MINUTES
Downtown Development Authority Meeting
Wednesday, June 1, 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, Ron Dankert, Leah Gunn, Roger Hewitt, John Hieftje, Sandi Smith
Absent: Rob Aldrich, Dave DeVarti, Bob Gillett, Rene Greff, Dave Solo
Staff Susan Pollay, Executive Director
Present: Joe Morehouse, Deputy Director
Sarah Armstrong
Joan Lyke
Audience: Tony Bisesi, Republic Parking
Erica Briggs, Get!Downtown Program
Bob Dascola, State Street Area Association & LEN
Ray Detter, Downtown Area Citizens Advisory Council
Adrian Iraola, Washtenaw Engineering Co.
Connie Pulcipher, Beckett & Raeder, Inc.
Alice Ralph, General Public
Scott Ten Brink, Get!Downtown Program
Chris White, AATA

2. APPROVAL OF MINUTES

Mr. Dankert moved and Ms. Gunn seconded approval of the May 4, 2005 minutes.

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

3. AUDIENCE PARTICIPATION

Ms. Jennifer Hall, Housing Program Coordinator, Community Development Office, said Community Development would undertake a Countywide Housing Needs Assessment in partnership with the City, the County, and others. She said that the study would provide valuable information about the demographics of housing demand in our community, both for market rate and for affordable housing, as we would determine how many and what kinds of units should and could be built. This has particular relevance to the goal of increasing residential density downtown. The final report would be available either in hard copy form or on the City web site and the total cost will be $90,000 to $120,000. The DDA was asked to contribute $15,000 toward the total cost.

Mr. Gillett enters.

Ms. Erica Briggs, get Downtown, presented the results of the Curb Your Car Month/Commuter Challenge, saying that approximately 1,000 individuals participated in activities over four weeks.

Mr. Chris White indicated that AATA is currently negotiating a contract with Trans Media Group, Inc. for advertising on buses including the Link. Ridership on the Link was over 800 people a day before
service ended at the end of April, and as downtown density increases so will the importance of the Link. He said that it will be easier to keep the Link operational than bring it back, so it is hoped that the potential ad revenue will make it feasible for the DDA and UM to fund service in 2005/06. Although ads have not yet been sold, Mr. White said that the DDA was asked for approximately $37,000, which is 45% of the original funding request. Mr. White was invited to present detailed information at the next Operations Committee meeting for consideration. He said that AATA needs a response from the DDA by the first week in July so they can make preparations.

4. **DOWNTOWN AREA CITIZENS ADVISORY COUNCIL**

Last night’s meeting of the CAC was devoted almost entirely to discussion of development projects that are moving forward in the downtown area. We are strong supporters of increased residential density in the downtown. But we recognize that it must be very carefully done.

**Ashley Terrace—10 stories on W. Huron and N. Ashley**— I attended the preliminary development meetings on this site. It is a well designed ten story building with first floor retail, office, 93 units of condo housing and three levels of underground parking.

CAC has a long relationship to this site. We led the fight nine years ago to oppose the construction of a drive-in Burger King on this location. That proposal was totally in conflict with the values and the policies of the adopted Downtown Plan of 1988. Unfortunately, the zoning changes proposed in the Downtown Plan had never been implemented by the City. The Burger King was designed to meet the requirements of inappropriate zoning. Fortunately, the Planning Commission and the Council courageously voted, almost unanimously, to reject the site plan. Last year the CAC joined with others in opposing the Flagstar Business Center proposal because the proposed 3 story building failed to fully utilize the opportunities of the site. But last night CAC members committed themselves to support the Ashley Terrace project because it met all the requirements of the Downtown Plan.

**McKinley Towne Center on Division/E. Liberty**—This project will be a positive development for both State and Main Street. I had a chance to meet with Albert Berriz last week to discuss the emerging design. The total project includes retail, office, restaurants, 6 stories of condos and parking. In the process we hope the developers will save the historic Polhemus House on Washington. The developers are supporting the placement of Historic Street Exhibit displays on the site and have urged us to include more of them. The CAC intends to give its support to this project, but members hope their commitment to commercial diversity will not waver and that it will not be all restaurants.

