing, defined to include market rate units at the 60-80 % median level, should be a part of every residential development in the downtown. Indeed Jayne Miller’s recent memo to Mayor and Council on implementation of the Calthorpe recommendations seems to affirm that goal. It includes a provision, in the Implementation Plan “Housing” check list, for the DDA and Community Development Services to spend $200,000 in the next 2-5 years to find ways of encouraging diversity of new housing opportunities in downtown that matched income distribution Ann Arbor as a whole.
We believe the DDA has missed an opportunity. It was a step that would have helped to avoid what some people fear may be “the Boulderization of downtown Ann Arbor,” creating a place where only the wealthy can live. Recently, Kingsley Lane was re-approved with an additional three stories because it included smaller and more affordable units. The DDA could still make that happen here.

We realize there are 100 units of low income housing with support services planned in the William Street Station. There are other beneficial elements that we intend to support. It will retain for the downtown the distinction as the neighborhood with the largest per capita percentage of low-income housing—well over 12%. In cooperation with AATA, the William Street Station project can also provide the opportunity to begin to more clearly define a comprehensive parking and transportation plan for the downtown. Like it or not, people are still going to have cars in the downtown. We continue to support the building of more underground parking as a costly investment that will pay off in the future. We want it included at the William Street Station. We look forward to the joint DDA and Planning Commission meeting on parking now planned for April 11.

Mr. Boren enters

5. NEW BUSINESS
Ms. Smith announced a working session with the DDA and Planning Commission on April 11, 7:00 p.m. to discuss downtown development and parking-related issues.

6. APPROVAL OF MINUTES
As there was not a quorum present, there was no action on the February 1, 2006 minutes.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE:

January 2006 Financial Reports:  Mr. Hewitt reported that TIF income is as anticipated and parking revenues are slightly over budget. The City had transferred $876,000 to the DDA from the Fourth and William bond fund due to the DDA paying more than 15% of the projects costs.  Mr. Hewitt introduced the following resolution for information and discussion.

RESOLUTION TO ENCOURAGE THE CITY TO CHANGE ITS HOURS OF PARKING ENFORCEMENT AT STREET METERS

Whereas, The DDA Operations Committee shaped a series of strategies relating to parking that are in keeping with the DDA’s 2003 Renewal Plan, as follows:

- Parking exists to serve downtown business, resident, religious, government, educational and service provider needs. Parking rates should be coordinated to meet these needs.

- The parking system should be financially self-sustaining, with revenues used to pay for all parking-related expenses such as construction, maintenance, operations and debt service. To that end, parking rates should be planned so that revenues are sufficient to accomplish this goal, taking into account the need for ongoing repairs, equipment upgrades, and occasional new construction.

- The availability of on-street parking meters conveys a great deal about the perceived convenience of shopping or doing business downtown, thus regular turn over at the meters
should be encouraged. This can be affected by a rate configuration that makes it less expensive to park in the structure than on street at a meter.

Whereas, Current hours of enforcement are 8:00 a.m. to 6:00 p.m. and were established several decades ago when the standard business hours downtown were 8:00am-5:00pm;

Whereas, The commercial mix downtown has subsequently changed dramatically and includes a great number of evening-oriented businesses, including restaurants and performing arts venues;

Whereas, A survey of street meter use last year showed that a sizeable number of vehicles were parking in late afternoon and not moving again until late in the evening, suggesting that employees were coming downtown to work an evening shift and using a street meter space for their cars as there was no enforcement after 6:00 p.m. to encourage turnover at the meters;

Whereas, A shift in parking enforcement hours one hour later would discourage this behavior, thus freeing up more street meter locations for customers coming downtown to enjoy an evening show or a meal;

Whereas, The DDA Operations Committee recommends changing the hours of enforcement one hour later, from 8:00 a.m.-6:00 p.m. to 9:00 a.m.-7:00 p.m.;

RESOLVED, The DDA supports the change in enforcement hours recommended by the DDA Operations Committee;

RESOLVED, City Council will be notified of this resolution per its parking management Agreement with the DDA, with the hope that City staff will be directed to alter the hours of enforcement effective July 1, 2006.

RESOLVED, DDA staff is directed to work with City staff and Republic Parking to communicate the new enforcement hours including signage on each parking meter, press releases to area media, and meetings with neighborhood and downtown groups.

Ms. Smith said that if the DDA may consider asking the City to change enforcement hours even later than 7PM, it should do so at once, rather than make several changes; Mr. Collins said that he agreed. Mr. Boren reminded the DDA that any change in enforcement hours must be approved by the City since enforcement is a City operation. Ms. Pollay said that she had met with the head of enforcement to elicit feedback on this resolution. Issues will include the impact to loading zones and demands on enforcement staff for purposes other than parking.

A quorum wasn’t present and this resolution will be presented again at the April DDA meeting.

