MINUTES
Downtown Development Authority Meeting
Wednesday, April 6, 2005

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: DDA Chair Fred Beal called the meeting to order at 12:05 p.m.

1. Roll Call

Present: Fred Beal, Gary Boren, Roger Hewitt, John Hieftje, Sandi Smith, Dave Solo
Absent: Rob Aldrich, Ron Dankert, Dave DeVarti, Bob Gillett, Rene Greff, Leah Gunn

Staff
Present: Susan Pollay, Executive Director
Susan Ziff, Intern
Sarah Armstrong
Joan Lyke

Audience:
Wei Bee, Sweetwaters
Tony Bisesi, Republic Parking
Erica Briggs, Ann Arbor Area Chamber/Get Downtown Program
Bob Dascola, South Street Area Association
Ray Detter, Downtown Residents Citizens Advisory Council
Karen Farmer, Kerrytown Market Area
Tess Haas, V2V
Chris Hutton, Sweetwaters
Adrian Iraola, WENCO/DDA Project Manager
Lucy J. Miller, Citizen
Richard Murphy, Citizen
Peter Pollack, Pollack Design
Ethel Potts, Citizen
Alice Ralph, Citizen
Jennifer Roth, Village Green
Scott TenBrink, getDowntown Program
Dennis Webster, The Earle Restaurant

2. AUDIENCE PARTICIPATION

Jon Carlson provided a handout to the Board regarding his request for a facade loan and a grant for the Mayer Shairer redevelopment. The project will include a restaurant, offices, and a residential unit with onsite parking. The building will be listed in the National and State Register of Historic Places. Mr. Carlson was invited to attend the next Partnerships Committee meeting for further discussion.

Mr. Aldrich, Mr. Gillett and Ms. Greff enter.

Mr. Wei Bee, one of the co-founders of Sweetwaters and Ms. Tess Haas, manager of V2V, spoke on behalf of other Kerrytown businesses. Mr. Bee said that many improvements have been made to the interior of the Kerrytown shops and he would like to see the same positive energy continue to the outside, as he plans to add outdoor seating this summer. He explained that when it rains, water flows toward the shops from the sidewalk. Mr. Bee said that if the DDA were to approve the request submitted by the Kerrytown Shops for sidewalk repairs it would fix the drainage problem and would benefit the entire Kerrytown Historic Market Area. Ms. Hass noted that spring and summer are the
busiest time for the Kerrytown area and she encouraged the DDA to take on these sidewalk repairs sooner rather than later.

Erica Briggs, of the Chamber of Commerce, Get!Downtown Program, provided a brochure describing “Curb Your Car Month” activities scheduled for May. She said that the program evolved from the former “Ride Your Bike to Work Week” and is now a month-long schedule that includes: Try Transit Week; Use Your Feet Week; Get Out and Bike Week; and Share a Ride Week. She invited folks to visit the web site to find out how local businesses can compete for the Commuter Challenge and for more information regarding the planned activities.

Ms. Gunn enters.

3. DOWNTOWN AREA CITIZENS ADVISORY COUNCIL

The CAC is pleased with the vote of City Council a week ago rejecting the attempt to have three city-owned sites set aside for future park space. The proposed resolution would have stood in the way of developing a really creative approach to these three sites. They can be used to support many other community values as well as include park space.

We fully support the DDA three-site concept. It very thoughtfully develops a plan that includes a park and a portion of a greenway, but it also attempts to provide affordable and mixed income housing, parking replacement, more retail development, contamination cleanup and storm water improvements. As a bonus, it achieves another Downtown Plan goal by eliminating two surface parking lots. All of us favor the idea of a Greenway, but the DDA Plan is the only one that includes a greenway, offers a vision that achieves all these other desirable Downtown Plan goals, and provides the financial means to pay for it.

Some people say the park in the DDA Plan is not big enough. The Greenway is not broad enough. They don’t like parking structures. The buildings proposed for the Kline lot are too tall. They even say a parking structure is not needed. Cars can be parked instead on the top of other structures. There seem to be many agendas. But they forget that the DDA plan is a part of a public process that will lead to a final product that all of us will have helped to shape. Lately we have heard talk of including public art. Let’s do it all if we can!

And we should do it as a part of developing a larger concept for the downtown—a larger vision. There are other sites. The Washington garage site might include art studios, a park, more housing and the next link in the greenway. The YMCA site will provide more affordable housing, more mixed income housing—perhaps it might include more retail space and improvement of our transportation facilities. And let’s start talking about the future of the Library Lot site as well. All of this should be a part of an open public process.

