MINUTES
Downtown Development Authority Meeting
Thursday, August 14, 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 5:06 p.m.

1. Roll Call

Present: Dave DeVarti, David Fritz, Bob Gates, Bob Gillett, Leah Gunn, Karl Pohrt,
Deanna Relyea, Lorri Sipes, Skip Ungrodt

Absent: Neal Berlin, Maria Harshe, Ed Shaffran

Staff
Present: Susan Pollay, Executive Director

Audience: Barbara Bergman
Ray Detter, Citizens Advisory Council
Lesley Gresham, Kerrytown Shops
Andrew Kinchen, National Garages
Peter Pollack, Pollack Design Associates
Andrew Wright, Citizens Advisory Council

2. Approval of Minutes

Mr. Ungrodt made a motion and Ms. Sipes seconded, that the Board meeting minutes
dated July 10, 1997 be approved.

A vote on the motion showed:

AYES: DeVarti, Fritz, Gates, Gillett, Gunn, Pohrt, Relyea, Sipes, Ungrodt
NAYS: none
Absent: Berlin, Harshe, Shaffran

The motion carried.
The Citizens Advisory Council has asked me to congratulate the DDA Board on their success in winning the approval of the City Council for their plans to repair and improve the downtown parking structures and to provide economic self-sufficiency to the downtown parking system. This is an impressive achievement. When Susan Pollay walked into the Citizen Council meeting last night, they broke into an applause that was not only directed to Susan but to all of you who have worked so hard to make this happen. We believe it was not only a victory for the DDA and the downtown but for the entire Ann Arbor community. We all won on this one. But now the work begins.

The Citizens Advisory Council hopes that we share with the DDA a commitment to go beyond the words of resolutions to work toward larger goals that we now have a greater opportunity to achieve. Those goals are broadly outlined in Ann Arbor's adopted Downtown Plan of 1988 and we should not lose sight of them in the process of the rebuilding our downtown parking system. We are committed to parking because it is essential to the economic health and residential quality of our downtown. But the Downtown Plan, as well as much of the public commentary over the last few months, stressed the goal of reducing the need for new parking structures and other elements of the transportation infrastructure by generating or helping to provide attractive alternatives. We must keep those alternatives in mind.

We are committed to encouraging varied and well maintained housing in the downtown and we believe the city and the DDA should set up policies to encourage housing. There are ways we can encourage people to live downtown by the parking polices we develop. We already have a policy that gives preference to downtown residents in the issuing of structure parking permits. If we are going to build bigger structures on Fourth and Washington and, perhaps, on Forest, we believe those increments in parking should encourage existing or future housing developments in the area. Even as we rebuild our parking structures in these two areas, we should not reduce our commitment to work toward public-private developments of housing and parking at other important locations like Huron and Fifth and the Library Lot in the Main Street area and Forest and Washtenaw or Church Street in the South University area. In relationship to the latter area we note that the Ann Arbor Downtown Parking Study, that you paid BRW, Inc. to complete advises against replacing the existing Forest Street structure on its present site and instead recommends construction of a new structure on the larger open site near Forest and Washtenaw. Whether there or near the present site, we hope new parking is developed in relation to plans to provide additional housing in the area.

Our commitment to encouraging housing is joined with our goal of promoting a pedestrian orientation in the downtown area consistent with the City Master Plan and the DDA Pedestrian Improvement Plans. This goal must be always in the mind even as we move ahead with our parking program. We believe the DDA should work very hard to develop pedestrian-friendly designs for its old and new structures. These amenities might include colorful awnings to protect pedestrians from the elements, public art, street level retail whenever possible, and downtown maps and other displays. One of our members last night
suggested that a glass enclosed revolving arts display in the facade of the future Washington-Fourth structure might help to avoid the blank parking facade that has worked against the retail and residential success of that area in the past. Others suggested benches, inviting green space, even a built-in news stand. Signage on structures and on streets leading to parking facilities should certainly maximize awareness of available parking, but also might provide colorful information on buses and taxis and even suggest interesting downtown walking routes to destinations. These new parking structures must be well-designed and encouraged only if the full impact upon present and future residents and pedestrians in the downtown has been considered. For that reason, we expect that the designs of new structures at both Fourth and Washington and the South University area will be presented at well-publicized public hearings where citizen input is encouraged. It can only make them better for the downtown.