**Michael Concannon project on the Greek Orthodox Church site on Main Street**—Along with Christine Crockett of the Old Fourth Ward, we recently met with the Hobbs and Black architects working on this project. Last year, along with the Mayor, we fought the previous inappropriate proposal for 15 stories on the site which included the elimination of the historic houses on Kingsley and Main. This current proposal provides for 8 levels of residential on Main joined to 4 levels on Fourth Ave. It saves the 4 houses on the corner of Kingsley and Main, has underground parking, and provides for pedestrian walkways from Fourth Avenue. The plan includes 120 condo units with first floor office or retail. The design is not yet complete, but we hope we can support the project when it finally comes before the Planning Commission.

One of our members, Joan Blos, reminded the CAC last night that, while we support density, we must be always sure that new buildings and new residents are added in a careful way that will support a sense of urban identity and residential community in the downtown. We hope that new as well as old residents will work to include commercial diversity, residential services, and varied activities in the downtown mix. Downtown must be a place to shop as well as being a hospitality and cultural destination.
The CAC is pleased that a selection has been made between two excellent choices for the future development of the old YMCA site. The fact that the chosen group plans to work with AATA to expand the Blake Center at that site will hopefully eliminate any possibility of moving the center of bus transportation out of the downtown. We will be watching to insure that the development also includes provisions of housing and support services for the transient community that currently is housed at that location.

Finally, the CAC, the Old 4th Ward Association, and the North Central Property Owners Association urge you to attend the annual “Downtown Party” on June 16, 6:30 p.m., at 120 and 126 N. Division.

Mr. DeVarti enters.

5. NEW BUSINESS
    Ms. Pollay announced that the Public Hearing regarding the DDA 3 Site Plan is scheduled for June 13, at 7 p.m. Council Chambers. All were encouraged to participate.

6. OLD BUSINESS
    None.

7. SUBCOMMITTEE REPORTS
   OPERATIONS COMMITTEE
   Mr. Hewitt reported on the April 2005 financial statements. TIF income is slightly higher than anticipated, and expenses are slightly lower than budgeted. Parking demand continues to increase over last year, and 3,700 more patrons used parking facilities in April 2005 than in April 2004. A motion to accept the April 30, 2005 financial statements was moved by Mr. Hewitt, seconded by Mr. Dankert and unanimously accepted.

   Parking Rates: Mr. Hewitt reported that the committee is continuing to discuss rate scenarios. Mr. Morehouse has been asked for more information and DDA intern Richard Murphy continues his observation of evening parking usage at street meters.

   Kempf House: Mr. Hewitt said that the committee asked for more information before it takes action on the request for the remainder of the 2004 grant and the new request for additional funds.

   Link Service: Mr. Hewitt said that the committee will review the revised funding request. He said that he personally in favor of the DDA supporting the Link on a limited level and believes that service will become more valuable as density downtown increases.

   Calthorpe Study: Mr. Hewitt announced that workshops for the Calthorpe study will be held: July 28, September 22 and November 3; Council/Planning Commission/DDA work sessions will take place September 22 and October 10. The final report is due December 5, 2005. He emphasized that the study will examine community goals for the downtown and provide recommendations for zoning changes to achieve these goals; the study will not provide site-specific recommendations.

   IDA Annual Conference: Mr. Hewitt moved and Ms. Smith seconded the following resolution.

