MINUTES
Downtown Development Authority Meeting
Wednesday, March 3, 2004

Place:  Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time:  DDA Vice Chair Rene Greff called the meeting to order at 12:07 p.m.

1. Roll Call

Present:  Ron Dankert, Dave Fritz, Bob Gillett, Rene Greff, Leah Gunn, John Hieftje, Dave Solo
Absent:  Rob Aldrich, Fred Beal, Gary Boren, Dave DeVarti, Lorri Sipes
Staff  Susan Pollay, Executive Director
Present:  Joe Morehouse, Deputy Director
Adrian Iraola, Project Manager
Georgia Richardson, Intern
Audience:  Jim Corbett, Republic Parking
Brandt Coultas, Ann Arbor Area Chamber of Commerce
Ray Detter, Citizens Advisory Council
Jim Hart, Seyfried Jewelers
Mark Hodesh, Downtown Home & Garden
Donna Johnson, City Planning Department
Jim Mogenson
Cathy O’Donnell, Ann Arbor News
Peter Pollack, Consultant
Tamara Real, Chamber of Commerce
Brian Smith, Temporary Post Office Manager
Denis Webster, The Earle
Mary Wilke, Post Office employee

2. APPROVAL OF MINUTES

Mr. Gillett asked that the minutes be corrected to note his attendance. Ms. Pollay said that this change would be made. Ms. Greff moved and Mrs. Gunn seconded the approval of the February 4, 2004 meeting minutes as amended.

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

3. AUDIENCE PARTICIPATION

Brian Smith said that he was the temporary manager of the Liberty Street post office, and that they were experiencing parking problems. They must now park 29 postal vehicles but only had parking for 27. Moreover, there aren’t sufficient spaces for personal vehicles. They own a lot on S. Fourth with 26 spaces but need to park 30-32 cars. He said that he wasn’t in a position to ask for funds from the post office to pay for monthly parking permits, and that he wanted to see if the DDA could do anything to help. Ms. Gunn asked if employees were using the Go!Pass, as it provided for free parking and bus use. Ms. Mary Wilke, said she worked with Mr. Smith and that the Go!Pass had been used in the past, but the recent shift had brought newer employees who are unfamiliar with the Go!Pass. It was suggested that they contact the Chamber for Get!Downtown information.
Mrs. Tamara Real, reported that the Ann Arbor Area Arts Alliance requested financial assistance to help them compile a report documenting the economic impact of area arts and culture. The Alliance began 3 years ago following an arts summit where over 190 cultural representatives came together. It was determined that an assessment of the economic impact of the arts was needed. The Chamber and Visitors Bureau undertook a study based on a national model by the Americans supporting the Arts. The study has been going on for about a year, and included participation from many cultural groups located or presenting in the DDA area, including the Michigan Theater, Performance Network, and Hands On Museum. Analysis will be done by Dr. George Fulton, UM Institute for Social Research.

Jim Hart expressed his concern with the DDA’s proposed plan to redevelop the Kline Lot, as he felt it is the life line of his and other nearby Main Street businesses. He said that 70-80% of his customers park there, and if it is taken away his customers have said that they will not come downtown. He said that the DDA had not done a good job communicating with the Main Street Area Association. Ms. Greff said that she appreciated Mr. Hart’s concerns. She said, however, that she reports on the DDA at every MSAA meeting, and that perhaps people may not have understood the implications of the proposed plan initially.

4. CITIZENS ADVISORY COUNCIL

Mr. Detter reported: I was one of those people fortunate to have been a part of the DDA “Planning 101” presentation last month. One of the things I took away from that inspiring presentation was the recognition of the importance of identifying values and the need to shape a common vision as necessary prerequisites to good urban planning. That’s not as easy as it might sound. People don’t always agree on values and values are sometimes in conflict, i.e. more housing/lower- rise development; permanently affordable housing/lower cost market rate housing; higher density housing/historic preservation, etc.) And when values conflict, a common vision is difficult to maintain.

