Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: Ms. Smith called the meeting to order at 12:03 p.m.

1. **ROLL CALL**

Present: Bob Guenzel, Roger Hewitt, Joan Lowenstein, Al McWilliams, John Mouat, Keith Orr, Steve Powers, Sandi Smith, John Splitt

Arriving late: Rishi Narayan

Absent: Cyndi Clark, Russ Collins

Staff Present: Susan Pollay, Executive Director
Joseph Morehouse, Deputy Director
Amber Miller, Planning and Research Specialist
Jada Hahlbrock, Management Assistant

Audience: Art Low, Republic Parking
Mary Morgan, Ann Arbor Chronicle
Nancy Shore, getDowntown
Ray Detter, Downtown Area CAC
Chang Ming Fan, Tini Lite World
Ed Vielmetti, All Hands Active
Mike Martin, First Martin Corp.
Darren McKinnon, First Martin Corp.

2. **AUDIENCE PARTICIPATION**

None

3. **REPORTS FROM CITY BOARDS AND COMMISSIONS**

**Downtown Area Citizens Advisory Council.** Mr. Detter said that the CAC has 3 seats open for new members and interested downtown residents were welcomed to contact the City to join.

He said that at their most recent meeting, CAC members completed the Street Framework feedback questionnaire. They also reviewed information on new proposed developments in downtown, the City and the County. Much of the meeting was devoted to a discussion of the future of the Library Lot. CAC members support the development of a public plaza of significant size on the Fifth Avenue side of the Library Lot site, as well as a new, tax producing, private or public development on the major part of the property. The CAC is pleased that City Council and the Parks Advisory Committee are moving ahead plans to improve Liberty Plaza Park.
Mr. Narayan arrives.

4. COMMUNICATIONS FROM DDA MEMBERS
The DDA had previously elected not to hold a monthly meeting in August. The Board considered but decided not to cancel DDA committee meetings in July.

Ms. Miler reported out on recent Street Framework meetings and outreach efforts.

Mr. Hewitt announced that there will be a Connector Study public meeting on September 16th at the downtown branch of the AADL.

Mr. Hewitt also shared that planning continues for a possible north-south commuter rail line. A possible site for a downtown stop has been identified on the east side of the track at Liberty and Washington, within the railroad right of way.

5. APPROVAL OF MINUTES
Mr. Hewitt moved and Mr. Powers supported approval of the June 2014 DDA meeting minutes.

A vote on the minutes showed:
AYES: Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Narayan, Orr, Powers, Smith, Splitt
NAYS: none
ABSENT: Clark, Collins
ABSTAIN: None
The motion carried.

6. A. PARTNERSHIPS/ ECONOMIC DEVELOPMENT AND COMMUNICATIONS COMMITTEE
618 S Main Street Brownfield Grant Extension. Ms. Lowenstein moved and Mr. Guenzel supported the following resolution.

RESOLUTION TO EXTEND THE TIME FOR THE DDA GRANT FOR THE PROJECT LOCATED AT 618 S. MAIN STREET

Whereas, On June 6, 2012, using its Brownfield Grant Policy, the DDA voted to approve a grant for the 618 S. Main Street project;

Whereas, The DDA’s Brownfield Grant policy states that “The DDA’s grant will automatically expire by June 30th at the end of the fiscal year following the fiscal year the grant was approved by the DDA if a developer has not requested and received all necessary City construction permits, and the project footings/foundations are not completely installed. The DDA grant will automatically expire by June 30th at the end of the third fiscal year following the fiscal year the grant was approved by the DDA if construction has not been completed and a CO issued for the project.”
Whereas, The developer of the 618 S. Main Street project has notified the DDA that work is well underway, however winter weather caused the project schedule to be delayed, thus necessitating the need for a DDA grant extension;

Whereas, The DDA Partnerships Committee reviewed the status of the project and recommends that the DDA approve a grant extension for an additional year to allow the remaining city building permits to be received and the project construction to be completed;

RESOLVED, The DDA approves a one year extension for its Brownfield Grant for the 618 S. Main Street project as requested.

