MINUTES  
Downtown Development Authority  
Thursday, June 11, 1998  

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

Time:  
The Chair, Maria Harshe, called the meeting to order at 5:00 p.m.  

1. Roll Call  

Present:  
Neal Berlin, David Fritz, Bob Gates, Leah Gunn, Maria Harshe, Karl Pohrt, Lorri Sipes, Skip Ungrodt  

Absent:  
Dave DeVarti, Bob Gillett, Deanna Relyea, Ed Shaffran  

Staff Present:  
Susan Pollay, Executive Director  

Audience:  
Ray Detter, Citizen's Advisory Council  
Mary Fales, City Attorney's Office  
Bob Frazier, National Garages  
Sue Gott, Johnson, Johnson & Roy  
Bob Henderson, Citizen's Advisory Council  
Adrian Iraola, City Engineering  
Donna Johnson, Planning Department  
Audrey Libke, Citizen's Advisory Council  
Cathy O'Donnell, Ann Arbor News  

2. Approval of Minutes  

Mr. Gates asked that the minutes of the May 14, 1998 meeting be modified to reflect that the resolution regarding the monthly parking permits held by Courthouse Square should read that "if the payment schedule set forward by the DDA is not followed, these permits shall be revoked." Ms. Harshe asked that the minutes also reflect that she did not move to adjourn the meeting; rather, the action was put forward by Ms. Gunn. Having noted these changes, upon motion by Ms. Gunn, seconded by Ms. Sipes, the minutes of the May 14, 1998 meeting be approved.  

A vote on the motion showed:  

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

The motion carried.
In a three hour meeting last night the Citizens Advisory Council discussed a number of issues relating to downtown development -- particularly the issue of downtown parking. I reported to them that I had contacted the City Planning Commissioners Margaret Leary and Donna Tope to inform them of our willingness to work with them, along with the DDA, in siting new downtown parking structures that will have the most beneficial impact upon the Ann Arbor community. As yet, they have not set up a proposed standing committee to work with the DDA to further this desired process. We are ready when they are.

Members also approved my representing downtown residents as a participant in the Downtown Marketing Task Force. We feel that the role of this group could be expanded to include many of the goals and objectives of the Citizens Advisory Council, and we feel that we may be helpful in shaping the way in which present and future new on-street parking revenues will be spent in the downtown. As you know, we strongly believe that the future economic growth and success of the downtown will be closely related to residential growth.

We spent a lot of time discussing the important issue of a wise downtown residential parking permit policy. We cannot accept the argument that we are unable to develop a policy simply because we don't have adequate downtown parking. Recognizing the importance to the downtown of encouraging new downtown residential loft, apartment and condominium development, we have asked two of our members to draw up a specific plan that will be discussed at Leah Gunn's Resident Parking Permit Committee meeting on Wednesday, June 24 at 4:00.

Citizen Council members were asked last night to begin discussing ways in which we can encourage the DDA to develop consistent, clearly stated, and well-publicized policies and plans of action that will stimulate private developers to move forward with plans for residential-mixed use projects that include parking (preferably underground) on the site. They were asked to consider what the DDA could do to encourage the private sector in the development of Packard/Main, Huron/Fifth, the Library Lot, Huron Ashley, the Brown Block, First/William, First/Washington, and the Municipal Services site between Liberty and Washington beyond the railroad track.

As you know, we are on record as being opposed to any new above ground parking structures in the downtown that are not a part of a mixed-use development -- preferably including residential units. While we are strong supporters of parking alternatives, we fully understand that new developments will require new parking. If not part of a new development, you will have to build it elsewhere.

Coming up with a formula that will make this happen is not easy. Not surprisingly, we didn't come up with one last night. There was strong feeling for cost based parking rates. There was no consensus and at times discussion was heated. But it is time the Citizens Advisory Council and the DDA make the effort. Developers should know what kind of projects you favor.

What we need is a set of policies and a plan of action that will encourage developers to come forward to participate in public/private mixed-use projects that, as much as possible, provide parking
solutions. These policies and plans should conform to the goals of the Downtown Plan of 1988 and
the Central Area Plan of 1992 – both of which encourage the DDA to support new housing, open
space, pedestrian improvements and underground parking in the downtown.

