Minutes
Downtown Development Authority Meeting
Thursday, June 12, 1997

Place: Guy C. Larcom, Jr. Municipal Building (City Hall)
       Council Chambers, Second Floor
       100 N. Fifth Avenue
       Ann Arbor, MI 48107

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

1. Roll Call

Present: Neal Berlin, Dave DeVarti, David Fritz, Bob Gates, Bob Gillett, Leah Gunn, Maria
         Harshe, Karl Pohrt, Deanna Relyea, Ed Shaffran, Skip Ungrodt

Absent: Lorri Sipes

Staff
Present: Susan Pollay, Executive Director

Audience: Joseph Arcure, Citizens Advisory Council
          Ray Detter, Citizens Advisory Council
          Matthew Hoffmann, Citizens Advisory Council
          Andrew Wright, Citizens Advisory Council
          Mary Fales, City Attorney's Office
          Ulrich (Dick) Stoll
          Andy Kawlewski, National Garages
          Scott Munzel, Syndeco
          Steve Kaplan
          Stefan Trendoff
          Chris Wachutka, DDA Intern

2. Approval of Minutes

Ms. Gunn made a motion and Mr. Ungrodt seconded, that the Board meeting minutes dated May 8,
1997 and May 12, 1997 be approved.

A vote on the motion showed:

AYES: Berlin, DeVarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Relyea,
       Shaffran, Ungrodt

NAYS: none

Absent: Sipes

The motion carried.
3. **DDA Citizen’s Advisory Council**

Mr. Detter made the following report:

The Citizens Council has asked me to state our general support for the strategy that you are following and the decision that you have made to maintain and develop necessary parking in the downtown. We also support your efforts at changing the parking financing system to assure that in the future it will be economically self-sufficient and administratively effective - so we won’t ever be faced again with the crisis situation that exists today. We realize that there are many important details that remain to be worked out as you proceed with immediate and essential parking structure repairs. We give our support because we also know that there are many alternatives that need to be considered - both alternatives to downtown parking (other means of transportation, park & ride, etc.), alternatives in the location of future downtown parking, and even alternatives of public-private ownership of the system as well as the design of new or replacement structures. We hope to be a part of the ongoing public process that will help in deciding which alternatives to take.

It is the Citizens Council position that these alternatives cannot be decided without having a clearly stated vision for the downtown - a plan. We believe your positions should be based upon the action strategies of the City’s adopted Downtown Plan which promotes the pedestrian and residential orientation of the downtown area, rejects surface parking, supports construction of more underground parking, and resists development of above-ground structured parking unless it is mixed use - preferably including housing. Once beyond the need for immediate repairs to our parking structure, we believe that these goals would be furthered by publicizing your desire to consider reasonable proposals from anyone in the local, state and national private sector who might be interested in the public-private development of mixed-use, creatively designed, parking and housing on any public or private lands in the downtown area.

**South University**

Those members of the Citizens Advisory Council who attended your May 21 meeting to develop parking recommendations came away from that meeting with the belief that although the Forest Street structure would be demolished, the site of a replacement has not been decided. Last night we met with local developer Jack Stegeman to discuss his proposal for housing and additional parking if the Forest Street structure were placed on its existing site. Members of the Citizens Council were unwilling to endorse his proposal at this time because of our reluctance to support the use of the City’s power of an eminent domain to take privately-owned existing housing on the site, and because of the difficulty and dangers of the need to expand DDA boundaries. But we are totally in support of public-private development of downtown projects that include housing and more parking. When we suggested that we could endorse such a proposal on Mr. Stegeman’s large piece of almost vacant land on Forest and Washtenaw - perhaps even using the power of an eminent domain and not having to expand the DDA boundaries, Mr. Stegeman outlined a plan to place a large mixed-use development on that site that would include medical laboratories, condominiums, parking and retail. We believe that DDA should work closely with Mr. Stegeman to develop a long range plan for the S. University area before making a final decision on the alternative sites for the replacement of the Forest Street structure.
State Street
Many of us in the State Street area, believe the sale of the Maynard Street structure should be seriously considered - if there are any intrepid buyers to be found - and perhaps other structures in other areas as well.

