1. ROLL CALL

Present: Gary Boren, Bob Gillett, Rene Greff, Roger Hewitt, John Hieftje, Sandi Smith
Absent: Rob Aldrich, Fred Beal, Russ Collins, Ron Dankert, Dave DeVarti, Leah Gunn
Staff
Present: Susan Pollay, Executive Director
         Joe Morehouse, Deputy Director
         Joan Lyke, Management Assistant
         Kate Davidoff, Intern
Audience: Peter Allen, Peter Allen & Associates
         Vivienne Armentrout, Ann Arbor Observer
         Tony Bisesi, Republic Parking System
         Jason Boggs, Kerrytown District Association
         Kent Burkhart, Burkhart Enterprises
         Newcome Clark, Downtown Area Citizens Advisory Council
         Mike Concannon, The Concannon Company
         Ray Detter, Downtown Area Citizens Advisory Council
         Adrian Iraola, Washtenaw Engineering
         Frank Nagy, Republic Parking System
         Ethel Potts, Citizen
         Dennis Webster, The Earle Restaurant

2. AUDIENCE PARTICIPATION

Mr. Concannon presented an overview of the Gallery project, which includes many different kinds of housing units, public art elements, and underground parking. He said that the building will be constructed to receive LEEDS certification, and the affordable housing component required under PUD may take one of many different forms, including some units on site.

Mr. Collins enters.

Ms. Potts spoke in opposition to The Gallery project, saying that it didn’t meet standards set by the Downtown Plan, the Central Area Plan, or recommendations coming from the Calthorpe report. She said that zoning codes for PUD’s require conformance to the Downtown Master Plan.

Mr. Burkhart spoke in opposition to The Gallery project and the proposed resolution included in the packet for DDA action. He said that he felt the building would be too tall for the surrounding properties.

Ms. Pollay said that a quorum was present and Ms. Smith called the meeting to order.

3. OLD BUSINESS

None.
4. **NEW BUSINESS**

None.

5. **APPROVAL OF MINUTES**

Mr. Hewitt moved and Mr. Gillett seconded approval of the April 5, 2006 Board Minutes.

A vote on the motion showed:

AYES: Boren, Collins, Gillett, Greff, Hewitt, Hieftje, Smith

NAYES: None

Absent: Aldrich, Beal, Dankert, DeVarti, Gunn

The motion carried.

6. **DOWNTOWN AREA CITIZENS ADVISORY COUNCIL**

Mr. Detter reported: The CAC requests that The DDA not officially go on record as supporting the proposed Gallery project on North Main. In the 2003-2033 DDA Renewal Plan, which we on the CAC use as our guide to future expectations of DDA actions in the Downtown, the Introduction states:

“The DDA is the only agency working with the community to help to sustain and protect those things that the community values most about our downtown. The DDA is also the only agency whose mission is to sustain that which is remarkable and necessary about Ann Arbor’s downtown. This includes supporting the goals and concepts of the Ann Arbor Downtown Plan (1988), the Central Area Plan, (1992) and advocating for the resources and policies that enable those Plans to be realized.” (page 6)

In the “Identity Strategy” section that follows (p. 10), the DDA Plan commits you to “Encourage downtown developments that complement the existing character of their neighborhoods. New developments should be attractive, harmonize with the height and massing of adjacent buildings, and be sensitive to pedestrian needs.” For its own DDA projects, the DDA further commits itself to “Design DDA improvements and developments to complement the unique look of the city and the character of the surrounding neighborhood.”

We want the DDA to do what it has committed to do. Official support for the Gallery project would put you in the position of acting in opposition to your own stated commitments.

The CAC supports increased downtown residential density. We recently strongly supported the 11 story Washington Terrace project on Division and Washington even though five of our members live only a block away. But the Gallery project is not in the ‘core’ area of downtown. The Downtown Plan, the Central Area Plan, the Downtown residential Task Force Report as well as the Calthorpe recommendations all express the community desire to have no more than 3-5 stories in this area of North Main, Kerrytown and the Farmers’ Market.