Any policy and plan developed by the DDA should also conform to its own Downtown Development
Plan and Tax Increment Financing Plan of 1982. The City’s Master Plans were, in fact, crafted to
complement the DDA Plan. Let me just review an important section of that plan:

“The overall goal of the Development Plan is to undertake public improvements that have greatest
impact in strengthening the downtown area and attracting new private investments.” Some of
your specific objectives are as follows: (pp. 9-10)

1. Construct parking facilities to support existing and new developments.
2. Participate in efforts to encourage mixed-use developments in conjunction with public
improvements.
3. Undertake improvements to existing and proposed public open space areas, pedestrian/bicycle
linkages and transit system.
4. Undertake improvements to existing streets and public utilities in order to stimulate new
private investment in the area.
5. Participate in programs to stimulate new, converted or renovated housing.
6. Participate in efforts to encourage the expansion of retail businesses.

There are others, including retaining historic and/or architecturally significant buildings having
potential for activities consistent with development objectives.

We believe that the current economic climate has created a situation in which the DDA should be
actively involved in promoting public/private developments in the downtown. We hope you will not
miss this opportunity to do so.

Members of the Citizens Advisory Council are currently involved in a number of activities to further
our goals and objectives for an exciting and successful downtown.

You know that we are convinced that the future of our neighborhood is linked to its capacity to
achieve and sustain broad spectrum housing in the downtown. We also believe the DDA should
encourage the development of new housing on various publicly and privately owned downtown sites
as one of its principal functions. Before our own meeting last night, we attended the public
presentation of the Kaplan-Syndeco development proposal for the Main/Packard site. We strongly
support this project. It will bring more market-rate housing to the downtown than Sloan Plaza and
One North Main combined! We also believe it will stimulate the development of residential/mixed-
use projects on a number of other west-side sites in the downtown and encourage the process
necessary to create an Allen-Creek Green way. The Citizens Council is pleased that the DDA has
opened a dialogue with developers of the Main/Packard site to explore ways in which you can help
to “make it happen.” We believe this dialogue could set a pattern of public/private cooperation that
might be followed in other downtown projects. We strongly support your efforts.
The Citizens Council recognizes that residential use of the downtown area requires planned investment in assured parking. At the same time we believe that parking developments and changes undertaken by the DDA should be encouraged only if the full impact upon present and future residents in the downtown has been considered. Three of our members served on the Design Review Committee for the Fourth and Washington Parking Structure and two are currently serving on the Advisory Group for the Forest Street structure. We fully recognize that adequate parking is essential to the success of the downtown. Six of our members are also working with Leah Gunn to ensure that future DDA parking permit policies recognize the importance of present and future residents, as well as business owners, to a vital downtown neighborhood. We hope our downtown residential survey will help in that process. We intend to come up with wise and fair recommendations that will work—even during a period when parking space is very limited.

The Citizens Council is actively committed to achieving our goals on Downtown Pedestrian Improvements, Art in Public Places, Parks, Open Space, and Historic Preservation. Last week we met with Council Member, Pat Vereen-Dixon, to discuss possibilities for encouraging the Allen Creek Greenway and development of the First and William parking site. Three of our members are working with Architect Dick Mitchell to use private money to develop three major art-ready sites in the Fourth and Washington Parking structure. Two others are moving forward with plans for an Art Exhibition Space in the Courthouse Square Apartments. They plan to meet with Lorri Sipes, of the DDA Design Center Committee, in early June and they have already met with Karl Pohrt to discuss the project. We were all pleased with the outcome of the Citizens Council meeting with Bill Martin a few weeks ago in relation to his plans to develop the Greyhound bus station corner at N. Ashley and Huron. He generously agreed to keep the historic bus facade on the site, recognized the importance of keeping a bus drop-off/pick-up location in the downtown, and promised to give consideration to its future location in the process of development of his property.

In relation to our commitment to historic preservation, two of our members recently met with Carl Luckenbach, Project Manager, to discuss the scheduling of fabrication and installation of the Downtown Ann Arbor Historical Street Exhibit Program. If all promises are kept, we still have hope of installing the first exhibit at Courthouse Square this year. That installation will make the past a living part of the present downtown streetscape.

While some Citizen Council members continue to work on specific elements of our goals on Downtown Transportation and Traffic Management, last night members encouraged me to play a more active role in dealing with traffic problems arising from the proposed replacement plan for the Broadway Bridges. Proposed changes in traffic patterns threaten to have a negative impact upon the Kerrytown business area and the surrounding residential neighborhood. Without wishing to unnecessarily hold back construction of the bridges, we believe that modifications can be made in the proposal to make the project less threatening to near north-side business and residential areas.