Last night, the CAC discussed three upcoming projects on which we may need to express a position, but where conflicting values and visions exist. Keep in mind that, as the CAC tries to maintain a vision for the future, we always recognize our commitment to the goals of the Downtown and Central Area City Plans as well the importance of supporting our downtown and neighborhood historic district ordinances.

The Flagstar Bank Business Center on N. Ashley and W. Huron, site of the infamous Burger King battle a number of years ago: Pluses: development of a blighted and long under-utilized site. It provides a front door pedestrian entrance on Huron. The project is three stories, brings its own parking solutions, and it generally complies with the current zoning. Negatives: It is a scrawny building that still fails to fully utilize the possibilities of the site. Residential could be, but is not included. Parking, although covered, remains surface parking. Although the project has a front door on Huron the building is essentially a suburban project built for cars not pedestrians. Although the building generally complies with the zoning, that zoning should have been changed long ago to conform to the goals of the Downtown and Central Area Plans. Although plans to change the zoning were initiated after the Burger King conflict, the Planning Commission never completed the process of implement them.

Emerging Plans for a McKinley Properties project on N. Main on the site of the vacant Greek Orthodox Church. None of us have actually seen a proposal, but one is being developed. Some of the things we believe will be proposed: Pluses: The proposal will provide mid-rise, or higher density housing and will include its own parking—perhaps underground. Negatives: It does not conform to the existing zoning, it will need to prove a public benefit to get a planned unit development (PUD) approval, and it may be in conflict with community efforts to designate the church as a landmark historic structure. Depending upon its final height and footprint, it may include adjacent residential
houses on Main as well as Kingsley that are worth preserving. It would then be in conflict with commitment of the Downtown and Central Area Plans to protect neighborhood residential edges from the negative impact of downtown development.

This project is unlike the recently approved proposal for the Kingsley Lane apartments which provided mid rise, mixed income housing and parking in the center of the site plan. It also integrated an existing historic structure into the project. Kingsley Lane deliberately adapted itself to the values and vision of the Downtown Plan. The Citizens Advisory Council strongly supported its unanimous approval by City Council.

The Emerging YMCA Proposals The Citizens Advisory Council continues to support maintaining 100 units of SRO housing on the YMCA site. Pluses: It will keep 100 units of needed and improved low income housing on a site that has been used for that purpose for many years. The emerging proposal to be submitted to City Council leaves open the possibility of cooperation with AATA on an enlarged site plan that could include a major amount of affordable and market rate housing. Negatives: The details have yet to be worked out. But, as we seek to improve and replace the existing housing at the Y, we must be very careful not to reduce the amount of needed SRO housing which is now provided for over 60% of the current inhabitants who are either drug or alcohol addicted, or suffer from mental problems. Neither should we rush to increase the number of such units on that site or overload the YMCA location with a significantly larger population of very low-income residents.

It is time, and this is an opportunity, for all of us to identify our values and define our commitment to low income housing. The Huron Street “dry” Shelter, the need for temporary transient SRO housing, more permanent transitional housing, another detox center and, perhaps a wet shelter, are all related. The CAC believes that we must be aware of the impact and be accountable for how we deal with satisfying these interrelated needs. The downtown, or any neighborhood, is not necessarily the place to do all of it. The YMCA certainly is not.

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Dankert reported on the January 2004 financial statements. As of the end of January, tax revenues had not yet been transferred to the DDA. TIF investments are down 10% against budget, and expenses are also down. Total parking revenues are close to budget, which includes a calculation for reducing revenues due to charging by the half hour. Maynard revenues are up; parking lot and meter bag revenues are down against last year. Parking expenses are over budget by about 9% due to capital improvement work and architectural costs associated with the 1st & William deck. January parking revenues are down compared to 2003. The Housing Fund shows the costs associated with the DDA grant to Baker Commons. Mr. Dankert moved and Mr. Solo seconded approval of the financial statements.

