MINUTES
Downtown Development Authority Meeting
Wednesday, July 7, 2004

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: Board Secretary Dave Solo called the meeting to order at 12:09 p.m.

1. ROLL CALL
   Present: Gary Boren, Ron Dankert, Bob Gillett, Leah Gunn, John Hieftje, Lorri Sipes, Dave Solo
   Absent: Rob Aldrich, Fred Beal, Dave DeVarti, David Fritz, Rene Greff
   Staff: Susan Pollay, Executive Director
          Joe Morehouse, Deputy Director
          Adrian Iraola, Project Manager
          Sarah Armstrong
   Audience: Brian Barrick, Pollack Design
             Erica Briggs, Get Downtown Program
             Gerry Clark, Pollack Design
             Ray Detter, Citizens Advisory Council
             Paula Gardner, BDW
             Bob Henderson, Citizens Advisory Council
             Donna Johnson, City Planning Department
             Sabrina Keeley, Ann Arbor Chamber
             Jim Mogensen, Citizen
             Jeff Mortimer, Citizens Advisory Council
             Louisa Pieper, Kempf House
             Mike Ramsey, Ann Arbor News
             Deanna Relyea, Kerrytown Concert House and Kerrytown District Association
             Kristen Sorensen, Pollack Design
             Mary Stasiak, AATA
             Don Todd, City of Ann Arbor
             Chris White, AATA

2. APPROVAL OF MINUTES
   Ms. Gunn moved and Ms. Sipes seconded approval of the June 2, 2004 minutes.

   A vote on the motion showed:
   AYES: Boren, Dankert, Gillett, Gunn, Hieftje, Sipes, Solo
   NAYS: None
   Absent: Aldrich, Beal, DeVarti, Fritz, Greff
   The motion carried.

3. AUDIENCE PARTICIPATION
   Deanna Relyea, Kerrytown District Association member, reported that there would be a meeting in the
   Kerrytown Concert House on July 13th for community members to meet with St. Nicholas project
   architects and developers.

   Erica Briggs, thanked the board for the DDA's past involvement in the Get!Downtown program, and
   asked for DDA support to renew its Go!Pass funding for another three years.

4. CITIZENS ADVISORY COUNCIL
   Mr. Detter reported:
The Citizens Advisory Council has asked me to report on four initiatives, all of which we enthusiastically support.

1. Last night Joe Fitzsimmons and Julie Steiner of the Washtenaw Housing Alliance provided a presentation on current developments and plans for developing a “Blueprint for Homelessness” in Washtenaw County. Several CAC members have been active in dealing with the homelessness issue through the Shelter Advisory Group and Habitat for Humanity. Our members made it clear that we must have a greater awareness of the people we intend to serve and carefully developed strategies for approaching their needs. We now have a smoothly working “dry” shelter and a family shelter. But we have still not adequately dealt with the “wets”. While permanent housing is the goal for everyone, we need to know how many people will need transitional housing with supportive services in the process of getting there. What about transients who suffer from alcohol and drug abuse? The need for more detox? What’s needed and where is it needed? As an example, our replacement for the YMCA needs to be fit into a broad approach to all types of homelessness in Ann Arbor and the County. If we are to be accountable, we need to be constantly aware of the impacts of our actions—both positive and negative—in dealing with homelessness. Joe and Julie agreed and encouraged everyone to come to a County Conference on Homelessness on Sept. 21 so we can provide input on these and other issues related to the homeless.

2. Last night we were pleased to learn that Susan Pollay has developed a strategy for moving ahead on placing pedestrian and bicycle safety signage in the State and Liberty St area. Several recommendations resulted from the DDA’s investment of $20,000 to hire Norm Cox and Greenway Collaborative to study bike and pedestrian safety needs in that area. At the same time that signs will be installed asking cyclists to walk their bikes on the sidewalk, decals will be placed in the streets to remind drivers that cyclists have a right to use the streets. These signs will be used in the State St area as a test. If successful, the technique may be used in other areas as part of the city-wide alternative transportation plan.

3. You have a resolution before you today by the Operations Committee to grant $128,000 for needed maintenance repairs and restoration to the City-owned Kempf House on Division Street. I expressed the Citizens Advisory Council strong support for this resolution at your June meeting. We were pleased that the Mayor also spoke in favor of the resolution. We look forward to passage of the resolution today.

