MINUTES
Downtown Development Authority Meeting
Tuesday, April 18, 2000

Place: DDA Office
301 E. Liberty, Suite 690
Ann Arbor, MI 48104

Time: The Vice Chair, Karl Pohrt, called the meeting to order at 12:10 p.m.

1. Roll Call

Present: Rob Aldrich, Neal Berlin, Ron Dankert, Dave DeVarti, Bob Gillett, Leah Gunn, Maria Harshe, Karl Pohrt
Absent: Fred Beal, David Fritz, Lorri Sipes, Skip Ungrodt

Staff Present: Susan Pollay, Executive Director
Present: Sarah Armstrong, DDA
Joe Morehouse, Fiscal and Administrative Manager

Audience: Johanna Broughton, Performance Network
Samantha Broughton, citizen
Ray Detter, Citizen Advisory Counsel
Bob Frazier, National Garages, Inc.
Donna Johnson, City Planning Department
Andrew Kinchen, National Garages
Scott Munzel, Syndeco Realty Corporation
Cathy O'Donnell, Ann Arbor News

1. Approval of Minutes
Ms. Harshe moved and Ms. Gunn seconded the approval of the minutes of the March 21, 2000 meeting.

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

2. Citizen Advisory Council

Among the many issues discussed by the Citizens Council last night, they have asked me to report to you on three:

1. University-Community Relations
The Citizens Council has always been an advocate of closer University-Community relations. As a member of the Urban Environment Alliance, we have worked with others for the last two years to encourage the University to involve the City of Ann Arbor and community representatives on a regular basis in the process of developing the emerging University Master Plan. Neal Berlin has also written the University to encourage this city-community cooperation. At last week's public presentation of the State Street Study we were delighted to hear U. of M. President Lee Bollinger declare his commitment to developing greater University-community cooperation on a range of issues. The State Street Study is an example of that University commitment. Many of us attended the recent Venturi, Scott Brown presentation of plans for the new Life Sciences and Medical Center buildings. It was obvious in that Venturi report that the University is very concerned about the community's response to their long-range planning.

We are pleased. But we are also apprehensive. We still believe that the City and the community needs to be involved in the development of the University Master Plan on a more regular basis. The many issues involved
in the planning of the Life Sciences and Medical Center buildings make that need clear. Transportation, parks, open space, bicycle paths, university land acquisition policy, University relationship to AATA and the VA, the character of a community center on campus and its relationship to nearby business areas, etc. are subjects and issues involved in recent University planning. The City, the community, and the DDA should be more directly involved in the process.

Last month the Citizens Council joined seven other community groups to send a letter to University Vice President Robert Kasdin requesting that he create a more inclusive public participation process for the University's development plans. We suggested two things to improve the process. First, we encouraged the University to establish a formal City of Ann Arbor liaison for its planning process. Second, we also encouraged creation of an analogous non-governmental liaison position to represent the Ann Arbor community. Both individuals would advise the University on all aspects of its planning efforts.

Last week, representatives from these community groups, as well as the City and County, met with representatives from the university to begin to explore the ways in which Ann Arbor could be more involved in the University Master Planning process. Although no specific processes were agreed upon, many were discussed. As a first step, the University will convene a meeting in 6-8 weeks to which all those who attended the recent Venturi, Scott Brown presentation will be invited. The meeting will provide an open forum at which all master planning issues can be discussed. This is important! It is a rare opportunity to set up a permanent relationship with the University on a level more expanded, and perhaps more permanent, than has previously existed. The Citizens Council and other groups intend to be involved. We hope that all members of the DDA will also take advantage of this important opportunity.

2. Art in the Fourth and Washington parking structure
We are pleased to report that yesterday representatives of the Citizen Advisory Council, along with Susan Pollay from the DDA and Ed Shaffran from the Main Street Area Association, participated in the final judging of the three art installations that will become a permanent part of the Fourth and Washington parking structure. We are delighted with this first step in the direction of including art in downtown public places. This artwork, along with planned future Fourth Avenue pedestrian improvements, Performance Network in Courthouse Square, and the Downtown Historical Street Exhibit Program, fits into our commitment to create an attractive pedestrian friendly corridor that will more closely unite Main Street and Kerrytown. You will all be pleased with the artwork chosen.