A vote on the motion showed:
AYES: Dankert, Fritz, Greff, Gillett, Hieftje, Gunn, Solo
NAYS: None
Absent: Aldrich, Beal, Boren, DeVarti, Sipes
The motion carried.
Mr. Dankert said that Mr. Stein's reports show that Republic’s snow removal in January and February went well. He said that communication within Republic is also getting better, including getting email at the Maintenance Manager’s office. Mr. Corbett added that the elimination of dial-up service has made communication easier, plus analysis and reporting is working more easily. Mr. Dankert said that the Republic employee health plan was renewed for another year, and that costs increased just over 8%. He said that Wayne Mixdorf had left Republic, and will be replaced shortly.

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

RESOLUTION TO OPEN TWO DDA BANK ACCOUNTS AND TWO DDA INVESTMENT ACCOUNTS

Whereas, Three years ago the DDA opened its first bank account to receive the proceeds of the off street parking facilities every operating day instead of on having the parking operator turn them over on a monthly basis.

Whereas, In May of 2002 the DDA opened a second bank account at Bank of Ann Arbor to receive the meter funds collected

Whereas, One year ago we selected Bank of Ann Arbor to invest the DDA’s parking funds

Whereas, A competitive bidding process was used for the previous bank selections

Whereas, The contract for banking services with TCF for the DDA’s off-street depository account has expired and Bank of Ann Arbor has agreed to handle this account for $100 per month less than the TCF contract amount

Whereas, Due to the DDA’s decision to keep its own financial records we will need to create one new bank and two new investment accounts.

Resolved; The new accounts required are:

- A checking account with Bank of Ann Arbor to issue payments to DDA vendors
- An account with Bank of Ann Arbor to handle the investment of DDA tax increment financing revenues when they are received from the City
- An account with Bank of Ann Arbor to handle investment of the DDA’s housing funds when they are received from the City.

Resolved; To streamline the DDA’s banking processes and to reduce our cost, the off-street depository account shall be moved from TCF to Bank of Ann Arbor

Resolved; The signatories for all four of these accounts will be:

- The DDA Chair
- The DDA Vice-Chair
- The DDA Treasurer
- The DDA Executive Director

Mr. Dankert said that the resolution would enable the DDA to open accounts with Bank of Ann Arbor. For expenses under $25,000 the Executive Director has signing ability; if expenses are over $25,000, then two signatures are required, one of them being a DDA officer.

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

Mr. Fritz said that he thought Republic did a wonderful job removing snow near the parking meters; this was a service he had not seen performed previously by the City and was much appreciated by the downtown public, whether they were using the parking meters or not.

Mr. Solo asked Mr. Morehouse to report on the installation of the new accounting software. Mr. Morehouse explained that the software had been installed and was working well. During the month of February the system was run in parallel with the City system; in March the DDA would be writing its own checks.

PARTNERSHIPS COMMITTEE
YMCA. Mr. Solo reported that the Committee has been meeting twice a month with the goal of providing recommendations to Council on April 5th as planned. A draft of the recommended action plan had been drafted and would be reviewed and revised at Committee meetings later in the month.

First and Washington. There has not been a lot of work done since December given the immediacy of YMCA planning. Any plans for this site will be presented to the MSAA for input. Ms. Greff suggested that Mr. Paul Fontaine who presented the “Planning 101” session could be engaged to create a study of optimal parking placement in the downtown. Mr. Solo said that he sympathizes with MSAA-area businesses, as he owned a business on S. U. at a time when the limited parking available was eliminated due to construction. However, on S.U. there was no other available public parking; in the Main Street area there are alternate parking locations, but changes would require patrons to shift their parking habits which could affect businesses. Ms. Pollay reported that she had attended a Planning Commission meeting the night before to update the Commission on the DDA’s progress on its three-site study. As a group the Commission expressed support and appreciation for the update. They also offered to assist with public meetings associated with this study.

