MINUTES
Downtown Development Authority Meeting
Wednesday, September 7, 2005

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI. 48104
Time: DDA Chair Fred Beal called the meeting to order at 12:05 p.m.

1. Roll Call

| Present: Fred Beal, Gary Boren, Russ Collins, Ron Dankert, Rene Greff, Leah Gunn, Sandi Smith |
| Absent: Rob Aldrich, Dave DeVarti, Bob Gillett, Roger Hewitt, John Hieftje |
| Staff: Susan Pollay, Executive Director |
| Present: Joe Morehouse, Deputy Director |
| Richard Murphy |
| Audience: Vivienne Armentrout, Ann Arbor Observer |
| Lee Berry, Michigan Theater |
| Erica Briggs, getDowntown /Chamber of Commerce |
| Newcombe Clarke, Downtown Resident, CAC |
| Ray Detter, Downtown Area Citizens Advisory Council |
| Jim Mogensen, Citizen |
| Jennifer Roth, Village Green Companies |
| Dennis Webster, The Earle Restaurant |

2. NEW BUSINESS

Ms. Pollay and members of the board welcomed new DDA member, Russ Collins.

Ms. Pollay announced a joint working session with the DDA, City Planning Commission, and Calthorpe representatives in the Courthouse Square ballroom, 100 S. Fourth Avenue on September 21st at 7pm. She said that the second Downtown Development Strategies Project Workshop would be held the next night in the same location, September 22nd at 6pm.

3. APPROVAL OF MINUTES

Ms. Smith Gunn moved and Ms. Greff seconded approval of the July 6, 2005 board meeting minutes:

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

Ms. Smith moved and Ms. Greff seconded approval of the 2005 Annual DDA Meeting minutes:

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

Ms. Smith moved and Ms. Greff seconded approval of the 2005 Summer Retreat meeting minutes:

A vote on the motion showed:
Mr. Hieftje enters.

4. **AUDIENCE PARTICIPATION**

None.

Mr. Gillett enters.

5. **DOWNTOWN AREA CITIZENS ADVISORY COUNCIL**

At last night’s Citizens Advisory Council meeting we added two downtown residents as potential candidates for our membership list. We currently have eleven members and are allowed to add four more to a total of fifteen. Like the DDA, we skipped our August meeting so we had a lot to talk about. Members took the time to discuss our continuing role as downtown residents appointed by Mayor and Council to advise the DDA and other groups on the particular point of view of downtown residents regarding present and future developments in the central area.

These are exciting and creative times and the CAC intends to play a positive part in shaping all aspect of changes proposed for the downtown. The DDA has a lot to do. Our packet last evening was made up largely of the materials that were contained in the August Partnership packet. In the case of the RFP for the “Two Site Plan” due December 5, the McKinley proposals for both a new parking agreement and the concept of a public/Private partnership for affordable housing at E. Washington and Division, the CAC asked me to urge you to use great caution. There is a lot being planned for the future of the downtown. There is also a lot of new information, and we can anticipate many new requests. We all need to keep in mind our goals and objectives as we proceed. We have to know our priorities, know what is possible, and recognize that there are possible conflicts in our related commitments to encouraging more downtown residents, to providing for parking and transportation needs and accomplishing our goal of maintaining and enhancing a friendly pedestrian environment.

Some of the complex projects being worked on include the Huron/Division/Fifth access studies, the YMCA project, and the apparent need for a new City Hall. The CAC, like the DDA, is discussing all of these issues and the complexities involved—particularly financial. There is also a lot of information coming in from various directions—the access studies, Calthorpe workshops, the input from the newly appointed Greenway Task Force. There will be some surprises. Who would have anticipated that participants in the last Calthorpe workshop would want to put a significant amount of dense housing along the Allen Creek floodplain and the railroad?

The CAC looks forward to being involved in shaping the future of downtown.

