MINUTES
Downtown Development Authority Meeting
Wednesday, April 4, 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, Rene Greff, Leah Gunn, Skip Ungrodt

Absent: Fred Beal, Dave DeVarti, David Fritz, Bob Gillett, Karl Pohrt, Lorri Sipes

Staff: Susan Pollay, Executive Director
Present: Sarah Armstrong

Audience: Jim Balmer, Dawn Farm
Ray Detter, Citizens Advisory Council
Andy Farbman, Farbman/State Street Lofts
Howard Frehsee, H&K State Street LLC
Ronald J. Goldstone, Farbman/State Street Lofts
Bob Henderson, Citizens Advisory Council
Mark Hodesh, Downtown Farm and Garden
Adrian Iraola, City of Ann Arbor, Engineering/DDA Project Manager
Donna Johnson, City of Ann Arbor, Planning Department
Herbert Kaufer, Citizen’s Advisory Council
Jane Kaufer, Citizen’s Advisory Council
Doug McAlpine, Republic Parking cashier
Rick McHugh, Washtenaw Coalition for the Living Wage
François Nabwanger, Esq., Washtenaw Coalition for the Living Wage
Cathy O’Donnell, Ann Arbor News
Peter Pollack, Pollack Design
Mike Rein, Bowers REIN
Ellie Serras, MSAA, Dawn Farm
Lara Thomas, Get Downtown, Ann Arbor Area Chamber
Mark Yagerlener, Farbman/State Street Lofts

2. AUDIENCE PARTICIPATION

Mr. Mark Yagerlener, Vice President of the Farbman Group, introduced members of his project group including Mike Rein, who then presented information on their proposed project at State St. and Washington St. called the State Street Loft Project. In this proposal, an eight story, multi-use building would be developed, including retail on the first story, with loft apartments on the remaining seven floors (six apartments per floor). The group asked that the DDA assist them by providing 80-100 parking spaces in the Liberty Square deck for this project.

Mr. Mark Hodesh, Downtown Farm and Garden, handed out a brochure advertising his business and expressed his concerns about the design of the future First & Washington Structure. He said that he hoped the project would be a mixed use building, have an orientation toward Main Street, follow the Downtown Plan in all aspects including scale and mass to be compatible with the neighborhood, and provide open space for pedestrians.

Mr. Rick McHugh, Vice Chair of the Washtenaw Coalition for Living Wage, spoke about the City’s recently approved Living Wage Ordinance. He said that it had been their understanding that the parking attendants working for Republic Parking would be paid the Living Wage following approval by the City.
He said he believed that this is something the DDA should do and strongly urged them to do this as soon as possible.

Mr. Doug McAlpine, a cashier for Republic Parking, asked the Board to approve the Living Wage Ordinance and make it retroactive to March 21 when the City ordinance went into effect.

3. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Ungrodt seconded a motion to approve the March 7, 2001 minutes.

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

The motion carried.

Mr. Gillett enters.

4. CITIZENS ADVISORY COUNCIL

Mr. Detter reported:
Last night the Citizens Advisory Council discussed many important downtown issues. We left to the last an item that is of great importance to the downtown and the State Street area—the future of Olga's site on E. Washington and S. State. We are pleased to see the proposal of the Farbman Group for the "State Street Lofts," a mixed-use, multi-story, residential/retail building of 40-45 residential units on the former Olga's site. The Citizens Council discussion of the project, however, raised a few concerns that should be given careful consideration before we rush to fully support this proposal.

1. The eight story height of the proposed building. We would like to see three-dimensional renderings of the views of the building from various directions up and down State Street to fully appreciate its impact upon the character of that neighborhood's historic facades. Last year we resisted the plan to put a six story structure on a much smaller site at First and Ashley because we felt it was one story too tall for a location immediately adjacent to two blocks of 2-3 story historically designated structures. We are not opposed to height in and of itself, but location and context are important considerations.

2. We would also like to see at least one level of underground parking as a part of this proposal. We believe every downtown development proposal should attempt to make some contributions to the overall downtown parking supply. Furthermore, at this time we are not supportive of the DDA supplying two units of reserved parking for each of the new residential units in the building—even if the DDA should decide at some point in the future to build additional floors on the Liberty Square parking structure. The Citizens Council position on this point is taken for two major reasons.