3. The Shelter
Last Saturday downtown shelter organizers presented their latest plans for the proposed shelter facility on West Huron. Although a lot of thought and effort is going into the development of this project, we are disappointed that the recommendations for the resident members of the Shelter Advisory group seem to be largely ignored. We are also disappointed that the student study of the programmatic operation of the proposed facility is inadequate. We still have no successful models that we can use or visit and the study totally avoided any questions dealing with the possible impact upon the future of our downtown neighborhood. A broader impact study is absolutely needed. Major questions still remain concerning the long-term financing and operational budget for the shelter facility. Floodplain issues need to be more directly addressed. We also insist that no approval be given to begin construction on this facility until we are assured that at least 75 units of transitional and affordable housing will be available in some location in the county not in the downtown area. Many of these issues need to be addressed no matter what the location or locations of the future shelter facility may be. We hope the entire DDA Board will become more actively involved in the process.

Mr. David Fritz and Ms. Sipes enter.

3. Audience Participation
Ms. Johanna Broughton, of Performance Network, updated the Board on their project. Construction has begun and they’ve raised $750,000 to date. Ms. Broughton invited the Board to a “hard hat” party on June 14 and that she would be available to provide tours if Board members showed an interest. The Grand Opening is scheduled for September 22, 2000.

Mr. Scott Munzel, representative of Syndeco, thanked the DDA for its participation in the Ashley Mews project, with special thanks to Bob Gillett and Susan Pollay.

4. New Business

Mr. Pohrt reported that the University of Michigan would begin construction of the steam tunnels underlying State Street shortly, and that they had notified the State Street Area Association many weeks earlier. It was thought the work would be completed by the end of September.

5. Old Business

Ms. Pollay reported that an informal discussion has been scheduled for May 11 at 6 p.m. in the DDA office with the Planning Commission to discuss such topics as downtown building heights and the future of First & Washington. She hoped members of the DDA would be able to attend.

Ms. Harshe reports the Retreat will be June 9 from 8:00 a.m. to 1:00 p.m. and the likely location will be the Detroit Edison Community Room but that hasn’t been confirmed yet. Rob Aldrich, Ron Dankert, Susan Pollay, and herself met to kick around ideas for discussion at the Retreat. Another meeting is scheduled for May 4 at 4 p.m. at the DDA office to plan the Retreat and members of the Board are invited to attend.

6. Subcommittee Reports

FINANCE COMMITTEE/ BUDGET COMMITTEE

Mr. Dankert had no significant report other than the information that was provided in the packet.

PARKING OPERATIONS COMMITTEE

Mr. Dankert reported that the spring wash downs have begun. Wolverine is doing the work at a cost of $112,000. The permit card renewal program is going smoothly, with the First/Washington permit holders being the first customers to be contacted about this. It was also reported that the capital equipment plan updates for year two have been completed with the Library lot, Klines lot, and Fourth/Washington structure having been upgraded with new equipment. In year three, which begins July 1st, they will be working on Forest, Ann/Ashley, and Fourth/William. Mr. Dankert said they are also looking into new software that will enable new reporting opportunities, to provide DDA members with increased information about parking activities.

Mr. Morehouse reported that the conversion of Liberty Square to a permit-only structure is nearing completion with repair of the Neoguard and installation of the remaining parking meters.

Mr. Dankert reports the inventory system is in progress.

Ms. Pollay reports that a response was sent to the Bank of Ann Arbor informing them as to how much we would sell the equipment currently in the Huron/Fifth lot. Also included in the letter is information that they need to begin a site plan approval process with the city if the lot is to be used after the DDA lease is concluded.
Mr. DeVarti inquired as to the utilization of the Fourth/Washington structure. He had heard that numbers were down and questioned whether or not it would be possible to let nearby residents have permits. Mr. Dankert said that it is steadily increasing. Ms. Pollay pointed out that it may take awhile for people to get used to parking at the structure again since it was closed for three years. She also said that the July 31st closing of the Fifth/Huron will generate greater need for hourly parking in the area. She suggested that the Parking Operations Committee had felt it necessary to wait a full calendar year to get a more accurate picture of usage, particularly as the number of hourly customers (and revenues) was increasing every month. Mr. Fritz asked for the percentage of available spaces. Mr. Morehouse said he would get the information for the next meeting.

HOUSING ISSUES
Mr. DeVarti issued a draft resolution for approving criteria to evaluate proposals for use of the DDA Housing Fund. He asked Board members to review these criteria in hopes of approval at the next meeting.

Mr. DeVarti also reported that they have a tentative proposal in support of the Dawn Farm project on Chapin St. and would bring it before the Board at the May meeting following action on the requested transfer amount to the DDA Housing Fund.

Mr. Pohrt reported that at the last Housing Committee meeting, it was suggested that the DDA facilitate discussions with developers on what sort of things we could do in the development of downtown housing. The committee will be looking into this suggestion, and reporting back to the Board over the next few months.

