MINUTES
Downtown Development Authority Meeting
Tuesday, May 16, 2000

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

Time: The Chair, Lorri Sipes, called the meeting to order at 12:07 p.m.

1. ROLL CALL

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

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

Audience: Paul Dannels, CAC member and Chapin St. Neighborhood Association
Ray Detter, Citizen Advisory Counsel
Bob Frazier, National Garages
Jeff Heald, Tetra Tech MPS
Donna Johnson, City Planning Department
Kathleen Nolan, Armory Condominium Association
Cathy O’Donnell, Ann Arbor News

2. APPROVAL OF MINUTES

Ms. Sipes moved and Ms. Harshe seconded the approval of the minutes of the April 18, 2000 meeting.

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

3. AUDIENCE PARTICIPATION

Paul Dannels spoke on behalf of the Downtown Shelter Neighbor’s Advisory Committee. He said that there is currently a resolution before the DDA in support of a shelter in the downtown area, and his association encourages the DDA to not wait to join in the discussion. The DDA shouldn’t wait for the results of the City’s feasibility assessment of the Ann/Ashley parking structure as a site for the shelter, nor should it wait for an invitation from the City and County to discuss this issue. Rather, the DDA should get involved now and be a part of the discussions of both sites. His committee encourages DDA engagement in what’s going on.

Mr. Aldrich enters.

Kathleen Nolan, representative of the Armory Condominium Association, spoke to the DDA about a concern they have with school buses parking near their building, along Fifth Avenue. The buses are noisy and issue a great deal of diesel exhaust, and the children are destroying the shrubbery and climbing the fence. The Association is concerned for the safety of the children, as well as their liability should one of them get injured. She urged the DDA to support their request to the Mayor and City Council that the school buses park on E. Ann St. in front of City Hall.

Bob Gillett enters.
Jeff Heald, of Tetra Tech MPS, said they were hired by the City to do an evaluation of the possible conversion of streets in the S. State St. area to from one-way to two-way. Tetra is doing pedestrian and traffic counts, looking at how the streets are currently working in terms of circulation, parking, and crash histories of both pedestrians and vehicles. They will also look specifically at the streets being considered for conversion (N. University, Liberty, State, Maynard, and Thompson). The study will present various options with pros and cons as to how to handle these conversions and will provide technical responses to the questions that may arise. They hope to have a draft by June 1. The Engineering Division will review it and there will be public meetings. Once the comments are received, they will present a final report to the City. DDA members thanked Mr. Heald for his presentation and asked a series of questions clarifying the scope of the study, and its potential findings.

4. CITIZEN ADVISORY COUNCIL

Mr. Detter presented the following report:

The Citizens Advisory Council strongly supports the request by the resident board of directors for the Armory to change the current pattern of bus drop-off and pick-up of children for the Hands on Museum. We have carefully looked at the problems created by the current situation on Fifth and Ann. There is no doubt that those patterns are having a negative impact on the new homeowners in the Armory and they represent a continuing danger to the children visiting the Hands on Museum. A change is necessary to protect both the downtown residential environment and the safety of the children. We have spoken with Jim Frenza, Director of the Hands on Museum. He is anxious to support any changes that would improve the existing unacceptable situation. This is a problem we can easily fix. Past agreements need to be changed. The Citizens Council plans to send a letter to the Mayor and Council supporting the Armory Condominium Board's request and their proposal for a workable solution. Not only should buses not be parked on Fifth Avenue, they should not be dropping off or picking up children on that busy traffic corridor. The situation is destructive and dangerous. Removing the buses from Fifth Avenue, and having only two bus spaces for pick-up or drop-off on Ann Street east of Fifth alongside City Hall, makes good sense. Space for one bus would be provided in front of the museum for drop off only. The kids would have an enlarged, safe and secure waiting area, as well as safer walking patterns, and the life of Armory residents would be dramatically improved. The loss of four parking meter spaces might be made available for parking at times other than 9 a.m. to 3 p.m.

The Old Fourth Ward Association as well as the North Central Property Owners Association are also writing letters to support this proposal. It would be very helpful if the DDA, to support the safety of children visiting the downtown as well as to improve the life of downtown residents, would ask its Executive Director to write a letter of support for this proposal.

THE SHELTER

Members of the Citizens Advisory Council have always expected there would be a downtown emergency shelter as a part of a carefully developed County-wide solution to the County-wide problem of the homeless. Over the last months, the Washtenaw Shelter Association and the Housing Alliance have struggled to improve their plans for Phase II, a consolidated facility on West Huron in Ann Arbor. Citizen Council members have been involved in all the public phases of the process. Paul Dannels, Chair of the new shelter neighborhood advisory group, has just pointed out to you that there are still many questions that need to be answered and he has encouraged the DDA to be more involved in the process. We agree. But the County is on a fast track. It wants to approve the current plan and start construction in September. The Citizens Advisory Council believes such action would be premature. It appears to us that the County-wide solution to the problem of homelessness is in danger of turning into a downtown Ann Arbor solution to the problem. It will be very difficult for us to support approval for
construction of any consolidated shelter facility--anywhere--until several serious issues have been
resolved.