First--other users must be considered. There is currently a large waiting list of persons seeking permits in the structures. Also, there are other possible development proposals in the area that may need additional parking in the structures. We do believe that downtown residents should be placed at the top of any permit waiting list. But--particularly in the case of rental units--two permanently guaranteed parking spaces for each residential unit is a desirable luxury our system cannot afford.

Second--two parking spaces for each unit would go against our stated commitment to support the expanded use of other modes of transportation in the downtown—walking, biking and public transportation. While downtown residents may have automobiles, it is not our goal to encourage it.

3. We anticipate that building plans for the proposed structure will be carefully coordinated with the installation of State Street improvements. Also, we hope the developers will consider the private installation of matching street improvements along Washington St., which—although not a part of the
planned State Street improvements—would be an amenity that would increase the appeal of the project as well as enhance the neighborhood pedestrian streetscape.

4. There are other design issues—setbacks, balconies, bicycle parking, etc. We hope these will be dealt with carefully in the process of giving swift approval to this desirable residential proposal.

5. **NEW BUSINESS**

Ms. Pollay asked that the DDA to approve $750 for the annual Downtown Spring Cleanup as it has annually for the past many years. Ms. Gunn moved and Mr. Aldrich seconded the motion:

A vote on the motion showed:

*AYES:* Aldrich, Berlin, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Ungrodt

*NAYS:* None

*Absent:* Beal, Sipes

The motion carried.

6. **OLD BUSINESS**

None.

7. **SUBCOMMITTEE REPORTS**

**OPERATIONS COMMITTEE**

Mr. Aldrich reported that the January and February reports were included in the packet. He outlined the TIF, Parking, and Housing fund balances, and said that revenues are higher than first anticipated. He said that the committee met with bond counsel to talk about options relative to financing the First and Washington structure. It appears that the best option is a tax-exempt bond.

Mr. Aldrich said that the DDA’s office space is sublet from the City Retirement Office, and that the Pension Board has voted to renew their lease at 301 E. Liberty in August 2001, but have asked the DDA to vacate their quarters by February 2002. The Operations Committee has begun looking at other office space and plans to come back to the DDA next month with a recommendation for new office space.

Mr. Aldrich reported that the spring 2001 maintenance inspections have begun in the parking facilities, and that Republic Parking has been provided a checklist. He said things look very good, and this is due to the good work of Joe Morehouse, Dan Forst, as well as our new facility inspector, Jim Stein. All were thanked. In an ongoing effort to improve services, Mr. Aldrich asked DDA members to use their gold validation parking stamps to provide the Operations Committee with feedback about service and maintenance.

Mr. Gillett asked Mr. Aldrich whether the Living Wage issue had been discussed within the Operations Committee and when it might come to the Board for resolution. Mr. Aldrich said that this issue had been discussed at length, and the Committee hoped to have a recommendation by the next meeting.

**PARTNERSHIPS COMMITTEE**

Mr. Gillett said the Committee had discussed a number of issues. He said there was a small request to support the affordable housing component in the Nickels/Maynard project, and that the Committee hopes to have a recommendation soon. The Committee had just received information on the State Street Lofts and would discuss this in greater length at their next meeting. They had also met with Mr. Jack Stegeman to discuss the status of his project at William & Thompson Streets. He said that a second interview had been scheduled with prospective developers for the First & Washington site later in the month.
Mr. Gillett presented a resolution which had been approved by the Committee supporting Dawn Farm’s request for an additional $35,000 in order to purchase the house on Chapin Street. Mr. Gillett then moved and Ms. Gunn seconded the following resolution:

RESOLUTION PROVIDING AN ADDITIONAL $35,000 TO DAWN FARM TO ASSIST WITH THE DEVELOPMENT OF HOUSING IN THE DDA DISTRICT

Whereas, The Ann Arbor DDA Plan goal is to address problems of urban decline, and with a specific objective to participate in programs which stimulate new, converted, or renovated housing;

Whereas, In May 2000 The DDA granted $100,000 to Dawn Farm to assist with the acquisition of 112 Chapin Street, a property within the DDA district, for the purpose of providing transitional recovery housing for homeless, addicted men;

