**MINUTES**  
Downtown Development Authority  
Thursday, September 10, 1998

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

**Time:** The Chair, Ed Shaffran, called the meeting to order at 5:15 p.m.

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<th>1. Roll Call</th>
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<td><strong>Present:</strong> Neal Berlin, Ron Dankert, David Fritz, Leah Gunn, Maria Harshe, Karl Pohrt, Deanna Relyea, Ed Shaffran, Skip Ungrodt</td>
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<td><strong>Absent:</strong> Dave DeVarti, Bob Gillett, Lorri Sipes</td>
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| **Staff Present:** Susan Pollay, Executive Director  
Joseph Morehouse, Fiscal and Administrative Manager |
| **Audience:** Ray Detter, Citizens Advisory Council  
Bob Frazier, National Garages, Inc.  
Bob Henderson, Courthouse Square Apartments  
Donna Johnson, Ann Arbor Planning Department  
Bob Kennedy, Access & Video Systems  
Audrey Libke, Courthouse Square Apartments  
Pat McLeod, Courthouse Square Apartments  
Cathy O'Donnell, *Ann Arbor News* |

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<th>2. Approval of Minutes</th>
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<td>Ms. Gunn made a motion, and Ms. Harshe seconded, that the minutes of the August 10, 1998 Special Meeting be approved.</td>
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**A vote on the motion showed:**

**AYES:** Berlin, Dankert, Fritz, Gunn, Harshe, Pohrt, Relyea, Shaffran, Ungrodt  
**NAYS:** None  
**Absent:** DeVarti, Gillett, Sipes

**Ms. Sipes enters.**

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<th>3. Audience Participation</th>
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<th>4. Report by DDA Citizens Advisory Council</th>
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Ray Detter reviewed the initial Parking and Downtown Development statement that the Citizens Advisory Council will be using as a basis for discussions that we hope will lead to the development of new and creative parking pattern for the Ann Arbor downtown area. As a first step we all agree that all funds from increased on-street parking meter rates should go to the DDA to be used exclusively for the development of future parking. Any new parking structure should be located where there is a possibility of satisfying the Downtown Plan’s encouragement of mixed-use, public-private developments that might include retail, residential, office and underground parking. A system of incentives, including a program of parking tax exemptions and tax rebates, must be established to make it financially possible for private developers to build more parking--particularly underground parking--on their sites.

The Citizens Advisory Council hopes that discussion of these new directions will be an important part of the DDA Retreat agenda this fall.

Mr. Gillett enters.
Mr. DeVarti enters.

5. New Business

Mr. Shaffran welcomed Mr. Dankert to the board, and congratulated Mr. Gillett and Mr. Ungrodt on their reappointment. Mr. Dankert told a little about himself, and expressed pleasure at his appointment to the DDA.

Mr. Ungrodt proposed holding the regular board meetings in the morning. Mr. Shaffran suggested that this question be addressed at the retreat.

6. Subcommittee Reports

Parking Operations Committee Report
Ms. Gunn reported that video equipment at the Maynard and Liberty Square parking structures needs repair, and that the Committee recommends replacing it with color equipment. Both options would cost approximately $30,000, which is already in the National Garages budget. Mr. Pohrt stated that there are two reasons for the video equipment, one is deterrence, and the other is to provide prosecution evidence. Mr. Pohrt asked if upcoming repairs in Maynard would affect the equipment, to which others said installation could be timed around the repair work.

Mr. Shaffran argued that due to liability concerns, the DDA may not be able to remove the existing equipment. Further, Mr. Shaffran stated that he felt that as the City had installed equipment in the Maynard and Liberty Square structures, it must be installed in all structures. Ms. Gunn stated that the proposal is for Maynard and Liberty Square only. Ms. Harshe emphasized the liability issues of not having working equipment in these
structures. Bob Kennedy of Access & Video Systems explained the current system of 47 cameras on 10 monitors. Many cameras no longer have a usable image, and many are not in strategic locations. With the new system, activity in the entrances and stairwells would be recorded. Further, the number of cameras would be reduced to 23, making it more manageable for attendants to keep track of activities. Four cameras on the roof would be black and white, as color cameras are not effective in dim lighting. Mr. Pohrt wanted to explore signage, calling attention to the video equipment to increase its deterrence value. Ms. Gunn said that if you tell customers of the video equipment with signage you raise your liability exposure. Mr. Shaffran asked for a legal opinion on the subject before National Garages proceeded with any plan. Ms. Gunn agreed to get some legal clarity and discuss this issue further at the next committee meeting.