1. We must have full assurance that transitional and permanent housing adequate to accommodate
shelter clients will be available at the Phase III Ellsworth Road site or another county site not in the
downtown area. Without that essential new county housing, where will shelter clients go? We fear
they will be placed into the nearest housing available, probably downtown. Or they will be placed in
newly developed Ann Arbor Avalon housing. This is not what was promised in the three-phase
county plan.

2. Any plans to take or purchase the Elman property next door to the proposed shelter should be
dropped. The County Administrator insists that the proposed site is buildable. If this is so, there is
no need for the Elman property. We are totally opposed to the County taking the property of an
operating business in our downtown. We believe the DDA should also be opposed. We are also
opposed to the County buying the property. We don't want this entire block to be turned into a series
of County social services relating to the shelter. This kind of concentration would have a negative
impact on the future of the downtown and the nearby residential neighborhood.

3. For the same reason, we are insisting that the Washtenaw Shelter Association commit itself to
selling the property currently used as the men's shelter for private development and use once the
new shelter is built. So far, they have refused to make a firm commitment on this issue. While they
say they will not use the buildings for shelter-related activities, they insist on being free to use it for
other purposes if they wish to do so. They refuse to recognize the totally negative impact that their
position will have upon the downtown and the nearby residential neighborhood all the while the
proposed shelter is being built. Businesses are already closing in the area in anticipation of the
shelter being constructed.

4. We believe a serious impact study should be undertaken before the County begins construction of
the new shelter facility. This should be a social and economic study by an independent agency to
measure the impact of all phases of the proposed shelter program on the immediately adjacent
neighborhood as well as the community at large in order to develop strategies for mitigating negative
impact and capturing positive opportunities. The County refuses to do this, but we consider it
essential. We are constantly dealing with issues of impact in our downtown decisions. Parking
locations, shelter locations, one way streets, etc. Why can't we do the same thing here? What data
and information from past experiences do we have? Do we have models? What can we learn from
them? If there are problems what can we do about them? Who is benefited? Who is harmed?

Maybe we can all agree that we need a downtown shelter facility. But these are some of the serious
issues that need to be resolved. The DDA should be more involved in the process.

5. NEW BUSINESS

Mr. Dankert reported that he attended an informal DDA/Planning Commission meeting on May 11.
There were about 17 attendees, and three major issues were discussed: (1) the First & Washington or
First & William site for replacement parking, (2) increasing allowable density downtown, and (3)
Commissioner request for a comprehensive parking plan including on-street meters, lots and structures
and what could be done with public/private developments. It was a very positive meeting and many
ideas were exchanged. Ms. Pollay said that towards the end, a request had been made to have a
meeting with DDA, Commission, and Council representatives to discuss the question of First &
Washington versus First & William as the site for a mixed use parking structure. At this time another
DDA/Planning Commission meeting had not scheduled, but was welcomed by all. Ms. Sipes suggested the boards meet quarterly.

The draft of the Carl Walker Inc. assessment of First/Washington was distributed to the Board, and Ms. Pollay briefly explained its findings that the structure should be closed within the year as anticipated. Mr. Fritz asked what was going to happen to the Brown Block when the lease expires in 2002. Ms. Pollay said she would contact First Martin Corporation to determine if they would seek to renew or terminate the lease.

6. OLD BUSINESS

None

7. SUBCOMMITTEE REPORTS

FINANCE COMMITTEE/ BUDGET COMMITTEE
Mr. Dankert noted that other than Maynard, parking income is 11% above budget. Fourth and Washington revenue is up 13% over last month and continues to grow. Parking investment income is lower than expected due to a lower fund balance. Utilities are lower than expected, but parking expenses are up 4% this year. Construction is about $500,000 over budget due to the timing of elevator modernizations and other improvements. TIF income is 17% over budget and expenses are 32% under budget. The Committee has recommended that parking rate increases that were budgeted this year be put into effect July 1, 2000.

PARKING OPERATIONS COMMITTEE
Mr. Dankert said that parking structure wash downs continue and should be over by the end of this month. New permit parking contract implementation is continuing.

2012 ISSUE COMMITTEE
Mr. Aldrich said that the DDA spring retreat is scheduled for June 9 and they’ve been working on an agenda and attachments including a list of DDA Plan objectives. The retreat goal is for the board to shape an idea where we want to go as a group to shape the future downtown. He asked for comments or suggestions.

Mr. Beal enters.