Whereas, Dawn Farm secured $115,000 from additional sources for this project, including MSHDA, the Michigan Housing Trust Fund, and the Federal Home Loan Bank;

Whereas, During the intervening months a new appraisal was made of the property, and it showed an increase in property value from $130,000 to $165,000;

Whereas, The DDA has been asked to provide the additional $35,000 to enable this project to go forward;

Whereas, The Partnerships Committee has met and recommends the DDA support funding in the amount of $35,000 for this project;

RESOLVED, That the DDA will provide Dawn Farm with a second grant of $35,000 from its Housing Fund to enable it to purchase and renovate the house at 112 Chapin Street, Ann Arbor, MI, 48104 as a transitional residential and recovery facility to be released at closing.

RESOLVED, The DDA Executive Director and Partnerships Committee Chair are authorized to negotiate and sign a lien document assuring that Dawn Farm will operate the property as transitional housing for a minimum of 20 years and an accountability agreement similar to that used by the City Community Development Department in similar projects it participates in and to arrange with that office for assistance in monitoring the implementation of this project.

Mr. Beal enters.

Mr. Berlin made a friendly amendment to add that “any future requests that come to the DDA for support of this nature shall be based on legal documents that are in place”. Several DDA members stated their support for Dawn Farm’s efforts to create transitional housing in the DDA District for an important, and vulnerable group.

A vote on the motion showed:

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

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

RESOLUTION TO ACCEPT A PROPOSAL FROM THE UNIVERSITY OF MICHIGAN TO STUDY THE SOUTH UNIVERSITY AREA ($50,000)
Whereas, Over the past several years there have been many changes in the South University area, including shifts in property ownership, retail mix, customer base, traffic conditions, and University of Michigan activities;

Whereas, Some of these changes have generated concerns within the community;

Whereas, Some of these changes have also increased the need for services such as increased sidewalk and anti-graffiti cleaning which are beyond the financial resources of the South University Area Association (SUAA), and these increased financial demands on SUAA have been a contributing source of the enmity between the SUAA and the Ann Arbor Street Art Fair (AASAF) particularly with regard to the revenues generated by Art Fair;

Whereas, The City of Ann Arbor has asked that the DDA sponsor a study in the South University Area to better understand the changes that have taken place in this district, and to ascertain ways to encourage the long-term economic vitality and unique identity of the Area;

Whereas, Funding will be in place by 2003 to implement the strategies set forward by such study, as AASAF will levy addition booth fees for this purpose;

Whereas, A South University Area Taskforce will be created to implement recommendations derived from this planning process, and this Taskforce will include City Council and DDA members, SUAA and AASAF representatives, and a member of the Citizens Advisory Council;

Whereas, The study of the State Street Area commissioned by the DDA from the University of Michigan in 1998 in anticipation of its streetscape improvement project generated much valuable information, as it was a multi-disciplinary approach to understanding a retail area in transition, and involved faculty and students from a number of UM Schools and Colleges in the process of extensive data collection and analysis;

Whereas, The DDA has received a proposal for a comparable study in the South University Area study from the UM for $50,000, which would include an assessment of the economic and business dynamics of the area, and would generate specific recommendations for changes;

Whereas, The DDA has an added interest in developing a stronger connection to the University of Michigan;

Whereas, The UM has indicated that it will absorb overhead costs for this project as its contribution;

Whereas, SUAA will be asked to contribute $10,000 toward the cost of the study;

Whereas, The project would provide for a partnership between the DDA, UM, SUAA, and AASAF, and the DDA is interested in developing strategic partnerships;

RESOLVED, That the DDA shall accept a proposal from the University of Michigan to conduct a study of the South University Area and shall commit $40,000 for this study contingent upon SUAA contributing the remaining balance of $10,000;

RESOLVED, That a representative of SUAA and the UM shall be asked to meet with the DDA Partnerships Committee to develop the specific terms of the study, including the timing of the project, research and meeting expectations, and desired outcome.