Ms. Gunn explained that First of America had been given 30 free parking spaces at the Liberty Square parking structure as part of the development agreement. Sixteen spaces were “moved” to Ann Ashley to provide parking for FOA employees in the Main Street area, and the company was provided the spaces on the ground floor under the Ann Ashley extension. As these could be considered premium spaces, Ms. Gunn asked the board to explore the possibility of moving FOA permits into the structure, and then renting the spaces for a higher monthly permit cost.

Ms. Gunn asked the DDA to review the residential permit policy for discussion at a later date.

Upon motion by Ms. Gunn with support from Mr. Pohrt the following resolution was put forward:

**Resolution to Support a University of Michigan Student Parking Study**

Whereas, The DDA has committed itself to providing a high quality parking system, as well as enhancing the community’s perception of its transportation options downtown;

Whereas, The DDA has an interest in understanding the factual basis upon which future policy decisions might be based;

Whereas, The DDA has come to understand the University of Michigan will soon undertake a student transportation access study which will cost approximately $130,000;

Whereas, This study will include a comprehensive assessment of student parking demand and transportation options;

Whereas, An earlier study indicated that a significant number of University of Michigan students utilize parking provided by the DDA in their roles as downtown employees, customers and residents;
Whereas, The University of Michigan has offered the DDA an opportunity to participate in its student transportation access study and to share in its findings; and

Whereas, The project would provide for an additional partnership between the DDA and the University of Michigan;

RESOLVED, That the DDA shall agree to participate in the University of Michigan student transportation access study; and

RESOLVED, That the DDA shall commit $10,000 toward the University’s cost for this study.

Ms. Pollay explained that the study would look at parking demand by graduate and undergraduate students and how they are currently getting to campus, and then develop a menu of parking and transportation options. The DDA have access to the study data, which may be of value, both because it may lead to sage parking policies, but also because many students are downtown residents and understanding more about their needs and opportunities may enable the DDA to expand its programs for other downtown residents. The study is expected to take one year. Mr. Pohrt expressed his support of the motion, especially the partnering aspect of the project for such a small cost. Mr. Berlin asked if the University was hiring a consultant for the study and if the costs were actual costs to the University. Ms. Gunn stated that the firm BRW, Inc. was the primary consultant and JJR is the secondary consultant for the study.

Mr. Shaffran called the question.

A vote on the motion showed:

AYES: Berlin, Dankert, DeVarti, Fritz, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt

NAYS: None

Absent: None

Finance Committee
Mr. Morehouse went over the July 1998 finance report with the board, explaining some of the variances contained in it. Mr. Shaffran asked if there was a penalty for late permit payments, to which Bob Frazier said there was not. Ms. Harshe asked Mr. Morehouse to explain a report that had been distributed to the Parking Operations Committee. Mr. Morehouse explained that the report compared two time periods, December through July of 1996-1997 and 1997-1998 which showed the number of permits remained steady but the number of hourly patrons declined about ten percent. Mr. Shaffran commented that
more needs to be known about what was going on during those periods, such as fewer UM conferences. He emphasized the need to continue this data collection. Mr. Frazier reported that parking revenues during the Art Fair were also down about five percent from the previous year. Mr. DeVarti asked if it may be the DDA’s role in promoting the downtown and changing the public perceptions of the area. Mr. Pohrt thought that the DDA should host public events on the completion of the parking structure projects. Mr. Fritz suggested promoting under-used parking structures with discounted or free parking during certain time periods, such as Ann-Ashley in the evenings or on weekends. Mr. Gillett questioned the rent expense being over-budget. Mr. Morehouse explained that the rent payments were paid annually or quarterly on some of the leases. Mr. Shaffran asked for a review of the rented parking lots and an analysis of their revenues and expenses.

Upon motion by Ms. Harshe with support from Mr. Fritz, the following resolution was put forward:

**Resolution to Amend and Adopt the City Investment Policy**

Whereas, the City Treasurer is designated by City charter to have custody of all monies, fund, and securities of the City;

Whereas, the City Treasurer is authorized as the investment officer for City funds;

Whereas, Act 196 PA 1997 requires an investment policy be adopted by the Downtown Development Authority 180 days after the local units fiscal year end;

Whereas, City Council has adopted an investment policy for the City, amended on March 2, 1998, to comply with Act 196 PA 1997;

RESOLVED, That the Downtown Development Authority adopt the City’s Investment Policy as approved by Council on March 2, 1998.