4. Citizens Advisory Council member Jeff Mortimer appeared before the Partnership Committee several weeks ago to ask for DDA support of funding for a Downtown Resident Handbook. It will be distributed in the future to new and prospective downtown residents. Its goal is to encourage downtown residency and to selectively provide support for those who have chosen to live downtown. Although the text has not yet been completely finalized, we ask your support for the resolution providing the grant.

5. **NEW BUSINESS**

   Mr. Solo said that the board generally did not meet in August and asked the board if they wanted to cancel the August 4, 2004 meeting. By a voice vote, it was agreed to cancel the meeting.

6. **OLD BUSINESS**

   Mr. Iraola reported that a lot of material has been gathered on the DDA’s Huron, Division and Fifth Avenue Urban Design Study. He introduced Peter Pollock, who then presented a power point presentation of the study team’s research and recommendations.

   **Mr. Beal enters.**

   Preliminary draft copies of the Urban Design Workbook were provided to the DDA members for their review and comments. Mr. Pollack said that a presentation would be made to the Planning Commission
on July 13th, and it was hoped that the Planning Commission, DDA, and others would provide feedback to the study team by the end of the month so that the Workbook could be finalized.

7. **SUBCOMMITTEE REPORTS**

**OPERATIONS COMMITTEE**

Mr. Dankert reported on the May financial statements. Parking revenues are on track for the year. Number of patrons and revenues were down in May against last year’s numbers. Year-to-date, Ann Ashley is holding its own and Fourth & William and Fourth & Washington are above budget, but other facilities show revenue decreases against last year. Parking expenses remain over budget year-to-date, including a 6% increase in parking operator employee wages and fringe benefits. The only activity with the Housing Fund was a quarterly payment on the YMCA property purchase loan. Mr. Dankert moved and Ms. Gunn seconded that the May financial statements be accepted.

A vote on the motion showed:

**AYES:** Beal, Boren, Dankert, Gillett, Gunn, Hieftje, Sipes, Solo

**NAYS:** None

**Absent:** Aldrich, DeVarti, Fritz, Greff

The motion carried.

Mr. Dankert moved and Mayor Hieftje seconded the following resolution:

**RESOLUTION PROVIDING FUNDS TO ASSIST WITH THE RESTORATION OF THE KEMPF HOUSE ($128,500)**

Whereas, The 2003 Ann Arbor Downtown Development Authority Renewal Plan includes a strategy to celebrate Ann Arbor’s unique identity, history, and character;

Whereas, This strategy includes support for programs such as the award-winning Historical Street Exhibit Program, which educates the public about the City’s rich and fascinating history;

Whereas, The City of Ann Arbor purchased the Kempf House in 1969 and the Ann Arbor Historical Foundation raised the funds for the renovation. The museum opened in 1970 and is operated by the non-profit Kempf House Society;

Whereas, The Museum has always been operated by volunteers, and is funded by donations, in addition to in-kind contributions by the City of water, electricity, and lawn mowing;

Whereas, The Kempf House Museum is designed to provide visitors with an insight into how early Ann Arbor families lived and worked, and the Society presents a regular noontime lecture series in addition to special events and exhibits focusing on aspects of Ann Arbor’s rich historic past;

Whereas, The Kempf House Society provided a request to the DDA for $128,500 which would enable them to do a thorough building assessment and repair master plan, as well as some immediate interior renovations;

Whereas, The Kempf House Society is fundraising for endowment funds that would be used for future maintenance and repairs;

Whereas, The DDA provided a $150,000 grant to the Michigan Theater in 1999 toward its costs for façade restoration, and a $150,000 grant to the Hands On Museum in 2002 for building repairs including a new roof, replacement of window frames and five internal and two external heating/cooling units;
Whereas, Like the Kempf House, the Michigan Theater and Hands On Museum are City-owned buildings, leased to managing nonprofits;

Whereas, The Operations Committee has reviewed the request from the Kempf House and has resolved to put forward a recommendation for funding;

RESOLVED, The DDA shall provide the Kempf House with a grant of $128,500 to assist with its building assessment, maintenance master planning, and interior renovations.

