1. ROLL CALL

Present: Rob Aldrich, Gary Boren, Russ Collins, Dave DeVarti, Rene Greff, Leah Gunn, Jennifer Hall, Roger Hewitt, John Hieftje, Sandi, Smith, John Splitt

Absent: Fred Beal

Staff: Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy Director

Lindsay-Jean Hard, DDA Intern

Sarah Armstrong, Accounts Payable

Joan Lyke, Management Assistant

Audience: Tony Bisesi, Republic Parking System

Tamara Burns, SmithGroup

Deb Cooper, Beckett & Raeder, Inc.

Ray Detter, Downtown Area Citizens Advisory Council

Ryan Galvin, Republic Parking System

Adrian Iraola, Washtenaw Engineering

Frank Nagy, Republic Parking System

Connie Pulcifer, Beckett & Raeder, Inc.

Wendy Rampson, City of Ann Arbor, Systems Planning

Ellie Serras, MSAA

Maura Thomson, MSAA

Dennis Webster, The Earle Restaurant

2. AUDIENCE PARTICIPATION

Ms. Burns said that in recognition of the American Institute of Architects (AIA) 150\textsuperscript{th} anniversary it has developed a nationwide initiative called, “Blueprint for America: a Gift to the Nation.” The project taken on by the Huron Valley Chapter of the AIA is public lecture series in collaboration with the City to help the community in its work this year to create new urban design guidelines. These workshops will culminate in the printing of a reference booklet. Ms. Burns asked the DDA for a grant to help offset expenses for those initiatives. Mr. Hieftje said he supported the request. Ms. Burns said that they will need a response as soon as possible because the first lecture would take place October 19\textsuperscript{th}.

Mr. Beal enters.

Ms. Serras reported the MSAA Board recently met with Second to None, an international customer experience measurement firm based in Ann Arbor. Many MSAA merchants were motivated and would like to participate in a project that would provide a customer experience measurement, as this would give businesses valuable insights and specific tools to use in improving their operations. Ms. Serras stated the project would include all the Main Street area businesses not just MSAA members. The MSAA is requesting a total of $9,000 from the DDA for the overall evaluation. Ms. Gunn said she supported this request. Ms. Smith referred the request to ROC for review and recommendation.

Mr. Detter reported that the Downtown Citizen’s Advisory Council discussed the greenway and the Library Lot at its October 4\textsuperscript{th} meeting. The CAC believes that the best use of the property at 415 W. Washington would be a community arts center including artist and practice space combined with a modest greenway. The CAC does support an underground parking structure at the Library lot, but
does not support a public building at that site as it would not increase downtown vitality. The CAC looks forward to participating in the public process as this question gets debated.

### 3. APPROVAL OF MINUTES

Ms. Smith presented the September 6, 2006 Board Minutes for approval. Mr. Hewitt moved and Ms. Gunn seconded approval of the minutes.

A vote on the motion showed:

**AYES:** Aldrich, Beal, Boren, Collins, DeVarti, Greff, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt

**NAYES:** None

**Absent:** None

The motion carried.

### 4. STATUS OF CITY TASKFORCE EFFORTS

**Community Security & Public Space Taskforce:** Mr. Hewitt stated that the Taskforce completed its work with the presentation of a report to City Council last month. Mr. Aldrich indicated he was a little disappointed that there wasn’t more response from Council that evening and expressed concern that nothing will happen. Mr. Hieftje stated that due to the expiration of the City/County lease, City Council will have to take action in the near future, possibly soon after the November election.

The **Allen Creek Greenway Taskforce:** Ms. Smith reported that the Taskforce is in the process of writing a report to City Council which will set forward multiple opinions regarding 415 W. Washington and 721 N. Main as the group was not able to come to consensus.

