Minutes
Downtown Development Authority Meeting
Thursday, March 13, 1997

Place: Guy C. Larcom, Jr. Municipal Building (City Hall) Council Chambers, Second Floor, 100 North Fifth Avenue, Ann Arbor, Michigan 48107

Time: The Chair, Karl Pohrt called the meeting to order at 5:05 P.M.

1. Roll Call


Absent: Leah Gunn, Ed Shaffran, Paul Ungrodt.

Staff Present: Susan Pollay, DDA Executive Director.

Audience: Jerry Billiter, National Garages.
Tom Hunt, Ken Clark, & Rebecca Kanner, Bicycle Coordinating Committee.
Vince Schmenski, Michigan Cycling Team.

2. Approval of Minutes

Mr. Gillett made a motion and Mr. Gates supported that the Board meeting minutes dated February 13, 1997 be approved.

A vote on the motion showed:

AYES: Berlin, DeVarti, Fritz, Gates, Gillett, Pohrt, Relyea, Sipes,

NAYS: Harshe - abstain.

Absent: Gunn, Shaffran, Ungrodt.

The motion carried.
3. **DDA Citizen’s Advisory Council**

Mr. Detter submitted the following report:

Yesterday the Citizens Advisory Council mailed out or delivered over 100 copies of our revised parking statement. It will be used to guide our ongoing participation in community efforts to maintain the parking supply in the downtown, anticipate future parking needs, and creatively explore parking alternatives. We hope you will make time to read it carefully.

This parking statement should be read in the context of our interest and commitment to the downtown as a pedestrian and residential environment supportive of a broad spectrum of housing opportunities. Last night we approved the final draft of our revised housing statement which expresses this goal along with specific recommendations for action to meet an unmet demand for more downtown housing. You should receive a copy within the next two weeks. We advocate proactive initiatives by the City Council, Planning Department, and the DDA to encourage new broad spectrum housing development in the downtown with attention given to the special needs of downtown residents, including, but not limited to, parking. We believe the DDA should actively encourage the development of new housing on various publicly and privately owned downtown sites as one of its principle functions. At the same time, we believe all new parking should be complementary to the concept and prospect of increasing the residential population of the downtown. Both parking and housing are essential to the future of our downtown.

Clearly, adequate parking is essential to the area's commercial vitality, but we believe it must be maintained with a long-range vision for downtown’s future that puts major emphasis upon the support and encouragement of existing and future housing in the area.

But the Citizens Advisory Council asked me to emphasize again that our commitment to broad spectrum housing is just that—to meet a demand for housing at all income levels.

We have never supported, indeed we have opposed, any proposals for the DDA to limit its support of downtown housing or parking to any one group or income level. Last night they took exception to a recent Ann Arbor News “Other Voices” article erroneously headlined “Parking vs. Housing” that suggested our views supported a 1995 resolution by the DDA that, the writers argued, required the DDA “to follow through... with a substantial commitment of annual resources to increasing the supply of affordable housing for low wage earners.” We had, in fact, opposed passage of that 1995 resolution.

We have always supported DDA encouragement in whatever form of affordable housing, at all income levels. But we have never given support to solving the admittedly countywide problem of affordable housing for people of very low income solely within the
geographic boundaries of the DDA or by limiting the creative use of DDA finances. Either direction would limit the growth of downtown development, the DDA’s central focus.

Citizens Advisory Council members also objected to this article’s inaccurate claim that “downtown growth and expansion” necessarily led to “buildings being used to provide low cost housing” being “gentrified” by either “conversion to commercial/office use or to provide more expensive housing.” We note that this term “gentrified” was last used significantly in Ann Arbor by those persons who were opposed to near-downtown development of historic districts—districts which saved decaying neighborhoods. Although there may be some cases of this, it should be noted that the 1987 document on which this article’s writers based their arguments is subject to many interpretations and deals with a period of downtown decay which called the DDA into existence. Furthermore, their arguments were supported by very selective examples which are not accurately presented, or where development was encouraged by existing city zoning. Our reading of the history of the last 17 years in downtown Ann Arbor is somewhat different.

According to a memorandum from Eileen Ryan, Community Development Director and Larry Friedman, Housing Services Manager to the DDA, on “Housing Programs and Issues,” dated July 12, 1990, the facts are:

Eliminating citations not in the DDA area, during the 1980s there were 68 rooms and 73 units of housing lost in the DDA area. Some of them, but not all, were due to major changes. The Downtown Club housing replacement by offices accounted for all the 58 rooms temporarily lost. Many of the units were taken up by changes that were very positive to the Downtown—AATA Transfer Facility (4), the Baptist Addition (5), Zingerman’s conversions (5) and the Hobbs & Black conversion (11). The latter saved buildings which were partially abandoned and saved them from the ball and chain.