A successful downtown is not only about adding more high-rise buildings and bodies—even with underground parking. It is also about preserving and enhancing downtown identity. Many of us will wonder what we can expect from the DDA in the future if you lend your support to a controversial high rise building on North Main when all our plans and community generated reports reject it. The CAC does not want the DDA to do anything that will undermine Ann Arbor citizen confidence in this body to support community expectations in a predictable manner. Let City Council decide.
On another related issue, the Citizens Advisory Council wants to express our approval of the Ann Arbor Planning Staff’s Report on the Gallery project that “does not support the request to provide a fee in lieu of providing affordable housing units because it is preferable to have affordable housing units constructed on this site.”

All of our city plans encourage mixed income development in the downtown. We must face the fact that the payment in lieu of system is not working as we expected. The CAC strongly supports those affordable housing polices recommended by the Calthorpe report that aim to match income distribution in downtown to that of Ann Arbor as a whole. We want affordable housing at a variety of levels in order to encourage a healthy downtown.

Further, the CAC advocates that the City insist upon a portion of on-site affordable, market rate housing at the 60-80% level in all future large residential buildings constructed in the downtown.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE:
March 2006 Financial Reports: Mr. Hewitt reported that TIF income is over budget by 1.67% and operating expenses are under budget due to unspent Huron, 5th & Division professional fees. TIF Maintenance income and expenses are as anticipated. Parking income is over budget largely due to a bond refund and operating expenses are over budget 4.32%. Parking Maintenance net excess of revenue over expenditures is over budget because due to construction timing issues. A motion to accept the March 2006 statements was moved by Mr. Hieftje, seconded by Mr. Gillett and unanimously accepted.

Mr. Hewitt moved and Mr. Collins supported the following resolution:

RESOLUTION APPROVING THE SELECTION OF WESTEN WATERPROOFING COMPANY FOR PARKING STRUCTURE MAINTENANCE WORK

Whereas, The DDA has made it a priority in the 10-Year plan to budget funds for parking facility maintenance;

Whereas The DDA staff and engineer contractors conducted an annual walk-through of each facility, and have compiled a list of recommended repairs to the parking facilities;

Whereas, The DDA contracted with Soils and Materials Engineers to write a Request For Proposal to perform the needed repairs;

Whereas, Three contractors attended a pre-bid meeting on April 24;

Whereas, Three bids were received with a range of $257,481 to $484,895 in proposed costs;

Whereas, The DDA Operations Committee has reviewed the three bids and recommends accepting the Western Waterproofing Company bid for $257,481 as the lowest responsible bid;

RESOLVED, The DDA approves the selection of the Western Waterproofing Company to perform the maintenance work items for $257,481 and authorizes the DDA Chair to sign the necessary documents to implement this resolution.
Mr. Gillett asked when the project would be started and completed. Mr. Hewitt explained that the work would begin immediately and is scheduled to be completed August 25th.

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

Mr. Hewitt moved and Mr. Hieftje supported the following resolution:

RESOLUTION TO MODIFY DDA MONTHLY PARKING RATES AND ESTABLISH A PILOT PROGRAM IN ANN ASHLEY OF DISCOUNTED AND FREE PARKING OFF HOURS

Whereas, The DDA Operations Committee shaped a series of strategies relating to parking that are in keeping with the DDA's 2003 Renewal Plan, as follows:

· Parking exists to serve downtown business, resident, religious, government, educational and service provider needs. Parking rates should be coordinated to meet these needs.
· The parking system should be financially self-sustaining, with revenues used to pay for all parking-related expenses such as construction, maintenance, operations and debt service. To that end, Parking exists to serve downtown business, resident, religious, government, educational and parking rates should be planned so that revenues are sufficient to accomplish this goal, taking into account the need for ongoing repairs, equipment upgrades, and occasional new construction.
· The availability of on-street parking meters conveys a great deal about the perceived convenience of shopping or doing business downtown, thus regular turn over at the meters should be encouraged. This can be affected by a rate configuration that makes it less expensive to park in the structure than on street at a meter.

