MINUTES
Downtown Development Authority Meeting
Wednesday, October 3, 2001

Place: Kerrytown Concert House
415 N. Fourth Avenue, Ann Arbor, MI 48104

Time: The Chair, Rob Aldrich, called the meeting to order at 12:07 p.m.

1. **ROLL CALL**

   **Present:** Rob Aldrich, Fred Beal, Ron Dankert, David Fritz, Rene Greff, Leah Gunn, Lorri Sipes, Dave Solo, Skip Ungrodt

   **Absent:** Dave DeVarti, Bob Gillett, Rene Greff, John Hieftje

   **Staff**

   Susan Pollay, Executive Director

   **Present:** Joe Morehouse, Deputy DDA Director

   Sarah Armstrong

   **Audience**

   Jim Corbett, Republic Parking

   Ray Detter, Citizens Advisory Council

   Bob Henderson, Citizens Advisory Council

   Adrian Iraola, City of Ann Arbor/DDA

   Donna Johnson, City of Ann Arbor Planning Department

   Herbert Kaufer, Citizens Advisory Council

   Jeff Lampman, Republic Parking System

   Brenda Macon, Ann Arbor Area Chamber of Commerce

   Jim Morgensen, Citizen

   Cathy O’Donnell, Ann Arbor News

   Ethel Potts, Citizen

   Michael Schira, Voice Stream

2. **APPROVAL OF MINUTES**

   Ms. Gunn moved and Mr. Dankert seconded a motion to approve the minutes of September 5, 2001:

   **A VOTE ON THE MOTION SHOWED**:

   **AYES:** Aldrich, Beal, Dankert, Fritz, Gunn, Sipes, Solo, Ungrodt

   **NAYS:** None

   **Absent:** DeVarti, Gillett, Greff, Hieftje

   The motion carried.

3. **CITIZENS ADVISORY COUNCIL**

   Mr. Gillett enters.

   On Monday the Citizens Advisory Council met with new Police Chief Dan Oates and Officer George Patak to get acquainted and begin what we hope will be a continuing dialogue about issues of public safety in the downtown area. We were very impressed with the Chief’s desire to be in close contact with all community groups. Apparently, direct administration of the downtown area is shared currently by three police lieutenants. We plan to ask them to alternately attend future meetings of the Citizens Council over the next few months so we can meet them and discuss downtown safety issues. (Two female members of the Council, who were impressed with the Chief’s uniform and appearance, expressed a desire to be arrested by him as soon as possible.)

   Two of our CAC members serve on the County and City Shelter Advisory group that is now meeting regularly. The new chair is CAC member Meg Delaney. She and Paul Dannels assure us that they plan to work very actively in the shelter group to make sure that Ann Arbor has a carefully developed Impact Study to measure the future success of the proposed new shelter program. That Impact Study was a condition of the City Council’s approval of the $1,000,000 it granted to the new shelter. We need as much information as we can...
get from the shelter, from the gathering of downtown neighborhood statistics, from the police department and from related groups like Dawn Farms. In the future, we want to have a clear grasp of the positive or negative impact of the shelter upon the downtown area. We all want to make sure that everything possible is done to make any future shelter program a success.

This month’s CAC meeting was moved from Tuesday to Monday in order that members might attend last night’s joint meeting of the DDA and the Planning Commission to discuss the desirability of controlling the minimum and maximum heights of downtown buildings. We were pleased with the range of ideas expressed in the discussion. It was clear that almost everyone supported some requirement that buildings in the downtown should be at least two stories high. It was also clear that no one present seemed strongly opposed to high buildings. The word “context” kept coming up in the discussion. Most of those present seemed to agree that the height of new buildings should be appropriate to their surrounding context and should be designed to limit any negative impact upon the pedestrian environment. Hand-outs suggested that zoning overlay requirements and a design review processes might be means of accomplishing community goals.

There were a number of references to the importance of the Downtown Plan of 1988 in defining height, mass and scale of downtown buildings. As you know, the Citizens Advisory Council has consistently supported the implementation of that Downtown Plan. We want the City’s adopted policy statements to be a part of zoning requirements. The Planning Department and the Commission have often expressed a commitment to achieving that goal. However, limited resources and the difficulties involved with necessary zoning changes have made it impossible to complete this important task.