Ms. Pollay reported on the dispute regarding use of the S.U. area right-of-way during Art Fair, as well as the City decision on this matter, which mandated that a strategic study be conducted, possibly sponsored
by the DDA. An area taskforce would be created to implement recommendations, including City Council, SUAA, AASAF, Citizen’s Advisory Council, and DDA members. After discussion, Ms. Gunn moved to table this issue, which was seconded by Mr. Ungrodt, to give time for the Committee to meet with SUAA & UM representatives to make sure the study met the needs of the DDA, as well as the South University area as a whole.

A vote on the motion to table showed:

AYES: Aldrich, Berlin, Dankert, Fritz, Greff, Gunn, Ungrodt
NAYS: Beal, DeVarti, Gillett, Pohrt
Absent: Sipes

The motion to table carried.

CAPITAL IMPROVEMENTS COMMITTEE

Mr. Beal reported that the bid documents for Fourth & William will go out April 9, with bids due May 8th. He said that the DDA had received a report back from Carl Walker Inc. indicating that it would be possible to keep the First & Washington parking structure open past its scheduled closing date of June 30th, as investigations revealed the status of deterioration. A proposed plan to add additional shoring was provided to the City Building and Public Services Department, and a meeting would be held the next day to discuss this recommendation.

Mr. Beal said that bid documents for Fourth Avenue improvements will be distributed shortly and will also be due back in early May. He recommended that the DDA set aside funds each year for sidewalk maintenance. Ms. Pollay said that the DDA sponsored an annual downtown spring walkthrough with City staff, and this year’s walkthrough is scheduled April 24-25, to which everyone was welcome to participate. She said this annual project made clear what maintenance issues existed, and who was responsible to resolve it. She said she would look for issues the DDA might consider working on this summer.

The following resolution was moved by Mr. Beal and seconded by Ms. Gunn:

RESOLUTION APPROVING CONCEPTUAL DESIGN OF STATE STREET AREA PROJECT

Whereas, Pursuant to its DDA Plan objectives, the DDA approved the selection of the consulting firm of Pollack Design Associates to oversee the process of developing the design scheme for State Street Area streetscape improvements;

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

Whereas, The design team followed recommendations set forward by the Urban Design Workbook, which was prepared by the University of Michigan in a study commissioned by the DDA in 1998;

Whereas, The design team received extensive input relevant to conceptual designs during numerous design advisory committee meetings, community meetings, and focus group discussions 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, Pollack Design Associates presented information on this design concept to the DDA at its February 7, 2001 meeting, and reported that early cost opinions preliminarily indicated that the final cost of design and construction would exceed the project’s estimated $5 million budget;

Whereas, Subsequent to that, Pollack Design Associates met with representatives of the DDA and the State Street Area Design Advisory Committee on February 21st to explore alternate design schemes for Maynard Street and to address construction cost issues;

Whereas, The DDA received a revised cost opinion at their March 7, 2001 DDA meeting, in which the consultant team made suggestions for the project’s scope which were estimated to cost $5 million, inclusive of a 25% cost factor for “soft costs” as well as 10% construction contingency;

Whereas, The DDA resolved at its March 7th DDA meeting to table discussion until the Capital Improvements Committee had a chance to refine the project scope still further;

Whereas, The DDA Capital Improvements Committee met March 13th and set forward a series of recommendations for the project as follows:

1. Streetscape Improvements (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

Whereas, These recommendations have been estimated to cost $4,348,114.45;

Whereas, The Committee has also put forward recommendations for additional project elements to be bid separately as alternates which may or may not be completed at this time, including:

1. Lighting improvements to the Maynard and Liberty Square parking structures
2. Sidewalk replacement on tertiary streets (Washington, Thompson, Thayer, Liberty from Division to Fifth, and William from Thompson to Fifth)
3. Lighting on William, between Thompson and Fifth

Whereas, The anticipated cost for these bid alternates has been estimated to be $752,232.42;

Whereas, In anticipation of continuing discussions with the University of Michigan, University Plaza is not included in the project at this time; however, the budget figure of roughly $4.4 million would allow for the plaza to be added ($583,043.91) should that be desired;

Whereas, The cost opinions are recognized as estimates which must be confirmed by placing the project out to bid at which time actual costs will be known;

RESOLVED, That the DDA approves the revised conceptual plan as presented to the DDA Board at their regular meeting of April 4th, 2001;
RESOLVED, That the DDA authorizes the design Consultants to proceed with preparation of construction plans for said concept, including a menu of various alternates;

RESOLVED, That the DDA reserves the opportunity to determine a total construction budget for this project following a competitive bid process.