A vote on the resolution showed:
AYES: Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Narayan, Orr, Powers, Smith, Splitt
NAYS: none
ABSENT: Clark, Collins
ABSTAIN: None
The resolution passed.

116-120 W Huron Project Grant. Mr. Mouat moved and Mr. Splitt supported the following resolution.

RESOLUTION TO PROVIDE A DDA PARTNERSHIPS GRANT FOR THE PROJECT AT 116-120 W. HURON STREET

Whereas, The DDA Partnerships Committee reviewed and discussed a DDA Partnerships Grant request from the developers of a project to be located at 116-120 W. Huron Street and the Committee has determined that the project accomplishes many of the criteria set forward in the DDA’s Partnerships Grant program;

Whereas, The Developer of 116-120 W. Huron Street project has estimated that the portion of the new taxes generated by this project that will be captured by the DDA will be approximately $156,515/year, although this figure has not yet been verified by the City Assessor;

Whereas, The maximum grant provided for by the DDA’s Partnerships Grant program would be based on a calculation using the actual TIF received by the DDA from this project over ten years at 25%, which has been estimated by the developer to be $391,287;

Whereas, The Committee has identified project elements that benefit the development, and also the larger public good, as follows, with the estimated costs equaling the maximum allowable under the DDA Partnership Grant program:

<table>
<thead>
<tr>
<th>Public Benefit Elements</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>New 12” water main on Ashley Street, and related hardscape</td>
<td>$340,000</td>
</tr>
</tbody>
</table>
Sidewalk enhancements on Ashley Street | $10,000
Right of way landscape maintenance (20 year commitment) | $40,000

$390,000

Whereas, It is recommended that the grant to the project be timed over three years as follows:

<table>
<thead>
<tr>
<th>Recommended Timing for the DDA Partnership Grant for 116-120 W. Huron</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
</tr>
<tr>
<td>Year Two</td>
</tr>
<tr>
<td>Year Three</td>
</tr>
</tbody>
</table>

RESOLVED, The DDA approves a Partnerships Grant to the project located at 116-120 W. Huron Street;

RESOLVED, Should the improvements differ significantly from the plan the Developer presented to the DDA, the DDA reserves the right to adjust its grant accordingly.

RESOLVED, If the City Assessor determines that the TIF captured by the DDA from the proposed project at 116-120 W. Huron is less than $156,515/year as proposed by the developer, the DDA will reduce its grant to this project proportionately.

RESOLVED, The DDA payments to the Developer shall be timed as recommended by its Partnerships Committee as listed above, however the DDA reserves the right to adjust the payment schedule if its TIF budget so requires.

RESOLVED, The DDA Partnerships Grant is tied to project milestones and will sunset if two targets are not met: 1) The project’s footings and foundations shall be completely installed and applicable City construction permits pulled by June 30th 2016. 2) Construction must be complete and a Certificate of Occupancy issued by June 30th, 2017. It is the responsibility of the developer to report milestones to the DDA.

RESOLVED, The DDA Partnerships Committee Chairs and Executive Director are authorized to work with the DDA Attorney to formulate an agreement between the DDA and the Developer of the project proposed for 116-120 W. Huron that conveys the intent of this DDA decision.

Ms. Smith said that the Partnerships Committee worked diligently to create the new DDA Partnerships Grant Policy. She said that the 116-120 W Huron project aligned well with stated goals and eligible improvements as outlined in the Policy, and the Committee recommended approval of the grant. Representatives from First Martin Corporation were in attendance to present design drawings and answer questions.
Ms. Smith shared that the Partnerships Committee would be reviewing the policy at their next meeting, and would be reevaluating the policy on an annual basis going forward to be certain goals and priorities remained up to date.