On a related subject, the CAC has asked me to once again stress the importance of restoring the position of a Historic Preservation Coordinator to city government. Currently, city planner Donna Johnson is serving part time in that role. It is not working. Historic Preservation should be considered one of those “Core municipal services” required to effectively maintain essential services, economic health and identity in Ann Arbor. We realize this is a time of budget constraints—when future rezoning, taller buildings and higher density are seen as a means of adding new residents who will both add vitality to our community and pay the taxes necessary to balance future budgets. We need to keep in mind, however, that Ann Arbor’s historic character is one of the reasons why new residents are attracted to our wonderful community. If we want to continue to be high on the list of the nation’s most desirable places to live, we need to strengthen our commitment to preservation, not weaken it. We urge the DDA to participate in providing support where possible.
Mr. Dankert enters.

4. APPROVAL OF MINUTES
Ms. Greff moved and Ms. Gunn seconded approval of the March 2, 2005 Minutes.

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

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS
OPERATIONS COMMITTEE
Mr. Hewitt reported on the February 2005 financial statements. TIF income is as anticipated. Operating expenses are down from budget because a budgeted bond purchase for the Huron, Division, and Fifth project has not taken place as anticipated, although other expenses are on budget. Parking revenue YTD is up a little bit, and includes a payment from DTE that covers part of our bond expense at Fourth & William. Operating expenses appear over budget because we transferred approximately $2 million from Parking to a repair reserve account. The next financial statement will show the reserve funds separately. Overall, our parking costs are as anticipated. In February the number of hourly patrons is up almost 10% over the year before and revenues are up nearly 5% over 2004.

Ms. Gunn moved and Ms. Smith seconded the following resolution.

RESOLUTION TO OPEN INVESTMENT ACCOUNTS FOR DDA PARKING AND TIF MAINTENANCE AND REPAIR RESERVE FUNDS

Whereas, Three years ago the DDA opened its first bank account to receive the revenues from its off-street parking facilities;

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

Whereas, Two years ago the DDA selected Bank of Ann Arbor through a competitive bidding process to invest DDA’s parking funds;

Whereas, One year ago the DDA opened two investment accounts at Bank of Ann Arbor for its TIF and Housing Funds, along with a checking account;

Whereas, The DDA Board recently approved the creation of two new funds dedicated to parking facility and TIF repair and maintenance and the DDA must now establish new investment accounts for these funds;

RESOLVED, The DDA shall open the following:
• An account with Bank of Ann Arbor to handle the investment of DDA funds reserved to the repairs and maintenance of City parking facilities
An account with Bank of Ann Arbor to handle the investment of DDA funds reserved for repairs and maintenance of past TIF improvements in the DDA district

RESOLVED, The signatories for these accounts will be the DDA Chair, Vice Chair, Treasurer and DDA Executive Director.

Mr. Aldrich asked if having two separate accounts would limit the DDA’s investment flexibility and why each fund needed to be segregated. Mr. Morehouse explained that separating each fund was an accounting convenience, and it would not negatively affect the DDA’s ability to invest these funds.

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

Link Funding Request: Mr. Hewitt reported that Chris White met with the Committee regarding AATA’s request for Link funding. He said that the Committee did not resolve to support the request, but will continue to explore other funding opportunities, such as a trade for assistance with pedestrian improvements along Fifth and Division. The UM agreed to fund a portion of Link expenses for one year because the route has been altered to serve Oxford Housing, thereby eliminating UM costs for running its own shuttle, and because the remaining grant dollars will keep costs down. Mr. Hewitt announced that the Link will stop service in April except for the loop between Oxford Housing and Central Campus.

Parking Rates: Mr. Hewitt reported that the Committee began a discussion about future parking rate increases by considering what the philosophies should be behind these rates. He pointed to philosophical statements in the DDA packet, which were shaped by a previous Operations Committee. Mr. Solo noted that on-street rates have not been increased in seven years. Mr. Hewitt explained that the Committee consensus is to set the highest rates for on-street parking meters, followed by surface lots, than structures, to encourage turnover at the meters and increased long-term parking off-street. Mr. Hieftje suggested that the Committee also explore what the impact might be by not increasing parking rates but by changing hours of enforcement, for example from 10 A.M. to 8 P.M. He also indicated the FY 06/07 Budget Proposal being submitted by the City Administrator includes a request to raise parking fines to encourage turnover. Mr. Aldrich asked if the committee had considered increasing meter rates and decreasing the cost of parking in a structure. Mr. Hewitt stated that he and Mr. Morehouse will be creating several parking rate scenarios, including the one suggested by Mr. Aldrich, which will reviewed at the next Operations Committee meeting.

