MINUTES
Downtown Development Authority Meeting
Thursday, June 10, 1999

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

Time: The Chair, Lorri Sipes, called the meeting to order at 12:05 p.m.

1. Roll Call

<table>
<thead>
<tr>
<th>Present</th>
<th>Ron Dankert, Dave DeVarti, David Fritz, Leah Gunn, Maria Harshe, Karl Pohrt, Lorri Sipes, Skip Ungrodt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absent</td>
<td>Neal Berlin, Bob Gillett, Deanna Relyea, Ed Shaffran</td>
</tr>
<tr>
<td>Staff</td>
<td>Susan Pollay, Executive Director</td>
</tr>
<tr>
<td>Present: Staff</td>
<td>Joseph Morehouse, Fiscal and Administrative Manager</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Audience</th>
<th>Peter Allen, Allen &amp; Kwan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sarah Armstrong, DDA</td>
</tr>
<tr>
<td></td>
<td>Johanna Broughton, Performance Network</td>
</tr>
<tr>
<td></td>
<td>Ray Detter, Citizens Advisory Council for DDA</td>
</tr>
<tr>
<td></td>
<td>Bob Frazier, National Garages</td>
</tr>
<tr>
<td></td>
<td>Henry E. Hardy, Democratic Precinct Delegate, First Ward, Precinct 6</td>
</tr>
<tr>
<td></td>
<td>Bob Henderson, Citizens Advisory Council/Courthouse Square Resident</td>
</tr>
<tr>
<td></td>
<td>Adrian Iraola, City Engineering</td>
</tr>
<tr>
<td></td>
<td>Andrea Krueger, Allen &amp; Kwan</td>
</tr>
<tr>
<td></td>
<td>Audrey Libke, Citizens Advisory Council/Courthouse Square Resident</td>
</tr>
<tr>
<td></td>
<td>Jane Lumm, LISC/Avalon Affordable Housing Campaign</td>
</tr>
<tr>
<td></td>
<td>Carole McCabe, Avalon Housing</td>
</tr>
<tr>
<td></td>
<td>Cathy O’Donnell, Ann Arbor News</td>
</tr>
<tr>
<td></td>
<td>Wendy Rampson, City Planning</td>
</tr>
<tr>
<td></td>
<td>Ned Shure, Performance Network</td>
</tr>
<tr>
<td></td>
<td>Andrew L. Wright, Citizens Advisory Council</td>
</tr>
</tbody>
</table>

Before starting the meeting, Ms. Sipes read a few remarks out of a magazine she gets called “Yes” about “Cities of Exuberance” and stated that she hoped to have Ann Arbor listed in the next issue. The issue spoke of how a city should be a place of exuberance and exaltation of the human spirit, a place of celebration and public happenings for rich and easy encounters, for relaxation, and enjoyment. Ms. Sipes reported that there is a movement evolving based up an alternate set of values, including slowing down traffic, providing alternative modes of transportation, and creating urban villages.

2. Approval of Minutes

Ms. Gunn moved, and Ms. Harshe seconded, that the minutes of the May 13 and May 21, 1999 meetings be approved.

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

3. Citizen Advisory Council

Mr. Detter gave a report on the Citizens Advisory Council meeting earlier in the week.
4. **Audience Participation**

Henry Hardy, a Democratic precinct delegate for the First Ward, Precinct 6, asked that his written statement be entered into the record (attached) in its entirety.

5. **New Business**

Mr. Pohrt asked all DDA members to attend the annual DDA barbecue at his home on Thursday June 24, 1999. Invitations would be sent out subsequent to the meeting.

6. **Subcommittee Reports**

**Finance Committee**

Mr. Morehouse reports that our income is above budgeted and our expenses are right about budget so that we have more in our fund balance than anticipated. Parking is about $500,000 above projections and expenses are $2M higher than expected due to the construction. Therefore, we will end the year with a fund balance $1.5M less than budgeted. Everything else is in order.

**Parking Construction**

**Status of Fourth/Washington**

Ms. Pollay reports things are moving along. The crane will be gone just before Art Fair and then we will start some of the interior work. At this point we are still slated to open in October. We are running a little ahead of schedule right now. We have received a lot of compliments for the design. It was asked if the street will be open during Art Fair. Adrian Iraola reported that the street would be kept as it is now and security will be provided during the Art Fair. He felt that keeping the fence on the site would give better protection to the people on the street. He stated that there will be a meeting next week to decide how many lanes of traffic on Fourth Avenue will be open.

**Maynard Parking Structure**

Ms. Pollay reported that the contractor is currently moving the stair tower from the southern end of Thompson street to the northern end and also enlarging the main elevator by Maynard street. They are a little behind schedule but the structure is scheduled to be opened to the public on September 1, with some remaining work being allowed to continue through the end of September and, if necessary, into October. The remaining brick work could actually extend beyond October. The contractor is also hoping to be able to start the deck coating this year instead of having to come back and install it in the summer of 2000.