   RESOLUTION TO SPONSOR DDA AND CITY REPRESENTATIVES TO THE 2005 IDA CONFERENCE

   Whereas, The International Downtown Association annual conference provides an important opportunity to learn about best practices and innovative downtown programs from around the country and the world;
Whereas, The DDA annually sponsors one representative from each of the four downtown area associations to this conference;

Whereas, This year the IDA annual conference will take place in Denver, CO;

Whereas, The State Street Area Association has organized a pre-conference trip to Boulder, CO to meet with the Mayor and other Boulder representatives, and to tour downtown Boulder;

Whereas, Boulder, CO is a community often used as a benchmark to Ann Arbor;

Whereas, Calthorpe Associates was recently hired by the City of Ann Arbor to conduct a land planning and urban design study to help the City implement strategies to encourage future quality downtown developments;

Whereas, Calthorpe Associates was also recently hired by the City of Denver to draft a Transportation and Land Use Plan which would replace their existing zoning with a plan that concentrates on the separation of uses into specific zones rather than specific uses, and a visit to Denver would enable City and DDA representatives to gain more insight into this effort;

Whereas, The DDA Operations Committee has recommended that the DDA sponsor up to five members of the DDA and up to five representatives of the City to attend the 2005 IDA conference in Denver, including at least one representative of the Planning Commission and two representatives of City Council, with the DDA providing a predetermined amount for conference enrollment, hotel and travel costs;

RESOLVED, The DDA will sponsor up to five members of the DDA and up to five representatives of the City to attend the 2005 IDA conference in Denver, including at least one representative of the Planning Commission and two representatives of City Council, with the DDA providing a predetermined amount for conference enrollment, hotel and travel costs.

Mr. Hieftje said that the bicycling network in Boulder is the best in the country and it would be great if Ann Arbor could emulate it, as they have six times the bike ridership we do.

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

Mr. Hewitt moved and Ms. Gunn seconded the following resolution.

RESOLUTION TO APPROVE THE REVISED DDA BUDGET FOR FISCAL YEAR 2004/2005

Whereas, The DDA Board passed a FY 2004/05 budget for the DDA based on its Ten Year Plan in February 2004;

Whereas, The DDA Board has approved items not anticipated in its FY 2004/05 budget, thus necessitating a budget revision so that expenditures will not have exceeded the budget;

Whereas, The Operations Committee recommends approval of this budget revision by the DDA;

RESOLVED, The DDA approves its FY 2004/05 budget revision.

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

CAPITAL IMPROVEMENTS
Mr. Beal reported that although there were unexpected underground problems that resulted in minor
delays, alley repairs are on schedule. Tree replacement in the State Street area is complete. Light
poles were installed on Ann Street and we are still waiting for DTE for electrical service. Design
work for Huron, Division and Fifth continues and all are welcome to participate.

PARTNERSHIP COMMITTEE
In Mr. Solo’s absence, Ms. Smith reported that the committee had opted not to provide support to
the project at 110-112 S. Main Street (Mayer Shairer Building), and a copy of the letter to the
developers was included in the board packet.

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

RESOLUTION TO PROVIDE ASSISTANCE TO THE 322 E. LIBERTY STREET DEVELOPMENT

Whereas, On December 21, 1999 the DDA established interim guidelines to enable its Partnerships
Committee to consider ways that the Authority could work with private developers to encourage
quality new development in the downtown area;

Whereas, These principles were to be considered as guidelines and not as fixed rules requiring DDA
action in support of or in opposition to any specific development proposal;

Whereas, These guidelines have been revised and extended several times and are now in use
through December 2006;

Whereas, The overriding premise to these guidelines is that DDA would only expend public
resources to further specific City and DDA downtown development goals, and that this program must
not be seen as an entitlement to developers or as a give away program;

Whereas, Denali Development Group, the developers of 322 E. Liberty, contacted the DDA in spring
2005 and provided detailed information at the May Partnerships Committee meeting about their
project and about their request for DDA assistance;

Whereas, The DDA Partnerships Committee review4ed this request in detail and considered the
merits of the project which include the construction of 21 new residential units and the provision of
resident parking on site;

Whereas, The DDA Partnerships Committee has also determined that the 322 E. Liberty building will
not be pedestrian friendly on an important pedestrian corridor connecting the Main Street and State
Street areas, as the building has been designed to have a driveway and parking on grade, rather
than retail;

Whereas, The DDA Partnerships Committee has recommended that the DDA not provide financial
assistance to this project;

Whereas, The project is to be constructed on a very tight infill site with little room for construction
staging;
Whereas, The DDA Partnerships Committee has also recommended that the DDA provide 11 parking spaces in the S. Fifth Avenue (Library) Lot for construction staging for 365 days at not cost to the project with the requirement that any damage to the Lot by the contractors associated with 322 E. Liberty will be repaired by Denali Development Group;

RESOLVED, The DDA shall provide assistance to the 322 E. Liberty Street project by providing 11 parking spaces in the S. Fifth Avenue (Library) Lot to Denali Development Group for construction staging for 365 days at no cost to the project.