Ms. Pollay said that one of the recommendations before the Board was a reduction in the number of committees from 14 down to four in hopes of creating fewer (and more productive) meetings, as well as more Board member dialogue outside the monthly meetings. A list of proposed committees was included in the retreat packet.

HOUSING ISSUES
Mr. DeVarti moved and Ms. Harshe seconded the following resolution:

RESOLUTION APPROVING CRITERIA TO EVALUATE PROPOSALS FOR USE OF THE DDA HOUSING FUND

Whereas, The DDA Board created a DDA Housing Fund in 1997, with the understanding that it would be used to support the overall housing goal of the DDA to encourage residential development in the downtown and help facilitate a balanced housing environment in the downtown;
Whereas, Following the creation of this Housing Fund, the DDA adopted a revised DDA Statement of Housing Policy on May 13, 1999;

Whereas, The DDA needs a mechanism to facilitate applications for use of the DDA Housing Fund and means to evaluate proposals that would be in keeping with the DDA Statement on Housing Policy;

Whereas, The DDA Housing Activities Committee has unanimously recommended approval of “Criteria to Evaluate Proposals for Use of the DDA Housing Fund” which shall be attached as part of this resolution;

RESOLVED, The DDA approves the proposed DDA Criteria to Evaluate Proposals for Use of the DDA Housing Fund.

Mr. DeVarti explained that he had worked with Mr. Pohrt subsequent to the last meeting and incorporated many of Mr. Pohrt’s recommended changes. Mr. Berlin asked about the use of the Housing Fund for program support versus construction, to which Ms. Harshe responded that all future proposals would come before the Board before approval and decisions could be made on a case-by-case basis.

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

Mr. DeVarti moved and Mr. Berlin seconded the following resolution:

RESOLUTION ALLOCATING $200,000 TO THE DDA HOUSING FUND IN FISCAL YEAR 1999/2000

Whereas, The DDA Board created a DDA Housing Fund in 1997;

Whereas, DDA Housing Fund allocations have supported: Avalon supportive housing on N. Ashley; Courthouse Square Apts on S. Fourth for leasehold improvements in its vacant first floor space to accommodate usage by Performance Network; participation in funding a lower-income component of the Syndeco multi-income residential, commercial, and office development on S. Main; as well as LISC, which will leverage additional private funding to support housing in the DDA area;

Whereas, The resolution creating the Fund stated that the DDA, “shall designate a significant annual contribution to the Housing Fund;”

Whereas, The DDA must designate a contribution to the DDA Housing Fund for 1999/2000;

Whereas, The DDA Housing Committee is exploring possible DDA involvement in a Dawn Farm proposal, as well as other projects including a future housing developer’s forum;

Whereas, The DDA Housing Committee has met and formulated a recommendation for 1999/2000 in the amount of $200,000;
RESOLVED, That the DDA approve an allocation of TIF funding into the Housing Fund of $200,000 for fiscal year 1999/2000;

RESOLVED, Within 90 days the DDA Housing Committee shall present a five-year plan to the Board showing requested future allocations to the DDA Housing Fund and the framework for future expenditures, and a joint meeting shall be held between the DDA Housing Committee and DDA Finance Committee within 30 days after presentation of this five-year plan.

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

Mr. DeVarti moved and Ms. Gunn seconded the following resolution:

RESOLUTION PROVIDING $100,000 TO DAWN FARM TO ASSIST WITH THE DEVELOPMENT OF HOUSING IN THE DDA

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, The DDA has received a proposal from 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, The DDA has established a Housing Fund in hopes of leveraging additional support for residential developments in the DDA district;

Whereas, Dawn Farm has submitted funding applications for the Chapin Street project that will leverage $115,500 from sources other than the DDA;

Whereas, Dawn Farm has already applied for the additional funding from the Federal Home Loan Bank, Michigan Housing Trust Fund and MSHDA;

Whereas, The DDA Housing Committee has met several times with and without representatives from Dawn Farm to discuss this proposal and recommends the DDA support funding in the amount of $100,000 for this project;

RESOLVED, That the DDA will provide Dawn Farm with a grant of $100,000 from its Housing Fund to be released at closing to enable it to purchase and renovate the house at 112 Chapin Street, Ann Arbor, MI, 48104 as a transitional residential and recovery facility.

RESOLVED, The DDA Executive Director is authorized to negotiate and sign a lien document assuring that Dawn Farm will operate the property as transitional housing for a minimum of 20 year and the DDA Executive Director is authorized to negotiate and sign 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. Berlin leaves the meeting.