Whereas, to encourage the use of underutilized parking facilities the DDA will create a “Pilot Program” during the summer months to encourage the usage of the Ann and Ashley parking structure during the peak usage periods of Friday and Saturday evenings:

Whereas, the DDA Operations Committee recommends the following parking rate changes:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Current Rate</th>
<th>Proposed Rate</th>
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<tbody>
<tr>
<td>Friday and Saturday evenings 3:30pm-9am</td>
<td>$3.00 per entry</td>
<td>$1.00 /entry May and June</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Free – July and August (Except for Art Fair Week)</td>
</tr>
</tbody>
</table>

Whereas, the Operations Committee will review the usage of the structure under this pilot program and decide if any part of it should be extended past September 1, 2006,

RESOLVED, The DDA approves the parking rate proposals put forward by the DDA Operations Committee;

RESOLVED, The rate change for overnight permits shall be communicated to employees of downtown evening businesses as well as residents to encourage their use, thus potentially lessening the use of street meters for employee parking.
Mr. Hewitt announced one correction in the resolution: the current rate is $2 per entry not $3. Mr. Hieftje asked if the DDA could advertise the free parking on the front of the structure. He also asked if the DDA could improve the lighting on Huron, saying that it is very dark and has the appearance of a ‘moat’ that pedestrians didn’t want to cross, even for free parking. Mr. Hewitt stated that additional signage was in the works.

Mr. Gillett asked why the rate was $1 rather than free. Ms. Pollay said that she would contact the Farmers Market Manager to encourage vendors to park at Ann Ashley to provide more parking for customers. Mr. Boren asked if changes should wait until the parking study is completed. Mr. Hewitt said that Republic would still be able to capture gate arm data during the pilot program. Ms. Smith said that she thought that free parking would be more attractive than $1; Mr. Hieftje agreed. Mr. Hewitt accepted this change as a friendly amendment. The revised resolution reads as follows:

RESOLUTION TO MODIFY DDA MONTHLY PARKING RATES AND ESTABLISH A PILOT PROGRAM IN ANN ASHLEY OF DISCOUNTED AND FREE PARKING OFF HOURS

Whereas, The DDA Operations Committee shaped a series of strategies relating to parking that are in keeping with the DDA’s 2003 Renewal Plan, as follows:

- Parking exists to serve downtown business, resident, religious, government, educational and service provider needs. Parking rates should be coordinated to meet these needs.
- The parking system should be financially self-sustaining, with revenues used to pay for all parking-related expenses such as construction, maintenance, operations and debt service. To that end, Parking exists to serve downtown business, resident, religious, government, educational and parking rates should be planned so that revenues are sufficient to accomplish this goal, taking into account the need for ongoing repairs, equipment upgrades, and occasional new construction.
- The availability of on-street parking meters conveys a great deal about the perceived convenience of shopping or doing business downtown, thus regular turnover at the meters should be encouraged. This can be affected by a rate configuration that makes it less expensive to park in the structure than on street at a meter.

Whereas, to encourage the use of underutilized parking facilities the DDA will create a “Pilot Program” during the summer months to encourage the usage of the Ann and Ashley parking structure during the peak usage periods of Friday and Saturday evenings:

Whereas, the DDA Operations Committee recommends the following parking rate changes:

Friday 3:30pm-through Saturday midnight through the end of August 2006:

<table>
<thead>
<tr>
<th></th>
<th>Current Rate</th>
<th>Proposed rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2.00 per entry</td>
<td>Free May – August (Except for Art Fair Week)</td>
</tr>
</tbody>
</table>

Whereas, the Operations Committee will review the usage of the structure under this pilot program and decide if any part of it should be extended past September 1, 2006,

RESOLVED, The DDA approves the parking rate proposals put forward by the DDA Operations Committee;

RESOLVED, The rate change for overnight permits shall be communicated to employees of downtown evening businesses as well as residents to encourage their use, thus potentially lessening the use of street meters for employee parking.
A vote on the motion showed:
AYES:    Boren, Collins, Gillett, Greff, Hewitt, Hieftje, Smith
NAYES:  None
Absent:  Aldrich, Beal, Dankert, DeVarti, Gunn
The motion carried.