PUBLIC/PRIVATE PARTNERSHIPS COMMITTEE
Mr. DeVarti moved and Ms. Harshe supported the following resolution:

RESOLUTION ASKING CITY COUNCIL TO APPROVE A PARKING PERMIT AGREEMENT BETWEEN THE CITY OF ANN ARBOR AND SYNDECO REALTY CORPORATION

Whereas, The DDA resolved to provide support to Syndeco Realty Corporation to enable its development at Main and Packard to go forward.

Whereas, This support includes the offer of 100 monthly parking permits in the Fourth and William parking structure to be leased at prevailing market rate;

Whereas, These permits will be utilized solely by residents or employees of business tenants in the Ashley Mews Planned Unit Development;

Whereas, A Parking Permit Agreement has been developed by attorneys representing the DDA, City of Ann Arbor, and Syndeco Realty Corporation;

Resolved, The DDA requests that City Council approve this Parking Permit Agreement with Syndeco Realty Corporation as it will enable the development at Main and Packard to proceed.

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

The motion carried.

Ms. Gunn moved and Mr. DeVarti supported the resolution:
RESOLUTION ASKING CITY COUNCIL TO APPROVE AN ADDENDUM TO PARKING STRUCTURE USE AGREEMENT WITH THE DETROIT EDISON COMPANY

Whereas, The City of Ann Arbor and Detroit Edison enter a parking agreement, dated January 11, 1982, which the DDA assumed the obligations under as part of its Master Lease with the City;

Whereas, The DDA resolved to provide support to Syndeco to enable its development at Main and Packard to go forward contingent upon an amendment to this agreement clarifying Detroit Edison’s commitment to share on a pro rata basis all future repairs and capital improvements for the Fourth & William parking structure;

Whereas, This is an important criterion, as the structure is over forty years old and may soon require extensive concrete repairs, in addition to the deck coating project anticipated by the DDA in the coming year;

Whereas, An Addendum to Parking Structure Use Agreement has been developed by attorneys representing the DDA, City of Ann Arbor, and Detroit Edison;

Whereas, This Addendum includes clarification of the term “maintenance” to include such items as repairs, clarification that Detroit Edison will continue to pay 14.3% of operation, maintenance and repair costs for the structure should it decide to renew its option beyond the initial 25-year contract, and modification of the terms under which Detroit Edison may use its 125 parking permits;

RESOLVED, The DDA requests that City Council approve this Addendum to Parking Structure Use Agreement as it will enable the development at Main and Packard to proceed.

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

Ms. Pollay also said that a G-item would also be presented to Council informing them that the DDA will be signing an Ashley-Mews development agreement with Syndeco.

Mr. Gillett reported that the committee had met with the Jack, Bill and Sally Stegeman and received a revised description of their proposal. The committee had also met with members of the Planning Department concerning the project. The project is on hold while Planning is reviewing the proposal.

Mr. Gillett said the DDA had received a letter of interest from Mr. John Carlson, of the Grizzly Peak Restaurant, and would like to meet to discuss the possibility of creating a new restaurant in the Ann/Ashley parking structure. A meeting will be scheduled.

PARKING CONSTRUCTION COMMITTEE

Maynard Status
In Mr. Beal’s absence, Ms. Pollay reported she will be meeting with the contractor and is hopeful they will resolve any last issues related to the elevator. Construction and electrical punchlist items should be completed
by the end of the week except for deck coating, which will be done beginning the Friday after Art Fair. This past Monday, National Garages moved into their new offices at the Maynard structure.

**Forest Status**
Foundation and footing work is proceeding. The project managers are still working toward a June, 2001 opening date. Mr. DeVarti asked about alternate parking for customers in the area. Ms. Pollay said the UM had allowed use of the Church and Hill structures after hours, and that she had worked with SUAA in the fall to prepare alternate parking information sheets for both customers and employees during the period the structure is under construction.

**First & Washington / Fourth & William**
Ms. Pollay said she will be getting a first draft of the structural analysis of the First/Washington and Fourth/William decks by the end of the month from Carl Walker Inc. This information should be discussed at the Retreat.