Much of this summary of Citizens Council activities indicates our involvement in goals and objectives which are a part of your own DDA Action Plan which emerged from last Fall’s DDA Retreat. An important item in that Plan under the section on “Living Into the Downtown Plan” was a “Must Do” commitment of the DDA to “Work with UM on the development of its Master Plan.” We know that several DDA members are excited about participating in this process. We are also
excited! The Citizens Advisory Council would like to join with the DDA, if that is possible, in meeting with the Venturi, Scott, Brown and Associates group. We hope that the DDA will create a public forum in which we can join with this group in discussing the possible physical and cultural relationship of Ann Arbor's downtown neighborhoods to the University. So many of our common goals and possibilities overlap. I, for one, am curious about the physical development of river areas to our commitment to the Allen Creek Greenway. The relation of an Arthur Miller Theatre on Liberty to development of the Library Lot. We will always share the town with the University. It is essential that we are active participants in their development of the University Master Plan.

4. Audience Participation

None.

5. New Business

None

6. Subcommittee Reports

Parking Construction Committee

Ms. Sue Gott said that she and Mr. Adrian Iraola were there to present a Forest structure design status report. Although a decision was not needed at this time, she asked for feedback, particularly if DDA members were not pleased with status of the project.

From stakeholder sessions and other public meetings a series of project goals has been developed, including 1) maximizing the number of parking spaces to enhance the economic viability and character of the South University commercial and adjacent residential districts, 2) maximizing flexibility for future retail or residential uses, 3) improving the aesthetic nature of the structure design and its relationship to the adjacent neighborhood, and 4) improving circulation and access to the site without compromising the service needs of the adjacent properties. Mr. Pohrt asked if these goals were prioritized, to which Ms. Gott said no.

Ms. Gott explained that three design options were currently under consideration, including scheme "A" which would utilize the same footprint as the current deck, "F" which would expand the footprint west by three properties, and "H" which would also expand the structure footprint but would utilize a portion of the area to create an "opportunity zone" for the future development of housing or other uses. Mr. Iraola said that demolition of the current deck would necessitate demolition of the closest rental property, so property acquisition was necessary with all three options. Ms. Gott explained that "F" and "H" were the two favored options at this time. "F" would maximize the potential for parking, while "H" will screen the parking behind another development and has the potential to increase the population in the area. There are tradeoffs and advantages with both options.

Mr. Gillett enters.
Mr. Berlin asked if an economic assessment of the potential for housing with scheme "H" could be developed, to which Ms. Gott said yes, and asked if there were other issues to be explored and presented. Mr. Berlin asked for information related to the advantages of 600 versus 800 parking spaces in the area. Mr. Pohrt said he had concerns about purchasing private property and then reselling excess portions. Ms. Gunn stated concerns that if development took place on the excess land created by "H," the increased taxes would not go to the DDA, whereas all parking revenues would go to the DDA. Ms. Pollay reported that both "H" and "F" would reposition the parking structure, creating a service alley behind the Galleria, as well as other potential benefits such as an area for short-term meters. Ms. Gott said that a decision on the footprint was needed before project details could be worked out.

Mr. Gillett asked about involvement of the South University Area Association and other neighborhood stakeholders, to which Ms. Gott answered that the President of SUAA was a participant on the Forest Design Advisory Committee, in addition to representatives of other area stakeholder groups. She reported there had been good attendance by SUAA members, residents, etc. at Stakeholder Sessions. Ms. Gunn stated her interest to maximize the amount of parking, and her preference therefore for "F." Ms. Sipes expressed concern about the lack of detail on the housing component for "H" at this time, or if the site would be sufficient to develop attractive housing. Ms. Gott said that the design team would attempt to address some of the housing questions; however, the scope of services for their work did not include the design of possible townhouses. Ms. Sipes said she supported "F" as it was more straightforward. Ms. Gunn asked if the City took condemnation action, could it then sell excess land. Mr. Berlin said that the City Attorney's Office will be asked for input. Mr. Berlin said scheme "A" did not seem to require further exploration. Ms. Harshe said she preferred "F" because of its future expansion possibilities; no other option appeared to present the same opportunity. She said that this was the only foreseeable chance to create parking in the area, and she felt strongly that the DDA had to do it right. She also felt that as there was already a great deal of housing available in the area, there was probably more of a need to create parking. Ms. Gott suggested that if housing could be created that catered to a different audience it might make a difference to the customer base for S. University. Mr. Iraola said that the City Public Services Department will support whatever design scheme the DDA elected to pursue.

Mr. DeVarti enters.

Mr. Gates asked if data could be developed for the new structure if rates were $1.00/hour and $100/month so that the project could be looked at from a quantitative perspective versus subjective feelings. Ms. Harshe asked if the UM could be asked to participate, to which Mr. Ungrodt agreed.