Main Street
All of us want to be involved in the public process of helping to decide further parking alternatives for the Main Street area. But we want to emphasize that it is not a question of deciding only whether a parking structure should go back on Fourth and Washington, and on First and Washington - or whether a new structure should be built on land owned by either the city or First Martin Corp., at Huron and Fifth, the Library Lot, the Kline's Lot, the Brown Lot or the First and William Street Lot. The question is: What should go on all these sites? To answer that question, we need a plan for the entire Main Street Area. The Citizens Advisory Council believes we already have a plan - the Downtown Plan of 1988 - and, if you follow that plan, we can create an exciting future for the downtown that will include well designed and assured parking and a pedestrian and residential environment supportive of a broad spectrum of housing opportunities. That will require public-private cooperation in the development of all these sites - with DDA leadership.

Housing at Main and Packard
This parking crisis continues to provide us with the great opportunities. But in our rush to make necessary repairs and quick-fix parking replacements, we must avoid doing things that interfere with desirable developments. You all know that City Council has approved future sale of the city land at Main and Packard and that the DDA will be involved with Karen Hart of the Planning Department in developing an RFP that will require any purchaser to include housing on that site. The entire community expects housing on that site! Steve Kaplan, who owns all of the parcels on the north side of the City-owned parcel, has joined with Syndeco Reality (connected to Detroit Edison) and NSI Consulting and Development in a project to build 40 - 50 townhouse units on the entire site. The Citizens Advisory Council strongly supports that development. It perfectly matches the expectations for that area as outlined in the Ann Arbor Downtown Plan.

But we note that your packet for this month contains a proposal from MAV Development to turn a major portion of that city land into a "Main Street Surface Lot." That proposal claims that the lot would be "temporary," "provides an income opportunity for the City/DDA," would "improve the current, unattractive condition of the site" and "provide much needed parking for Downtown." The Citizens Advisory Council rejected a similar proposal by MAV two years ago. We reject this one as well. The proposal would have the effect of slowing down or eliminating the sale of the city land to those who might buy it for needed housing. A recent parking study indicates that this is not the area in which more public parking is needed, but if it were, any group that purchased the land (including Kaplan-Syndeco-NSI) would be delighted to work with the DDA to provide temporary surface parking until housing development was underway. The Kaplan-Syndeco-NSI group would even be willing to include more permanent underground parking in the area if an agreement could be worked out with the city and DDA. The Citizens Advisory Council believes the DDA should emphatically reject the MAV proposal. Furthermore, we believe the DDA should urge the City and Planning Department to swiftly prepare and publicize a formal Request for Proposals for market-rate housing on the Main-Packard site.
Dick Stoll urged the DDA to consider hiring a professional firm with project experience, possibly Carl Luckenbach, to develop ideas, still in their conceptual phase. He also urged the DDA to consider building not only an underground parking structure on the Library Lot, but also to construct whatever base or podium supports a private developer might need to construct their own residential development. The added investment by the DDA might encourage the development of midrise apartments, and this could lead to a future increase of TIF revenues collected. The column spacing supporting the underground structure and the apartment building podium could be planned in such a way as to prepare for whatever building might be constructed in the future.

Matthew Hoffsannah introduced himself as a downtown resident and a merchant retailer working in the downtown since 1978. He said that for the first time, clients are complaining about finding a parking space. Moreover, Ann Arbor needs a new vision of what parking could be like, as it does not necessarily mean driving into a dark and unpleasant building. With imagination and the will to do something new and creative, a parking structure could have a completely different appearance, one that might also allow for parking efficiency. Mr. Hoffmann used as an example, a proposed design for a new structure at Fourth & Washington, for which he distributed sketches drawn by his friend Stefan Trendoff. Its shell-like form would be very attractive, it would create more usable space within the building, and it could be topped with a restaurant which could project images onto the adjacent Courthouse Square Apartment building. Furthermore, it would add something unique to the City. Mr. Hoffmann admitted that such a structure would be very different, but he pointed out that throughout history all famous buildings - e.g. the Eiffel-Tower - were first regarded as somewhat eccentric. At his recent visit to Barcelona, Spain, he saw a box-shaped rock-monolith whose only function was to add a greater sense of art to the city. Stefan Trendoff also spoke to the possibility of a parking structure that might add a sense of art to this city, as well as provide for parking needs.

