MINUTES
Downtown Development Authority Meeting
Thursday, July 8, 1999

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

Time: The Chair, Lorri Sipes, called the meeting to order at 12:08 p.m.

1. ROLL CALL

Present: Neal Berlin, Ron Dankert, David Fritz, Leah Gunn, Maria Harshe and Hannah, Deanna Relyea, Lorri Sipes, Skip Ungrodt

Absent: Dave DeVarti, Bob Gillett, Karl Pohrt, Ed Shaffran

Staff: Susan Pollay, Executive Director
Present: Joseph Morehouse, Fiscal and Administrative Manager

Audience: Sarah Armstrong, DDA
Lou Belcher, “IT” Zone
Russ Collins, Michigan Theater Foundation
Ray Detter, Citizens Advisory Council for DDA
Bob Frazier, National Garages
Bob Henderson, Citizens Advisory Council for DDA
Carl Luckenbach, Architect
Cathy O’Donnell, Ann Arbor News
Donna Johnson, City Planning
Gayle Steiner, Michigan Theater Foundation
Andrew L. Wright, Citizens Advisory Council for DDA

Ms. Sipes read a passage out of a book called “Common Place” about downtown neighborhoods, saying that she wanted to inspire DDA members and audience. Meeting called to order.

2. APPROVAL OF MINUTES

Ms. Gunn moved, and Mr. Dankert seconded, that the minutes of the June 10, 1999 meeting be approved after correcting the spelling of Lorri on the first page of the minutes.

A vote on the motion showed:
AYES: Dankert, Berlin, Fritz, Gunn, Harshe, Relyea, Sipes, Ungrodt
NAYS: None
Absent: DeVarti, Gillett, Pohrt, Shaffran

The motion carried.

3. CITIZEN ADVISORY COUNCIL

Mr. Detter gave a report on the Citizens Advisory Council meeting earlier in the week.

4. AUDIENCE PARTICIPATION

Mr. Lou Belcher spoke on the development of the “IT Zone”, which will be a center showcasing technology-based businesses, many of which need display and meeting facilities. He said that this is the first step toward a long-range plan to provide Internet connectivity for businesses in our community. The Center will be located in downtown Ann Arbor as they are leasing space in Liberty Plaza. They are seeking DDA support at $50,000/year for two years. Ms. Gunn questioned how this effort will be supported without DDA contributions, and Mr. Belcher responded that support had been received from the University of Michigan, the business community, a major Foundation level sponsor, and they will request funding from the Michigan Economic Development Corporation.
Mr. Belcher also asked that the DDA support the Michigan Theater project being proposed.

Russ Collins, from the Michigan Theater Foundation spoke about the restoration and expansion efforts of the Michigan Theater. The total cost for the project is $4 million, of which 90% has already been raised from foundations, individuals and corporate support. The Foundation is asking a one-time amount of $150,000 from the DDA for this project in support of its goal of Historic Preservation to enable it to complete the final phase of its capital campaign. Mr. Collins was thanked for his presentation and Ms. Sipes said the matter would be referred to the appropriate DDA Committee for review.

5. NEW BUSINESS

Ms. Sipes presented a resolution thanking Deanna Relyea for her service on the DDA board.

Resolution Thanking Deanna Relyea

Whereas, Deanna Relyea has contributed a tremendous amount of time, energy and passion to the Downtown Development Authority over the past several years;

Whereas, Deanna’s creative and tireless support for the efforts of smaller business-owners and residents in the downtown have been an important factor in the achievements of the DDA over the past four years;

Whereas, Through her promotional and advertising projects, Deanna has helped to raise the positive visibility of the DDA in the downtown business community and the community at large; and

Whereas, Deanna’s warm and compassionate presence has been appreciated by all that have had the pleasure of serving with her on the Downtown Development Authority;

RESOLVED, The Ann Arbor Downtown Development Authority extends its great thanks to Deanna Relyea for her abundant contributions to the downtown, and indeed to the community as a whole.

Ms. Relyea said her term was up but offered her services as a volunteer. There was unanimous support for the resolution and much applause.