Mr. Hewitt presented the following resolution for information and discussion:

RESOLUTION TO MODIFY DDA MONTHLY PARKING RATES AND ESTABLISH AN HOURLY PARKING RATE FOR THE TEMPORARY SURFACE PARKING LOT AT FIRST & WASHINGTON

Whereas, The DDA Operations Committee shaped a series of strategies relating to parking that are in keeping with the DDA’s 2003 Renewal Plan, as follows:
Parking exists to serve downtown business, resident, religious, government, educational and service provider needs. Parking rates should be coordinated to meet these needs.

The parking system should be financially self-sustaining, with revenues used to pay for all parking-related expenses such as construction, maintenance, operations and debt service. To that end, Parking exists to serve downtown business, resident, religious, government, educational and parking rates should be planned so that revenues are sufficient to accomplish this goal, taking into account the need for ongoing repairs, equipment upgrades, and occasional new construction.

The availability of on-street parking meters conveys a great deal about the perceived convenience of shopping or doing business downtown, thus regular turn over at the meters should be encouraged. This can be affected by a rate configuration that makes it less expensive to park in the structure than on street at a meter.

Whereas, The DDA has developed a Ten Year Financial Plan that anticipates parking-related costs and revenue increases over time;

Whereas, The DDA Operations Committee recommends the following parking rate changes:

<table>
<thead>
<tr>
<th>Current rate</th>
<th>Proposed rate</th>
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<tr>
<td>Standard monthly permit</td>
<td>$105/month</td>
</tr>
<tr>
<td>Overnight (4pm-9am) monthly permit</td>
<td>$50/month</td>
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<tr>
<td></td>
<td>$110/month</td>
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<td></td>
<td>$30/month</td>
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Whereas, Standard monthly permit rates have not been adjusted since 1998;

Whereas, The DDA shall establish a temporary surface parking lot at First & Washington available for public parking until a new development is approved by City Council for this site;

Whereas, The Operations Committee recommends that the temporary lot be utilized primarily for monthly permit parking during the day with the following recommended parking rate after 4:00 p.m.:

<table>
<thead>
<tr>
<th>Proposed rate</th>
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<tbody>
<tr>
<td>First &amp; Washington parking lot</td>
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</table>

RESOLVED, The DDA approves the parking rate proposals put forward by the DDA Operations Committee;

RESOLVED, This rate change shall be publicized and the City Council notified of this resolution per its Agreement with the DDA, with the expectation that these rates will go into effect no later than June 1, 2006.

RESOLVED, The rate change for overnight permits shall be communicated to employees of downtown evening businesses as well as residents to encourage their use, thus potentially lessening the use of street meters for employee parking.

Mr. Collins asked if the DDA should increase the rate more than 5% since rates haven’t been increased since 1998; Ms. Smith that there is a need to know more about price sensitivity among downtown users before rates are increased more dramatically.
A quorum wasn’t present and this resolution will be presented again at the April DDA meeting.

Mr. Hewitt presented the following resolution for information and discussion:

RESOLUTION TO APPROVE THE DDA BUDGET FOR FISCAL YEAR 2006/2007

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

Whereas, The DDA Operations Committee has developed a detailed FY 2006/2007 budget for the DDA based on this Ten-Year Plan;

Whereas, The Operations Committee has reviewed and discussed the FY 2006/2007 budget and recommends its approval;


A quorum wasn't present and this resolution will be presented again at the April DDA meeting.

PARTNERSHIPS COMMITTEE

Kline Lot: Ms. Smith reported that the committee has reviewed several potential development scenarios for the site, including public and private parking costs absorbed by the DDA, additional parking beyond what is needed for this project, apartment rents set higher than first estimated, small ground floor retail spaces/not a single user, and the optimal scenario scaled back 65-75%. The DDA paying for parking helps the project make financial sense for the developer and is similar to what is proposed for First & Washington. The next challenge for the committee is to determine when to distribute the resolution based on how quickly the residential units currently under construction may be absorbed by the marketplace, and Strategic Economics has been asked for an analysis.

Allen Creek Greenway: Ms. Smith stated that this greenway is a featured element in the 1988 Downtown Plan and the DDA sparked new interest in it by proposing the installation of a greenway segment as part of the Three Site Plan. Last August City Council created an Allen Creek Greenway Taskforce and asked them to conduct a series of public workshops, and to consult with independent design, parks and watershed professionals before submitting a final report by October 1st. The Taskforce has determined that it will need $11,500 support for its public involvement efforts. Ms. Smith indicated that Partnerships has reviewed the request and recommended the following resolution for action. Ms. Smith presented the following resolution for discussion and information:

RESOLUTION TO PROVIDE DDA FUNDING TO THE ALLEN CREEK GREENWAY TASKFORCE TO SUPPORT ITS EFFORTS

Whereas, An Allen Creek greenway is a featured element in the 1988 Downtown Plan, which envisioned a greenway along the tracks of the Ann Arbor railroad on the western edge of downtown;