Steve Kaplan introduced himself, and said that he would like to combine the City-owned parcel at Main/Packard with his adjoining portion to build brownstone-like residential buildings, similar in design to nearby historic buildings. City input on the project will and has been very important, and much time has already been spent developing the concept. He expressed concern that the DDA might consider the MAV proposal to install a 100-car surface parking lot on their portion and the City-owned portion, as it would destroy other proposals to build residential units on the site. If he were to gain access to the City portion, the DDA would be welcome to use these two portions for parking for the 18 months it would take to begin construction. The Downtown Plan refers to this site, as its grade changes would allow for the economical development of underground parking. If the DDA commits to a temporary surface parking lot, it would alter his project. Karl Pohrt asked that this matter be referred to the DDA Parking Committee for further discussion.

5. New Business

None.
6. Subcommittee Reports

Parking Committee Report
Mr. Shaffran reported that planning for the temporary surface lot at Fifth & Huron was underway. Gates reported that he had been in communication with the DDA attorney, Jerry Lax, as his employment with First Martin Corp. might be perceived as a conflict of interest with his involvement with the DDA, given that many current and future projects would involve the two entities in negotiations. Mr. Lax had responded that special precautions should be taken to allay any perceived conflict, including Mr. Gates abstaining from discussions or votes on topics of mutual interest, and that if votes were taken on such topics, a super-majority of eight affirmative votes would be needed. Many DDA members assured Mr. Gates that they did not wish to see him step down from the Board, and that extra effort would be made to ensure sufficient numbers were present for voting. Mr. Shaffran asked that a vote be taken again on the proposed lot at Fifth/Huron, as the vote at the last meeting showed only seven members in attendance. Ms. Gunn made a motion and Ms. Harshe seconded, that the following resolution be approved.

Resolution To Approve the Establishment of a Surface Parking Lot on the Site Bordered by E. Huron Street and S. Fifth Avenue

Whereas, Recent engineering studies indicate that the parking structure at Fourth & Washington will be closed sometime in 1997, and perhaps as early as Spring, 1997; and

Whereas, This facility is used extensively by the public, and contributes significantly to the economic and residential vitality of the area; and

Whereas, The removal of this structure will eliminate the availability of 245 hourly parking spaces in an area of considerable parking demand; and

Whereas, Adjacent property owned by City Hall L.L.C. located at the corner of E. Huron Street and S. Fifth Avenue, is available for lease as a temporary public parking lot from the time a significant portion of the Fourth & Washington parking structure is taken out of service until replacement parking in the area is put into place; and

Whereas, This property owned by City Hall L.L.C. has been offered for lease to the DDA for twenty-four months with a single twelve-month option to renew, and grants both parties the option to cancel after eighteen months; and

Whereas, This site can be affordably rented and adapted for said use by the DDA, and can be managed under the current direction of National Garages.

RESOLVED, That the DDA authorize the establishment of this surface lot for use for twenty-four months, with one one-year option to renew.

RESOLVED, That the DDA Parking Committee Chair and Executive Director be authorized to oversee details and execute legal documents related to the establishment and
authorized to oversee details and execute legal documents related to the establishment and
development of this surface parking lot.

RESOLVED, That the DDA Parking Committee is authorized to spend up to $100,000
(One Hundred Thousand Dollars) to complete construction on this project.

A vote on this resolution showed:
AYES: Berlin, DeVarti, Fritz, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Ungrodt
NAYS: none
Absent: Sipes
Abstention: Gates

The motion carried.

Mr. Shaffran then reported that the Parking Committee had met with other members of the Board,
members of the Citizen’s Advisory Committee, members of the City Public Services Department,
and a representative of the Carl Walker company on May 21, 1997 to formulate proposed parking
repair decisions. The Committee had also met shortly before the Board meeting to shape a
resolution on proposed repairs for Board input and approval. Ms. Harshe made a motion and Ms.
Gunn seconded that the following resolution be put forward for Board discussion:

Resolution on DDA Parking Committee Proposed Repair Decisions

Whereas, Several recent engineering studies indicate that parking structures currently under
DDA management will need significant repairs over the next several years to remain operational;

Whereas, The DDA is required by Article 7 of its lease agreement with the City to
undertake “further repairs, alterations, additions, and enhancements of the Facilities as deemed
reasonable and necessary by the DDA to operate the Facilities for the purposes set forth in this
agreement;”

Whereas, The DDA has presented a series of public meetings and community forums to
discuss parking repair options and issues, and has received input from a great number of people in
the community through letters, phone calls, and personal comments;

Whereas, The DDA Parking Committee, other DDA Board members, representatives of the
DDA Citizen’s Advisory Council, representatives of the City Public Services Department, and a
representative of the Carl Walker, Inc. company met for a half-day session on May 21, 1997 to
shape proposed repair decisions and came to conclusion on the following list of recommendations;

RESOLVED, The DDA will apply a sealer with strip deck coating to the Arm/Ashley
parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in
the 1997 Carl Walker report.