But let me point out that in that same period, the Ann Arbor Y replace 63 of the 68 low income rooms which had been temporarily lost by the conversion of the Downtown Club, and 68 other units were added to the downtown area—three of which were low income units on Main Street. None of these 68 units (which included the 12 at One North Main and the 36 units at Sloan Plaza) displaced any other housing of any kind, and 16 of them were loft conversions which essentially turned storage areas or pigeon lofts into livable housing.

Where is—if I must use that disreputable word—the “gentification?” Unless, of course, we resent the market rate construction of One North Main on an empty burnout corner, or the tremendous success of values at Sloan Plaza, much of which started out as moderate income, market-rate housing. Also, we must not ignore the fact that just prior to this period (1977) Bakers Commons added 64 units of low income housing to the Main Packard area.
Also striking is the recent memo from Larry Friedman, Housing Services Manager, to the DDA reporting that seven percent of units of housing in Ann Arbor are subsidized in some manner. If we look at the housing added to the downtown in the last twenty years including Bakers Commons (64 units), the YMCA (63 units), Avalon (6), and Carol Lopez (3), and add to that the 114 units expected to open in April at Courthouse Square Apartments, we have a total of 250 units of low income or very low income housing built in the downtown over this time period.

Over the same period, to our knowledge, while some earlier housing was lost, there have only been 90 units of market rate housing built. There are currently 31 units in process. (Racquet Club, Armory, Ann Arbor Clothing). (The 1980 report does not include the 11 units of housing Ed Shaffran did on S. Fourth. Also, 11 units at Klines recently completed and seven units by Jon Carlson above the Grizzly Peak and Zolas.)

The Citizens Advisory Council believes encouragement of more Downtown housing is the key to insuring the area's future economic success. We favor broad spectrum housing in the area. It does not appear to us that support of low income housing is currently needed any more than support of market rate housing. We hope the DDA will find mechanisms to encourage both.

4. Audience Participation

Bicycle Racks

Tom Hunt, a member of the Bicycle Coordinating Committee distributed a detailed report outlining what the committee is doing to increase and promote the safe use of bicycles. He gave the Board an overview of the committee's research to implement bicycle parking downtown. He asked the DDA to approved funding for installation of bicycle racks throughout the downtown areas.

Michigan Cycling Team

Vince Schmenski, a member of the Michigan Cycling Team informed the DDA that the team will be hosting a cycling championship in Ann Arbor. It will take place in the North University area. They are expecting 13 teams from around the Midwest to participate, and a large spectator turnout. He stated that the event will have a strong commercial impact on business in the area, and they will be needing additional police support. Mr. Schmenski asked for DDA financial support with the event.

Board members asked Mr. Schmenski to contact Ms. Pollay for assistance after the meeting.
5. **New Business**

None.

6. **Subcommittee Reports**

**Executive Director Report**

Ms. Pollay informed the Board that the Court House Square Apartments will have a grand opening on April 24, 1997, and would like the DDA Board to attend. Also, the manager of Court House Square Apartments will be presenting a proposal to the DDA regarding lighting in the area. Immediately following tonight’s Board meeting, the Board will be going to the Detroit Edison Building to review the video Back from the Brink with City Council. Members of the DDA have been meeting regularly with AATA to talk about a downtown shuttle for people who are employed in the area. Also, they have had a series of discussions with the UM on how to solve the problem of parking while the DDA structures are under repair.

**Pedestrian Improvements**

Mr. Fritz made a motion and Mr. DeVarti supported the following resolution:

**Resolution to Award $10,000 to the City of Ann Arbor Bicycle Coordinating Committee for the Installation of Bicycle Racks Downtown**

**Whereas**, the Downtown Development Plan directs the DDA to provide for bicycle parking facilities; and

**Whereas**, the City Council has recently asked the DDA to encourage alternative transportation options downtown; and

**Whereas**, the City of Ann Arbor Bicycle Coordinating Committee has extensively researched bicycle parking needs throughout the DDA area and has agreed to work closely with the City Engineering Division throughout their material purchase and installation process; and
Whereas, the City of Ann Arbor Bicycle coordinating Committee has solicited project approval from business owners upon whose sidewalks bicycle hoops will be installed;

Resolved, that $10,000 shall be appropriated from the 1996/97 DDA budget and given to the Bicycle Coordinating Committee to purchase and install up to forty bicycle racks throughout the downtown, including the Kerrytown, Main Street, State Street, and South University areas.