Whereas, The Ann Arbor Downtown Development Authority sparked new interest in an Allen Creek greenway by proposing the installation of a greenway segment of this greenway as part of a multi-site plan for City properties;
Whereas, On August 15, 2005 City Council approved a resolution creating a taskforce to plan a new greenway along the Allen Creek corridor that will complement and connect to the existing Huron River Greenway;

Whereas, The Greenway Taskforce was asked to conduct a series of public workshops as part of their work, and to consult with independent design, parks and watershed professionals, before submitting a final report to City Council by October 1, 2006;

Whereas, The Greenway Taskforce has determined that it will cost approximately $11,500 to support its public involvement efforts, including the costs for advertising, printing, and speakers fees;

Whereas, The DDA Partnerships Committee considered this request and recommends approval of a DDA grant in the amount of $11,500 to cover the costs for this public involvement effort;

RESOLVED, The Ann Arbor DDA strongly supports the creation of an Allen Creek greenway and encourages the efforts of the Allen Creek Greenway Taskforce;

RESOLVED, The DDA approves a grant in the amount of $11,500 to cover the costs for a public involvement effort on the part of the Taskforce.

Ms. Gunn asked if the resolution needed action prior to the April DDA meeting; Ms. Smith said yes, the Taskforce had to begin planning and did not have funds to work with. Ms. Gunn recommended that the DDA Executive Committee meet immediately after this meeting had ended, as the DDA bylaws enabled this committee to act on behalf of the DDA between meetings.

1st & Washington RFP: Ms. Smith reported that a pre-bid meeting took place February 17th, and Mr. Crawford prepared responses to questions. The RFP response deadline is April 28, 2006.

RESEARCH AND OPPORTUNITY COMMITTEE
Developing a Communication Plan: Mr. Boren reported that Re:Group is in the process of compiling the results of the citizen telephone survey by Great Lakes Marketing and the results of the interviews with DDA Board members. Re:Group is also in the process of surveying other DDA websites and marketing materials. Phase II of the work will begin at the end of March.

Downtown Association Grants: Mr. Boren stated that the resolution was tabled at the last DDA meeting to allow ROC another opportunity to consider the program. Although the grants were not supposed to become annual, the DDA has provided them for many years and it is likely that the associations built their 2005/06 budgets around an expectation that a grant would be received again this year. ROC recommends that the grants be provided this year and the program terminated. Mr. Boren set forward the following resolution for information and discussion:

RESOLUTION PROVIDING $50,000 FOR DOWNTOWN AREA ASSOCIATION GRANTS FOR FY 2005/06

Whereas, The Ann Arbor DDA Development Plan contains a component for the support and encouragement of downtown businesses;

Whereas, The DDA has worked to meet this goal through such strategies as partnering with the four downtown Area Associations, as DDA has a special interest in efforts aimed at supporting downtown’s
smaller, independent businesses, as well as projects that help to strengthen each downtown area’s unique identity and attractiveness;

Whereas, The DDA Research and Opportunity Committee recommends a renewal of the DDA’s grant for the Downtown Area Associations for 2005/06 to assist them in their effort to support downtown businesses:

Whereas, The Research and Opportunity Committee also recommends the elimination of this grant program after the 2005/06 fiscal year which ends June 30, 2006;

RESOLVED, The DDA shall provide up to $12,500 each for the State Street Area Association, Main Street Area Association, South University Area Association, and Kerrytown District Association in FY 2005/06;

RESOLVED, To apply for these funds, each Area Association must submit an Association board-approved application to the DDA for its consideration no later than March 31, 2006. This application must strictly adhere to the 2005/06 Downtown Association Grant Program Application attached with this resolution; and

RESOLVED, Prior to providing project grants, the DDA must receive original project receipts and a complete project report no later than June 1, 2006; and

RESOLVED, The DDA must receive considerable visibility from each Association as a result of this grant, and applications must provide details for how the DDA’s support will be communicated to Association members, visitors to the District, and to the larger community; and

RESOLVED, This grant program is hereby terminated, but the DDA affirms its interest in learning about and potentially supporting innovative programs that provide visibility to the downtown and support to its downtown businesses.

A quorum wasn’t present and this resolution will be presented again at the April DDA meeting.

Planning Commission Meeting: Mr. Boren said that the Committee discussed the upcoming CPC meeting as it related to the parking study. Mr. Beal said that he felt it important that the study be commissioned as soon as possible.

CAPITAL IMPROVEMENTS:
5th & Division: Beckett & Raeder is developing design boards and is scheduled for a presentation on March 16 at 2:30 p.m., 5th Floor at City Hall. All are invited.