This revised resolution provides for a project which has been estimated to cost $4.3 million with $752,000 in alternates and consideration for funding a portion of the University Plaza. Brian Barrick of Pollack Design showed how they arrived at the dollar amounts. Mr. Pohrt thanked everyone for their help on this project.

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

PLANNING COMMITTEE
In Ms. Sipes absence, Ms. Pollay reported that there will be a Spring DDA Retreat and asked for assistance in finding a convenient date. Ms. Greff reported that the Committee had met with Chris White/AATA to learn more about the Get!Downtown program and about AATA's financial support for the free Go!Passes. She said that there had been a concern that the DDA will become the sole funding source. Ms. Thomas, from the Chamber, outlined possible grant sources, but said that most program funding will eventually come from the downtown business community, and that DDA funding would provide the program with time to successfully convince business owners to assume financial responsibility for their employee bus passes.

Ms. Greff moved the following resolution with a second from Mr. DeVarti:

RESOLUTION PROVIDING $175,000 TOWARD FUNDING OF THE GO!PASS PROVIDING FREE BUS PASSES FOR DOWNTOWN EMPLOYEES FROM NOVEMBER 2001 THROUGH JUNE 2002

Whereas, The 1982 DDA Plan provides that the DDA shall undertake efforts to serve the non-motorist needs of existing and new developments in the Development District;

Whereas, The DDA’s parking structure repair and replacement program sparked interest in providing a menu of transit options for downtown employees, including bus service;

Whereas, The DDA took a leadership role with its 1998 Ann Ashley and Liberty Square repair projects, providing free bus passes and shuttle service to over 1,500 downtown employees displaced by repairs, most of whom had never ridden an AATA bus previously;

Whereas, The DDA partnered with AATA, the City of Ann Arbor, and the Chamber of Commerce in 1999 on a new “getDowntown” program aimed at introducing downtown employees to alternative transportation options;

Whereas, The getDowntown program provides for a full-time transportation coordinator who conveys individualized transit information to downtown employees, and who works with a wide range of downtown businesses to distribute a free “go!pass” to their employees;

Whereas, This free “go!pass” was funded primarily by a two-year Congestion Mitigation/Air Quality (CMAQ) grant, which will expire in November 2001;
Whereas, The success of the go!pass was demonstrated in a study conducted shortly after its inception which showed that 82% of all downtown employees have a go!pass, 57% have ridden the bus at least once and 35% have increased their bus usage because of the go!pass, which was a factor in AATA announcing a 12% ridership increase in 2000;

Whereas, Increased bus usage encourages downtown vitality without the need to construct new parking structures at a construction cost of $25,000+/car space plus on-going maintenance and operations costs;

Whereas, The go!pass is a key element in the DDA’s menu of transportation options, including monthly parking permits, premium monthly parking permits, hourly parking, and bicycle parking;

Whereas, The DDA has been asked to succeed CMAQ funding for this program after its expiration in November 2001 as CMAQ funding renewal is not possible;

Whereas, The DDA would like to see the project gradually shift its funding source to downtown employers, but understands that this transition will take time, as it will involve a great deal of one-on-one contact to ensure that program participation is not dramatically reduced;

Whereas, The DDA is being asked to provide $175,000, which represents a prorated cost of $25/pass for 10,500 passes for eight months;

RESOLVED, The DDA will provide funding support for the go!pass and get! Downtown program from November 2001 through June 2002 in the amount of $175,000 with understanding that downtown business support will be in place in July 2002 to continue program funding.

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

8. Other Business

Ms. Pollay thanked the DDA members who participated in the City Council Work Session and said there would be a similar session with the Planning Commission on April 10th, and encouraged everyone to attend.

9. Adjournment

As there was no further discussion, upon motion, the meeting was adjourned at 1:55 p.m.

Respectfully submitted,
Susan Pollay, Executive Director