MINUTES
Downtown Development Authority Meeting
Monday, July 1, 2002

Place: Performance Network, 120 E. Huron Street, Ann Arbor, MI 48104

1. ROLL CALL

Present: Rob Aldrich, Fred Beal, Ron Dankert, David Fritz, Bob Gillett, Rene Greff, Leah Gunn, Lorri Sipes, Dave Solo

Absent: Dave DeVarti, Skip Ungrodt

Staff Present: Susan Pollay, Executive Director

Audience: Joe Morehouse, Deputy Director

Audience: Adrian Iraola, Project Manager

Audience: Brant Coultas, Chamber of Commerce/Get!Downtown Program

Audience: Ray Detter, Citizens Advisory Council

Audience: Donna Johnson, Planning Department

Audience: Cathy O’Donnell, Ann Arbor News

2. APPROVAL OF MINUTES

The June 5, 2002 meeting minutes were not received in time so approval was tabled until the next meeting.

3. AUDIENCE PARTICIPATION

None.

4. CITIZENS ADVISORY COUNCIL

Two members of the CAC were present at last Wednesday’s meeting of the Downtown Marketing Task Force to join with others in unanimously supporting the prompt movement forward by the City Council toward approving the renewal of the DDA. The Task Force believes a Public meeting should be scheduled by City Council no later than October of this year.

Everyone at the Downtown Marketing Task Force meeting agreed that the DDA was the only organization capable of providing the long-term strategic planning necessary to guarantee the continued success of the downtown. I have personally observed the transformation of the DDA from a limited institution mainly concerned with building five new parking structures into a leading force in downtown and community planning. The DDA now involves itself in supporting housing, transportation, parking operations and alternatives, maintenance, pedestrian improvements and historic preservation. The DDA has now absorbed into its own plan for renewal the Downtown Plan of 1988 and the Central Area Plan of 1992. We can’t afford to be without the DDA.

The Downtown Marketing Task Force also encouraged the DDA to spend some money on marketing itself and on public relations. We need to make clear to the community not only what the DDA has done, but what we still need to do, and the fact that we can’t do it without the DDA. The CAC is pleased that the last Planning sub-committee meeting of the DDA approved a recommendation that the DDA produce a short film that will show what the DDA is, what it has done, why we need it in the future. Work on this film should begin immediately.
A special sub-committee of the CAC will meet on July 11 to continue our process for final approval of the DDA Plan. We believe it’s our baby as well as the DDA’s. We intend to support approval of this plan in every public forum where it may be discussed.

Members of the CAC have asked me to comment on two other items.

We encourage the DDA to move forward swiftly in approving a plan to support issuing temporary downtown loft resident parking stickers that will allow loft residents a brief opportunity (5 minutes) to park in loading zones to unload groceries. We will begin the process by bringing this before the appropriate DDA subcommittee.

Finally, we are very pleased that the DDA has supported the Planning Commission proposal to amend City Zoning to require a minimum building height of two stories for all new principal use buildings in the downtown. The controversies over the Burger King drive-in and the one story Olga’s site proposals indicate the need for this ordinance change. The CAC intends to support passage at the City Council public hearing on July 15th.

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Dankert reported there continue to be posting delays from the City on tax revenues. Republic Parking had to write off some accounts receivable due to bankruptcies in the amount of $6,700. Ms. Sipes moved and Ms. Gunn moved to accept the financial report.

A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Gillett, Fritz, Greff, Gunn, Hieftje, Sipes, Solo
NAYS: None
Absent: DeVarti, Ungrodt
The motion carried.

Mr. Dankert reported that a meter bag waiver policy is being drafted, and other meter bag administration is going well. The Committee has reviewed a proposal for a downtown web site that would primarily be funded by the DDA, but would promote the entire downtown in conjunction with the four area associations. Ms. Greff said the associations will meet July 8 to see how they might participate. Mr. Dankert said that the Committee met with Paul Stauder to see if there are opportunities to refinance our existing bonds so as to save money. The bottom line is no.

