MINUTES
DOWNTOWN DEVELOPMENT AUTHORITY MEETING
THURSDAY, JULY 10, 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 5:07 P.M.

1. Roll Call

Present: Neal Berlin, David Fritz, Bob Gates, Maria Harshe, Karl Pohrt, Lorri Sipes, Skip Ungrodt

Absent: Dave DeVarti, Bob Gillett, Leah Gunn, Deanna Relyea, Ed Shaffran

Staff Present: Susan Pollay, Executive Director

Audience: Ray Detter, Citizens Advisory Council
          Mary Fales, Assistant City Attorney
          David Fishera, Stucchi’s
          Paul Kahlenberg, Tower Records
          Andy Kawlewski, National Garages
          Cynthia Shevel, Middle Earth
          Bill Stegeman, Campus Rentals
          Jack Stegeman, Campus Rentals
          Chris Wachutka, DDA Intern
          Kent Whitman, Cava Java
          Amer Bathish, Amer’s

2. Approval of Minutes

Ms. Harshe made a motion and Mr. Gates seconded, that the Board meeting minutes dated June 12, 1997 be approved.
A vote on the motion showed:

AYES: Berlin, Fritz, Gates, Harshe, Pohrt, Sipes, Ungrodt

NAYS: None

Absent: DeVarti, Gillett, Gunn, Relyea, Shaffran

The motion carried.

3. DDA Citizens Advisory Council

This week over 100 copies of the Citizens Advisory Council Goals Statement on the Downtown Pedestrian Environment were delivered to all city officials, downtown merchant and resident groups. We hope you got your copy and that you will make time to read it carefully. The document sets goals on pedestrian improvements, art in public places, parks, open space and historic preservation to enhance the pedestrian interest, scale and orientation of downtown streets and spaces. Like our other goal statements on parking and housing, this statement is to be read in the context of our interest in, and commitment to, the downtown as a residential environment supportive of a broad spectrum of housing opportunities. But we recognize such residential use of the downtown is dependent upon the area’s attractiveness as a place for people on foot. We will continue to advocate and support public programs and private sector development that give the highest priority to the concept of promoting a pedestrian and residential orientation of the downtown in a way that is consistent with the City Master Plan.

The Citizens Advisory Council has a wide range of objectives all of which pertain to the economic vitality and residential quality of the downtown. You are well aware of our commitment to providing adequate parking in the area. We are now in the process of developing a goals statement on the important issues of public transportation and a traffic management in the downtown. Last night we met for an hour and a half with Chris White, Manager of Service Development for AATA. Discussion ranged over a wide variety of topics including prospects for a future downtown circulator, free rides on all buses within the downtown area, and the need for smaller buses on all lines at non-peak times, better service and scheduling information for students, ways of encouraging greater use of the Park and Ride System, better techniques for marketing public transportation and publicizing routes, improved signage, future possibilities for use of the Smart Bus, meeting the needs of special downtown groups, even the
possibility of a future downtown "Adopt a Bus Stop" program. Citizen Council members believe that good public transportation is essential to the future quality of the downtown pedestrian environment and will be an important part of its growing residential appeal.

All of these goals of housing, parking, the pedestrian environment, public transportation and traffic management must be seen and dealt with as a part of a larger concept for the future of the downtown—a Downtown Plan. If we don't have a broad plan, our decisions will be short-sighted and the downtown will ultimately suffer, or at best must gain less. Right now the parking crisis provides us with great opportunities we may not have again. In the area of traffic management we note that some members of the DDA and merchant groups are currently interested in the possibility of converting one-way streets to two-way streets and allowing parking on those streets. Some members of the Citizens Council are also interested in that direction—but in the context of its ultimate impact upon the future of the Downtown.

In June of 1996, long before the Fourth and Washington Street parking structure was closed, one of our Citizen Council members, Joan Blos, wrote a letter to your Chairman, Karl Pohrt, regarding "Creating a pedestrian friendly environment on South Fifth Avenue and Division Street while adding (as many as) 176 on street parking spaces." Joan had the support of the Citizens Council in advocating that metered parking be instituted on both sides of these streets. She argued that it would slow down traffic, increase pedestrian safety and comfort, add needed parking and be revenue producing. I should also note that she argued that "it doesn't require the building of a single parking structure or the creation of one more surface lot!"