The Citizens Council also remains committed to expanding, improving and maintaining infrastructure that encourages and enables travel to and from the downtown area by bus, bicycle, or foot. We hope the DDA continues to work closely with the city, the AATA and the University to develop and publicize attractive public transportation and traffic management alternatives. We continue to work on our statement of objectives and goals in this area and hope to have it in your hands no later than October. We agree with the Downtown Plan which recognizes that good public transportation as well as a carefully planned transportation framework are essential to the future quality of the downtown pedestrian environment--and will be an important part of its growing residential appeal.

Finally, I want to announce that this week Steve Kaplan and his partners (Syndeco Realty, NSI Consulting & Development) have signed a sales agreement for the purchase of the former Schneider property at Main and Packard. They now own all the land surrounding the city land which is to be sold in that area. An RFP prepared by the Planning Department will be submitted to the city Real Estate Committee in September. Wendy Rampson, of the Planning Department, assured the committee that the RFP will emphasize the goals of the city’s Downtown Plan in the sale of the city land. To us that means housing, perhaps with a mixed use component on the Main Street side. The city land is already zoned R4C (multiple dwelling) and the Kaplan interests plan to put at least 55 units of market rate housing on the combined site if they are able to purchase the city property. They have also expressed a willingness to work with the DDA to provide either temporary surface parking or permanent underground parking on portions of the site if additional parking is needed in the area.

Here again is the possibility of a private-public involvement for the DDA which could produce important benefits for the South Main area and the entire downtown.

4. Audience Participation

Barbara Bergman said that since the passing of her husband, former DDA Director Reuben Bergman, her family had wanted to do something in his memory. Because her family had flourished here, they wanted to give back to the community, and they wanted to create something that both children and adults could enjoy. “Reuben’s Place” grew out of this
vision. She thanked the DDA for the chance to do something for the City in Reuben's name. Peter Pollack then presented two design boards, saying that the Kerrytown area had been selected because Reuben had been very proud of what the DDA had accomplished in this area, and that he always felt the Kerrytown area was very special. Pollack described the project as centered on a 14' planter with a locust tree near the Workbench and northwest Farmer's Market entrance. The project would create a seating area with naturalized boulders and plants and a grouping of puffins as the central theme. Puffins were selected because of their fun, colorful, and energetic natures, and because they are the Kerrytown mascot. The sculptures and rocks would encourage children to touch, and the seating would create a quiet oasis or meeting site beside the Market area.

Pollack presented two proposals: a smaller design for $42,000 and a larger, more elaborate design for $58,000. A presentation on the project had been given to the Farmers Market Commission and they expressed general support. Mr. DeVarti asked what the Kerrytown Shops thought of the project, to which Shops Manager Lesley Gresham reported that they liked the project, as people naturally congregated there already. DeVarti expressed concerns about establishing responsibility for ongoing maintenance, as well as about involving the DDA in a project that would be installed on both private and public property. Ms. Gunn suggested that the Pedestrian Improvements Committee be asked to discuss this project more fully and frame a recommendation for the full Board. Mr. Pohrt thanked Bergman, Pollack, and Gresham for attending, and added his comments about missing Reuben Bergman a great deal since his death.

5. New Business

None.

6. Subcommittee Reports

Personnel Committee Report

Ms. Harshe enters...

The Board went into Executive Session to discuss a performance review of its Executive Director, as well as to discuss the possible creation of other staff positions. Pollay was asked to step outside.

After twenty minutes, Pollay was asked to return.

Having outlined an ambitious multi year plan to repair and replace all seven parking structures, many Board members deemed it necessary to create another staff position for an experienced construction manager. It is anticipated that many projects will take place at the same time and will entail orchestrating a great number of details and people. Many deemed it beyond the scope of the DDA Executive Director, particularly if other projects such as housing and pedestrian improvements, were to take place. Concern was expressed about exclusively relying on the City Engineering Department, as the City would soon undertake many of its own ambitious new projects, including rebuilding the Broadway
Bridges and the City Facilities Garage. Moreover, there was a desire for a person with final allegiance to the DDA. Pohrt said that given the enormity of the projects in front of the DDA it would be prudent to consider adding a second position. Relyea made a motion and Gunn seconded, that the following resolution be approved.

RESOLUTION TO CREATE A POSITION OF DDA PROJECT MANAGER

Whereas, The DDA is embarking on a six-year, $25 million capital improvement/construction project involving all seven parking structures; and

Whereas, The DDA also anticipates many other activities and projects involving housing, pedestrian improvements, alternative transportation, etc.;

RESOLVED, The DDA will create a second staff position to be primarily responsible for overseeing parking structure repair and construction projects; and

RESOLVED, The DDA Personnel Committee is authorized to oversee specific job description and candidate selection, and to negotiate salary and other compensation.