On another issue, the Downtown Ann Arbor Historical Street Exhibit Program is preparing to install 16 new porcelain enamel wall images in the Main Street area. We have asked Susan Pollay to be one of the speakers at the October 25, 5PM. Dedication ceremony to be held on the corner of E. Liberty and S. Main. The event will be followed by a dinner at the Real Seafood and an Afterglow party with music, dessert, coffee and after-dinner drinks at the home of Lotti Van Curler at 120 Packard. Invitations will be mailed out in late September. We hope that many of you will plan to attend.

6. **OLD BUSINESS**

None.
7. SUBCOMMITTEE REPORTS

CAPITAL IMPROVEMENTS

Mr. Beal reported that the fourth of five alleys has been completed. Construction has begun on the last alley, near Café Zola, but work has been temporarily delayed by another nearby construction project. The Committee will meet to select the next group of five alleys to be repaired. Focus groups for the Huron Street project are scheduled for September 21, at 11:30am and 6pm.

Mr. DeVarti enters.

Mr. Beal moved and Mr. Dankert seconded the following resolution:

RESOLUTION RECOMMENDING THAT CITY COUNCIL APPROVE THE DEMOLITION OF THE FIRST & WASHINGTON PARKING STRUCTURE

Whereas, The First & Washington Parking Structure Condition Appraisal Update Report, completed by the Carl Walker, Inc. (CWI) in December 18, 2002 reported that the structure had experienced structural deterioration;

Whereas, CWI provided recommendations for regular inspections and repairs that would allow continuing public use of the parking structure;

Whereas, These recommendations were acceptable to the City Building Department Director, and the DDA has regularly conducted these repairs and inspections as advised;

Whereas, In June 2003 the DDA authorized spending up to $105,000 for repairs and inspections in the First & Washington structure for the 2003/04 fiscal year and in May 2004 the DDA authorized spending up to $100,000 for inspections and repairs to the First and Washington structure in 2004/05;

Whereas, Despite these inspections and repairs the First & Washington parking structure continued to deteriorate;

Whereas, On August 1, 2005 City Council approved resolution R-345-8-05 “Resolution Requesting Preparation of Requests for Proposals for the Redevelopment of City-Owned Properties” which set forward the elements to be included in a redevelopment of the First & Washington site as a mixed use building rather than a public parking structure;

Whereas, The DDA has received a conditional assessment from Carl Walker Inc. which determined that additional repairs will be needed in the First & Washington structure in the amount of $250,000 or more to keep the structure open through winter 2005;

Whereas, Members of the DDA met with the Planning and Development Services Unit Director and representatives of Carl Walker inc. to discuss this recent conditional assessment and jointly resolved to recommend closure and demolition of the First & Washington parking structure prior to winter 2005;

Whereas, The determination to demolish the First & Washington structure must be made by the City;

RESOLVED, The DDA recommends closure of the First & Washington parking structure by October 1, 2005 with demolition to take place no later than winter 2005.

RESOLVED, The DDA Capital Improvements Committee is authorized to engage engineering firms to develop plans and specifications to demolish the garage.
RESOLVED, Upon Council authorization to proceed, the DDA Capital Improvements Committee will be authorized by the DDA to request bids for demolition of the First and Washington structure, with the understanding that the DDA board will be kept informed of all steps taken to complete the demolition task.

Mr. Dankert said that he strongly supported the closure and demolition of the structure to ensure public safety. He said that the also believes that the DDA should ask the City to repay it for its expenses demolishing the structure as it will increase the value of the site. Mr. Beal agreed that the value of the site would be improved by the removal of the structure. He said that the City must provide authorization to demolish the structure but the demolition will be under DDA oversight. Ms. Gunn said that she agreed with Mr. Dankert about the need to close and demolish the structure and acknowledged that the City must provide authorization. Mr. DeVarti said that the DDA should pay for the demolition and that safety must remain a priority.

Mr. Gillett proposed a friendly amendment to the resolution:

RESOLVED, The DDA is authorized to advance funds for the demolition of the First and Washington structure with the understanding that a recommended construction bid will be brought back for DDA approval;

RESOLVED, The DDA is advancing funds for demolition documents, project management and demolition with the expectation that this DDA advance will be reimbursed once a project is approved on this site.