**Forest Parking Structure**

We are continuing discussions with the U of M on the design of the new structure. The goal is to have City Council and the Regents approve the operating agreement in July, since the Regents usually do not meet in August.

**Parking Operations**

Since the committee did not meet, there is no report. The next meeting is scheduled for June 21 at noon as reported by Ms. Gunn.

**Housing Funding Issues**

Mr. DeVarti reported that the Housing Committee had met and have three funding requests they are evaluating.
Status of Development of Criteria for DDA Housing Fund

Mr. DeVarti gave out information on the formation of criteria for Housing Fund Grants. He asked the Board Members to review the material and give him any comments they might have to Ms. Pollay. The Housing Committee will formalize the criteria for the July board meeting.

Mr. DeVarti reported that the proposal for Dawn Farms has not been submitted but that discussions are continuing.

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

Resolution Providing Support to Local Initiatives Support Corporation (LISC) to Assist with the Development of Housing Units to Benefit the DDA District

Whereas, The Ann Arbor DDA Plan seeks to address problems of urban decline, with a specific objective to participate in programs which stimulate new, converted, or renovated housing;

Whereas, The DDA established a DDA Housing Fund in hopes of leveraging additional support for residential developments in the DDA district;

Whereas, The DDA has received a request from Local Initiatives Support Corporation (LISC) to assist with its efforts to provide financial support for community development corporation (CDC) projects;

Whereas, LISC works in partnership with nonprofit housing organizations to help make housing affordable for a wide range of people through such activities as low-interest loans, first-time homebuyer assistance, equity, pre-development, and bridge financing programs;

Whereas, Commitments from new sponsors are matched dollar-for-dollar by the national LISC office, with 80% of LISC’s funds supporting loans and project guarantees, and 20% supporting training and technical assistance for CDC’s, as well as fund administration expenses;

Whereas, LISC has provided the DDA with a Memorandum of Understanding which ensures that DDA funds would be expended in a manner consistent with the DDA’s statute, regulation and ordinance, including expenditure within the DDA district;

Whereas, LISC has provided for a DDA representative to serve on the local LISC Advisory Committee to ensure that DDA’s interests are being met;

Whereas, The LISC/Avalon Affordable Housing Fund has set forward a local three-year local fundraising goal of $450,000;

RESOLVED, The DDA shall agree to partner with LISC in its efforts to stimulate new, converted, or renovated housing in the DDA district;

RESOLVED, The DDA shall provide LISC with $300,000 over three years from its DDA Housing Fund, with funds transferred on this schedule: $50,000 on or before June 30, 1999, $50,000 on or before June 30, 2000, $50,000 on or before June 30, 2001, and $150,000 on or before June 30, 2001, with the final $150,000 contingent upon the LISC/Avalon Affordable Housing Fund meeting its three-year fundraising goal of $300,000 in written or received contributions, not including any DDA donations before June 30, 2000;
RESOLVED, The DDA shall require LISC to provide a report to the DDA not less than annually, which shall contain a description of the amounts and application of locally generated funds.

Ms. Pollay relayed a question from the Board’s attorney as to the relationship between LISC and Avalon. Jane Lumm speaking for LISC explained that it’s a joint campaign and they are working collectively on one campaign.

A vote on the motion showed:

AYES: DeVarti, Fritz, Dankert, Gunn, Harshe, Pohrt, Sipes, Ungrodt
NAYS: None
Absent: Berlin, Gillett, Relyea, Shaffran

The motion passed unanimously.

Mr. DeVarti presented and Mr. Dankert seconded the following resolution:

Resolution Providing Support to Courthouse Square to Assist the Relocation of Performance Network

Whereas, The Ann Arbor DDA Plan seeks to address problems of urban decline, with a specific objective to participate in programs which stimulate new, converted, or renovated housing;

Whereas, The DDA established a DDA Housing Fund in hopes of leveraging additional support for residential developments in the DDA district;

Whereas, In 1998 the DDA received a request from First Centrum LLC to provide support for leasehold improvements in its vacant first floor space in the Courthouse Square Apartment Building as a means of encouraging the apartment building’s success as a residential center for 120 senior citizens with incomes below mean;

Whereas, The DDA learned that Performance Network, a 501(c) (3) nonprofit performing arts organization founded in 1981 sought to relocate into this vacant space;

Whereas, The total cost for this relocation will be $750,000, of which $125,000 has already been donated as in-kind contributions and another $86,000 in cash has been donated by foundations, businesses, and individuals;

Whereas, The DDA has been asked to contribute $150,000 as support for leasehold improvement costs including labor and materials;

Whereas, Participation by the DDA may enable the Performance Network to secure a number of grants requiring matching funds;

RESOLVED, The DDA shall agree to partner with Courthouse Square in its efforts to provide housing in the DDA district;

RESOLVED, The DDA shall provide Courthouse Square with $150,000 for leasehold improvements in its first floor space to be occupied by the Performance Network as performance, rehearsal and office space;
RESOLVED, The DDA shall require Courthouse Square to provide a report to the DDA not less than annually, which shall contain a description of the amounts and application of funds for this project;

RESOLVED, The DDA Chair, Executive Director, and legal counsel are authorized to negotiate and sign any legal documents necessary to support this arrangement.