A vote on the motion showed:
AYES: Devarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Relyea, Sipes, Ungrodt
NAYS: none
Absent: Berlin, Shaffran
The motion carried.

The Board then shared many compliments with Pollay, expressing their thanks for a highly productive and exciting year. Pollay was presented with a three-page collection of responses to an evaluation form mailed to all Board members. The following resolution was then presented.

RESOLUTION TO ADJUST THE YEARLY SALARY OF EXECUTIVE DIRECTOR SUSAN POLLAY
AS OF SEPTEMBER 1, 1997

Whereas, The annual evaluation of Susan Pollay’s performance as DDA Director has been completed;

Whereas, The evaluation indicates that Ms. Pollay’s work has been extraordinary; and

Whereas, The DDA wishes to recognize Ms. Pollay’s outstanding efforts, dedication, and leadership on the behalf of its Board of Directors and the City of Ann Arbor;

RESOLVED, The DDA shall adjust the salary of Executive Director Susan Pollay from $43,000 to $50,000 effective September 1, 1997; and

RESOLVED, The DDA shall award Ms. Pollay a bonus of $7,000 for the 1996/97 year.
A vote on the motion showed:
AYES:  DeVarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Relyea, Sipes, Ungrodt
NAYS:  none
Absent:  Berlin,  Shaffran

The motion carried.

Ms. Pollay thanked everyone for their support, and for being a part of an extraordinary effort during the past year. She said she looked forward to continuing to work with them on the challenges ahead.

Parking Committee Report

In Committee Chair Shaffran’s absence, Ms. Pollay reported that the Committee had met to discuss the recent repair and lease agreement decisions set forward by City Council, as they would modify resolutions approved earlier in the year by the DDA. Upon motion by Harshe, with support from Gunn, the following resolution was presented.

RESOLUTION AUTHORIZING AMENDMENT OF PARKING AGREEMENT BETWEEN THE
CITY OF ANN ARBOR AND THE DOWNTOWN DEVELOPMENT AUTHORITY

Whereas, The DDA is required by Article 7 of its parking lease agreement with the City ("Agreement") to undertake "further repairs, alterations, additions, and enhancements of the Facilities as deemed reasonable and necessary by the DDA to operate the Facilities for the purposes set forth in this agreement";

Whereas, The DDA resolved at its November 14, 1996 meeting to authorize the submission to City Council of an amendment to the Agreement, reserving all surplus parking revenues to an urgent repairs account for a period of three years commencing with fiscal year July 1, 1996/97 and ending with fiscal year July 1, 1998/99; and

Whereas, The DDA also resolved at its January 9, 1997 meeting to authorize the submission to City Council of an amendment reflecting that an annual reserve in the amount of 25% of gross parking revenues shall be set aside by the DDA for major capital repairs;

Whereas, The DDA recently completed its parking structure study and presented its conclusions and recommendations to City Council on July 14, 1997;

Whereas, These recommendations advocated that the DDA retain all the parking revenues to ensure that the structures are repaired and that adequate reserves for future repairs are established;

Whereas, The recommendations represent a long-term (10-year) parking structure plan, including bond financing of 15-20 years, and to demonstrate its support of that plan City Council voted unanimously on August 4, 1997 that the parking system should be allowed to retain all the parking revenues if determined necessary by the DDA for the duration of the related bond financing;
RESOLVED, That the DDA authorize an amendment to the Agreement, reserving all surplus parking revenues to an urgent repairs and replacement account beginning July 1, 1996 for as long as deemed necessary by the DDA to only fund parking repairs, maintenance and operations of the current DDA parking system;

RESOLVED, That at the same time the Agreement is renewed, the status of the parking structure repair program shall be reviewed including an examination of the DDA debt service obligation, the funding of the urgent repairs account, anticipated structure repairs and other anticipated expenses; and

RESOLVED, That the DDA authorize an amendment to the Agreement reflecting that an increased annual reserve in the amount of 25% of gross parking revenues shall be set aside by the DDA for major capital repairs.

A vote on the motion showed:

AYES: DeVarti, Fritz, Gates, Gillett, Gunn, Harshe, Pohrt, Relyea, Sipes, Ungrodt
NAYS: none
Absent: Berlin, Shaffran

The motion carried.