1st & Washington: Mr. Beal reported that demolition has been completed and a temporary surface lot will be installed by Republic in the coming weeks.

4th & William: Mr. Beal reported that engineering studies and meetings with the city have taken place regarding adding a level of parking. Initial estimates indicate that it may be possible to add 160 maximum parking spaces.

Sculpture Park Plaza: Mr. Beal said that a meeting was held and participants provided valuable feedback regarding the community vision for Plaza repairs. Another meeting will be held in mid-April.
Downtown Cleanup: Mr. Beal presented the following resolution for information and discussion:

**RESOLUTION TO SUPPORT THE 2006 DOWNTOWN SPRING CLEANUP ($5,000)**

Whereas, The Downtown Spring Cleanup annually draws 100-250 volunteers, including children and their parents to downtown Ann Arbor to plant flowers, paint over graffiti, and sweep sidewalks;

Whereas, The City of Ann Arbor, downtown associations, and other sponsoring organizations provide a number of contributions to this event;

Whereas, The DDA has contributed annually to this event for several years, including $5,000 in 2005;

Whereas, These funds were used to support elements such as fire hydrant painting, as well as to supplement and reimburse City costs for flowers, mulch and other materials;

RESOLVED, The DDA will contribute up to $5,000 toward the 2006 Downtown Spring Cleanup.

A quorum wasn't present and this resolution will be presented again at the April DDA meeting.

Alley Repairs: Mr. Beal said that five bids were received and the committee is recommending the second bidder, Doan Construction. Mr. Beal presented the following resolution for information and discussion:

**RESOLUTION AUTHORIZING SELECTION OF DOAN CONSTRUCTION COMPANY TO UNDERTAKE DOWNTOWN ALLEY REPAIRS AND IMPROVEMENTS IN 2006**

Whereas, At its 2002 and 2003 retreats the DDA discussed its role providing for downtown vitality, and as part of these discussions shaped future project lists, which included alley repairs;

Whereas, Within this strategy, the DDA set forward that alley repairs should be undertaken to facilitate deliveries, solid waste and recycling collection, improve alley cleanliness and attractiveness, assist pedestrian use, and discourage graffiti, and to address other important needs, such as preventing water seepage into adjacent historic buildings and repairing damaged storm drains;

Whereas, In May 2004 the DDA authorized its Capital Improvements Committee to undertake an assessment of all downtown alleys in the DDA District to determine their condition and estimated costs for repairs, and Washtenaw Engineering Co. was selected to undertake the assessment;

Whereas, Upon the completion of this assessment at its December 2004 meeting the DDA selected five public alleys as the first repair locations, in April 2005 the DDA selected two contractors to undertake those repairs, and in October 2005 this work was completed;

Whereas, In October 2005 the DDA authorized its Capital Improvements Committee to undertake additional alley repairs beginning in 2005/06, and approved the selection of five alleys to be repaired at a project cost not to exceed $1.1 million;

Whereas, Bid documents distributed in December 2005 and four bids were returned on January 17, 2006;
Whereas, The Capital Improvements Committee met to review these bids and recommended selection of Doan Construction Co., of Ypsilanti MI, as contractors for alley repair work in 2006, with a contract amount of $594,885 and a total project amount not to exceed $1,100,000.00;

Whereas, The DDA has received significant positive feedback regarding color and texture added to some alleys recently completed;

Whereas, The approved October 5, 2005 Resolution, resolved to consider approval of repairs to other alleys, subject to review of bids when received,

Whereas, Recent bids received were lower than initially estimated,

Whereas, The group of alleys included in this project provide an opportunity for additional enhancements such as improved lighting, “stamping” and other pedestrian amenities;

RESOLVED, The DDA approves a construction contract with Doan Construction Co. for repairs to alleys in the amount of $594,885.00;

RESOLVED, The Capital Improvements Committee and DDA Executive Director are authorized to oversee and execute a construction contract, and to evaluate inclusion of additional construction enhancements, and work as necessary for the completion of this project within the limits of the approved budget.

A quorum wasn’t present and this resolution will be presented again at the April DDA meeting.

8. OTHER DDA BUSINESS MATTERS

Ms. Gunn announced that she had appointed the following DDA Board Members to serve on the Community Security & Public Space Task Force (to determine issues regarding the new City Hall facility) per City Council Resolution R-69-2-06. These members are Rob Aldrich, Roger Hewitt, and Sandi Smith

Ms. Gunn announced that the DDA’s lease for its office is up July 1st. Staff and Mr. Dankert researched nearly a dozen sites, and received responses to a RFP. Ms. Gunn and Mr. Hewitt also toured the final two sites. The 150 S. Fifth Avenue appears to best meet the needs of the DDA. The architects are working on the schematics.

9. OTHER AUDIENCE PARTICIPATION

None.

10. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:02 P.M.

Respectfully submitted,
Susan Pollay, Executive Director