PARTNERSHIPS COMMITTEE:
Mr. Gillett supported and Ms. Greff seconded the following resolution:

RESOLUTION IN SUPPORT OF THE GALLERY PROJECT

Whereas, The Gallery project proposed for the site of the former Greek Church on N. Main Street would bring a number of important benefits to the Kerrytown District, including:

- 220 new residential units, including a mix of unit sizes aimed at attracting a diversity of new residents to the Kerrytown area
- 224 parking spaces, most of which will be constructed underground, including 44 parking spaces which will be provided for public use after hours
- a pedestrian-friendly and attractive design
- a prominent public art installation facing onto N. Main Street

Whereas, The DDA approved Partnerships Guidelines which set forward reasons why the DDA might assist downtown projects;

Whereas, The guidelines include statements of support for projects which construct a significant number of new resident units and which provide all of their own parking on-site, with particular interest in underground parking;

Whereas, The DDA determined that it could provide assistance to these exemplary buildings through a number of means, including making a statement of support on behalf of these projects;

Whereas, The DDA Partnerships Committee met with the developer of The Gallery to learn the details of the project, and determined that the Gallery brought a number of great benefits to the Kerrytown area and should receive a DDA statement of support;

RESOLVED, The DDA states its support for The Gallery, as it will do a great deal to add to the Kerrytown District neighborhood and to the downtown as a whole.

Ms. Smith said that she strongly supported the project as it would provide residential units in a variety of sizes and costs and additional evening parking for the Kerrytown area. It is also pedestrian friendly; it will activate the area; it will draw people across Huron; it is a good design; and, she believes it has the opportunity to be a gateway project.

Ms. Greff said that the Kerrytown Association is in support of the project, which is important. She stated that the nature of development is that it evokes opposition regardless of the project, and the Gallery is no different. Mr. Boren expressed concern that a DDA resolution supporting a project would set a precedent regarding future projects; Ms. Pollay said that the DDA had occasionally issued statements in support of projects in the past, for instance Thayer Arms and The Collegian.

Mr. Gillett stated that he felt the developer did a good job listening to the community, and
incorporating many of the suggestions made at community meetings. Mr. Hewitt stated that he was torn. On one hand, he felt the project would offer a great mix of uses and would bring many new residents to downtown. On the other hand he felt that it may not be the right project size for this site. He said that although he was torn, he felt that on balance, the benefits outweigh the issue of building height.

Mr. Collins asked if it would be sufficient for the minutes to reflect the very positive comments of the DDA Board members rather than the Board taking action to approve a resolution in support of the project. Mr. Hieftje stated that he liked the building architecturally and the many other elements the project includes. He said that he appreciated the developer’s conversation with community groups and his efforts to incorporate their ideas. However, he said that he wasn’t sure the DDA should formally approve a resolution for this project, as it would suggest the DDA would now begin to enter into the debate on all downtown projects, which would be a significant new addition to its work load.

Mr. Gillett stated that another positive about the project is that the developer was not asking the DDA for financial support. He indicated that he was open to further discussion at Partnerships with regards to having a policy about supporting projects in the future.

Several DDA members said that they felt it would be sufficient for the minutes to reflect the very positive comments of the DDA Board members rather than the Board taking action to approve a resolution in support of the project.

As the maker of the motion, the resolution was withdrawn by Mr. Gillett.