Kingsley Lane. Mr. Solo said that the Committee has discussed this request on several occasions, but additional input from the Housing Policy Board and City Council is needed before a final determination could be made. Mr. Gillett said that the Housing Policy Board had met that morning, and there had been an interest in tabling the application, but the developer asked for a decision because of their need to determine project financing. The developer had asked for $200,000, and the HPB approved funding for the gap between the affordable units at 80% and 60% of median, which is $86,000.

CAPITAL IMPROVEMENTS COMMITTEE
Huron/Fifth/Division Study. Mr. Iraola reported that focus group meetings had gone well, and much data has been compiled. Initial recommendations will be presented on March 31st at 7pm at the Public Library.

First and William Parking Structure. Two meetings were held with the Drain Commissioner, and their construction engineer is evaluating possible recommendations. A follow-up meeting with the Railroad is going to be scheduled to look at easements.

First and Washington. Inspections continue monthly. Bids have been received to remove the overhangs and install minor drains, and Western Waterproofing was the low bidder. Costs will be under $10,000.
State Street Area Projects. Phase I and II are completed. A pre-construction meeting with Doan Construction will be held next week for Phase III, as construction should begin in April.

Forest Structure. A pedestrian access will be installed in early April.

Mr. Dankert asked if the electrical work for the lights on State and N. U. was completed. Mr. Iraola said that it was not. Detroit Edison took longer than expected for a final service transfer, and it is expected that remaining work should begin soon.

Ms. Pollay reported that replacements for several dozen trees removed downtown are slated to be installed in the coming weeks. She said that the City Forestry Department extended its gratitude to the DDA for its grant.

Research and Opportunity Committee
Ms. Pollay reported that Paul Fontaine, Senior Planner for Smith Group/JJR had presented an urban design overview. It was a very interesting and inspiring presentation, and included insights into purposeful design, such as the layout of NYC. Good design expresses community values. Ms. Greff said that it was hoped that Mr. Fontaine could be considered for a DDA appointment, as Ms. Sipes’ seat would be open in July and it has been very helpful to have design and planning skills on the DDA. Mr. Solo asked if there was a recording of the session; Ms. Pollay said no. Mr. Gillett said that some of the Housing Policy Board members attended and were also inspired by the presentation.

Ms. Pollay said that the Committee will next hold a meeting to examine the proposal to rezone the South University area. Ms. Johnson said that a petition to rezone the S. U. area was brought to the Planning Department, and Alexis Macarello/Planning is awaiting signatures from the owners of the 130 parcels in the affected area to ensure this change has their support. It may come before the Planning Commission in April. Mr. Gillett said that an issue discussed by the Downtown Residential Taskforce is a zoning review, and that perhaps the S. U. proposal could be looked at the same time the other areas of downtown are reviewed.

9. OTHER BUSINESS
Ms. Pollay reported that the Downtown Residential Taskforce was meeting every three weeks or so, and are working toward shaping initial recommendations for a community meeting in late April. Coincidentally, the date selected for its meeting had also been selected by the Old West Side Association for a meeting to discuss density and building height. Thus the Taskforce will change its date so community members can attend both sessions.

10. AUDIENCE PARTICIPATION
Mr. Jim Mogenson said that he wanted to report on the changes proposed for the Planning Department. He said that prior to Ms. Pollay’s presentation the night before, there had also been a presentation by the Millers Creek Group on a study of ways to improve the watershed. It makes a difference what happens to the wetlands by the Ave Maria School of Law. The DDA’s work is partially area planning, but not quite. Millers Creek is a private group integrating a study into a planning process and I think that needs to be addressed. With the footing drains, it seems that after the details of this are explained to the public in meetings that it would receive resistance. It needs to be looked at now instead of later.

11. ADJOURNMENT
There being no further business, the meeting was adjourned at 1:20 p.m.

Respectfully submitted,
Susan Pollay, Executive Director