**Percent for Art Taskforce:** Mr. Collins reported that the Taskforce is in the process of creating its structure and bylaws. City Attorney Abby Elias is gathering ordinances from other communities to help the Taskforce create a draft ordinance for review by City Council. Mr. Hieftje stated that if it is decided to set aside 1% of project budgets for public art a question to be considered is whether this artwork must be installed as part of the projects that generated the funds or whether it can be placed elsewhere. It is possible that the University of Michigan will participate in this program. Mr. Collins said that Taskforce work will likely take considerable time and public hearings will be scheduled as part of the process.

**Status of the A2D2 Task Force:** This is the next phase of work following the Calthorpe study. Mr. Hewitt said that the Steering Committee was meeting every two weeks and an Advisory Committee would be appointed in the near future for each of five initiatives, including downtown rezoning, developing urban design guidelines, and establishing a new parking strategy for downtown.

### 5. CAPITAL IMPROVEMENTS

**4th & William:** Column shoring and installation of drains is in progress. The speed ramp area has been cut. Work is largely going very well with minimal problems.

**Alley Repair program:** Work on the southern half of the 4th & William alley is underway.

**Sculpture Park Plaza:** Work will begin in the spring of 2007 and will consist largely of repairs.

**Wayfinding:** The deadline for RFQ's is October 12, 2006. The committee will review the responses at its next committee meeting.

**Huron Street:** The project team will present the plans at the next committee meeting.

**Fifth & Division:** Mr. Beal said that in 2003 the DDA committed itself to improving access into and through downtown along Huron, Fifth & Division, and began by commissioning Pollack Design
Associates to develop an Urban Design Workbook for the corridors. Upon completion of this study, in early 2004 the DDA selected Beckett & Raeder to develop a design for Fifth & Division following the recommendations of the Urban Design Workbook. Ms. Pulcipher and Ms. Cooper, of Beckett and Raeder, presented an overview of the proposed project design, and highlighted project goals which included the installation of north/south bike lanes, bulb outs at intersections to foster pedestrian crossings, LED lights to reduce City energy costs, and design elements at the gateway points on these corridors. Following the presentation, Mr. Beal moved the following resolution on behalf of the Capital Improvements Committee, and it was seconded by Ms. Hall.

RESOLUTION TO APPROVE THE DESIGN FOR FIFTH AVENUE AND DIVISION STREET

Whereas, Ann Arbor City Council and the Ann Arbor Downtown Development Authority strongly embrace the goal of a pedestrian and bicycle-friendly downtown;

Whereas, Four years ago City Council voted to set aside a portion of its Act-51 gas tax proceeds in support of its goals to encourage pedestrian and bicycle use;

Whereas, In 2002 the DDA committed itself to working toward increasing and improving access into the downtown, and in 2003, the DDA approved “Resolution Approving Improvement Projects Along Huron Street and Along Fifth & Division Streets, as these corridors have a car-centric design that discourages alternative transportation use, are unattractive, and act as pedestrian barriers between the State Street, Main Street, and Kerrytown Areas;

Whereas, It was determined that the DDA would begin its work with a comprehensive study of the corridors and in December 2003 the DDA commissioned Pollack Design Associates to develop an Urban Design Workbook for the corridors;

Whereas, Workbook findings were compiled following exhaustive research and numerous public workshops and were presented to the DDA and Planning Commission in July 2004;

Whereas, The draft City of Ann Arbor Non-Motorized Transportation Plan has incorporated many Urban Design Workbook recommendations, and sets forward many reasons to invest in improvements such as are recommended along Fifth and Division, including:

* The community’s social fabric is strengthened by fostering personal interactions that take place while on foot and bicycle;
* We reduce the need for downtown parking structures by providing more transportation choices
* We improve the economic viability of our community by making it a more attractive place to locate a business, while simultaneously reducing health care costs associated with inactivity
* We improve safety, particularly for the young and old

Whereas; In November 2004 the DDA approved a resolution authorizing the issuance of an RFP for the design of Fifth & Division and in March 2005 Beckett & Raeder was selected;

Whereas, Beckett & Raeder have conducted a series of focus group and individual meetings to develop their design with representatives of the following organizations, as well as with individual property owners along the corridors:

* Washtenaw Area Transportation Study
* Washtenaw Bicycle Walking Coalition
* Community High School staff & students
* Kerrytown Shops & Kerrytown District Assoc.
* Ann Arbor Hands On Museum
* GetDowntown Program
* City Alternative Transportation, Parks, Public Services and Systems Planning staff

* MDOT
* Ann Arbor District Library Board
* Ann Arbor Farmers Market
* AATA
* University of Michigan
* Downtown Area CAC
Whereas, At its 2006 summer retreat the DDA determined that improving Fifth/Division and Huron Street were priority projects that should be moved forward as soon as possible;

Whereas, The DDA Capital improvements Committee reviewed the conceptual plan for Fifth and Division Streets at its September meeting and recommend its approval by the DDA;

Whereas, The next step is to commission Beckett & Raeder to develop this conceptual plan into construction drawings so they can be reviewed by City staff and put forward for site plan approval by the Planning Commission and City Council, and then submitted to Michigan Department of Transportation (MDOT) with an application for grant funding;

Whereas, It is anticipated that the cost for many of these recommended improvements may be paid for by private developers along the corridors, as well as by grant funds and DDA funds;

Whereas, It is also anticipated that the cost for many of these recommended improvements may be shared with the City as they undertake scheduled road repair projects;

Whereas, The cost to commission Beckett & Raeder to complete drawings needed to seek City and MDOT approvals would be an additional $175,000 which would be set forward as a not-to-exceed amount;

RESOLVED, The DDA approves the recommended design plan for Fifth Avenue and Division Street;

RESOLVED, The DDA authorizes Beckett & Raeder to develop construction drawings based on the approved conceptual plan for Fifth & Division in an additional amount not-to-exceed $175,000 so that a site plan can be submitted to the City for approval and to MDOT for grant approval;

RESOLVED, The DDA strongly recommends City approval and MDOT grant approval of this proposed design plan for Fifth Avenue and Division Street given the great number of benefits to the downtown and to the community as a whole.

Mr. Beal said that the resolution would take the project to the next step, which is to get the design to the City for approval and to submit applications for grants. Mr. Aldrich suggested a friendly amendment to the twelfth whereas clause …“that the cost for many some of these recommended improvements will be paid for by private developers.” Mr. Devarti suggested further changes to the same clause. “Whereas, It is anticipated that the cost for some of these recommended improvements may be undertaken by private developers along these corridors seeking city department input as part of a redevelopment project.” Mr. Beal accepted these amendments as friendly.

Mr. Hieftje asked that this resolution be tabled until the City Alternative Transportation Director could be asked about the likelihood of grants. Ms. Pulcipher said that Eli Cooper was a part of the project advisory committee and that in fact, the project team had met directly with representatives of MDOT and WATS and had received very favorable feedback on the grant potential for this project. Mr. Hieftje said that he was concerned that the project had not been reviewed by members of the Washtenaw Biking and Walking Coalition; Ms. Pulcipher said that a presentation had been made to the group this summer and received very supportive comments which she could share via meeting minutes. Mr. Hieftje moved to table the resolution seconded by Mr. Devarti.

A vote on the motion showed:
AYES: Devarti, Hewitt, Hieftje, Splitt
NAYES: Aldrich, Beal, Boren, Collins, Greff, Gunn, Hall, Smith
Absent: None
The motion to table failed.

Mr. Beal said that the resolution announced support for the proposed design but did not commit the DDA to any expenditure except to commission Beckett & Raeder to develop construction drawings so grants could be applied for. He said that it was important to remember the goals of the project as envisioned by the DDA which was to create a safe and welcoming environment for bicycles and pedestrians along these corridors and to encourage redevelopment. The proposed design works well to accomplish these goals. Ms. Greff stated that she was in favor of moving the designs forward, and that she heard a strong consensus for this at the DDA retreat this summer. Mr. Aldrich asked if the Committee could develop a plan to install these improvements in phases with a timeframe for each phase. Ms. Cooper said that construction could be coordinated with the City’s Street Resurfacing schedule to save costs and minimize inconvenience to the community. Mr. DeVarti said that he was comfortable getting construction drawings in place. The revised resolution reads as follows:

RESOLUTION TO APPROVE THE DESIGN FOR FIFTH AVENUE AND DIVISION STREET

Whereas, Ann Arbor City Council and the Ann Arbor Downtown Development Authority strongly embrace the goal of a pedestrian and bicycle-friendly downtown;

Whereas, Four years ago City Council voted to set aside a portion of its Act-51 gas tax proceeds in support of its goals to encourage pedestrian and bicycle use;

Whereas, In 2002 the DDA committed itself to working toward increasing and improving access into the downtown, and in 2003, the DDA approved “Resolution Approving Improvement Projects Along Huron Street and Along Fifth & Division Streets, as these corridors have a car-centric design that discourages alternative transportation use, are unattractive, and act as pedestrian barriers between the State Street, Main Street, and Kerrytown Areas;

Whereas, It was determined that the DDA would begin its work with a comprehensive study of the corridors and in December 2003 the DDA commissioned Pollack Design Associates to develop an Urban Design Workbook for the corridors;

Whereas, Workbook findings were compiled following exhaustive research and numerous public workshops and were presented to the DDA and Planning Commission in July 2004;

Whereas. The draft City of Ann Arbor Non-Motorized Transportation Plan has incorporated many Urban Design Workbook recommendations, and sets forward many reasons to invest in improvements such as are recommended along Fifth and Division, including:

* The community’s social fabric is strengthened by fostering personal interactions that take place while on foot and bicycle;
* We reduce the need for downtown parking structures by providing more transportation choices
* We improve the economic viability of our community by making it a more attractive place to locate a business, while simultaneously reducing health care costs associated with inactivity
* We improve safety, particularly for the young and old

Whereas; In November 2004 the DDA approved a resolution authorizing the issuance of an RFP for the design of Fifth & Division and in March 2005 Beckett & Raeder was selected;

Whereas, Beckett & Raeder have conducted a series of focus group and individual meetings to develop their design with representatives of the following organizations, as well as with individual property owners along the corridors:

* Washtenaw Area Transportation Study
* Washtenaw Bicycle Walking Coalition
* MDOT
* Ann Arbor District Library Board
Whereas, At its 2006 summer retreat the DDA determined that improving Fifth/Division and Huron Street were priority projects that should be moved forward as soon as possible;

Whereas, The DDA Capital improvements Committee reviewed the conceptual plan for Fifth and Division Streets at its September meeting and recommend its approval by the DDA;

Whereas, The next step is to commission Beckett & Raeder to develop this conceptual plan into construction drawings so they can be reviewed by City staff and put forward for site plan approval by the Planning Commission and City Council, and then submitted to Michigan Department of Transportation (MDOT) with an application for grant funding;

Whereas, It is anticipated that the cost for some of these recommended improvements may be undertaken by private developers along these corridors seeking city department input as part of a redevelopment project;

Whereas, It is also anticipated that the cost for many of these recommended improvements may be shared with the City as they undertake scheduled road repair projects;

Whereas, It is anticipated that the cost for many of these recommended improvements may be paid for by grant funds and DDA funds;

Whereas, The cost to commission Beckett & Raeder to complete drawings needed to seek City and MDOT approvals would be an additional $175,000 which would be set forward as a not-to-exceed amount;

RESOLVED, The DDA approves the recommended design plan for Fifth Avenue and Division Street;

RESOLVED, The DDA authorizes Beckett & Raeder to develop construction drawings based on the approved conceptual plan for Fifth & Division in an additional amount not-to-exceed $175,000 so that a site plan can be submitted to the City for approval and to MDOT for grant approval;

RESOLVED, The DDA strongly recommends City approval and MDOT grant approval of this proposed design plan for Fifth Avenue and Division Street given the great number of benefits to the downtown and to the community as a whole.