Mr. Shaffran called the question.

A vote on the motion showed:

**AYES:** Berlin, Dankert, DeVarti, Fritz, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt

**NAYS:** None

Absent: None

Upon motion by Mr. Shaffran with support from Mr. Fritz the following resolution was put forward:
RESOLUTION TO RENEW FUNDING FOR THE DOWNTOWN HISTORIC STREET EXHIBIT AND TO ALLOW FOR A FUND TRANSFER

Whereas, In July 1995 the DDA allocated $40,000 for the construction and installation of Historic Street Exhibits in the DDA District;

Whereas, The allocation expired on June 30, 1997 and the project balance in the amount of $33,208.00 was added to the DDA TIF Fund Balance Account;

Whereas, The DDA has been asked by the Citizen’s Advisory Council to renew its previous allocation for this project;

Whereas, Additional funds from the Ann Arbor Historical Foundation will be deposited with the City of Ann Arbor/DDA to fund this project; and

Whereas, Funds from the DDA and the Ann Arbor Historical Foundation must be transferred into a construction account to enable the Historic Street Exhibit Project to go forward;

RESOLVED, That the DDA renews its allocation of $33,208.00 for construction and installation of Historic Street Exhibits; and

RESOLVED, That the DDA authorizes the transfer of $33,208.00 from its TIF Fund Balance Account to a construction account for the Historic Street Exhibit Project.

Ms. Pollay explained that in 1995 the DDA appropriated $40,000 for the historic street exhibit. Of that appropriation, $33,208 was not spent and went into fund balance. The Citizen’s Advisory Council is working to complete the project, and would like to renew the DDA’s earlier funding support. Upon support from the DDA, Ms. Pollay explained that the resolution will go before City Council on Monday night.

Mr. Shaffran called the question.

A vote on the motion showed:

AYES: Berlin, Dankert, DeVarti,Fritz, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt
NAYS: None
Absent: None
**Spaces in Between Building Committee**
Ms. Harshe commented that although several Spaces Between Buildings subcommittees had met, the Steering Committee had not met regularly. She asked that the Steering Committee be dissolved, and that board members bring individual projects directly to the DDA Board.

Mr. Pohrt reported on the progress of the University of Michigan study of the State Street area. Costs for the study had increased, and the University agreed to increase its contribution. Mr. Pohrt said he was also very happy to report that as part of this study, the UM would create a standing committee with “town gown” representation that would continue to meet long after the study had been completed. Ms. Harshe asked if the South University area could also be included in the University/DDA relationship. Mr. Pohrt was positive about that inclusion.

Mr. Pohrt reported that he, Mr. Gillett, Ms. Pollay and Larry Friedman from the City had met to discuss the DDA grant to Avalon Housing. Mr. Gillett said that questions were asked about how monitoring is to take place, what kind of enforcement rights the DDA would have if there were problems, and if the DDA should have security in the property. He stated that with projects like this, Avalon usually develops two documents. The first sets out the expectations and goals of the project, and is signed by all funders. The second is a loan or grant document each organization has with the provider. A draft affordability agreement has been developed, and Mr. Gillette expects that a traditional mortgage or a “recoverable grant” with Avalon can be created. Mr. Gillett said this process could be used for future grants.

Mr. Pohrt said that a funding request had come from Dawn Farms for the treatment and rehabilitation of people with addictions in the downtown area. Mr. Pohrt suggested that the request could be discussed at the retreat. Mr. Berlin suggested that the funding request might also be coordinated with the city and county, as similar efforts are being planned in the area.

**Parking Construction Committee**
Mr. Shaffran reported that the contractor is just finishing up work on Bid Package “B” and that the project will be completed for the budgeted amount. Mr. Shaffran called the board’s attention to a potential problem at the Liberty Square structure, as it had been discovered that some of the brick exterior was not sufficiently anchored to the building with wall ties.

Upon motion by Ms. Gunn with support from Mr. Pohrt the following resolution was put forward:
The Chair, the City Administrator and the Executive Director are to proceed in a timely and prudent manner to oversee repairs to the brick facade of the Liberty Square Parking Structure.

A vote on the motion showed:

**AYES:** Berlin, Dankert, DeVarti, Fritz, Gillett, Gunn, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt

**NAYS:** None

**Absent:** None

Ms. Relyea leaves.