In the meantime, the Citizens Advisory Council has worked with others to encourage opposition to the one-story Burger King on Huron, to support the Ashley Mews project on Main, to state our principled opposition to the six story structure on Ashley and West Washington and to oppose, alternately, both the one story and the eight story buildings proposed for the former Olga’s site. In the process we have both supported and opposed high buildings in the downtown. Our position has always been based upon our commitment to the Downtown Plan and that plan’s insistence that new developments positively relate to their physical and historic context as well as conform to the broader goals of the Plan.

If we don’t entirely implement the Downtown Plan, then how do we get want we want? Can zoning overlays and a better design review process achieve our goals of protecting downtown’s historic context and enhancing the pedestrian environment as well encouraging more on-site parking, more housing and a large range of other policy goals?

We need a tool to achieve the goals of our adopted plans. But we don’t want to stop downtown development, and we all seem to recognize the need for greater downtown density. We also need to clearly indicate to all developers exactly what we want and don’t want in downtown areas. They need to know what we expect.

A course of action might be to challenge the Planning Dept. to follow through on the possibilities. What can they produce in the way of zoning overlays that will permit taller buildings to be constructed in the downtown while encouraging our other downtown values? That is no easy task, but the current dialogue should be seen as an opportunity to explore new directions. The DDA and the Planning Commission could make it happen.

4. AUDIENCE PARTICIPATION

None.

5. NEW BUSINESS

Ms. Pollay indicated that DDA members had at their seat a handout from the joint meeting between the City Planning Commission and DDA to discuss possible downtown building height limitations and density issues. Mr. Beal reported that there may eventually be a proposed ordinance change, although this is not on the table at this time. He said the meeting was a productive opportunity to discuss overall planning issues for the
betterment of downtown. Ms. Johnson, of the Planning Department reiterated that there is no specific proposal at the moment. Mr. Beal said that he felt the Planning Commission would like the DDA to provide their opinion on this matter, which he thought a good idea. Ms. Sipes commented that she felt the tone of the presentation suggested that height per se is bad, and that she would have like more time to discuss this topic. Mr. Aldrich said that he wanted the Planning Commission aware that the DDA through a resolution made a specific comment about density in downtown. We are supportive of seeing increased density downtown, which doesn’t necessarily mean height, but may include this. He said that he felt that the Planning Commission was open to hearing our comments and will continue to work with us. He asked the DDA Planning Committee to tackle the project of drafting a statement about downtown building height for discussion at the November DDA meeting.

6. OLD BUSINESS

None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE

Mr. Dankert said that the July and August reports were combined. Revenue is over budget for the two months, and expenses are below budget. A change in the statement broke out parking operator’s expenses into more detail so the DDA could have a more indepth understanding of what’s going on within the system. With that, Mr. Dankert moved and Ms. Gunn seconded approving the financial report.

A VOTE ON THE MOTION SHOWED:

AYES: Aldrich, Beal, Dankert, Fritz, Gillett, Gunn, Sipes, Solo, Ungrodt
NAYS: None
Absent: DeVarti, Greff, Hieftje
The motion carried.

Mr. Dankert reported that since the DDA opened a bank account in February to accommodate parking receipts, the Committee is now looking for ways to optimize available funds. Given that there is a bank charge with each deposit, TCF has suggested that the DDA put its funds into a Federally-backed securities account which would eliminate deposit charges. The committee is looking into this.

Mr. Dankert also reported on the Tower Plaza request for 120 permits. The Committee sent a letter to them proposing that the Condo Association consolidate the 100 permits used by their residents into a single account for greater billing ease by our parking operator; with 20 of these permits moved to Liberty Square and an additional 20 permits released at Liberty Square. The Condominium Association has agreed to these terms.

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

RESOLUTION TO APPROVE A RENTAL ARRANGEMENT WITH VOICESTREAM (OMNIPOINT HOLDING, INC.)