Mr. Beal and Mr. Dankert said that they would accept this amendment as friendly.

A vote on the amended motion showed:
AYES: Beal, Boren, Collins, Dankert, DeVarti, Gillett, Greff, Gunn, Hieftje, Smith
NAYS: None
Absent: Aldrich, Hewitt
The motion carried.

Mr. Hewitt enters.

Mr. Beal moved and Mr. Gillett seconded the following resolution:

RESOLUTION DIRECTING CARL WALKER INC. TO PREPARE CONSTRUCTION DOCUMENTS, BIDDING AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE DEMOLITION OF THE FIRST AND WASHINGTON PARKING STRUCTURE

Whereas, The First & Washington Parking Structure Condition Appraisal Update Report, completed by the Carl Walker, Inc. (CWI) in December 18, 2002 reported that the structure had experienced structural deterioration;

Whereas, On August 1, 2005 City Council approved resolution R-345-8-05 “Resolution Requesting Preparation of Requests for Proposals for the Redevelopment of City-Owned Properties” which set forward the elements to be included in a redevelopment of the First & Washington site as a mixed use building rather than a public parking structure;

Whereas, The DDA has received a conditional assessment from Carl Walker Inc. that has determined that additional repairs will be needed in the First & Washington structure in the amount of $250,000 or more to keep the structure open through winter 2005;
Whereas, Members of the DDA met with the Planning and Development Services Unit Director and representatives of Carl Walker inc. to discuss this recent conditional assessment and jointly resolved to recommend closure of the First & Washington parking structure prior to winter 2005;

Whereas, The determination to demolish the First & Washington structure will be made by the City at the September 19, 2005 City Council meeting;

Whereas, Construction documents, bidding and construction administration services will be needed to demolish the First and Washington structure, including removal of above-grade portions of the building, bracing the foundation walls on the east and north sides of the structure, removing, relocating or capping existing utilities, and securing the site from pedestrian and vehicular traffic;

Whereas, It is the goal of the DDA to undertake the demolition quickly so that temporary surface parking can be restored as soon as possible;

Whereas, Carl Walker Inc. has submitted a proposal for these services on a fixed fee of $29,000 plus reimbursable expenses of $1,500;

Whereas, This proposal has been reviewed and has been recommended by the DDA Executive Director, Capital Improvements Committee Chair and Project Manager;

RESOLVED, The DDA approves the proposal from Carl Walker Inc. to develop construction documents, and to oversee bidding and construction administration for the demolition of the First and Washington Parking Structure in the amount of $29,000 plus reimbursable expenses up to $1,500.

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

Huron, Division & Fifth: Mr. Beal presented the following resolution for information purposes only, as he plans to present the resolution for action at the next DDA Board meeting. He reminded the Board that the two projects were undertaken at the same time in order to maximize the opportunity to secure matching funds. The project teams are taking into consideration other downtown planning efforts, including the Calthorpe study and the City Non-Motorized Plan which is nearly complete.

RESOLUTION RESERVING FUNDS FOR THE INSTALLATION OF HURON, DIVISION AND FIFTH AVENUE IMPROVEMENTS

Whereas, In December 2002 the DDA discussed the need to improve pedestrian and bicycle access into and through the downtown on Huron, Division and Fifth, and upon the recommendation of the Capital Improvements Committee, on June 2003 the DDA unanimously approved “Resolution Approving Improvement Projects Along Huron Street and Along Fifth & Division Streets;

Whereas, It was determined that the project would begin with a comprehensive study of the corridors and in December 2003 the DDA authorized a Professional Services Agreement with Pollack Design Associates to develop an Urban Design Workbook for the corridors;

Whereas, The Urban Design Workbook was compiled following exhaustive research and numerous public workshops, and its findings were presented to the DDA and Planning Commission in July 2004;
Whereas, The Workbook includes a number of recommendations to improve bicycle and pedestrian conditions on these corridors, including the installation of bike lanes and parking, pedestrian amenities such as improved lighting and trees, and the placement of on-street parking to create a separation and sense of security for pedestrians from vehicular traffic;