Pollay reported that the Committee had discussed Council’s recommendation that the Fourth & Washington structure be rebuilt and expanded, and that additional study of repair options for the Maynard structure be undertaken. Gunn reported that the ad hoc Alternate Sites Subcommittee had met and put forward the recommendations that a public/private project including parking be constructed on the Huron & Fifth site and that the Forest Street structure should be rebuilt on its current location. Harshe added that there appeared to be agreement in the language of the Council parking repair resolution allowing the DDA to go forward with plans to replace that structure in its current location. Upon motion by Gunn, with support by Gates, the following resolution was put forward.

RESOLUTION ON DDA PARKING COMMITTEE PROPOSED REPAIR DECISIONS

Whereas, Several recent engineering studies indicate that parking structures currently under DDA management will need significant repairs over the next several years to remain operational;

Whereas, The DDA has presented a series of public meetings and community forums to discuss parking repair options and issues, and has received input from a great number of people in the community through letters, phone calls, and personal comments;

Whereas, The DDA Parking Committee, other DDA Board members, representatives of the DDA Citizen’s Advisory Council, the City Public Services Department, and the Carl Walker Inc. company met for a half-day session on May 21, 1997 to shape proposed repair decisions and came to conclusion on a list of recommendations; and
Whereas, the DDA presented its findings and recommendations to City Council at a work session on July 14, 1997 and received unanimous support for repairs at a regularly-scheduled City Council meeting on August 4, 1997;

RESOLVED, The DDA will apply a sealer with strip deck coating to the Ann/Ashley parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report;

RESOLVED, The DDA will apply a traffic membrane with deck coating to the Liberty Square parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report;

RESOLVED, The DDA will apply a traffic membrane with deck coating to the Fourth & William parking structure, and will oversee elevator repairs and other repairs to the structure as outlined in the 1997 Carl Walker report;

RESOLVED, The DDA will completely replace the Forest Street parking structure on the same site or on another site in the South University area with a minimum of 591 parking spaces;

RESOLVED, The DDA will conduct a full slab replacement of the west half of the Maynard parking structure, and will oversee other repairs as outlined in 1997 Carl Walker report unless further studies and analysis result in a more viable alternative;

RESOLVED, The DDA will demolish and replace the Fourth & Washington parking structure with approximately 345-375 parking spaces on the same site, and will explore the expansion of the structure over the adjacent alley to maximize within reason the total number of parking spaces available;

RESOLVED, The DDA will conduct a full slab replacement on the First & Washington parking structure, and will oversee other repairs as outlined in 1997 Carl Walker report;

RESOLVED, The DDA Parking Committee Chair and the Executive Director shall direct Carl Walker, Inc. of Kalamazoo, Michigan to prepare the necessary construction documents to obtain bids and the necessary contractors to do the repairs as outlined in the respective parking facility reports and in the resolved as stated in the Board meeting attachment, in respect to the dollar amount shown.

RESOLVED, The DDA Chair, DDA Parking Committee Chair and the Executive Director shall be authorized to put forward a Request for Qualifications and interview a short-list of prospective architects for the new Fourth & Washington parking structure.

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

The motion carried.
Upon motion by Harshe, with support from Fritz, the following resolution was then put forward.

RESOLUTION ON MAYNARD PARKING STRUCTURE REPAIR ANALYSIS

Whereas, At its August 4, 1997 meeting the City Council requested that the DDA continue to analyze significant repair or replacement options at the Maynard parking structure and report back to them on viable alternatives, including cost and potential impact;

RESOLVED, The Carl Walker, Inc. of Kalamazoo, Michigan shall be directed to oversee the preparation of such a report for presentation to City Council within the next 90-120 days.

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

The motion carried.

Pollay reported that the Committee had discussed at length increasing hourly parking rates. Gunn reported that there had been clear public sentiment to pay for repairs with parking fees, not through a millage. Given the enormity of the repair costs, the project could only be undertaken with an increase in parking rates. Board members asked Jerry Billiter to comment on the proposed increase, and he said he felt the increase was gradual enough not to dramatically affect occupancy rates. Fritz asked if the Committee had discussed returning to half-hourly charges, and Harshe responded that they had not as there had not been many complaints since its implementation in May 1996. Ungrodt asked that the City be asked to renew their efforts to chalk tires, as lack of parking space turnover destroys the perception of adequate parking. He also expressed concerns over the closing of the Arcade post office and the NBD branch on E. William.

Mr. Ungrodt leaves.

Upon motion by DeVarti, with support by Harshe, the following resolution was put forward.