6. SUBCOMMITTEE REPORTS

FINANCE COMMITTEE
Mr. Morehouse reported that the May 31, 1999 financial statements looked good and saw no large significant changes before year-end.

PARKING CONSTRUCTION COMMITTEE
Status of Fourth/Washington
Ms. Pollay reported they had a “topping off” ceremony on July 6 at the structure. The DDA has received many compliments on the appearance of the structure. Construction completion is still planned for mid-October. The crane will come down at the end of next week but the street will remain closed during Art Fair and the rest of the summer per the request of the contractor who cited safety reasons for the request.

Maynard Parking Structure
Ms. Pollay reported that the major demolition would end at the end of following week. Significant work remained, including forming the new stairwell and speed ramp, construction of the offices, installation of the
elevator, electrical and parking system. Ms. Pollay complimented the project team, saying that Adrian Iraola, the engineers from Carl Walker, architect Carl Luckenbach, and general contractor Western Waterproofing had been able to overcome a series of unforeseen construction challenges, and that work had progressed well through most of the project. As of the most recent construction meeting, it was anticipated that portions of the structure would be reopen September 1st as scheduled.

**Status of Forest Parking Structure**
Mr. Carl Luckenbach presented schematic design for the structure. The stairways will be more open and there will be canopies at the entrance and exit, which will serve as protection from the elements as well as a visual cue. DDA members commented on how pleased they were with the new look for the structure.

**STATE STREET PROJECT/ONE-WAY STREETS TO TWO WAY STREETS COMMITTEE**
Ms. Gunn moved and Mr. Fritz seconded the following resolution:

Resolves to Encourage the City to Restore Two-Way Traffic in the State Street Area

Whereas, The DDA has committed itself to a streetscape improvement project in the State Street Area;

Whereas, In anticipation of this project, the DDA commissioned a study of the area from the University of Michigan, including an assessment of its current and potential customer base, its urban design strengths and weaknesses, and the public policy issues that affect the area, in hopes of understanding the basis upon which future streetscape design decisions might be based;

Whereas, Data collection over nine months has led the UM to put forward the recommendation that the City modify its pattern of one-block, one-way streets in the State Street area, specifically restoring two-way traffic along S. State Street, E. Liberty, N. University, Thompson, and Maynard Streets;

Whereas, Restoring two-way traffic patterns along these streets will enable visitors, customers, and others to more readily navigate the area, making it more attractive as a shopping and residential district;

Whereas, Restoring two-way traffic patterns will enable the State Street area to be better linked to other sectors of the University and community, make the area more accessible for alternate transit options, and strengthen the shared use of the area, as vehicular traffic speeds will be moderated;

RESOLVED, The DDA endorses UM recommendation that two-way traffic be restored on S. State Street, E. Liberty, N. University, Thompson, and Maynard Streets in the State Street area;

RESOLVED, The DDA asks that City Council consider this recommendation, and act to modify the street pattern following a period of public input and public hearings.

Mr. Ungrodt opposed the resolution stating that in the past when traffic on State Street was two-way it caused problems, as there were accidents and traffic moved slowly. Ms. Gunn countered by saying that she thought it would be good to slow traffic down and it would enable people to get around better in the area. Mr. Berlin suggested that the DDA could put the matter forward, and if supported by Council traffic on State Street could be altered temporarily to determine if traffic was impeded or improved.

A vote on the motion showed:
AYES: Berlin, Dankert, Fritz, Gunn, Harshe, Relyea, Sipes
NAYS: Ungrodt
Absent: DeVarti, Gillett, Pohrt, Shaffran

PARKING OPERATIONS
Mr. Dankert moved and Ms. Gunn seconded the following resolution:

Resolution to Raise Parking Rates In DDA-Managed Facilities and Establish Parking Rates for the New Fourth & Washington Parking Structure

Whereas, Engineering studies indicate that City parking structures currently under DDA management require significant repairs or replacement over the next several years to remain operational;

Whereas, The DDA has determined that parking revenues will be the primary source of funding for these repairs and replacements, in addition to the costs for on-going parking operations and maintenance;

