MINUTES
Downtown Development Authority Meeting
Wednesday, October 2, 2002

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI  48104
Time: DDA Chair Bob Gillett called the meeting to order at 12:15 p.m.

1. ROLL CALL
   Present: Rob Aldrich, Fred Beal, Ron Dankert, Dave DeVarti, David Fritz, Bob Gillett, Rene Greff, Leah Gunn, Dave Solo
   Absent: John Hieftje, Lorri Sipes, Skip Ungrodt
   Staff Susan Pollay, Executive Director
   Present: Joe Morehouse, Deputy Director
              Adrian Iraola, Project Manager
              Sarah Armstrong
   Audience: Brandt Coultas, Chamber of Commerce/Get!Downtown Program
             Ray Detter, Citizens Advisory Council
             Jim Morgensen, Citizen

2. APPROVAL OF MINUTES
   Ms. Gunn moved and Mr. Beal seconded that the minutes of the following meetings be approved: June 5, 2002; July 1, 2002; 2002 Summer Retreat; 2002 Annual Meeting; and September 4, 2002.
   A VOTE ON THE MOTION SHOWED:
   AYES: Aldrich, Beal, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Solo
   NAYS: None
   Absent: Hieftje, Sipes, Ungrodt
   The motion carried.

3. AUDIENCE PARTICIPATION
   None.

4. CITIZENS ADVISORY COUNCIL
   CAC Chair Ray Detter said that in lieu of a report, this month he would present an eight-minute video on the Downtown Historical Street Exhibit Program. He said it was anticipated that in addition to being shown on CTN for viewing by the community, the video will be sent to schools, as well as being submitted for awards in order to generate support for this project. The video was shown, and DDA members conveyed their compliments.

5. NEW BUSINESS
   None.

6. OLD BUSINESS
   None.

7. SUBCOMMITTEE REPORTS
   OPERATIONS COMMITTEE
   Mr. Dankert directed the board’s attention to the June 30, 2002 fiscal year end report. Because parking meter operations were added toward the end of the year and were unbudgeted, parking revenues are up $400,000. Expenses are also over-budget, including some unbudgeted First/Washington testing and meter operation start-up costs. TIF revenues are 11% over budget, and that includes pass-through funds for the Historic Marker program. TIF expenses are 12% over
budget, including costs related to unbudgeted Go!Pass and IT Zone expenses. Mr. Morehouse said he thought the audit would be completed sometime in January.

Mr. Gillett questioned whether we can expect TIF expenses to remain near this level on an ongoing annual basis, or whether this year was unique. He also asked if we can expect revenues at this level on an ongoing basis or whether there was in fact a "standard" year. Mr. Dankert said there are no regular years. Ms. Pollay agreed, saying that revenues will fluctuate in the future as bonds are retired and school revenues are no longer collected. She said that expenses would also continue to fluctuate primarily due to future capital improvement projects. The DDA Capital Improvements Committee has begun to schedule a series of future projects that must first be approved by the board. Different projects each year will bring about varying expenditure levels. Also, the board will need to determine whether to secure bonds, as was done this year for the State Street area project, which spreads costs out over several years or alternately whether to pay out of cash reserves if interest rates are not as advantageous.

Mr. Aldrich questioned the debt service amount shown on the parking facility income and expense report for the First/Washington deck, saying that a bond had not yet been secured for the redevelopment project. Ms. Pollay said that the amount shown is due to a bond secured in 1992 for a series of parking structure repairs that were required by the 1992 DDA/City parking agreement. The debt amount shown is the allocated amount for First & Washington.

Mr. Dankert said that the Committee is also discussing a wide variety of other projects. They are discussing cash management options, and may hire a consultant to advise us how to invest our money wisely. The Committee has approved a one-year pilot program at the Fourth & Washington structure allowing a limited number of monthly permits for handicapped persons, and the availability of these permits will be publicized in coming weeks. He said the Committee will be working with the four downtown area associations to promote holiday shopping parking availability, and will be considering a new meter bag policy. Ms. Greff said that a Main St. merchant had complained because meters have been bagged in front of his store for the past four weekends. He has asked the DDA to utilize discretion when issuing meter bags. DDA representatives will meet with this merchant and the MSAA to ascertain their recommendations for policy changes.

PARTNERSHIP COMMITTEE
Mr. Aldrich reported that the Committee reviewed and approved the goals and objectives of the Chamber Housing Coordinator position for which funds were authorized by the DDA earlier this summer. He distributed this list of goals to the Board for their information.

First/Washington Project Status. Mr. Aldrich said that an updated conceptual plan had been developed in late summer and provided to the DDA that morning. It was decided by the Committee to approve a request from LibertyFirst to extend the 60-day inspection period for an additional 60 days due to the fact that the development agreement has still not been signed by the City and a title commitment had only recently been provided. During this second 60-day inspection period the Committee would work with LibertyFirst to confirm the form of ownership arrangement for this project.

Analysis of Downtown Development Sites. Mr. Aldrich reported that the Committee would be looking at future downtown development sites. Information will be collected over the next few months and it is hoped that this will be an important topic of discussion at the mid-year retreat. They hope to have a site selected by the end of this year for the next DDA project.