Mr. Shaffran reported that at Maynard, engineers were considering repairs to the outside of the building, and possibly adding windows in the stair towers for better security. Mr. Shaffran also wanted to explore using a construction management arrangement for the Maynard repairs.

Mr. Shaffran reported that due to cost cutting efforts, numerous alterations were made to the Fourth & Washington Parking Structure construction documents. Rich & Associates would require additional funds to redraw the construction documents.

Upon motion by Ms. Harshe with support from Mr. Ungrodt the following resolution was put forward:

**Resolution to Recommend an Amendment to the City Professional Services Agreement with Rich and Associates, Inc. for Drawing Modifications to Construction Documents for the Fourth & Washington Parking Structure**

Whereas, One of the first phases of the DDA’s multi-year repair and replacement plan will be replacement of the parking structure at E. Washington St. and S. Fourth Ave;

Whereas, At its October 14, 1997 meeting, the DDA recommended to the City a Professional Services Agreement (PSA) with Rich and Associates, Inc. in the amount of $250,000 for the design and preparation of bid documents for the construction of a replacement parking structure at Washington and Fourth;

Whereas, At its August 10, 1998 meeting, the DDA recommended to the City an amendment to this PSA with Rich and Associates to provide construction-related services for a not-to-exceed amount of $78,500;
Whereas, It is now necessary to have a consulting firm redraw construction documents for the Fourth and Washington parking structure following a series of design modifications; and

Whereas, Rich and Associates, Inc. has provided a proposal to provide this service in the amount of $24,870.00;

RESOLVED, That the DDA recommends that the City authorize an amendment to the professional services agreement with Rich and Associates, Inc. not to exceed $24,870.00.

A vote on the motion showed:

AYES: Dankert, Fritz, Gillett, Gunn, Harshe, Pohrt, Shaffran, Sipes, Ungrodt
NAYS: Berlin, DeVarti
Absent: Relyea
Upon motion by Mr. Berlin with support from Ms. Gunn the following resolution was put forward:

**Resolution to Explore A Relationship with the University of Michigan in the Development of the Forest Avenue Parking Structure**

Whereas, The DDA is committed to constructing a replacement parking structure on Forest Avenue that will provide the maximum amount of parking for the South University area;

Whereas, The DDA has received a letter indicating the University of Michigan’s interest in exploring the feasibility of developing a parking structure that provides for University parking needs, as well as that of the community;

Whereas, The DDA has a strong interest in strengthening the connection between the downtown community and the University of Michigan; and

Whereas, A collaborative partnership between the DDA and University of Michigan may lead to a parking structure that provides optimal benefit for the South University and Central Campus areas;

RESOLVED, The DDA welcomes an opportunity to investigate the feasibility of parking structure shared by the City and University of Michigan;

RESOLVED, That the DDA Chair, Treasurer and Executive Director are authorized to represent the DDA in discussions with the University, and are asked to pursue this project to the greatest extent possible.

Mr. Shaffran expressed his opposition to having the University as a partner, stating his preference to lease them spaces.

**A vote on the motion showed:**

**AYES:** Berlin, Dankert, DeVarti, Fritz, Gillett, Gunn, Harshe, Pohrt, Shaffran, Sipes, Ungrodt

**NAYS:** None

**Absent:** Relyea
Mr. Shafrran was concerned that the design process for the Forest Structure had come to a halt early in the summer. Ms. Pollay stated that she had a “G” item going to City Council Monday night about the status of the Forest Structure. The memo reported that the DDA was moving forward with the “F” design scheme, and that if this is not acceptable to City Council they should indicate this as soon as possible. Mr. Berlin stated that he had informed both Mayor Sheldon and Council member Kolb that the DDA cannot afford to develop two parallel plans. Mr. Berlin suggested that Ms. Pollay draft a resolution to City Council asking for a resolution of support for either design scheme “H” or “F”.

Executive Director’s Report
Ms. Pollay brought the board up to date on the status of the annual retreat. Since the first attempt at setting a date for the retreat was unsuccessful, Ms. Pollay informed the board she would survey the members to find an available date in early November.

Ms. Harshe asked the staff to form a Parking Advisory Committee that is defined in the agreement between the City and the DDA. Ms. Pollay replied that the Mayor had sent letters to stakeholder groups outlined in the City/DDA agreement, and that Joe Morehouse would oversee the committee’s activities.

Ms. Harshe asked for the Personnel Committee to reconvene to provide the Executive Director with her annual evaluation.

6. Adjournment
There being no other business, upon motion, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Susan Pollay, Executive Director
Secretary