Ms. Gott asked if it would be fair to communicate to the Forest Design Advisory Committee that the DDA sees advantages to "F" because of the opportunity to maximize the number of spaces, but would be open to learn more about "H." Mr. Gillett said that he preferred "H," but would be open to learn more about "F." He was, however, against "A." All other DDA members affirmed their support for "F," although Mr. DeVarti expressed qualified support for "F" because of his concern that public subsidies will be needed to develop this option. He did, however, support the
development of as many spaces as possible. Mr. Pohrt said that he had attended the first Stakeholder Session, and that he felt Ms. Gott was very skillful as a meeting facilitator.

Ms. Mary Fales reported that the current agreement between the City and the DDA did not comment on parking contracts held by the City. She suggested that the DDA amend its contract with the City to reference these contracts. Modifications could also assist the DDA in its efforts to oversee the Forest project. She will confer with Jerry Lax and will bring recommended changes to the next DDA meeting.

**State Street Area Improvements Committee.**

Mr. Fritz and Mr. Pohrt reported that the Committee felt that a study clarifying the long-term strategic needs of the area was needed before the development of a street scape plan. To this end, they have facilitated a discussion between themselves, the State Street Area Association, and representatives of the UM Architecture, Urban Planning, Public Policy, and Business Schools to begin outlining the contents of this study.

At this time it is anticipated that the study will begin in the Fall 1998, and will conclude in the Spring 1999, and will cost approximately $100,000. There are three components to the study, including a study of urban design needs, a market analysis, and an examination of relevant public policy issues. The overall goal will be to establish a unique and strong identity for the area, from which the design elements will draw coherence.

Mr. Berlin asked that the public policy examination include not only City, but also UM policy issues, as this is the front door to the UM. Mr. Gillett asked if an RFP will be developed. Mr. Pohrt said that there was an interest in developing a report melding data from four UM departments. An RFP will not be developed, as part of the reason for working with the UM will be to develop a partnership with them. Mr. Berlin asked if the actual value of the study was $100,000 or if the UM will be contributing additional value. Mr. Pohrt said the actual value was $100,000 and as it now stands there was not much value added. He acknowledged that it feels less like a partnership given that there is no financial contribution. He also conceded that the DDA could work with JJR or others on this study, however, he had been very impressed with the UM School of Public Policy parking study. Mr. DeVarti asked if the UM would bid should an RFP be developed for the project. To which Mr. Pohrt answered that they would likely not bid. Mr. Berlin acknowledged the advantages to four UM departments collaborating, and that he would not suggest giving up on the study just because the UM will not be providing financial support.

Mr. Pohrt said that he, Mr. Fritz, and Mr. Ungrodt will attempt to have a proposal for the DDA at its July meeting.

**Housing Statement Development Report**

Mr. Pohrt reported that he made his first attempt to rewrite the DDA Housing Statement a few months ago, and that he made it as inclusive and terse as possible. He asked that DDA members reflect on it before the next meeting, as there are five to six possible housing projects in the works for future consideration.
Mr. Pohrt put forward a resolution that the DDA create a committee to oversee housing project funding. The motion was seconded by Mr. DeVarti.

A vote on the motion showed:

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

The motion carried.

Ms. Harshe assigned Mr. Pohrt as Chair of the Committee. Other members of the Committee are: Mr. DeVarti, Mr. Gates, Mr. Gillett, Ms. Gunn, and Ms. Sipes.

Urban Design Committee Report
Ms. Sipes said she will call a meeting of the Committee soon.

Spaces Between Steering Committee Report
Ms. Sipes said the Steering Committee has had two meetings recently with the Chair of the Finance Committee to formulate a resolution providing funds for Spaces Between projects for 1998/99. Upon motion by Ms. Sipes, with support from Ms. Gunn, the following resolution was put forward:

Resolution Providing $200,000 to the 1998/99 DDA Spaces Between Buildings Program

Whereas, The DDA Board created a Spaces Between Buildings program for the 1998/99 fiscal year at its October 1997 retreat;

Whereas, The DDA Board created a Projects Steering Committee to manage the Spaces Between Buildings program at its February 12, 1998 meeting;

Whereas, The DDA Board at its August 14, 1997 meeting committed to an extensive repair/replacement program for the City’s parking structures, the funding requirements for which have not yet been ascertained;

Whereas, The DDA desires to establish a cap on expenditures for non-parking projects so that the Steering Committee can develop a budget which does not jeopardize the parking repair/replacement program;

RESOLVED, That the DDA commits a maximum of $200,000 from its 1998/99 TIF fund account for Spaces Between Buildings projects, of which $100,000 is allocated for planning activities and $100,000 is allocated for street scape maintenance.