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

Mr. DeVarti moved and Ms. Gunn seconded the following resolution:

RESOLUTION IN SUPPORT OF A DOWNTOWN SHELTER PROVIDING COORDINATED SERVICES TO THE HOMELESS

Whereas, there are currently four shelter-related facilities in the DDA area-- the Shelter Association's West Huron shelter, the Felch Street women's shelter, the Ashley Street day shelter, and the St. Andrew's Breakfast program;

Whereas, there has been an extensive community-based planning process with the goal of coordinating and improving shelter and services for homeless persons in our community;

Whereas, as a result of this process, Washtenaw County and the City of Ann Arbor have chosen the Washtenaw Housing Alliance ("the Alliance") to provide integrated and comprehensive services to homeless individuals and families in the County;

Whereas, as a result of this process, there has been a decision to locate a shelter for single individuals along with related services, in a single downtown Ann Arbor facility; in addition there have been decisions to locate a new family shelter, services for homeless families, and transitional housing at other sites outside the Ann Arbor CBD;

Whereas, in February of 2000, after a downtown shelter site had been chosen, the City of Ann Arbor began to explore the feasibility of locating the downtown shelter in the Ann Ashley parking structure;

Whereas, in 1992 the City approved a ten year lease with the DDA with the DDA retaining the option to renew through 2012, and this lease encompasses all seven downtown parking structures, including the Ann Ashley parking structure;

Whereas, there has been no formal discussion with the DDA about the possible use of the Ann Ashley structure as a homeless shelter;

Be it resolved that:

1. The DDA supports the concept of improved and coordinated services to the homeless;
2. The DDA supports the concept of a downtown shelter and services facility;
3. The DDA has grave concerns about the suitability of the Ann Ashley Parking Structure as a site for a homeless shelter;
4. Despite these concerns, the DDA will await the results of the City of Ann Arbor’s assessment of the feasibility of the Ann Ashley Parking Structure and will review that assessment before formally commenting on the structure as a site for the shelter;

5. The DDA would like to meet with City Council and its consultant to review and discuss any proposal before City Council finalizes its assessment of the Ann Ashley structure as a location for a homeless shelter;

6. The DDA also urges the City to include the DDA as a valuable ally in future discussions with Washtenaw County and the Washtenaw Housing Alliance on the creation of a new homeless shelter given the DDA’s special mission to encourage downtown development, in particular downtown housing initiatives.

After much discussions, Ms. Gunn moved to table the issue owing to the lateness of the meeting, seconded by Mr. Aldrich. It was asked that Ms. Pollay call a meeting within the next week or so to continue the discussion.

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

PUBLIC/PRIVATE PARTNERSHIPS COMMITTEE
Mr. Gillett reported that the committee had met with John Carleton, owner of the Grizzly Peak Restaurant, and he expressed great interest in leasing the bottom floor of the Ann/Ashley structure for use as a restaurant. The Committee felt that this would be an ideal use for that space, however, they are waiting to learn Council’s resolve with regard to the potential for the space as a homeless shelter.

The Committee had also met with Planning Department staff to discuss Jack Stegeman’s proposed development at William/Thompson. Discussions with Mr. Stegeman are on hold while Mr. Stegeman refines his project proposal.

Mr. Gillett said that in the Board packet was a request for DDA funding support for pedestrian improvements in conjunction with improvements at the Ann Arbor Theatre and Federal building. His committee hasn’t had a chance to meet on that as yet but will try and have a recommendation at the next meeting.

PARKING CONSTRUCTION COMMITTEE
First & Washington / Fourth & William
Mr. Beal said that Carl Walker Inc. had written draft reports on both structures. Ms. Pollay reported that deck coating is needed at Fourth & William, plus there are upgrade configurations that need to be considered. She asked that a joint meeting of the Construction and Finance Committees be held to discuss this project before a Board resolution was put forward.

With regard to the First/Washington structure, Ms. Pollay said that a slab replacement was still an option, but the cost would be nearly as great as replacing the entire deck. She said she would call a meeting with Carl Walker engineer Mike Ortlieb, DDA Construction Chair, the City Building Department Director, Public Services Director, and City Administrator to discuss the closure of the structure.
STATE STREET PROJECT
Ms. Pollay said that work had begun drafting an RFQ for a consultant to oversee the project, and she hoped this would be out to bid by early June.

TRANSPORTATION COMMITTEE
No report.

FOURTH AVENUE
Mr. Fritz said that they walked with architect Carl Luckenbach in hopes of receiving a proposal for this project.

DOWNTOWN MAINTENANCE
Mr. Fritz said the Committee had not met, but that he had called the Mayor recently to ask that the drinking fountains be cleaned on a regular meeting as part of the Downtown Pride Program.

EXECUTIVE DIRECTOR REPORT
Ms. Pollay reported that it has been impossible to come up with a new date for the monthly board meetings due to conflicting schedules. She asked DDA members to bring their calendars with them to the spring retreat in hopes of securing this date.

6. Adjournment
As there was no further discussion, upon motion, the meeting was adjourned at 1:59 p.m.

Respectfully submitted,
Susan Pollay, Executive Director