Whereas, The draft City of Ann Arbor Comprehensive Non-motorized Transportation Plan shows the installation of bicycle facilities on Fifth and Division as a high priority, and recommends elements such as improved pedestrian crossings on Huron Street;

Whereas, The DDA approved “Resolution Authorizing the Issuance of a Request for Proposals for Design of Huron, Fifth, & Division Improvements Capital Improvements” at its November 2004 meeting and in March 2005 Beckett and Raeder, Inc. and Albert Kahn Associates, Inc., were selected as consultants to design the improvements along these corridors;

Whereas, The DDA determined that it would not establish a project budget, but rather would delineate the specific improvements to be implemented at a later date and that the DDA will seek TEA-21, City Alternative Transportation funds and other revenues sources to offset a portion of the project costs;

Whereas, The DDA manages its funds through a Ten Year Plan which enables it to anticipate and prioritize future projects;

Whereas, The DDA Capital Improvements Committee discussed the project status at its July 2005 meeting and recommends that a portion of the DDA TIF fund balance be reserved so as to anticipate the Huron, Division, and Fifth project in some form and to strengthen future grant applications with an assurance of matching funds;

Whereas, The DDA Capital Improvements Committee recommends that $6 million in TIF be reserved for the Huron, Division and Fifth project with an additional $1 million in TIF reserved for improvements to the City Hall site, including a possible new community gathering space in the front of City Hall, as City Hall is situated on both Huron Street and Fifth Avenue;

RESOLVED, The DDA shall reserve $6 million for future improvements to Huron, Fifth, and Division in addition to an additional $1 million for future improvements to the City Hall site.

PARTNERSHIPS COMMITTEE:
Ms. Smith reported that Partnerships is working on the RFP for the First & Washington site and the Kline Lot. The Committee also received a request from McKinley regarding a parking contract for the McKinley Center and an affordable housing project at Division and Washington. They have invited Mr. Berriz to a future Partnerships meeting to provide additional information regarding the requests. It is anticipated the DDA will be asked to participate in the redevelopment of the former YMCA, however, at this time no specifics have been provided.

RESEARCH AND OPPORTUNITY COMMITTEE:
Mr. Boren reported that the Committee had reviewed the July benchmark data and approved its release to the DDA website. He said that the Committee will begin holding its meetings in the late afternoons in hopes of making it more convenient for other DDA members to attend.

Mr. Boren moved and Mr. Hewitt seconded the following resolution. Ms. Pollay announced that Mr. Collins had announced a conflict of interest and would not participate in the discussion or vote.
RESOLUTION PROVIDING FUNDS TO ASSIST WITH CAPITAL IMPROVEMENTS TO THE MICHIGAN THEATER AS A RESULT OF THE STATE OF MICHIGAN’S “COOL CITIES” GRANT AWARD ($50,000)

Whereas, The Michigan Theater is an historic building owned by the City of Ann Arbor;

Whereas, The Ann Arbor Cool City Task Force submitted an application on behalf of the City of Ann Arbor, and this application was selected to receive a $100,000 “Cool Cities” grant from the State of Michigan;

Whereas, These State funds will be provided to the Michigan Theater with the goal of enhancing the attractiveness of Ann Arbor to young knowledge workers which the State hopes will help “encourage them to stay in our cities and allow us to grow the talent, innovation and creativity these individuals bring”;

Whereas, The State Cool Cities funds will enable the Michigan Theater to make the necessary historically appropriate improvements to this landmark theater to accommodate new digital projection equipment and a new video gallery;

Whereas, The State funds must be matched dollar-for-dollar by local funding;

Whereas, The Michigan Theater has indicated that they will secure $50,000 from individuals, corporations and foundations, and has requested the remaining $50,000 in matching funds from the DDA;

Whereas, The DDA approved “Principles Guiding DDA Grant Decisions” in January 2005, and this document set forward the following requirements:

- The project must make a direct connection to a goal, strategy or tactic called out in the DDA’s Renewal Plan.
- DDA funding will only be provided to projects that are open and available to the public.
- At minimum, the DDA expects a 1 to 1 funding match against DDA dollars, although a 2 to 1 match or greater is preferred.
- The DDA must receive considerable visibility from any grant award.