**DOWNTOWN MAINTENANCE**
Mr. Berlin moved and Mr. Dankert supported the following resolution:

**RESOLUTION TO SUPPORT THE 2000 DOWNTOWN SPRING CLEANUP**

> Whereas, The Downtown Spring cleanup annually draws more than 300 girl scout and their parents to downtown to plant flowers, remove trash and graffiti, and sweep sidewalks;

> Whereas, The downtown area associations provide in-kind and other contributions in addition to a number of other sponsoring organizations; and

> Whereas, The DDA contributed $500 toward Downtown Spring Cleanup in 1998 and 1999; and

> Whereas, The number of girl scouts and parents is likely to exceed 400 this year, increasing costs for printing T-shirts and providing refreshments;

RESOLVED, The DDA will contribute $750 toward Downtown Spring Cleanup in 2000.

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

Ms. Pollay let the Board know that the annual City Hall Spring Walk Through was held throughout the downtown area and this year had very few items that needed follow-up. She had urged downtown residents and the four area associations to do their own walk throughs to specify maintenance needs.

Mr. Fritz and Mr. DeVarti seconded the following resolution:

**RESOLUTION TO PERMIT USE OF ONE PARKING SPACE IN THE KLINE PARKING LOT FOR A COMMUNAL TRASH COMPACTOR**

Whereas, The Ann Arbor Downtown Development Authority Plan contains a component for the encouragement of retail businesses;
Whereas, The DDA supports initiatives to improve the appearance and use of downtown Ann Arbor;

Whereas, The DDA has been approached by a coalition of downtown businesses located on the west side of the 300 block of South Main Street interested in improving their removal through the replacement of dumpsters with a multi-user trash compactor;

Whereas, This new trash compactor will necessitate use of one parking space in the Kline Parking Lot, which is estimated at this time to generate $2,200 in parking revenues per year at current rates;

Whereas, This proposal has been endorsed by the City Solid Waste Department;

Whereas, In addition to the service provided by the City of Ann Arbor, the coalition of participating businesses will, on a pro rata basis, pay for private trash pickup;

Whereas, In consideration for the use of this parking space the coalition will enter into an agreement with the DDA ensuring maintenance of the area;

RESOLVED, The DDA will allow use of one parking space in the Kline Parking lot for the installation and use of a trash compactor for the length of its parking management contract with the City of Ann Arbor.

After discussion it was decided that Ms. Pollay would work with DDA legal counsel to draft an agreement that would incorporate all the spaces being currently used for trash storage in the Kline parking area and include language that would ensure their maintenance. Ms. Harshe volunteered to supervise the drafting of this agreement with Ms. Pollay and DDA legal counsel.

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

MARKETING COMMITTEE
Ms. Harshe moved and Mr. Fritz seconded acceptance of the Marketing Committees Mission Statement:

DDA Marketing Committee Mission

- Make recommendations to the DDA Finance Committee and Board as to the amount of funds that should be allocated to DDA marketing for each fiscal year.
- Direct funds into appropriate marketing programs by:
  a) Consulting with DDA Executive Director for amounts that are within the Executive Director’s discretion; and
  b) Report to the Board for programs for which the DDA’s contribution exceeds the Executive Director’s ability to spend without Board approval.
- It is agreed that overall criteria for marketing programs in which the DDA will participate will:
  a) Encourage retail growth in the DDA district.
b) Encourage parking in DDA-managed facilities.

c) Involves participation with other significant stakeholders in Ann Arbor and the DDA district, including but not limited to the downtown area merchant associations, Ann Arbor Transportation Authority, the Ann Arbor Area Convention & Visitors Bureau, Washtenaw Development Council, City of Ann Arbor and Ann Arbor Area Chamber of Commerce.

d) Provide some reasonable measure for determining effectiveness.

e) Announces projects successfully undertaken by the DDA.

A vote to approve the mission statement showed:
AYES: Aldrich, Berlin, Dankert, DeVarti, Fritz, Gunn, Harshe, Pohrt, Sipes
NAYS: None
Absent: Beal, Gillett, Ungrodt

The motion carried.

Ms. Harshe reports the committee had met twice. The first time was with the Ann Arbor Visitors Bureau and a representative from the Main St. Association. At their second meeting they met with a Channel 7 representative who is working with various merchants to promote the downtown area. It was decided that it was a worthwhile program for the DDA to participate in, and the cost would be $5,000. Further, it had been agreed to that the DDA would have the right to reuse the video elsewhere.