RESOLVED, The DDA will apply a traffic membrane with deck coating to the Liberty
Square parking structure, and will oversee elevator repairs and other repairs to the structure as
outlined in the 1997 Carl Walker report.
RESOLVED, The DDA will apply a traffic membrane with deck coating to the Fourth & William parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report.

RESOLVED, The DDA will completely replace the Forest Street parking structure and add another level of parking.

RESOLVED, The DDA will conduct a full slab replacement of the west half of the Maynard parking structure, and will oversee other repairs as outlined in the 1997 Carl Walker report.

RESOLVED, The DDA will demolish all but the bottom three levels of the Fourth & Washington parking structure and do full slab replacements on these levels creating a parking facility with approximately 90 parking spaces.

RESOLVED, The DDA will conduct a full slab replacement on the First & Washington parking structure, and will oversee other repairs as outlined in 1997 Carl Walker report.

Mr. Shafran outlined the rationale behind each proposed decision. Ms. Harshie expressed support for the Parking Committee's efforts, stating that she had hoped a second structure might be built in the S. University area before the current structure had to be taken out of service, but that she was no longer confident this could be accomplished. Mr. DeVarti stated his interest in pursuing Mr. Stegeman's "South University Place" proposal, as it would directly combine housing with parking, even if it meant reopening the DDA and TIF Plans to expand DDA boundaries and using City powers of an eminent domain. It was pointed out that "South University Place" would require Forest to be significantly repaired or completely replaced to be feasible.

Concern was raised by Mr. Berlin that nearly $1.4 million would be spent to create less than 90 parking spaces at Fourth & Washington, and that a temporary parking lot could create some parking at that site more quickly and for less cost. Mr. Shafran explained that demolition of the building might cost over $600,000, and the creation of a surface lot might cost another $70,000. Mr. Berlin stated again his concern over spending the money, when the site might be better sold for private use, and parking established elsewhere in the neighborhood. Mr. Gates said that it was the DDA's mission to support the economic vitality of the downtown, and many businesses were suffering significant losses since the Fourth & Washington structure had been closed, and prompt decisive action needed to be taken.

Ms. Relyea leaves.

Concern was raised that debates over the future of some structures would hold up action on the less-controversial facilities. Mr. Gillett felt that the Board should give its repair list to the DDA Finance Committee and City Council to react to, as perfect decisions could not be made clear immediately. It was resolved that a committee, composed of Harshie, Gillett, DeVarti, Pohrt, and Ungrodt, would be created to continue the discussion on possible alternative sites for structures in the Main Street and South University areas, and possibly meet with property owners before reporting back to the DDA Board on possible alternatives in those areas.
With several friendly amendments, the resolution was resubmitted as follows:

**Resolution on DDA Parking Committee Proposed Repair Decisions**

**Whereas,** Several recent engineering studies indicate that parking structures currently under DDA management will need significant repairs over the next several years to remain operational;

**Whereas,** The DDA is required by Article 7 of its lease agreement with the City to undertake “further repairs, alterations, additions, and enhancements of the Facilities as deemed reasonable and necessary by the DDA to operate the Facilities for the purposes set forth in this agreement;”

**Whereas,** The DDA has presented a series of public meetings and community forums to discuss parking repair options and issues, and has received input from a great number of people in the community through letters, phone calls, and personal comments;

**Whereas,** The DDA Parking Committee, other DDA Board members, representatives of the DDA Citizen’s Advisory Council, representatives of the City Public Services Department, and a representative of the Carl Walker, Inc. company met for a half-day session on May 21, 1997 to shape proposed repair decisions and came to conclusion on the following list of recommendations:

**RESOLVED,** The DDA will apply a sealer with strip deck coating to the Ann/Ashley parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report.

**RESOLVED,** The DDA will apply a traffic membrane with deck coating to the Liberty Square parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report.

**RESOLVED,** The DDA will apply a traffic membrane with deck coating to the Fourth & William parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report.

**RESOLVED,** The DDA will completely replace the Forest Street parking structure on the same site or on another site in the South University area with a minimum of 591 parking spaces.

**RESOLVED,** The DDA will conduct a full slab replacement of the west half of the Maynard parking structure, and will oversee other repairs as outlined in 1997 Carl Walker report.