Whereas, The Michigan Theater request meets these criteria, as the DDA 2003 Renewal Plan includes a strategy that the DDA would assist significant downtown nonprofit and government owned cultural institutions, the Theater is open and available to the public, DDA funds would be matched 3 to 1, and the Michigan Theater has the means and willingness to provide significant visibility to the DDA;

Whereas, The DDA Research and Opportunity Committee has recommended approval;

RESOLVED, The DDA approves a $50,000 grant to the Michigan Theater to match its Cool Cities grant in support of improvements to the theater contingent on it securing the necessary $50,000 in private funding.

RESOLVED, The DDA authorizes its Research and Opportunity Committee to work with the Michigan Theater to determine the best means to publicize the DDA’s grant to the Michigan Theater.

Mr. Gillett expressed concern about making a decision when the DDA doesn’t have a set annual budget amount for grants. Ms. Greff expressed concern that the DDA might set a precedent, as the demands from other nonprofits will only grow as other revenue sources dry up. Mr. DeVarti supported the grant as a capital expenditure on the building, not operations. Mr. Hewitt spoke in support of the grant, and Mr. Hieftje said that he supported the request, as the Michigan Theater annually draws hundreds of thousands of people to the downtown. Mr. Gillett said that he sided with
Ms. Greff in opposing funding, as it might set a precedent. Ms. Gunn said that she supported the request as it would help secure a State Cool Cities grant for the City. Mr. Gillett asked Mr. Morehouse for a list of grants approved by the DDA in 2004/05.

A vote on the motion showed:
AYES: Beal, Boren, Collins, Dankert, Gunn, Hewitt, Smith
NAYS: Greff, Gillett
Abstain: Collins
Absent: Aldrich
The motion carried.

Web site and Communication Plan: Mr. Boren indicated the committee has met with two firms regarding a project to help the DDA improve its communications, including its website. They will meet with one additional firm, and will bring a resolution to the Board for action in the near future.

Parking Study: Mr. Boren said that the committee has begun writing questions for a parking study. He asked the DDA Board to submit any questions they would like to include in the study.

Mid-year retreat: The committee is looking at potential sites for the mid-year/December DDA retreat, and asked for recommendations.

Operations Committee:
Financial Reports: Mr. Hewitt announced that the June 30, 2005 financials matched very closely the revised and approved 2004/05 DDA budget. Mr. Hewitt explained that TIF income is slightly better than anticipated. Parking fund balance shows a $1 million deficit, which is the result of the City using the option to take two years rent payments at one time. The Housing Fund balance and the TIF Maintenance Reserve Fund are as anticipated. A motion to accept the June 30, 2005 financial statements was moved by Mr. Hewitt, seconded by Mr. Beal and unanimously accepted.

Kempf House Requests: Mr. Beal has volunteered to help the Committee review the request for the remaining DDA grant and for an additional DDA grant. Mr. Beal was thanked for his assistance.

8. OTHER DDA BUSINESS MATTERS
Ms. Pollay invited everyone to a 1st & Washington demolition party, September 28th at 5pm. A short program will take place and the party will feature music, refreshments, and fun. Ms. Serras of the Main Street Area Association is helping to coordinate the event. More details to follow.

9. AUDIENCE PARTICIPATION
Ms Briggs announced that it was time for the getDowntown Go!Pass renewals.

Mr. Mogensen announced that he was concerned that AATA is considering eliminating Night Ride.

Mr. Berry thanked the DDA for its support for the Michigan Theater grant request.

10. ADJOURNMENT
As there was no further discussion the meeting was adjourned at 1:10 P.M.

Respectfully submitted,
Susan Pollay, Executive Director