Whereas, The lease between the DDA and the City identified a parking system that was to become economical and self-supporting to provide for the needs of the community;

Whereas, NSI Consulting and Development, Inc., acting on behalf of VoiceStream (Omnipoint Holdings, Inc.) a wireless telecommunications company, has contact the DDA with a proposal to install radio cabinets and antennae atop the Forest Avenue parking structure under a lease with a term of five years, with three successive five-year terms;

Whereas, This proposal would provide for a yearly license fee of $18,000 for the initial term with 20% term increases;
Whereas, The DDA has evaluated the VoiceStream proposal as an appropriate and economical use of the space which will contribute toward enabling the parking system to become self-supporting;

Whereas, The DDA currently receives $1,200 monthly revenue from similar equipment on the Ann/Ashley parking structure;

Whereas, The City of Ann Arbor has also entered into similar agreements, including an agreement with VoiceStream for the City water treatment plant and an agreement signed with Nextel on June 12, 2001 for the Manchester Water Tower for $1,500 per month;

Whereas, The DDA Operations Committee has reviewed this proposal and has recommended an agreement with VoiceStream;

RESOLVED, That the DDA recommends that negotiation of a lease agreement with VoiceStream (Omnipoint Holdings, Inc.) for the installation of antennae and radio cabinets on the top floor of the Forest Avenue Parking structure which allocates the lease proceeds to the DDA for operation of the parking system, beginning with an initial annual payment of $18,000.00;

RESOLVED, That the DDA Attorney will be asked to oversee drafting this agreement to ensure that the DDA’s interest are met.

A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Fritz, Gillett, Gunn, Sipes, Solo, Ungrodt
NAYS: None
Absent: DeVarti, Greff, Hieftje
The motion carried.

PARTNERSHIP COMMITTEE

E. Liberty Street Project-Update. Mr. Gillett reported that the committee discussed a possible parking request from Jeffery Spoon. The Committee may be able to bring a recommendation on this project to the Board at its next meeting. Due to this and other like projects, the Committee is considering ways to establish a policy about parking accommodations to help facilitate new developments.

Courthouse Square-Status. Mr. Gillett said the DDA loan to First Centrum was contingent on a structural conditional appraisal, and a meeting by First Centrum representatives with their tenants about their repair plans. The report was ultimately commissioned by the DDA, and the Committee was pleasantly surprised to learn that the building is in good shape with no hidden repair problems. Ms. Pollay said the report included a schedule for financial set-asides for future repairs. Mr. Gillett said that First Centrum sent a letter to its tenants providing information on the status of the building repairs, so the second contingency was met, as well.

First & Washington-Status of Negotiations. Mr. Gillett reported that a community meeting was held and a summary of that meeting is included in the packet. A draft predevelopment agreement has been received from the Freed Group. Meanwhile the committee has decided to commission a study on potential construction costs. Ms. Pollay said that the Committee would see preliminary figures at their next meeting.

CAPITAL IMPROVEMENTS COMMITTEE

Fourth & William Repairs-Status. Mr. Beal reported that work is going according to schedule, and would continue through November.

Forest Parking Structure-Status. Mr. Beal said that there has been a lot of difficulty getting the contractor to completely finish the work at the structure, with a number of claims for extra charges adding up; the largest being for $300,000. Mr. Beal pointed out that the total amount in claims is still within the project contingency
budget. There is an appeal to the Michigan State Disability Board about the bridge to the Galleria, and Mr. Iraola reported that a City Building Department representative met with the architect and there is a chance that a variance will not be needed to complete the bridge as planned.

Sidewalk Maintenance. Mr. Beal reported that much work was done this summer to repair tree wells, clean up weeds, tree suckers, and grates. That work has been completed for a total cost of $50,000.

State Street Project-Status. Mr. Beal reported that the plans are in final review in the City’s Engineering Division and bids will be out soon. Work should begin this spring. The Dean Fund will provide $25,000 this year toward the cost of the trees, with a possible grant in the next Fiscal Year.

Fourth Avenue Pedestrian Improvements Project-Status. Mr. Beal reminded the group that this project was bid earlier this year but the single bid received was $150,000 over budget and thus rejected. The project was recently rebid, and while the lowest bid is within budget there will be extras which will push the project cost beyond the $300,000 budget approved by the DDA. The Committee recommends the following resolution, awarding the bid to Saladino Construction and increasing the project budget to $350,000. There discussion about the uneven surface in two sidewalk locations on N. 4th Avenue. It was agreed that the Committee would meet with City staff to discuss this and other sidewalk maintenance questions.