As I understand it, after they met, Karl Pohrt liked the idea and passed it on to others including the Public Services Director, Bill Wheeler. It has been discussed among various groups since then. Yesterday the Citizens Advisory Council and Joan Blos were gratified to hear that at least fifty on-street parking spaces will be added to Fifth and Division Streets. We must say thank you to Joan and Karl. But we must realistically recognize that, although there are many other good reasons for this action, it might not have happened without the parking crisis. We might call this crisis the stimulus factor that keeps us from doing the same old thing—and may help us do creative things that extend benefits beyond the immediate need for parking.

But I wouldn't have spent so much time developing this story if there were not a further point to be made. There were 245 spaces in the closed Fourth and Washington structure. We are adding a temporary surface lot to replace 90. Add these 50 on Division and Fifth. If we tear the Fourth and Washington structure down to the ground rather than leaving some existing floors, we will save at least a half
million dollars and still have 40 surface spaces. That totals 180 parking units to replace 245 lost to this area. That leaves only 65 spaces actually lost. Let's call that 65 lost spaces in this case our "stimulus factor." Development of the Huron and Fifth Avenue site as well as the Library Lot for cooperative public-private housing and parking projects has always been desirable for the future of the downtown. Let's use that loss of 65 spaces as a "stimulus factor:" to do them and not go back to doing the same thing.

The Citizens Council also believes that the current parking crisis in the South University area provides us with the opportunity to do something creative and different. We hope the DDA's commitment to talk with Mr. Jack Stegeman about the possibilities will produce more housing and parking in that area.

Finally, the Citizens Council was pleased to learn that a draft for a Request for Proposals on the sale of the city property on Main and Packard will be prepared within the next couple of weeks. We have every reason to believe that the RFP will include a requirement for housing on the site. It may also include a provision that will permit the city or the DDA to make use of temporary parking on the property until the new owners are ready to begin construction.

4. Audience Participation

Mr. Kent Whiteman, South University Merchants Association (SUMA) board member and member of the SUMA Parking and Development subcommittee, pointed out that the South University area does not have many parking alternatives, and that reliance on just one public parking structure could lead to economic devastation. He asked that the DDA consider delaying a decision on rebuilding the Forest Avenue parking structure to provide the DDA, SUMA, and others an opportunity for creative planning for the area. If matters were not handled correctly, and the structure were demolished without providing for parking alternatives during the repair period, many businesses will go under. A creative alternative to be seriously considered was the proposal by Jack Stegeman to build South U Place.

Mr. Jack Stegeman then presented a series of informational boards on South U Place and described the advantages of the project, as the addition of 300 new residents to the S. U. area, including university professor emeriti, other retirees, young families, and graduate students. The project would also enable the DDA to build 255 additional spaces at the Forest structure, and would add $5 million to the City tax base. If the DDA were to take action and condemn the houses on Willard and Church now while
discussions were underway about the project, the land would be available for customer parking during the Forest structure replacement period. He also offered use of his land at Hill and Forest, at the site of a former fraternity, for parking during the repair period.

Pohrt asked Stegeman if he would be willing to lease his parcels north of S. U., near Forest and Washtenaw, including the abandoned street and the triangle, to the DDA for customer parking during the repair period. Stegeman replied that he was open to discussion about this, although he had significant plans for the site including wet labs, residences, and a hotel. Pohrt expressed concerns about the use of eminent domain, to which Stegeman said he understood the concerns, but the City would be the ultimate beneficiary of a project like this. Pollay asked if Stegeman also might be open to use of his lot on Washtenaw, just north of S. U., as a public parking lot to which Stegeman responded again he would be open to discussion. Pollay reported that she and DDA member Harshe had spent significant time in the S. U. area considering alternatives for parking during the repair period, and she thanked Stegeman for whatever sites he could provide for public and employee parking. She also thanked Whiteman and other members of SUMA for taking the time to attend the DDA meeting.

5. New Business

None.

6. Subcommittee Reports

a. Executive Director Report

Pollay reminded board members that the DDA has been invited to present its list of parking structure repair recommendations and financing options to City Council at a Work Session on July 14 at 7:00 P.M. in City Council Chambers. At that time, the DDA will also report on its alternative transportation recommendations, including the use of downtown shuttles. She welcomed everyone’s attendance and participation.

DDA Intern Christian Wachutka presented some of his findings from a preliminary demographics study of parking patrons. Commenting on the non-scientific nature of his study, he described the general income level, gender and
activity goals of individuals using the parking system. Chris was thanked for his hard work on behalf of the DDA this summer.

b. Parking Committee

Pollay reported that she and Neal Berlin had met with a representative of the U/M School of Public Policy to discuss a possible study this fall of the parking system by U/M students. The proposed study would be in two parts; one part analyzing in-depth the demographics of our parking patrons, and the other part measuring the relative economic benefit to the City of privatizing the parking system. The total cost would be $6,500.00, and would be shared equally by the DDA and the City Transportation Department. Berlin said that the U/M faculty needed to confirm DDA interest before committing student and other resources to this project, to which there was a general show of support to move forward with this project.