Safety Services Taskforce. Ms. Smith said that the Taskforce was asked to frame a recommendation by September 1st to determine the best way to deal with City space needs, including the 15th District Court coming back to the City in 2009. DDA members Smith, Hewitt and Aldrich are members of the Taskforce. She said that it is anticipated that there may be costs associated with developing a recommendation, including architectural work, mapping and color copying. The total cost has been estimated to be $20,000, and the Partnerships Committee recommends that the DDA provide half the costs, with the City providing the balance. Mr. Gillett moved and Ms. Greff supported the following resolution:

RESOLUTION PROVIDING UP TO $10,000 TOWARD THE COST OF ANALYZING THE OPTIMAL LOCATION AND CONFIGURATION OF A CITY HALL IN THE DOWNTOWN

Whereas, In February 2006 City Council voted to establish a Community Security and Public Space Task Force with the goal of developing a comprehensive recommendation to address the best way to address current and future space needs of the City, including the reabsorption of the Fifteenth District Court no later than 2009;

Whereas, The Council resolution authorized this Taskforce to determine the optimal location for City Hall in the downtown, and set forward Taskforce membership to include 3 DDA members, 1 member of the Planning Commission, 1 member of City Council, the Director of the Ann Arbor District Library, and several at large members of the community;

Whereas, This Taskforce will have expenses associated with the development of their recommendation, including architectural work, mapping and color copying;
Whereas, The Partnerships Committee discussed this matter and recommended that the DDA provide half the costs associated with the Taskforce’s work, with the City providing the other half of these costs;

RESOLVED, The DDA will provide up to $10,000 in support of the Community Security and Public Safety Task Force’s efforts to frame a recommendation regarding the optimal location and configuration of a City Hall in the downtown.

Mr. Hieftje said that he was in support of a community justice facility to house the 15th District Court and police but he is not sure there is a need for a new City Hall and will await the Taskforce recommendation before making a decision on the facility. Ms. Smith accepted a friendly resolution to change the words City Hall to Municipal Offices. The amended resolution is as follows:

RESOLUTION PROVIDING UP TO $10,000 TOWARD THE COST OF ANALYZING THE OPTIMAL LOCATION AND CONFIGURATION OF MUNICIPAL OFFICES IN THE DOWNTOWN

Whereas, In February 2006 City Council voted to establish a Community Security and Public Space Task Force with the goal of developing a comprehensive recommendation to address the best way to address current and future space needs of the City, including the reabsorption of the Fifteenth District Court no later than 2009;

Whereas, The Council resolution authorized this Taskforce to determine the optimal location for Municipal Offices in the downtown, and set forward Taskforce membership to include 3 DDA members, 1 member of the Planning Commission, 1 member of City Council, the Director of the Ann Arbor District Library, and several at large members of the community;

Whereas, This Taskforce will have expenses associated with the development of their recommendation, including architectural work, mapping and color copying;

Whereas, The Partnerships Committee discussed this matter and recommended that the DDA provide half the costs associated with the Taskforce’s work, with the City providing the other half of these costs;

RESOLVED, The DDA will provide up to $10,000 in support of the Community Security and Public Safety Task Force’s efforts to frame a recommendation regarding the optimal location and configuration of a Municipal Offices in the downtown.

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

Mayer Shairer Building: Ms. Smith reported that Partnerships met with Mr. Carlson and Mr. Lobdell regarding a request for assistance with public use elements required by the City and DTE which are used by other property owners (e.g., a fire hydrant and an electrical transformer). The committee asked for additional information and will meet with them again in the near future.
**Kline Lot:** Ms. Smith announced that the City Council approved the resolution to delay the RFP until March 2007. The committee will continue to work on the RFP in order to meet the deadline.

**First and Washington:** The city received three responses to the RFP from:
- Village Green Companies
- Diverse Downtown Housing, LLC
- Dearborn Village Partners (Horizon Capital, LLC)

The selection committee has not yet been nominated by the Mayor and approved by the City Council, but will have 5-9 members, and will be assisted by City and DDA staff.