A vote on the motion showed:

AYES: Berlin, DeVarti, Fritz, Gates, Gillett, Harshe, Pohrt, Relyea, Sipes,

NAYS: None.

Absent: Gunn, Shaffran, Ungrodt.

The motion carried.

Parking Committee

Mr. Gillett made a motion and Mrs. Harshe supported that the following resolution be presented for discussion:

Resolution to Increase
Monthly Permit Parking

Whereas, monthly permit fees have not been increased since 1991 despite annual increases in parking maintenance and operations costs; and

Whereas, recent engineering studies indicate that many parking structures currently under Downtown Development Authority (DDA) management will require significant repairs over the next several years to remain operational; and

Whereas, parking revenues will be the significant source of funding for said repairs, in addition to operations and maintenance;

Resolved, that monthly permit fees shall be increased ten dollars ($10.00) a month on all permits not exempted by contract or prior commitment and shall take effect immediately upon proper notice to the community.

There was discussion regarding the resolution. Mr. Billiter stated that the average per space, based upon current revenue, is approximately $100.00 per month. Also, the rate increase will have an impact on various businesses downtown. Mr. DeVarti
recommended that a new fee be implemented for the police people parking in City structures when their current contract expires.

A vote on the motion showed:

**AYES:** Berlin, DeVarti, Fritz, Gates, Gillett, Harshe, Pohrt, Relyea, Sipes.

**NAYS:** None.

**Absent:** Gunn, Shaffran, Ungrodt.

The motion carried.

**Resolution on Proposed Rate Increase During Art Fair**

Tabled.

**Carl Walker Report**

Ms. Pollay distributed a parking site analysis produced by the Carl Walker Company. She reported on the specific sites being analyzed, including possible costs and parking spaces provided. Also, Ms. Pollay showed the Board a video tape of the Carl Walker Company’s assessment of the parking garages produced by CTN, the city’s Community Access TV Station. She added that meetings will begin next week with various community groups to get their input regarding the structures and alternative locations for structures. The first meeting will be in the Main Street area and will take place on Wednesday, March 19, 1997 at Maudes.

**Financial Committee Report**

The Financial Report for January 31, 1997 was included in the Board package. Mr. Gates stated that there was an error on the last page of the report. The date should be December 1996.

**Housing Committee**

Mr. Pohrt made a motion and Mr. Gates supported that the following resolution be adopted:
Resolution to Create a
Dedicated DDA Housing Fund

Whereas, the DDA voted to amend its 1995/96 budget to create an urgent repairs parking fund and recognized all revenues in the 1995/96 DDA Parking System budget not obligated to parking operations and debt repayment and appropriated them to this fund;

Whereas, no action was taken to amend the lease agreement between the DDA and the City prior to the 1995/96 fiscal year end and $619,576 was transferred out of the DDA Parking Fund (063) to the City General Fund; and

Whereas, the City Council has been asked to appropriate these funds back to the DDA parking fund;

Whereas, City Council agrees to this appropriation, in addition to authorizing two amendments to the agreement between the City of Ann Arbor and the DDA, reserving all surplus parking revenues to a DDA Urgent Repairs account for a period of three years ending with fiscal year 1998/99, and increasing the annual reserve in the amount of 25% of gross parking revenues set aside by the DDA for major capital repairs;

Resolved, the DDA shall authorize the establishment of a dedicated Housing fund to be created out of TIF funds in the amount of $373,798.00.

Resolved, the DDA agrees to contribute on an annual basis to this Housing fund and further agrees that expenditures from this fund shall be made available for housing projects within the DDA area.

There was discussion regarding the resolution. Mr. Berlin recommended that the DDA and City attorneys review the resolution prior to approval. Ms. Harshe recommended that the resolution be amended to read “Approved pending the review and approval of City & DDA attorneys." Mr. Gillett recommended that the Housing Committee review TIF funding to determine how much money might be contributed to this fund.

Ms. Rclyca - exit.

Mr. DeVarti made a motion to table and refer the resolution to the Housing Committee for further evaluation.

A vote on the motion showed:

YEAS: DeVarti, Gillett.

Absent: Gunn, Relyea, Shaffran, Ungrodt.

The motion was defeated.

A vote on the motion to adopt the resolution showed:


NAYS: DeVarti, Gillett.

Absent: Gunn, Relyea, Shaffran, Ungrodt.

The motion was defeated.

Public Relations Committee

No report.

7. Other DDA Business Matters

None.

8. Adjournment

There being no further business, the meeting adjourned at 7:20 P.M.

Respectfully submitted by:

Susan Pollay,
Recording Secretary