Ms. Sipes said that the Committee is also interested in exploring ways to supplement alternative transportation programs, but will be interested in matching City parking revenues with DDA parking revenues for this purpose. Mr. Berlin said that when City Council approved the 1998/99 CIP budget they asked him to come up with a process, possibly involving the Downtown Marketing Taskforce, to apportion funds received from the recent street meter rate increase. Two suggested
uses of these funds was to match DDA funds for maintenance of downtown infrastructure and to match AATA funds to provide free monthly bus passes for downtown employees.

Mr. Berlin said he wanted to be sure that passing this resolution does not authorize expenditures. Mr. DeVarti said that if the State Street Area Improvements study was included, $200,000 is too little, and the resolution will effectively bind DDA hands. He felt that structurally the DDA is setting its priorities too low, especially compared to what it has set forward for parking repairs. Mr. Gillett said his reaction is similar to Mr. DeVarti’s, and the initial proposal for Spaces Between projects was closer to $500,000, and it’s not clear why this figure has been scaled back. Mr. Pohrt felt that this resolution does not preclude coming back later. Ms. Harshe said currently there are no other projects underway requiring additional funding. She felt that the State Street Area Improvements, housing, streetscape maintenance, and parking projects will keep the DDA busy at this time. Mr. Gates said that the DDA has committed itself to complete a repair/replacement program and as costs are going up, so too the timing of projects is in great flux. Maynard repairs may need to be accelerated, and he thinks the DDA should err on the side of being conservative, so there will be funds available if needed. Mr. Pohrt stated his agreement with Mr. Gates.

Mr. DeVarti made a friendly motion to strike the word “maximum” from the resolved and amend the original motion. Mr. Gillett seconded this amendment, stating that he had been excited by the retreat, and now that the DDA has a handle on parking it can take on other downtown issues.

A vote on the amended motion showed:

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

The motion carried.

Mr. Gates reported that the DDA has committed to make a significant contribution to its Housing Fund. To that end, Mr. Gates made a motion, and Ms. Gunn seconded, putting forward the following resolution:

Resolution Allocating $100,000 to the DDA Housing Fund in Fiscal Year 1997/98

Whereas, The DDA Board has created a DDA Housing Fund;

Whereas, The resolution creating the Fund states that the DDA, in developing its multi-year budget plan “shall designate a significant annual contribution to the Housing Fund”;

Whereas, The DDA Board at its August 14, 1997 meeting committed to an extensive repair/replacement program for the City’s parking structures, the funding requirements for which have not yet been ascertained;

RESOLVED, That the DDA approve an allocation of TIF funding into the Housing Fund of $100,000 for fiscal year 1997/1998.
Mr. Gates reported that with this allocation, the DDA Housing Fund will grow from approximately $386,000 to $486,000. Mr. Gillett said that this amount should be increased to demonstrate the commitment of the Board, and to safeguard dollars for housing-related projects. To this end, Mr. Gillett made a motion to increase the allocation from $100,000 to $200,000. This motion was seconded by Mr. DeVarti.

A vote on the amendment showed:

AYES: Berlin, DeVarti, Gillett.
NAYS: Fritz, Gates, Gunn, Harshe, Pohrt, Sipes, Ungrodt
Absent: Relyea, Shaffran

The motion failed.

Ms. Gunn asked for a vote on the main motion.

A vote on the original motion showed:

AYES: DeVarti, Fritz; Gates, Gunn, Harshe, Pohrt, Sipes, Ungrodt
NAYS: Berlin, Gillett
Absent: Relyea, Shaffran

The motion carried.

Finance Committee’s Report
Mr. Gates reported that the April financial statements appeared to be in good order, although the reduction in parking in the campus area continues from previous months. He reported that the City fiscal year will conclude at the end of June.

Parking Operations Committee Report
Ms. Gunn said that a resolution recommending an increase in hourly parking rates will be retained and put forward at the July meeting.

Executive Director’s Report
Ms. Pollay reported that a Community Meeting was scheduled for that evening at the First Presbyterian Church to gain feedback on design schemes for the new Forest structure. She also reminded DDA members that a Special Meeting was scheduled for Thursday, July 2 at 11:30 a.m. to review bids for the Fourth & Washington parking structure.

7. Other DDA Business Matters

None.
8. Adjournment

There being no other business, upon motion, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,
Susan Pollay, Recording Secretary