**Research and Opportunity Committee:**

**Communication Plan:** Mr. Boren indicated that Re:Group is underway with Phase II of their work, to develop an identity for the DDA that distinguishes it from other community resources. Re:Group’s brand statement for DDA is as follows: “The DDA has the charter, the knowledge and the resources to get things done downtown. The DDA is a resourceful partner for members of the community who seek a rich and rewarding experience downtown. Our integrative approach, expertise, and passionate dedication assure that downtown Ann Arbor is attractive, vital and sustainable, now and in the future.” The essence of the message is “downtown vitality.” Re:Group’s next step will be to develop a communication plan that may include a logo, color, press releases, and website changes.

**Parking Study:** Mr. Boren stated that proposals are due May 8 and the committee will meet to select a short list for interviews. Mr. Lloyd, City Planning Services Director, and Ms. Rampson, City Systems Planner, have been invited to help with the selection process.

**Capital Improvements Committee:**

Ms. Greff moved and Mr. Hewitt supported the following resolution:

**RESOLUTION AUTHORIZING THE CAPITAL IMPROVEMENTS COMMITTEE TO UNDERTAKE SIDEWALK REPAIRS IN 2006/2007**

Whereas, The DDA established a Sidewalk Maintenance Reserve Fund in March 2005;

Whereas, The DDA annually designates a minimum TIF set aside of $420,000 into this fund to address sidewalk and other repair issues;

Whereas, The DDA Director and Project Manager walked through the DDA District and amassed a list of maintenance items to be addressed in 2006/2007, including broken sidewalks, rusting bike hoops, loose bricks, and damaged tree pits;

Whereas, It has been estimated that the cost of these repairs will be approximately $400,000;

Whereas, Quotes for these repairs have been requested from several contractors familiar with sidewalk repair projects in the downtown;

RESOLVED, The DDA shall authorize spending up to $400,000 from its Sidewalk Maintenance Reserve Fund in 2006/07 for pedestrian improvement repairs in the downtown, and authorizes its Capital Improvements Committee to oversee these repairs including contractor selection and implementation.
Ms. Pollay stated that she and Mr. Iraola had conducted a survey of all downtown sidewalks to develop a list of needed repairs. Mr. Hewitt asked that repairs be undertaken on sidewalks, tree pits, benches, etc. previously installed by the DDA.

**A vote on the motion showed:**

**AYES:** Boren, Collins, Gillett, Greff, Hewitt, Hieftje, Smith  
**NAYES:** None  
**Absent:** Aldrich, Beal, Dankert, DeVarti, Gunn  
The motion carried.

**Huron Street:** Production of construction drawings continues. MDOT issued comments regarding the traffic study, including an estimate for traffic growth in the next twenty years.

**Fifth & Division:** The design team had a series of follow up design meetings, and is developing cost estimates and phasing for the two corridors.

**Alley Repairs:** Work began on the first alley at Fourth Avenue last week. Work at the Fifth Avenue alley is scheduled to begin next week.

**Fourth & William Addition:** Plans were presented to Operations committee for feedback regarding a possible new speed ramp and adding a level to provide approximately 135 spaces. Details on construction drawings and a revised project budget will be presented to the Capital Improvements Committee at its next meeting and to the full board at the June meeting.

**Sculpture Plaza:** Another public meeting was held on April 19th. The meeting was well attended and valuable feedback was gathered. Ideas are being incorporated into the improvement plan to be presented at the next meeting scheduled for the first week in June.

### 8. OTHER DDA BUSINESS MATTERS

Mr. Hieftje stated that some alleys become unsightly especially on days when trash is scheduled for pick up. He suggested that the number for the Clean Community program be prominently displayed so that citizens can report areas that are not complying with rules. Ms. Pollay has been in contact with the Solid Waste service area and they are working on an improved method for stacking cardboard for recycling. Mr. Hieftje said that we need better signage downtown. He announced that he would be presenting a resolution to City Council that will set a goal for the City’s use of renewable energy to 30%.

### 9. OTHER AUDIENCE PARTICIPATION

None.

### 10. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:26 P.M.

Respectfully submitted,  
Susan Pollay, Executive Director