Ms Harshe moved and Mr. Gillett seconded the following resolution:

Resolution Allocating $5,000 for an Ann Arbor Advertising Campaign on Channel 7

Whereas, The DDA Plan directs the DDA to participate in efforts to encourage the expansion of businesses in downtown Ann Arbor;

Whereas, The DDA utilizes a variety of advertising and marketing techniques to attract new audiences to downtown Ann Arbor;

Whereas, The DDA Marketing Committee has set forward goals for the use of DDA marketing funds, including the encouragement of retail growth in the DDA district, the encouragement of parking in DDA-managed facilities, participation with other significant stakeholders, and the provision of reasonable measurement of effectiveness;

Whereas, The DDA set aside $15,000.00 in its 003 fund for use in advertising and promotions, and has spent $5,024.19 to date in FY 1999/2000;

Whereas, The DDA received a proposal from Channel WXYZ (Channel 7) which would include the DDA as a partner with the Ann Arbor Convention & Visitors Bureau, the Main Street and State Street Area Associations, Briarwood Mall, and 17 retailers (15 of which are downtown businesses) to promote Ann Arbor to nine Michigan counties and upper Ohio;

Whereas, The total cost for this package is $60,000 including production and placement of 144 spots reaching 7,424,000 adults over eight weeks;

Whereas, The cost to the DDA to participate is $5,000;
Whereas, The DDA has determined from the Channel 7 sales person that the DDA would have the right to reuse the video advertisement for other purposes, including advertising on cable;

Resolved, The DDA will allocate $5,000 to be a part of an advertising campaign on Channel WXYZ promoting Ann Arbor.

Resolved, The DDA will retain the right to reuse the video that is produced as part of this campaign for other purposes it deems worthwhile.

Mr. Gillett departed.

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

The motion carried.

2012 ISSUE COMMITTEE
No report.

STATE STREET PROJECT
Mr. Pohrt announced that the final report soon will be given to all the Board members and now work can begin toward shaping the specific streetscape improvements.

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

RESOLUTION TO CONTRACT WITH ADRIAN IRAOLA TO SERVE AS DDA PROJECT MANAGER FOR DDA PARKING STRUCTURE REPAIR AND PEDESTRIAN IMPROVEMENT PROJECTS

Whereas, The DDA resolved at its August 1997 meeting to approve an ambitious multi-year parking structure repair program and also approved the creation of a Project Manager position to be principally responsible for oversight of repair projects;

Whereas, At the December 11, 1997 DDA meeting, the DDA Parking Construction Committee put forward a resolution to the Board that a City Engineer be assigned to the DDA as Project Manager and that Adrian Iraola specifically be named as DDA Project Manager given his extensive familiarity with downtown facilities and the DDA Board and its Committees, having worked on a number of previous DDA projects;

Whereas, This resolution was approved on December 11, 1997.

Whereas, No action was taken on this resolution due to subsequent concerns by the City Public Services Department that Mr. Iraola was needed for a number of other important City projects;

Whereas, The DDA has determined that the State Street area and Fourth Avenue pedestrian improvement projects and repairs to the Fourth & William deck should be go forward in 2000/2001, which will require the services of a DDA Project Manager familiar with City processes, community concerns and contacts, and DDA goals;
Resolved, The DDA shall hire Adrian Iraola as a contract employee for the period of May 1, 2000 through April 30, 2002 for eight hours a week, supplementary to his responsibilities for the City Public Services Division;

Resolved, Mr. Iraola shall be paid an hourly wage equivalent to his regular City salary;

Resolved, Mr. Iraola shall remain under the direction of the City of Ann Arbor Public Services Director while working on City projects, but shall work under the direction of the DDA Executive Director while undertaking DDA projects;

Resolved, The DDA Executive Director is authorized to complete the necessary administrative and budgetary documentation to implement this request.

There were several areas of concern, one of which was that the hourly wage be removed and that a negotiated wage be undertaken and a contract be drawn up between both parties, subject to an employment attorney’s approval. Also, it was agreed that Ms. Pollay report back to the Board on the amount agreed upon for payment for finalizing the agreement with Mr. Iraola. Ms. Harshe volunteered to supervise the writing of this agreement with Ms. Pollay and DDA legal counsel.

A vote on the motion showed:
AYES: Aldrich, Berlin, Dankert, Fritz, Gunn, Harshe, Pohrt, Sipes
NAYS: DeVarti
Absent: Beal, Gillett, Ungrodt
The motion carried.

TRANSPORTATION COMMITTEE
Ms. Pollay reported that 9,200 Go!Passes have been distributed. AATA ridership is up and they believe much of this is due to use of the Go!Pass. A survey will be distributed later this spring in the hopes of gathering information on program participants.

EXECUTIVE DIRECTOR REPORT
Mr. Frazier, of National Garages, announced they had moved to their new offices in the Maynard Structure and invited the Board to tour the facility.

6. Adjournment
As there was no further discussion, upon motion, the meeting was adjourned at 1:47 p.m.

Respectfully submitted,
Susan Pollay, Executive Director