DDA RESOLUTION TO INCREASE HOURLY PARKING RATES

Whereas, Recent engineering studies indicate that many parking structures currently under Downtown Development Authority (DDA) management will require significant repairs over the next several years to remain operational; and

Whereas, Parking revenues will be the significant source of funding for said repairs, in addition to operations and maintenance;

RESOLVED, That hourly parking rates in the parking structures shall be raised to $0.70 per hour;
RESOLVED, That hourly parking rates in the surface parking lots shall be raised to $0.80 per hour for the first three hours and $1.00 per hour thereafter;

RESOLVED, That parking meters controlled by the DDA shall be raised to $1.00 per hour;

RESOLVED, That the DDA requests the City raise its parking meter rates to $1.00 per hour and commence stricter enforcement of hourly time limits with tire chalking; and

RESOLVED, These parking rate increases shall be put into effect no later than October 15, 1997.

A vote on the motion showed:
AYES: DeVarti, Fritz, Gates, Gillett, Gunn, Harsh, Pohrt, Relyea, Sipes
NAYS: none
Absent: Berlin, Shaffran, Ungrodt

The motion carried.

Housing Committee Report
Committee Chair DeVarti reported that the Committee had met recently to address the draft financial projections put forward by the Finance Committee. There was concern that the DDA would focus exclusively on parking matters, despite the need for attention to a wider array of issues and needs. To this end, the Committee wanted to set aside a figure for housing in this multi year budget. Upon motion by DeVarti, with support from Sipes, the following resolution was put forward.

RESOLUTION ON HOUSING FUND ALLOCATION

Whereas, the DDA Board has created a DDA Housing Fund;

Whereas, the resolution creating the Fund states that the DDA, developing its multi year budget plan, “shall designate a significant annual contribution to the Housing Fund;

Whereas, the Finance Committee is in the process of developing a multi year budget plan for consideration by the Board;

Whereas, the Finance Committee projection for Capital Improvement Sources and Uses of Funds shows a healthy and adequate TIF Fund Balance for each year end through 2007; and

Whereas, the projections of TIF revenues available indicate that there will be between $880,000 and $1,660,000 dollars per year in TIF revenues available between the years 1998 and 2008;

Therefore, be it resolved that the multi year budget plan being developed by the DDA Board include an allocation of TIF Funding into the Housing Fund of at least $500,000 per
Therefore, be it resolved that the multi year budget plan being developed by the DDA Board include an allocation of TIF Funding into the Housing Fund of at least $500,000 per year for the fiscal years 1998 through 2008.

Although very supportive of the Committee's efforts to set forward an estimate for Housing expenses, Gates expressed concern that the figures put forward in the Finance Committee's multi year draft budget were still in a preliminary stage and, therefore, subject to change. For that reason, he felt it was premature to use them as a basis for determining specific set-asides for Housing, Pedestrian Improvements, or other expenses. Gillett suggested that perhaps discussion of the multi year budget, including estimates for Housing, could be the focus of the annual DDA retreat.

Upon motion by Gates, with support by Gunn, a resolution to table action was put forward.

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

The motion carried.

Finance Committee Report
Committee Chair Gates reported that he anticipated the City would begin its year-end audit soon, and the June financial statements indicated that the DDA ended its fiscal year in many instances ahead of budget goals. These financial reports appeared to be in good order.

Ms. Sipes leaves.

Executive Director Report
Pollay reported that she would be out of the office until August 27th for a vacation. In her absence, questions would be directed to Joan Lyke, Karl Pohrt, or Ed Shaffran.

Pedestrian Improvements Committee
Committee Chair Fritz reported that the Committee had not met recently. He also commented that many trees recently planted on N. Main St. had suffered from transplant shock or lack of watering, but that most were recovering. He expressed hope that work could begin soon on repairs in the State Street Area.

Public Relations Committee Report
None.
7. Other DDA Business

Pohrt quoted that "looking to the valley behind us, and the clouds ahead of us," the Board should consider that the DDA was stationed exactly in the midway point of its thirty-year existence as it gave shape to its annual retreat. He said he would work with Pollay to send out calendars to all Board members in an attempt to locate a convenient date and time in September or October during which to hold this retreat.

Peter Pollack apologized for ending the meeting on a negative note, but he felt it important to express concern that the DDA would begin its parking construction phase by building a surface lot at Fifth & Huron that did not include a landscape buffer along Fifth Avenue. He understood that the City sometimes did not follow its own requirements, but that a landscape buffer was an important element specifically set forward in the Downtown Plan. He did not wish to criticize the DDA, yet he felt it was an important issue. Pohrt asked to talk with him about this after the meeting.

8. Adjournment

There being no further business, upon motion by Pohrt, the meeting was adjourned at 7:01 p.m.

Respectfully submitted by:
Susan Pollay, Recording Secretary