Mr. Beal moved and Ms. Gunn seconded the following resolution:

RESOLUTION REVISING THE FOURTH AVENUE PEDESTRIAN IMPROVEMENTS PROJECT BUDGET TO $350,000 AND APPROVING THE SELECTION OF SALADINO CONSTRUCTION COMPANY AS PROJECT CONTRACTORS

Whereas, DDA Plan objectives include undertaking improvements to existing streets and public utilities in order to stimulate new private investment in the area;

Whereas, In 1997 the DDA began discussions about future sidewalk improvements to Fourth Avenue between Kingsley and William Streets in fulfillment of the Downtown Plan’s goal to transform Fourth Avenue into a connector between the Kerrytown and Main Street areas;

Whereas, At its June 2000 meeting the DDA authorized funds for a consultant to design the improvements and at its August 2000 meeting set forward a project budget of $300,000;

Whereas, Construction documents were completed in April 2001 and at its May 2001 meeting, the DDA authorized its Capital Improvements Committee to move forward with contractor selection if costs would be in line with the project budget approved by the DDA

Whereas, Bids were returned to the DDA in early May, and only one response was received and it was in excess of the amount approved by the DDA;

Whereas, This bid was rejected and the project rebid in August 2001;

Whereas, Three responses were received on September 26th, including the low bid by Saladino Construction Company;

Whereas, The DDA Capital Improvements Committee has determined that the project budget is insufficient to meet the goals of the project, and has resolved to amend its earlier recommendation to allow for a project budget of $350,000;

Resolved, The DDA approves the selection of Saladino Construction Company to oversee construction of the Fourth Avenue Pedestrian Improvements Project;

Resolved, The DDA amends its earlier project budget and approves a project budget of $350,000.
A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Fritz, Gillett, Gunn, Sipes, Solo, Ungrodt
NAYS: None
Absent: DeVarti, Greff, Hieftje
The motion carried.

**Long-Term Maintenance Plan-Update.** Mr. Beal reported that the Committee is discussing maintenance of all DDA improvements. The Committee is contracting with Carl Walker to produce a report on future parking structure costs so funds can be budgeted accordingly. Also, in terms of sidewalk maintenance, the next Committee meeting will be with City staff to discuss the maintenance responsibilities of the each entity.

**PLANNING COMMITTEE**
Ms. Sipes reports that there have been no committee meetings lately. The next meeting will be October 11. They are close to finishing the draft Plan but need to concentrate on the schedule for public meetings. That will be the focus of the next committee meeting, in addition to a discussion about building heights.

**8. OTHER BUSINESS**
Ms. Pollay announced that she will be checking board availability for the next Retreat. The agenda may focus on work plan status reports.

Ms. Pollay also reported that the study commissioned by the DDA to research how other communities encourage bicycle ridership was completed and provided to board members as part of their meeting packet.

Ms. Pollay reported that she, Ms. Greff, and representatives of the four area associations attended the IDA Annual Conference in Pittsburgh, PA from September 29-October 2. It was a wonderful opportunity to learn from how other communities address similar issues. It seems Ann Arbor is ahead of others in many ways.

Ms. Pollay reported that the Mayor’s office, police, courts, Dawn Farm, Shelter Association, area associations, and Citizen’s Advisory Council have been involved in a project to address aggressive pan handling. The “Loose Change for Real Change” program has a three prong approach, including sidewalk outreach, educating the community to give to programs providing services to the homeless rather than to individuals, and eventual amendments to the City’s panhandling ordinance. She urged DDA members as individuals and downtown stakeholders to support the program, as it is a humane effort to address a thorny downtown problem.

Ms. Pollay announced that there would be a Community Ribbon Cutting Ceremony in celebration of the City’s 150th Anniversary of Incorporation on Friday, October 19 at noon in front of City Hall. Everyone is invited.

**9. OTHER AUDIENCE PARTICIPATION**
Mr. Jim Mogensen spoke about how more dense development downtown will likely cause an increase in the cost of providing infrastructure such as parking and streets.

**10. ADJOURNMENT**
As there was no further discussion, upon motion, the meeting was adjourned at 1:24 p.m.

Respectfully submitted,
Susan Pollay, Executive Director