Additional Rent Draw: Mr. Hewitt reported that the Committee received the notice that the City Administrator plans to draw an additional $1 million for 2005/06 and 2006/07 per the proposed parking agreement amendment, for a total of $4 million over the next two years. Ms. Pollay reported that City Council approved the Parking Agreement Amendment at Monday’s meeting, and that the Agreement will be brought back to the DDA for final approval.

Mr. DeVarti enters.

CAPITAL IMPROVEMENTS
Huron and Fifth/Division design projects: Mr. Beal said that a Fifth/Division and a Huron Design Advisory Committee have been created and are comprised of members of the DDA, City, University,
CAC and business representatives along the corridors with the goal of providing feedback to the consultant teams. Committees have had their initial meetings.

N. Fifth Sidewalk Repairs: Mr. Beal moved and Ms. Greff seconded the following resolution:

RESOLUTION TO APPROVE N. FIFTH AVENUE SIDEWALK REPAIRS ($40,000)

Whereas, DDA Development Plan objectives include undertaking improvements to sidewalks to make the downtown more pedestrian-friendly;

Whereas, The segment of N. Fifth Avenue immediately in front of the Kerrytown Shops and the area between the Kerrytown Shops and the Farmers Market are experiencing drainage problems, accessibility issues, and deteriorated sidewalk conditions;

Whereas, The cost to repair these problems has been estimated to be $40,000, which includes a contingency amount;

Whereas The DDA recently approved a Professional Service Agreement with Beckett and Raeder, Inc. for design of improvements along Fifth and Division Streets, from Packard to Beakes, which includes this area along North Fifth Avenue, with work to begin shortly;

Whereas, The DDA has not approved a construction budget for this project;

Whereas, The DDA Capital Improvements Committee has reviewed conditions in the Kerrytown Shops/Farmers Market Area and have recommended that the DDA undertake the necessary repairs given the enormous numbers of people who traverse this area every week;

Whereas, The DDA set aside $400,000 in its 2005/06 budget for streetscape repairs, which would be the source of funding for this work;

Whereas, Representatives of Beckett & Raeder and Washtenaw Engineering have met to review the recommended repairs, and have determined that it would be difficult for the Market and Shops to function at their fullest potential in the short term with current conditions;

Whereas, DDA consultants have also determined that the recommended repairs are not likely to interfere with any future streetscape design for the area developed by Beckett & Raeder in the coming months;

Whereas, Three bids were received for these repairs and Doan Construction was the lowest responsible bidder;

RESOLVED, The DDA authorizes the DDA Capital Improvements Committee to move forward with pedestrian improvements on N. Fifth Avenue between Kingsley and Detroit Street, establish a project budget in the amount of $40,000, and to support the selection of Doan Construction as project contractors.

Mr. Beal explained that the project would be funded out of the recently-established sidewalk maintenance fund. Mr. Aldrich asked how the project would be monitored, and if it would cause any hardships in the area. Mr. Beal said that the Farmers Market and Kerrytown Shops are aware of the project which would be undertaken so as to minimize negative impact to the area. Mr. Iraola said that Beckett & Raeder have reviewed the project to ensure that we are not undertaking work that is
likely to be removed with a new design for the area. Mr. Iraola said that the final cost might be less than projected as the low bidder has offered an additional 5% discount due to the amount of work it is doing this year for DDA. Mr. Aldrich asked why O’Neal Construction is overseeing the project and not Mr. Iraola. Mr. Beal explained the cost would be the same and he preferred to keep Mr. Iraola on the larger projects, as we have only a limited amount of Mr. Iraola’s time. Mr. DeVarti asked about the contingency amount and Mr. Iraola explained that 15% is considered to be a typical amount for large projects but that 25% is more applicable for smaller projects like this.

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

Alley Repairs: Mr. Beal moved and Ms. Gunn seconded the following resolution:

RESOLUTION AUTHORIZING ESTABLISHMENT OF A PROJECT BUDGET ($720,000) AND SELECTION OF PETER A. BASILE SONS, INC. TO UNDERTAKE DOWNTOWN ALLEY REPAIRS AND IMPROVEMENTS

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, On May 5, 2004 the DDA authorized The 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, The assessment was completed, and at its December 1, 2005 meeting the DDA selected five public alleys as the first repair locations:
1. Liberty, Fifth, Washington & Fourth
2. Liberty, Fourth, Washington & Main
3. Washington, Main, Huron & Ashley
4. Ann, Fifth, Catherine & Fourth
5. Liberty, Main, Washington & Ashley