Ms. Gunn said that she saw this request as analogous to the DDA’s grants to the Michigan Theater and Hands On Museum, as all three were City-owned buildings managed by non-profits. Mr. Gillett said that he saw this as different, because the Michigan and Hands On Museum drew thousands of people to downtown every year, whereas the Kempf House drew only a fraction as many. He said he was also concerned that the others came to the DDA after they had developed their repair strategies, and that the DDA would be the only funding source for this project. Ms. Gunn said that the Kempf House was operating as a volunteer organization, and didn’t have the expertise to seek large grants. She said that she felt that this building was “a little jewel”, and that its preservation was a community benefit. Mr. Hieftje said that there were increasingly fewer places for small museums to go to for public funding, and that he saw the importance of this building and its programs as tied to the Historic Street Exhibit project.

Concern was expressed that the Repair Master Plan might reveal repair needs greater than anticipated. Ms. Pieper was asked where additional funds might be found if more repairs were needed; Ms. Pieper said that this scenario hadn’t been considered, but that perhaps the Museum might come back to the DDA with an additional request. Ms. Sipes said that she worked with many organizations operating out of historic buildings, and that she would recommend that the Repair Master Plan be expanded to include a sustainability financial plan whereby the Kempf House would become economically self-reliant. This recommendation was supported by several other DDA members. Mr. Gillett suggested that the DDA release $53,500 immediately to enable the Museum to complete its kitchen and office, humidity control and sign, but wait to release the remaining funds until after the DDA had had a chance to review the Master Plan and sustainability plan. Mr. Solo asked if $53,500 would be sufficient; Ms. Pieper said yes.

Mr. Beal put forward a friendly amendment to revise the resolved clause, seconded by Ms. Gunn, as follows:

“RESOLVED, The DDA shall provide the Kempf House with a grant of $128,500; and

RESOLVED, The DDA shall make available $53,500 of this grant at the current time to enable the Kempf House Society to move forward with its new kitchen and office improvements, signage, and humidity controls for its piano; and

RESOLVED, The Kempf House “Building Assessment and Master Repair Plan” shall contain an economic sustainability element, including strategies to build audience numbers and revenues, and the DDA will authorize the remaining disbursement of $75,000 upon review of the Kempf House Master Repair Plan and Sustainability Plan, with the understanding that the Kempf House will be responsible to secure any additional repair funding called out by this Plan beyond the $128,500 grant provided by the DDA.”

A vote on the amended resolution showed:
AYES: Beal, Boren, Dankert, Gillett, Gunn, Hieftje, Sipes, Solo
NAYS: None
Absent: Aldrich, DeVarti, Fritz, Greff
The amendment carried.
Mr. Solo announced that Mr. Morehouse would be using a projector at the DDA retreat so DDA members could test 10 Year Plan assumptions interactively together. Mr. Solo said that he would also encourage DDA members to utilize their own computers to explore impacts of various changes.

RESEARCH AND OPPORTUNITY COMMITTEE
Ms. Gunn moved and Mr. Gillett seconded the following resolution:

RESOLUTION PROVIDING $732,586 FOR THE GO!PASS AND GETDOWNTOWN PROGRAM FROM NOVEMBER 2004 THROUGH OCTOBER 2007

Whereas, The 2003 DDA Renewal Plan cites the getDowntown Program as enabling downtown employees to select the transportation options that best fit their needs, schedules, and financial means, while lessening the number of automobiles on downtown streets;

Whereas, The getDowntown program represents a partnership between the DDA, AATA, City, and Chamber that goes back to 1999, and which provides for a full-time director who conveys individualized assistance to downtown employees;

Whereas, The Go!Pass is a project of the getDowntown program, in which downtown employees are provided a free bus pass for all AATA buses;

Whereas, Congestion Mitigation/Air Quality (CMAQ) funding supported the Go!Pass program in 1999, and in 2001, the DDA approved $175,000 to support Go!Passes for one year, through November 2002;

Whereas, in July 2002, the DDA approved a resolution extending its Go!Pass funding for two more years in the amount of $445,000, which also included a contribution to the getDowntown program and which asked for a $5/pass per employee copay from downtown employers;

Whereas, This funding is set to expire in October 2004;

Whereas, 315 downtown employers currently participate in the Go!Pass program, providing free bus passes for 4,990 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 continues to increase;