PARTNERSHIP COMMITTEE
Mr. Gillett said that City Council had asked the DDA to formulate a position on the question of “parking in perpetuity” agreements in light of the recent State Street Lofts parking agreement. Mr. Gillett moved and Ms. Gunn’s seconded the following:

RESOLUTION RECOMMENDING A POLICY ON PROVIDING PUBLIC PARKING ‘IN PERPETUITY’
Whereas, The DDA has as its mission the goal of strengthening the downtown area and attracting new private investments;

Whereas, New private developments generate TIF which is utilized to fund DDA efforts to support the downtown district, including the construction of new parking facilities;

Whereas, Under its 1992 agreement with the City, the DDA acts as manager of the City’s parking structures and lots;

Whereas, The DDA regularly receives requests from developers to assist with the provision of monthly parking permits to enable their projects to go forward;

Whereas, There is a limited supply of downtown public parking and great demand, as evidenced by the DDA’s permit wait list, which at times exceeds 900 people;

Whereas, City Council has asked the DDA to provide recommendations regarding requests for parking agreements in perpetuity;

Whereas, The DDA Partnerships and Operations Committees recognize that developer choices about their project site plans can ultimately lead to the need for parking being offered in perpetuity if approved by City Council;

Whereas, The DDA Partnerships and Operations Committees have each discussed the concept of parking being offered in perpetuity, and have each resolved to recommend that future parking agreements should be limited to no more than 20 years with possible renewals on terms acceptable to the DDA and City;

RESOLVED, The DDA approves the recommendation as set forward by the DDA Partnerships and Operations Committees.

RESOLVED, The DDA directs its Executive Director to forward this recommendation to City Council for its consideration as City policy.

Mr. Gillett said that the Committee felt that it was in the City’s best interest to provide future opportunities to revisit agreements. Things change and sometimes not all issues are known or considered in the beginning. Mr. Beal said that past agreements had demonstrated this. Mr. Gillett said that the KAZ request for parking at Willard/Church would be another project in which parking would need to be provided in perpetuity – which is something that should be considered before a site plan approved. Thus far discussions with the Partnerships Committee have been informational but no action has been taken. There are concerns about the project, notably that it’s multi-bedroom student development that doesn’t add much to the neighborhood. The SUAA would prefer one-bedroom apartments that would be more likely to draw graduate students and other older students. It is likely that before this project breaks ground that the DDA’s renewal and district expansion will be resolved. Mr. Solo said to the Mayor that this project is one more reason to move ahead with the renewal process.

A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Gillett, Fritz, Greff, Gunn, Hieftje, Sipes, Solo
NAYS: None
Absent: DeVarti, Ungrodt
The motion carried.

CAPITAL IMPROVEMENTS COMMITTEE
Forest. Mr. Beal reported that the contractor is done, and only the bridge remains to be completed. CWI has provided the City with a statement that if constructed as designed it will meet code as a
pedestrian walkway. Ms. Pollay was instructed to contact building owners to inform them that the DDA will move forward to build this bridge.

**Fourth/William Repairs.** Mr. Beal reported that all work will be closed up for Art Fair. Remaining work includes the office construction, painting, and window installation.

**State Street Area-Status.** Mr. Beal reported this project remains 3 weeks behind but they are making great progress. Lights have been received and will be installed next week. Construction will be closed up for Art Fair, and work restarted after the event.

**Fourth Ave. Improvements.** Work will be done by Art Fair except for the installation of new lights on 100 N. 4th. We will reuse lights from the AATA site when they receive their new bus shelters after Art Fair.

**PLANNING COMMITTEE**

Ms. Sipes gave an overview of the Get!Downtown program, saying that DDA has been involved in this project since its inception. The DDA has been asked for financial support to keep the Go!Pass price at a very affordable $5/pass/year. As cited recently by Mr. Coultas, it has been estimated that more than 300 rides are diverted from downtown every day. Ms. Sipes moved and Ms. Greff seconded the following resolution:

**RESOLUTION PROVIDING $445,000 TOWARD FUNDING OF THE GO!PASS FOR DOWNTOWN EMPLOYEES FROM NOVEMBER 2002 THROUGH OCTOBER 2004**