Assistant City Attorney Mary Fales reported that City Council had approved the Sprint Spectrum L.P., lease agreement giving Sprint the opportunity to install a communications antenna on top of the elevator shaft at the Ann/Ashley parking structure, and agreed to allocate the rental revenues to the DDA to operate the structure. Ms. Fales stated that the agreement included such elements as:

- The fees will be allocated to the DDA.
- The DDA may be asked by City Council to provide a summary identifying how the money was spent.
- The right to receive this revenue can not be assigned to anyone else.
- The City will turn over the funds as long as the parking agreement between the City and DDA, executed April 9, 1992, is in place. Should that agreement be terminated, the City retains the right to use this money or reallocate it.
- This is a pass-through agreement, meaning if the City does not receive the money from Sprint, the DDA can not ask the City to replace this funding. The City does not require any third party rights in the agreement.
ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
RESOLUTION ON SPRINT AGREEMENT

Whereas, The Downtown Development Authority (DDA) recommended to the City of Ann Arbor that an agreement be negotiated with Sprint Spectrum, L.P. for the installation of an antenna atop the Ann Ashley Parking Structure elevator shaft as an appropriate economical use of the space towards self-support of the parking system;

Whereas, the City Council of the City of Ann Arbor authorized (City Council Resolution R-262-6-97) the execution of an agreement with Sprint Spectrum, L.P., for installation and operation of an antenna atop the Ann Ashley Parking Structure;

Whereas, The City Council of the City of Ann Arbor further authorized the execution of an agreement for the allocation of rental fees from the City's agreement with Sprint Spectrum, L.P. to the DDA for the term of the April 9, 1992, lease between the City and DDA for the operation of the parking site, inclusive of any renewals; and

Whereas, An agreement between the DDA and the City for the allocation of rental fees payable to the City under its agreement with Sprint Spectrum, L.P., for the installation and operation of an antenna atop the Ann Ashley Parking Structure has been submitted to the DDA Board for approval;

Resolved, That the agreement between the DDA and the City for the allocation of rental fees payable to the City under its agreement with Sprint Spectrum, L.P. for the installation and operation atop the Ann Ashley Parking Structure is approved; and

Resolved, That Chairman and the DDA Executive Director be authorized to sign the agreement.

Mr. Ungrodt made a motion and Ms. Harsh seconded that the resolution be approved.

The vote showed:

AYES: Berlin, Fritz, Gates, Harsh, Pohrt, Sipes, Ungrodt

NAYS: None

Absent: DeVarti, Gillett, Gunn, Relyea, Shaffran

The motion carried.
c. Finance Committee

Finance Committee Chair Gates indicated that the finance statements for May 31, 1997 appeared to be in good order.

Gates then discussed the preliminary draft of a cash flow projection for the DDA, from 1997/1998 through 2007/2008. He explained the general assumptions underlying projected revenues and expenses, discussed possible parking rate increases, and the projection of capital improvement expenditures and new debt service payments. The information contained in this document was carefully constructed to prepare for meetings with the City Bond Council and Finance Director, however, revenue and expense expectations need to be verified. DDA members were encouraged to contact Gates or Pollay if there were any questions about the materials.

d. Pedestrian Improvements Committee

Pedestrian Improvements Committee Chair, Fritz, reported that renovations to Washington Street were going well, and that work will begin shortly on Main Street. Construction has begun in the Kerrytown area. Unfortunately, connecting the underground cables has gone slower than anticipated. It is expected that work will be completed by the end of the July. Fritz asked that the DDA prepare to turn its attention to the State Street area sometime in the near future.

e. Housing Committee

None

f. Public Relations Committee

None

7. Other DDA Business Matters

Pohrt thanked all DDA members for their hard work and long hours over the past months, expressing gratitude for their commitment to the downtown and their resolution and stamina to see this parking debate through to its conclusion. It is clear that the downtown and community appreciated their efforts.
8. **Adjournment**

There being no further business, upon motion by Pohrt, seconded by Gates, the meeting was adjourned at 6:50 P.M.

Respectfully submitted by,
Susan Pollay, Recording Secretary

SP/JJ/mln797