Whereas, The DDA received a request from the getDowntown Program to renew its Go!Pass funding for three additional years, from November 2004 through October 2007;

Whereas, The DDA has been asked to provide Go!Pass funding in the amount of $218,243 for FY 2004/05, $237,655 for FY 2005/06, and $258,117 for FY 2006/07, with the understanding that downtown employers will be asked to provide $5.00 per pass and Go!Pass distribution will increase to 5,750 passes by 2006/07;

Whereas, The DDA has also been asked to contribute funds in support of the getDowntown program in the amount of $6008 in 2004/05, $6189 in 2005/06, and $6,374 in 2006/07;

Whereas, The Research & Opportunity Committee recognizes that Go!Passes are a valuable tool that will enable the DDA to meet its Renewal Plan goal of providing a “menu of transportation options” for downtown employees, and recognizes that the cost of providing bus passes is a less expensive and more sustainable alternative to parking;
RESOLVED, The DDA will provide funding for the Go!Pass and getDowntown program in the amount of $732,586 to support these programs from November 2004 through October 2007, with the understanding that downtown employers will be asked to provide $5.00 per Go!Pass and efforts will be made to increase Go!Pass distribution to 5,750 passes by 2006/07.

Ms. Pollay explained that the committee had met twice with Get Downtown representatives to discuss the history and growth of the program. Three significant changes since the beginning include the decision by the DDA to pay for Go!Passes out of parking revenues, the decision to seek multi-year funding to allow the program to stabilize its communication with downtown businesses, and the decision to seek a co-pay from participating businesses to encourage a sense of commitment to the program. It was the Committee’s recommendation that this co-pay remain at $5/employee per year rather than increase it over time. Ms. Gunn asked what AATA’s contribution was to the program, and why employers needed to purchase passes for all their staff. Mr. Chris White said that fares pay for only 17% of the cost to provide bus service, and that AATA works to find the other 83%. He said that monthly bus passes cost $37.50/month, and that the financial arrangement of this program was designed like an insurance program. Some people use the passes a lot, some use the passes occasionally, and some don’t use them at all. The cost per pass was calculated around estimated average usage.

Mr. Beal felt that he felt the co-pay should be increased on an annual basis, and put forward a proposed amendment to increase the business co-pay from $5.50 in 2004, to $6.00 in 2005, and $6.50 in 2006 as recommended by the Get Downtown program. Therefore, the total three year DDA contribution would be $715,000, including its Get Downtown contribution. This proposed amendment was seconded by Mr. Dankert.

A vote on the amendment showed:
AYES: Beal, Dankert, Gillett, Hieftje, Solo
NAYS: Boren, Gunn, Sipes
Absent: Aldrich, DeVarti, Fritz, Greff
The amendment failed.

A vote on the original motion showed:
AYES: Boren, Dankert, Gillett, Gunn, Hieftje, Sipes, Solo
NAYS: Beal
Absent: Aldrich, DeVarti, Fritz, Greff
The motion carried.

“Vitality” Index and Downtown Benchmark Data-Status. Ms. Pollay reported that the DDA intern Kim Darga was hard at work gathering information, and a presentation would be made at the retreat.

CAPITAL IMPROVEMENTS COMMITTEE
State Street Area Phase III-Status. Mr. Beal reported that work on William Street has been completed except for the new street light installation, which will take in August. Work along Thayer will be coordinated with the City’s street resurfacing project, to take place later this summer.

Downtown Alley Assessment. Mr. Beal reported that Washtenaw Engineering was selected to undertake this project and their proposal was well within the approved budget. Monitoring of sewer conditions will begin after Art Fair.

Forest Parking Structure. The stairwell will be completed before Art Fair. The roof repair is the remaining construction punch list item, and has been completed. A City Council resolution must now be
approved in order for the DDA to be able to pay its contractor. The cost of repairs is $114,000, with the University of Michigan paying 32%. There is still over $900,000 available in the project bond fund.

First/Washington Repairs. Western Waterproofing has completed repairs that were approved at our May meeting, including slab and column concrete repairs. A dozen steel beams were also installed.

First/William Structure. Discussions have been held with adjacent owners to determine if options might be obtained on property backing up to the project site to address concerns raised by Old West Side residents interested in pushing the structure against the slope and away from the corner.