**Whereas,** The 1982 DDA Plan provides that the DDA shall undertake efforts to serve the non-motorist needs of existing and new developments in the Development District;

**Whereas,** The DDA took a leadership role during its 1998 Ann Ashley and Liberty Square repair projects, providing free bus passes and shuttle service to over 1,500 downtown employees displaced by repairs, most of whom had never ridden an AATA bus previously;

**Whereas,** In 1999 the DDA partnered with AATA, the City of Ann Arbor, and the Chamber of Commerce on a new “Get!Downtown” program aimed at introducing employees to alternative transportation options;

**Whereas,** The Get!Downtown program provides for a full-time transportation coordinator who conveys individualized transit information to downtown employees, and who works with a wide range of businesses to distribute a free “Go!Pass” to their employees;

**Whereas,** When initial Congestion Mitigation/Air Quality (CMAQ) funding expired, the DDA approved $175,000 in funding to support Go!Passes through November 2002;

**Whereas,** As part of this funding approval, the DDA requested that downtown employers contribute $5/pass to ensure their support of the program;

**Whereas,** 285 Downtown employers currently participate in program, providing free Go!Passes for 4,600 downtown employees;

**Whereas,** Recent studies indicate that more than 300 daily car trips are diverted from downtown as a result of the Go!Pass, and that bus ridership has increased 9.2%;

**Whereas,** The DDA received a request from the Get!Downtown Program to fund Go!Pass costs for two additional years, November 2002 through October 2004;
Whereas, The DDA has been asked to fund $220,000 for FY 2002/03, and $225,000 for FY 2003/04, with the understanding that downtown employers will be asked to provide $5.00 per pass in 2002/03 and $7.50 per pass in 2003/04;

Whereas, The DDA Planning Committee recognizes that the Go!Pass is a valuable tactic toward meeting the DDA’s 2032 Plan goal of providing a “menu of transportation options” for downtown employees;

Whereas, The Planning Committee also recognizes that the cost of providing bus passes is a less expensive solution to meet the needs of downtown employees than building and operating new parking structures, citing the example of Fourth and Washington in which debt service costs lead to an annual net revenue loss;

Whereas, The Planning Committee unanimously recommended that the DDA approve funding for the Go!Pass for two years per the Get!Downtown request;

Resolved, The DDA approves funding for the Go!Pass in the amount of $220,000 for FY 2002/03, and $225,000 for FY 2003/04, with the understanding that downtown employers will be asked to provide $5.00 per pass in 2002/03 and $7.50 per pass in 2003/04.

Ms. Gunn said she thought it was a wonderful program. Mr. Beal asked how the costs were shared by employers, and Ms. Pollay said that it was similar to a health care program in that the employer paid a small amount ($5 each) for all employees knowing that only a few would use the program to its fullest. Ms. Pollay said that getting a pass into every employee’s hands increased the chance that the pass might be used on impulse. Ms. Gunn said it eliminates the need to keep building parking structures and helps the environment. Mr. Hieftje said that funding would continue the success we’ve seen during its pilot phase. The Smartzone was recently approved and it’s the logical time to subsidize this as more people may be moving their businesses downtown. Mr. Aldrich said that $220,000/yr. = $3.4 million in total debt = 136 spaces. Funding this lessens demand in parking system and is a good deal. Mr. Dankert asked that we make each payment in its own fiscal year. Mr. Aldrich said it would lighten the parking demand – and as such, we should pay for this program from our parking revenues. Mr. Iraola suggested a friendly amendment to the resolution that we put on the go pass “paid for by DDA”.

A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Gillett, Fritz, Greff, Gunn, Hieftje, Sipes, Solo
NAYS: None
Absent: DeVarti, Ungrodt
The motion carried.

8. OTHER BUSINESS
Ms. Pollay asked if the DDA wished to hold its August meeting or cancel it as it had the previous two years. All acknowledged their interest in canceling the meeting.

9. ADJOURNMENT
As there was no further discussion, upon motion, the meeting was adjourned at 3:50 p.m. The board then returned to its summer retreat for further discussion

Respectfully submitted,
Susan Pollay, Executive Director