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

YMCA Site Redevelopment: Ms. Gunn reported that two finalists had been selected for the Y site redevelopment. She indicated the committee expects to prepare its final statement tomorrow and it will be presented to City Council at its June 20th meeting.

RESEARCH AND OPPORTUNITY COMMITTEE:
Mr. Boren acknowledged Ms. Ziff’s and Mr. Murphy’s work on the DDA’s benchmark study. He said that the committee was in the process of reviewing the web site and may meet with firms that can provide assistance with content and form.

Retreat/2005 Annual Meeting: Mr. Boren asked that everyone note that the July meeting would be relocated from the Kerrytown Concert House to Conor O’Neill’s, 318 S. Main Street. This will provide a comfortable setting for the retreat which will immediately follow the monthly meeting. Items for discussion at the retreat may include the status of the Three Site Plan, a review of the Ten Year Plan, and a review of the request from the City for its Police/Court annex if it can be provided to the DDA in time for the retreat. The Mayor has been asked to invite individuals nominated to the DDA board to this meeting.

Mr. Boren moved and Mr. Hieftje seconded the following resolution.

**RESOLUTION PROVIDING $5,000 TO THE LIVING ECONOMY NETWORK TO SUPPORT THE INITIAL DESIGN AND PRINTING OF A DIRECTORY OF LOCAL BUSINESSES**

Whereas, The DDA Renewal Plan contains a strategy for the DDA to encourage downtown businesses;

Whereas, The DDA has a special interest in efforts aimed at supporting downtown’s smaller, independent businesses;

Whereas, The Living Economy Network (LEN) is a nonprofit network of locally-owned independent businesses with an organizational mission to support and cultivate local business ownership by providing resource and best practice sharing, promoting public policies supporting local business development, and by raising community awareness about the advantages and benefits of shopping locally;

Whereas, LEN will launch a “Think Local First!” campaign in Ann Arbor this fall by publishing a directory of local businesses, creating door decals to help consumers identify local businesses, and naming a “Buy Local Ann Arbor” month in November to encourage shoppers to start their holiday shopping at local stores’
Whereas, LEN anticipates the cost for this campaign to be $13,000 - $17,000, of which $10,000-$12,000 will be the cost to design and print 5,000 directories;

Whereas, LEN has requested $5,000 from the DDA to assist with the printing of this directory, with the remainder of the cost to come from membership dues, directory advertising, and sponsorships;

Whereas, LEN will work with the DDA’s ROC Committee to determine the best way to highlight the downtown business members;

Whereas, LEN would also work with ROC to determine the best way to provide visibility to the DDA for its grant, including such ideas as mentions on LEN’s website, directory and promotional materials; providing the DDA with a full page back cover ad in the directory, and distributing a press release to local media and area businesses announcing the DDA’s financial support for this effort;

Whereas, The DDA’s Research and Opportunity Community has reviewed this request and has recommended DDA approval because it would promote many of downtown’s smaller, independent businesses and it is in keeping with the DDA’s grant guidelines;

RESOLVED, The DDA approves a grant in the amount of $5,000 for the Living Economy Network’s initial design and printing of a Think Local First! Directory of local businesses.

Mr. Gillett said that he feels strongly about the need to retain independent businesses in our community. This sentiment was shared by several other members of the board, as well.

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

8. OTHER DDA BUSINESS MATTERS
None.

9. AUDIENCE PARTICIPATION
None.

10. ADJOURNMENT
As there was no further discussion the meeting was adjourned at 1:12 P.M.

Respectfully submitted,
Susan Pollay, Executive Director