Whereas, A ten-year schedule of anticipated revenues and expenses has been developed, including a forecast of proposed hourly and monthly rates;

Whereas, At the time of demolition the former Fourth & Washington structure had been utilized almost exclusively as an hourly parking facility, providing much-needed short-term parking for customers throughout the area;

Whereas, The new Fourth & Washington structure will provide only 277 parking spaces, and is located within two blocks of the Ann Ashley and Fourth & William parking structures which are 830+ space structures predominantly offering monthly permit parking;

Whereas, Construction costs for the new Fourth & Washington structure came in significantly over budget, necessitating higher parking rates to help defray higher than anticipated debt service costs.

RESOLVED, That the monthly permit parking rate in the structures and lots shall be raised from $80.00 to $90.00 per month;

RESOLVED, That the after-hours rate in the First and Washington structure and in the Fifth and Huron lot shall be raised from $1.00 to $2.00 per entry;

RESOLVED, That there shall be no monthly permit parking available in the new Fourth & Washington parking structure;

RESOLVED, That the hourly parking rate in the new Fourth & Washington structure shall be set at $1.20 per hour;

RESOLVED, That the City Council shall be notified of this resolution per its Agreement with the DDA, with the expectation that these rates shall go into effect no later than September 20, 1999.

Mr. Fritz spoke to the current policy of charging by the hour, saying that he would like to see a return to charging by half-hour increments, even if it meant raising rates by ten cents. Many members thought this might be a good idea. Ms. Pollay asked that this portion of the resolution be tabled so that Mr. Morehouse and Finance Committee Chair Dankert could research whether enough income could be generated with Mr. Fritz’s proposal. It was agreed by the membership that the hourly rates for the structures and lots would be taken out of the resolution to be brought back to the Board at a latter date.
A vote on the amended resolution showed:
AYES: Berlin, Dankert, Fritz, Gunn, Harshe, Relyea, Sipes, and Ungrodt
NAYS: None
Absent: DeVarti, Gillett, Pohrt, Shaffran
Motion passed.

PARKING PARTNERSHIPS-MAIN/PACKARD
Ms. Pollay reported on the status of negotiations on the Main/Packard site so the Board could consider a proposal to the DDA from Syndeco at a later date. She said that Mr. Gillett, Mr. Berlin, and she had met with Syndeco representatives several times, and the proposal had evolved significantly from an earlier request for the DDA to financially assist in the construction of an underground parking structure as follows:
1. Syndeco will purchase the City-owned land for $400,000.
2. Syndeco will sell 8 residential units to the City for $96,000 per unit with the stipulations that (a) the units must be resold on a home ownership basis; (b) the owners must abide by the condominium association rules; (c) the City must pay cash at closing; and (d) Syndeco must be held harmless in the resale of these units. It was estimated that $96,000 would make these units affordable to families at 80% of median area income.
3. Syndeco will build 120 units of underground parking without any financial contribution from the City for the DDA.
4. The DDA will make available up to 100 spaces of monthly permit parking to Syndeco at the Fourth/William parking structure at market rates.
5. The pedestrian walkway through the residential area would be privately owned, but Syndeco will provide public access with reasonable restrictions. In exchange for this, the DDA will pay for the pedestrian improvements (brickwork and trees) along Ashley and Main Streets, the mews and the central plaza with a "not to exceed" figure for these improvements.
6. The DDA will make a contribution from its Housing Fund to support the housing aspects of this development in the amount of $75,000.

Mr. Luckenbach passed out a cost estimate for the pedestrian improvements along Main, Ashley, the mews, and the plaza. Ms. Pollay pointed to Mr. Gillett’s memo to the DDA, and asked the Board to consider that the proposal was a package deal, and individual elements could not be added or removed. There were general comments of support from the membership, and Ms. Pollay asked that members should call her if there were any questions or concerns.

8. ADJOURNMENT
Ms. Sipes proposed cancellation of the August meeting due to vacation schedules. There was unanimous support for this proposal. As there was no further discussion, upon motion, the meeting was adjourned at 2:10 p.m.

Respectfully submitted,

Susan Pollay, Executive Director
Secretary