Whereas, In its December resolution the DDA authorized the DDA Capital Improvements Committee to initiate the repair of the five alleys listed above;

Whereas, Repair plans were prepared and bid documents distributed on March 10, 2005;

Whereas, Doan Construction was selected to undertake repairs in alley #1, as a demonstration project, using quantity prices secured from a bid received in 2004;

Whereas, Four bids were returned to the DDA on March 29, 2005 for alleys #2-5, and Peter A. Basille, Inc. was found to submit the lowest bid at $393,875.05;
RESOLVED, The DDA approves a project budget for 2005 alley repairs in the amount of $720,000;

RESOLVED, The DDA approves a construction contract with Peter A. Basile Sons, Inc. for repairs to
alleys #2-5 in the amount of $393,875.05, with the understanding that alley #2 will be undertaken
first to determine if project repairs can be undertaken within the bid amount indicated;

RESOLVED, The Capital Improvements Committee and DDA Project Manager are authorized to
oversee and execute a construction contract as necessary for the completion of this project within
the limits of the approved budget.

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

2005 Downtown Spring Cleanup: Mr. Beal moved and Mr. Hewitt seconded the following resolution:

RESOLUTION TO SUPPORT THE 2005 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
2004;

Whereas, These funds were used to support new elements such as fire hydrant painting by
University and elementary school children, as well as to supplement City costs for flowers, mulch
and other materials;

RESOLVED, The DDA will contribute up to $5,000 toward the 2005 Downtown Spring Cleanup.

Ms. Pollay said that the DDA is the major financial sponsor, however, there are many other
organizations involved. Nancy Stone, Education Coordinator for the City, is providing overall
coordination and City Forestry will purchase the flowers and supervise planting. The Girl Scouts and
other youth groups will be involved as well. The event is scheduled for Saturday May 14th at 9AM
and all are invited!

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

PARTNERSHIP COMMITTEE
Three Site Plan. Mr. Solo explained that the Committee discussed new ways to reemphasize the
DDA’s support for a greenway as described in the Downtown Plan. Ms. Greff, Ms. Gunn and Ms.
Pollay are scheduled to give a presentation at the Progressive Women Activists meeting April 11th at
7 P.M., at the Church of the Good Shepherd, 2145 Independence along with Doug Cowherd of the Sierra Club. All were welcomed to attend. Mr. Solo indicated he was happy with the amount of public discourse and was pleased that his committee has “caused such commotion.” All laughed. Mayor Hieftje indicated that City Council is also in favor of a greenway, and that the issue doesn’t need to be so polarized. He acknowledged Ms. Greff’s and Ms. Gunn’s efforts to keep the dialogue going. The next committee meeting is scheduled for April 22 at 2 pm at the DDA office.

RESEARCH AND OPPORTUNITY COMMITTEE:
Communication. Mr. Boren reported that the Committee has scheduled a meeting with IAS at its next meeting. They will discuss the DDA’s priorities for the Downtownannaarbor.org web site and the how the DDA may want to use the web site in the future, for instance as a distribution point for an electronic newsletter providing general information for the community, etc.

8. OTHER DDA BUSINESS MATTERS

YMCA Redevelopment. Ms. Gunn and Mr. Beal are serving on the Evaluation Committee, however, to date, neither of them has seen copies of the six proposals received by the City.

9. AUDIENCE PARTICIPATION

Mayor Hieftje shared the following information
· The Planning Commission recently approved a 10 story building at Glen and Ann Streets
· The Governor appointed a task force to study local financing. It will probably be a year or two before the Task Force reports back to the Governor, but clearly something needs to be done.
· MDOT has been asked for right-of-way approval by Interstate Traveler to build a magnetic railway levitation train for Woodward Avenue. Future plans include a railway from Ann Arbor to Metro Airport. No monetary support is being asked of the county and city - they have only been asked to provide right-of-way. City Engineering is currently reviewing the plans. The Mayor indicated they are not going to take any action in the near future but plan to watch the Woodward project closely. He has a video he can make available to the DDA if there is interest.
· The Steering Committee is in the process of selecting a consultant for a Downtown Rezoning Plan. The consultant report is scheduled to be presented to City Council in September.

Mr. Bob Dascola reported that the downtown fire hydrant painting project is nearly completed, and they are considered extending their work to the traffic control boxes. He thanked the DDA for its support of Downtown Spring Cleanup. He also thanked the DDA on behalf of the Lions Club for the donation of one month free parking that they used at their recent silent auction which raised over $2,000.

Ms. Miller suggested that the DDA consider broadcasting its meetings on CTN.

10. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:07 P.M.

Respectfully submitted,
Susan Pollay, Executive Director