A vote on the resolution showed:
AYES: Guenzel, Hewitt, Lowenstein, Mouat, Narayan, Orr, Powers, Smith, Splitt
NAYS: none
ABSENT: Clark, Collins
ABSTAIN: Mc Williams
The resolution passed.

Downtown Marketing Update. Mr. Narayan said the Committee continues to explore the appropriate role of the DDA in regards to marketing downtown. Mr. McWilliams said that the CVB plans to collect visitor data during Art Fair, and he anticipates that this data may be useful to the DDA’s efforts.

The next Partnerships / Economic Development and Communications Committee meeting will take place on July 9th at 9 am.

6. B. OPERATIONS COMMITTEE
Sidewalk Repairs/Tree Maintenance. Mr. Hewitt moved and Mr. Mouat supported the following resolution.

RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A PROJECT BUDGET OF $100,000 TO BE USED FOR GENERAL SIDEWALK REPAIRS AND TREE MAINTENANCE IN THE DDA DISTRICT IN FY 2015

Whereas, The DDA Development Plan sets forward that the DDA will work to ensure that sidewalks and other public right of way elements are regularly maintained, as it supports walkability and communicates a great deal about the image of downtown;

Whereas, Several downtown sidewalk areas needing repair have been noted, including such elements as displaced bricks and uneven sidewalk flags;

Whereas, An extensive street tree inventory has been assembled by the City noting missing, dead or overgrown downtown trees needing pruning, which will require attention over multiple years;

Whereas, The cost for downtown sidewalk repairs and tree maintenance in FY 2015 has been estimated to be $100,000;

RESOLVED, The DDA authorizes the expenditure of up to $100,000 in FY 2015 from its (003) TIF funds to be used for downtown sidewalk and tree maintenance.
RESOLVED, The DDA Executive Director is authorized to sign contracts as necessary to accomplish this work.

Mr. Hewitt said that the DDA annually does this work during the summer and fall. Board members pointed out that sidewalk maintenance was a widely supported priority at the board retreat.

A vote on the resolution showed:
AYES: Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Narayan, Orr, Powers, Smith, Splitt
NAYS: none
ABSENT: Clark, Collins
ABSTAIN: None
The resolution passed.

4th & William Improvements Update. Mr. Splitt shared that planning for the stair and elevator tower replacements continues, as does exploring possibilities for a build out on the ground floor of the structure for commercial uses. He announced that a design meeting will take place on Wednesday, July 9 at 11:30 am at the DDA office.

Ambassador Update. Mr. Hewitt said that DDA, City, CSTS/PORT, and CVB representatives met to share ideas for what a future downtown ambassador program might look like so that the program would best complement programs and services provided by other public agencies. He announced that a meeting to discuss next steps and ideas for a future RFP will take place on Wednesday, July 9 at 1:00 pm at the DDA office.

Transportation Updates. Mr. Orr said that work continues on the Greyhound ticket office in the 4th & William structure and should be completes by July 7th.

Parking Updates. Mr. Hewitt pointed out the Permits by Facility report in the board pack.

The next Operations Committee meeting will be July 30 at 11:00 am.

City Update. Mr. Powers said that Council approved the hiring of two additional Community Engagement officers. He also shared that City safety services and the Red Cross will be headquartered at Liberty Plaza throughout Art Fair.

Closed Session. Mr. Hewitt moved and Mr. Mouat supported a motion to enter into closed session for the purpose of a periodic personnel evaluation, as requested by the employee.

A vote on the motion showed:
AYES: Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Narayan, Orr, Powers, Smith, Splitt
NAYS: none
ABSENT: Clark, Collins
ABSTAIN: None
The motion passed.

The DDA Board exited the room for closed session at 12:47 pm.

The DDA Board returned to the open meeting at 1:08 pm.

Ms. Smith introduced a resolution from the Executive Committee concerning compensation for the DDA Executive Director. Mr. Hewitt moved and Mr. Mouat supported the following resolution.