After a discussion members of the Board concluded that this grant would make Courthouse Square a more viable place and would benefit the entire DDA area.

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

Fourth Avenue
Mr. Fritz presented and Ms. Gunn seconded the following resolution:

Resolution to Support the Purchase of Permanent Aluminum Umbrellas for Sculpture Plaza

Whereas, The DDA has committed itself to undertake public improvements in the State Street Area;

Whereas, The DDA has previously supported the purchase of tables, chairs, and umbrellas in Sculpture Plaza, located in the Kerrytown Historic Market District;

Whereas, The DDA has received a request to support the purchase of two additional permanent aluminum table umbrellas for Sculpture Plaza at a total cost of $3,085.00 including freight charges;

Whereas, the City Parks Department has volunteered to oversee the project; and

RESOLVED, The DDA will contribute $3,085.00 for the purchase and installation of two new permanent table umbrellas for Sculpture Plaza.

Mr. Fritz assured the Board that the Parks and Recreation Department will install and maintain them and these funds are just for the purchase and installation of the umbrellas.

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

Maintenance Storage Facility and Maintenance
Mr. Fritz reports that there was a spring maintenance walk through and compilation of a 10-page list of punchlist items to do. The DDA has a small amount of items they are required to do. Most of the items
require the Parks Department’s attention. Ms. Pollay related that the DDA has coordinated with several City department’s over the last three years to be involved this walk and have a list of items requiring attention before the citizens complain. The list is comprised of not only the walk through items, but items from residents, as well as the Merchants Associations.

**Downtown Shuttles**
Ms. Sipes asked Ms. Pollay where we were with the downtown bus pass program. Ms. Pollay reported that they are in the process of sorting through resumes and interviewing for the Alternative Transportation Coordinator position. They have received 70 applications. Once that person is hired, they will decide how to handle the distribution of the bus passes.

**Allen Creek**
Ms. Sipes is researching other communities that have opened a culverted stream through their downtown and looking at the resolution we passed a months or two ago on scope of work for a study and should have more information by the next meeting.

**Main and Packard**
Ms. Harshe reported that the committee met and one of the topics was how many parking spaces are need for this project. If parking is not needed, how else can the DDA help, i.e., tree improvements and sidewalk projects. There are still issues such as land costs and affordable housing portions. They will meet later this month to see where we are and how we can help come up with 5 criteria that would help this and future projects.

**State Street Study Project**
Mr. Pohrt invited everyone to hear a State St. area project report that will take place June 29 from 3-5 PM at the Michigan Theater. This will be a kickoff meeting. The State Street Area Association met to discuss possible improvements they could make and what help to request of the DDA in the way of project funding for the next year.

Mr. Pohrt also wanted to mention that a resolution for the banning of posting handbills was put forward by the State Street Study Project. The State St. Area Association said they would come up with money for kiosks. Mr. Pohrt believes it is not a free speech issue but one of cleanliness. Ms. Gunn supports this. Mr. DeVarti said he does feel it’s a free speech issue but doesn’t disagree that people see it as a cleanliness issue, and there are many ways of looking at it. He stated that hopefully we could argue the issue with mutual respect and not attack individuals.

Ms. Pollay provided a status report. Following the Board action last month she provided to the City Attorney a request to look into this issue. Mr. Ungrodt passed out information received from Chicago on how their ordinance eliminated signs. He also handed out information on a Lansing City Ordinance controlling “hot dog vendors”.

**GT Products/First & Washington Recommendation**
No report given.
Executive Director Report
Ms. Pollay drafted what she thought was set forward at the retreat including committees, membership and goals. She asked that everyone look at the list and let her know if there are any changes or corrections.

Ms. Pollay also included a letter from her asking them to support a raise to the Fiscal Manager, Joe Morehouse. The Board agreed that it was entirely up to Ms. Pollay to do whatever she thinks is best. Ms. Gunn thinks there should be an evaluation also. Ms. Pollay said they have set up a process whereby the Fiscal Manager will also evaluate her.

Ms. Pollay also reports that there is an International Downtown Association Annual Conference being held October 2-5 in Philadelphia and perhaps some of the Board would be interested in attending. Mr. Pohrt said that he had already registered to attend and would be entering the State St. Study Project into their National Contest and perhaps get some good publicity for us.

Other DDA business matters
Ms. Pollay also said that she has been approached by an artist who is very interested in taking on the Michigan Theater alley that runs from Liberty St. to Washington St. She wants to redo the murals and all she wants is to have the DDA pay for the paint/materials. Anderson Paint said they would provide the paint at cost. The project will cost approximately $2,000-$3,700. The Board indicated its support for the project.

Adjournment
As there was no further discussion, upon motion, the meeting was adjourned at 1:44 p.m.

Respectfully submitted,

Susan Pollay, Executive Director
Secretary