“Premium Parking” Draft formula for future project partnerships. Mr. Aldrich reported that the Committee would develop a “premium parking” policy so as to be able to better respond to
developers for future partnership projects. Mr. Beal felt that we need to look at sites that are not necessarily City-owned for development and that we also need to look at the premium parking rates. He will bring suggestions to the Committee.

**CAPITAL IMPROVEMENTS COMMITTEE**

Forest. Mr. Beal reported that a follow-up meeting was held with the contractor, DDA and City staff to close out the project, hopefully within the next 30 days. It has been resolved to take down the bridge, and Carl Luckenbach has been asked to produce a design for a new first floor pedestrian exit to take its place.

State Street Area-Status. Mr. Beal reported that the contractor asked for the chance to complete the project this year. The Committee felt that it was not a good idea but asked the State Street Area Association for their input. They also agreed that the project should be finished next spring. This information was conveyed to the contractor. The SSAA will be presenting a “Phase I” completion party on Friday, October 18th and all DDA members were invited.

Fourth Avenue Improvements. Mr. Beal reported that all surface improvements are completed, but there was a delay procuring and installing light poles. It had been anticipated that we were going to get them from in front of the Blake Transit Center, but AATA is delayed with their shelter project, and the lights won’t be available until next spring. Adrian is working to find an alternate solution. Mr. Beal reported that the east sidewalks on the 200 block in front of Mr. Bilakos’ building are being addressed this week.

South University Area. Mr. Beal reported that an RFP has been distributed to architects for a survey and some design work on the blocks south of S. University on Church, Forest, and East University. A preliminary project budget of $400,000 has been created, which would include new lights at various locations, although this element may be bid as an alternate. After an architect is selected, the Committee will come to the DDA for project approval.

Fourth/William Repairs. Mr. Beal reported that the principal items left include the office construction, installation of the canopies, and a minor punch list.

Pedestrian Improvements. Mr. Beal said that as reported earlier by Ms. Pollay, that the Committee is considering the issues that came out from the spring walk-around and the lighting assessment which is just now being completed. After holding back from non-parking improvement projects for the past few years, a rough schedule of future projects and early cost estimates is being shaped and will be presented to the DDA, perhaps at its next retreat. He said that some of the pedestrian improvement projects he would favor would be a tie-in between TIF and parking. He said he feels parking spaces can be added on some of the streets he would propose to do improvements on. In that way, not only would we have expenses but would also have future revenues. Mr. Beal reported that we are still working on repairing some tree pits/grates along N. Main Street, and the project has been delayed due to the need to understand better what the source of the problems is and the repair options available to us.

Ms. Gunn remarked about how great she felt the Fourth/William structure looks now that the DDA improvement project is complete. Others concurred that the improvement is dramatic.!

Mr. Dankert leaves.

Mr. Beal said that we still need to look at better signage on the structures and on the street.

**PLANNING COMMITTEE**
Mid-Year Retreat. Ms. Greff said that the primary retreat focus will be on visioning future DDA projects and program directions. DDA members were asked to get back to staff with their schedule availability so that a retreat date could be set. Ms. Greff said the Committee will also be bringing forward recommendations about board expectations that may be added to the DDA by-laws so that DDA members will know what is expected of them, e.g., how many meetings you must attend each year and how much Committee work DDA members are expected to participate in.

Web Site. Ms. Greff said the Operations Committee had hoped to have a recommendation for a downtown web site by its last meeting, but was not able to get this done. It is hoped this will be completed by the next meeting.

DDA Renewal-Status. Ms. Greff reported that they have completed an informational video on the DDA and its programs. In particular she thanked Ray Detter for his assistance in making the video. It is anticipated that the video will be shown on CTN and at Council presentations and to other groups as requested. The video was viewed and a number of recommendations were provided by DDA members for improvements. Ms. Greff said she and Ms. Pollay would convey these suggested changes to the videographer.

8. OTHER BUSINESS

Ms. Pollay thanked the DDA on behalf of the area association members that were invited to attend the IDA Conference in Boston. The association members felt it was quite beneficial, and will provide a number of new insights allowing them to do a better job serving their area businesses.

Ms. Pollay said she spoke with the Mayor and he had expressed an interest in pursuing private funding for public art. The Mayor has a couple of large corporate contracts that are willing to donate money for public art and are looking for matching funds. The DDA will be asked to assist with this funding, thus providing for additional public art installations downtown.

9. AUDIENCE PARTICIPATION

Mr. Morgensen spoke about the First/Washington redevelopment. He said he is concerned that the project has failed, as evidenced by the length of time it has taken to complete the project. Ms. Gunn said that this is the first public/private partnership in nearly two decades, and that the DDA is not just looking to provide parking but also to provide a valuable new downtown development that includes retail and residential. It's taken time because there are no clear directions on how to do this. But it will be so much more than just a parking structure when completed.

9. ADJOURNMENT

As there was no further discussion, upon motion, the meeting was adjourned at 1:22 p.m.

Respectfully submitted,
Susan Pollay, Executive Director