Resolution Approving a Compensation Change for the DDA Executive Director of the Ann Arbor Downtown Development Authority for FY 2015

Whereas, Susan Pollay has served as the DDA Executive Director since 1996;

Whereas, A number of important DDA projects were undertaken in FY 2014 under Ms. Pollay’s leadership, including opening the new First and Washington parking structure, creating a Street Framework planning initiative in partnership with the City, and working with the City Council to approve amendments to the DDA ordinance;

Whereas, DDA board members were asked to provide their review of Ms. Pollay’s efforts in FY 2014, and these reviews noted how effectively she works with the DDA Board to support board member involvement and effectiveness, how effectively DDA programs and projects are managed, and that Ms. Pollay serves as a vital resource for downtown stakeholders, and the community at large;

Whereas, The DDA Executive Committee recommends that Ms. Pollay be provided with a salary adjustment beginning July 1, 2014 to increase her salary from $109,119 to $XXX,XXX;

RESOLVED, The DDA board recognizes Ms. Pollay’s performance and accomplishments, and approves a salary adjustment as recommended by its Executive Committee.

Mr. Hewitt said that the board had discussed Ms. Pollay’s most recent evaluations, current pay rate and proposed pay raise. The recommendation from the Executive Committee was to raise her salary by 5%, from $109,119 to $114,575.

Mr. Hewitt said that Ms. Pollay had voluntarily resisted taking salary increases for several years until last year due to concerns about the state and local economy, and with the proposed increase, this would begin to catch her up on cost-of-living increases over the past many years. Mr. Guenzel said that Ms. Pollay’s compensation well under the midpoint of the City non-union salaried compensation plan level for her job grade, and he hoped that the DDA would continue to provide increases over the next two to three years. Mr. Powers said that he would not be able to support the 5% increase, although he understood the reasons that had been given. He
noted that he would be more comfortable if a more robust performance evaluation process was in place, and that he would be able to support a 3% increase in keeping with what the City was providing its non-unionized staff this fiscal year. Ms. Smith noted that Ms. Pollay had voluntarily not taken any salary increases for several years despite excellent job performance, and that she felt that 5% was a modest increase.

With the proposed salary modification inserted, the resolution read as follows.

Resolution Approving a Compensation Change for the DDA Executive Director of the Ann Arbor Downtown Development Authority for FY 2015

Whereas, Susan Pollay has served as the DDA Executive Director since 1996;

Whereas, A number of important DDA projects were undertaken in FY 2014 under Ms. Pollay’s leadership, including opening the new First and Washington parking structure, creating a Street Framework planning initiative in partnership with the City, and working with the City Council to approve amendments to the DDA ordinance;

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Whereas, The DDA Executive Committee recommends that Ms. Pollay be provided with a salary adjustment beginning July 1, 2014 to increase her salary from $109,119 to $114,575;

RESOLVED, The DDA board recognizes Ms. Pollay’s performance and accomplishments, and approves a salary adjustment as recommended by its Executive Committee.

A vote on the resolution showed:
AYES: Guenzel, Hewitt, Lowenstein, McWilliams, Mouat, Narayan, Orr, Smith, Splitt
NAYS: Powers
ABSENT: Clark, Collins
ABSTAIN: None
The resolution passed.

8. OTHER AUDIENCE PARTICIPATION
Ed Vielmetti shared that he has created an online application for accessing available parking data. He would like the opportunity to present at a future Operations Committee meeting. Ms. Smith welcomed him to attend the July 30th Operations Committee meeting.
Chang Ming Fan said that small businesses drive technology innovations. He said Ann Arbor needs a modern community and a smart sign for communicating with the public.

Nancy Shore reminded the Board that the Blake Transit Center Grand Opening celebration would take place on Monday, July 7 at 10:00 am. She invited all to attend and visit the getDowntown office on the second floor.

9. ADJOURNMENT

There being no other business, Mr. Orr moved and Mr. Narayan supported a motion to adjourn. Ms. Smith declared the meeting adjourned at 1:25 pm.

Respectfully submitted,

Susan Pollay, Executive Director