**RESOLVED,** The DDA will demolish all but the bottom three levels of the Fourth & Washington parking structure and do full slab replacements on these levels creating a parking facility with approximately 90 parking spaces.

**RESOLVED,** The DDA will conduct a full slab replacement on the First & Washington parking structure, and will oversee other repairs as outlined in 1997 Carl Walker report.
RESOLVED, The DDA hereby creates a committee composed of DeVarti, Gillett, Harshe, Pohrt, and Ungrotz, that will meet with owners of property suitable for development of new parking structures in the South University and Main Street areas, and report back to the Board within sixty days with possible alternatives for structures in those areas.

RESOLVED, The DDA Parking Committee Chair and the Executive Director shall direct Carl Walker, Inc. of Kalamazoo, Michigan, to prepare the necessary construction documents to obtain bids and the necessary contractors to do the repairs as outlined in the respective parking facility reports and in the resolved as stated in the Board meeting attachment, in respect to the dollar amount shown.

A vote on this resolution showed:
AYES: Berlin, DeVarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Shaffran, Ungrotz
NAYS: none
Absent: Relyea, Sipes

The motion carried.

Pollay reported that a resolution would be put forward which would provide for the negotiation of a lease agreement with Sprint Spectrum, L.P. (Sprint) for the installation of an antenna atop the Ann Ashley Parking Structure. The benefit would be an additional revenue source with which to operate the parking system. Ms. Fales reported that because the renewal period exceeds the City agreement with the DDA, and because the DDA agreement with the City did not specifically address subletting portions of parking facilities, the lease must take place between the City and Sprint, with funds then redirected back to the DDA by a secondary agreement. With Ms. Fales’ assistance, and upon motion by Gunn, seconded by Harsh, the following resolution was put forward for Board approval:

Ann Arbor Downtown Development Authority Resolution to Approve A Rental Arrangement with Sprint Spectrum L.P.

Whereas, The Downtown Development Authority (DDA) has responsibility for all maintenance relating to the parking structures lease from the City of Ann Arbor (City);

Whereas, The lease between the DDA and the City identified a parking system that was economical and self-supporting as responsive to the community’s needs;

Whereas, Sprint Spectrum, L.P. has presented the DDA with a proposal to install an antenna atop the Ann Ashley Parking Structure elevator shaft under a lease for a term of five (5) years, renewable for up to four (4) additional five (5) - year terms with rent increases of three percent (3%) a year;

Whereas, The DDA has evaluated the Sprint Spectrum, L.P. proposal as an appropriate economical use of the space to contribute toward self-support of the parking system; and
Whereas, The lease by the City of the space identified in the Sprint Spectrum, L.P. proposal does not conflict with the DDA lease agreement with the City;

RESOLVED, That the DDA recommends the City negotiate a lease agreement with Sprint Spectrum, L.P. for the installation of an antenna atop the Ann Ashley Parking Structure elevator shaft which allocates the lease proceeds to the DDA for the operation of the parking system.

A vote on this resolution showed:

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

The resolution was approved.

Finance Committee Report
Mr. Gates reported that much of the revenue decrease seen at Liberty Square and Ann/Ashley was attributable to a change in the timing of monthly permit collections. He stated that parking revenues are being monitored closely and that a full report will be given at the next monthly meeting.

Housing Committee Report
Mr. DeVarti reported that to learn more about the proposal for South University Place, the Committee had met with Jack Stegeman, as well as with project architect Carl Luckenbach. The Committee had also met with Library Lot representative Dick Stoll, to learn more about that proposed project.

Executive Director Report
Ms. Pollay reminded the Board that she and Ed Shaffran will be participating in a call-in CTN program on parking-related matters, June 18, from 7:00 to 8:00 p.m. DDA members were urged to call with questions, to ensure that the program be as informative and interesting to viewers as possible.

Mr. Pohrt reminded members that the First Annual DDA Bar-B-Q would be held at his house on June 19th, as a thank you for extraordinary, hard work members had provided to the DDA and the community over the past year.

Pedestrian Improvements Committee
Mr. Fritz reported that beginning June 13, 1997 replacement trees would be planted along Washington and Main Streets.

Public Relations Committee Report
None.
7. Other DDA Business

None.

8. Adjournment

There being no further business, upon motion by Shaffran and seconded by Pohrt, the meeting was adjourned at 7:05 p.m.

Respectfully submitted by:

Susan Pollay
Recording Secretary