Sidewalk Repair. The 2004/05 budget has $300,000 set aside for sidewalk repairs. The spring maintenance walk around identified a number of areas needing repairs. Most of the work will be concrete replacements, although some sections in the Kerrytown area will receive replacement brick and a section of Ann Street needs new street lights. Work will move forward with the exception of Ann Street, as this will need some design assistance to determine placement of the lights.

Other. Mr. Beal said a 2004/05 work plan has been distributed and he would appreciate comments prior to the retreat. The next committee meeting is July 19 at 1 pm.

PARTNERSHIPS COMMITTEE
YMCA Redevelopment Planning-Status. Mr. Solo reported the committee has drafted an RFP, which will be discussed at their next meeting on July 12. He thanked Ms. Pollay and Mr. Gillett for their work writing and editing. Mayor Hieftje announced that Ms. Pollay would be working with his assistant to set up a meeting including DDA members, Council members, and representatives of AATA to discuss AATA’s interest in the YMCA site.

Report on “Development 101” Session. Mr. Solo reported that Mr. Beal and Mr. Aldrich had presented a very informative session on the basic elements of development, including financing and construction costs. A lot of interesting insights were provided into the challenges facing developers, including the financial returns expected by lending institutions and why risk is such an important factor. He thanked Mr. Beal and Mr. Aldrich for taking the time to do this, as it was much appreciated.

Other. Mr. Solo said that Ron Mucha, representative of the Morningside Corporation, made a brief presentation on their proposal to redevelop the Eaton plant. The Committee also received a brief presentation on the proposed N. Main Street development, on the site of the St. Nicholas Church.

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

RESOLUTION APPROVING $5,866 TO SUPPORT THE INITIAL DESIGN AND PRINTING OF THE CITIZENS ADVISORY COUNCIL’S DOWNTOWN RESIDENTS’ HANDBOOK

Whereas, The DDA Renewal Plan set forward strategies to encourage downtown residential development, including the recommendation that the DDA to work together with the Citizens Advisory Council to encourage projects that enhance downtown living;


Whereas, This Handbook includes information relating to downtown life, including details on shopping, amenities, notable downtown events, sources of help for various annoyances, activities for children, transportation, and local government;
Whereas, Representatives of the Citizens Advisory Council met with members of the DDA Partnerships Committee to provide details about the project and to make a request for $5,866 to cover the cost of design and printing;

Whereas, The Partnerships Committee resolved to bring this request forward to the full board;

RESOLVED, The DDA approves funding for the Citizen’s Advisory Council’s Downtown Residents’ Handbook: A Field Guide to Life in Downtown Ann Arbor in the amount of $5,866;

RESOLVED, This funding is made with the understanding that the Citizens Advisory Council will locate corporate sponsorships or other funding for subsequent editions;

RESOLVED, This funding is also made contingent on the addition of prominent disclaimer language that removes from the DDA any responsibility or liability for the accuracy and completeness of the contents of the Handbook.

Ms. Gunn thanked Jeff Mortimer for putting this together. Ms. Pollay asked that the board take a look at the disclaimer language, and Mr. Mortimer read it aloud. Comments indicated that the disclaimer language seemed suitable.

A vote on the motion showed:
AYES: Beal, Boren, Dankert, Gillett, Gunn, Hieftje, Sipes, Solo
NAYS: None
Absent: Aldrich, DeVarti, Fritz, Greff

The motion carried.

9. OTHER BUSINESS
Mr. Beal reported that members of the Downtown Residential Taskforce would make a presentation to the Planning Commission the following week, and it was hoped a work session might also be held with City Council members. Copies of the final report are available at the DDA office.

Mr. Solo said that an evaluation form for the Executive Director’s annual review would be distributed via email, and that her review would be discussed at the retreat next week.

Mr. Hieftje announced that Roger Hewitt, co-owner of two State St area businesses, and Sandy Smith, owner of Trillium Real Estate, had been approved as new members of the DDA, and that Rene Greff and Leah Gunn’s names had been put forward for new terms at the most recent Council meeting. Mr. Hieftje thanked Ms. Sipes and Mr. Fritz for their long years of service to the DDA.

10. AUDIENCE PARTICIPATION
None.

11. ADJOURNMENT
There being no further business, the meeting was adjourned at 1:55 p.m.

Respectfully submitted,
Susan Pollay, Executive Director