A vote on the revised motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Greff, Gunn, Hall, Hewitt, Hieftje, Smith, Split
NAYES:  None
Absent: None
The motion carried.

6. OPERATIONS COMMITTEE
August 2006 Financial Reports:  Mr. Hewitt said that TIF income is as anticipated and expenses are over budget 4%. Parking income is over budget 6% and operating expenses are under budget 4%. Parking Maintenance and the Housing Fund is as anticipated. Mr. DeVarti asked about the purpose of the two maintenance reserves; Mr. Hewitt said that two years ago the DDA established these funds to
safeguard resources to maintain existing assets. A motion to accept the financial statements was moved by Mr. Aldrich, seconded by Ms. Smith and unanimously approved.

Parking Study: Mr. Hewitt announced that the parking survey was well underway. Nelson/Nygaard is in the process of interpreting the data gathered in the written surveys and the interviews conducted in September. Mr. Beal asked if the DDA had considered canvassing a broader area of citizens not just those that were already using the system. Mr. Collins suggested using the Michigan Theater e-mail group as a way to survey people from the outlying area. The next phase of the parking study will include a community meeting that would be scheduled sometime in early December.

4th & William Bond: Mr. Hewitt moved, and Mr. Collins seconded the following resolution:

INTENTION TO BE REIMBURSED OUT OF BOND PROCEEDS FOR THE FOURTH AND WILLIAM ADDITIONAL FLOOR PROJECT

WHEREAS, The DDA is a body corporate established pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the “ACT”), having general supervision and control of the City of Ann Arbor Downtown Development Authority (the “Authority”); and

WHEREAS, The DDA has undertaken a project to add 140 parking spaces on an additional floor of the parking Fourth and William parking structure; and

WHEREAS, The Act, authorizes the Board to issue bonds for the purpose of the Project, payable from the sources therein provided; and

WHEREAS, The Board, intends to request the City of Ann Arbor (the “City”) to issue and sell one or more series of Downtown Development Bonds (the “Bonds”), pursuant to the constitutional and statutory authority for the purpose of paying all or part of the cost of the Project, paying capitalized interest, if any an the costs of issuance of the Bonds; and

WHEREAS, It is necessary to declare the Board’s intention to be reimbursed from the proceeds of the Bonds for expenditures for the costs of the Project made prior to issuing the Bonds, in order to comply with the Internal Revenue Code of 1986, as amended (the “Code”).

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board hereby makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. Section 1.150 promulgated pursuant to the Internal Revenue Code of 1986, as amended:

A. The Board reasonably expects to be reimbursed for the expenditures described in (b) below with the proceeds of Bonds to be issued by the City.
B. The expenditures described in this paragraph (b) are the costs of construction which were paid or will be paid subsequent to a date not more than sixty (60) days.
C. The maximum principal amount of the debt expected to be issued for the acquisition, construction, equipping and furnishing of the Project, including issuance costs, is $5,000,000.
D. A reimbursement allocation of the expenditures described in (b) above with the proceeds of the Bonds described herein will occur not later than 18 months after the later of (I) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Board’s use of the proceeds of the debt to be issued for the Project to reimburse the Board for a capital expenditure made pursuant to this resolution.
E. The expenditures described in (b) above are “capital expenditures” as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of place in service under Treas. Reg. § 1.150-2(c) under general Federal income tax principles (as determined at the time the expenditure is paid).

F. No proceeds of the borrowing paid to the Board in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within the meaning of Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

G. Expenditures for the Project to be reimbursed from the proceeds of the Bonds for purposes of this declaration do not include and are in addition to (i) costs for the issuance of the debt, (ii) an amount in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the borrowing, and (iii) preliminary expenditures not exceeding twenty percent (20%) of the issue price of the borrowing, within the meaning of Treas. Reg. § 1.150-2(f) (such preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to construction of the Project, but do not include land acquisition, site preparation, and similar costs incident to commencement of construction).

2. All resolutions and parts of resolutions, insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

(b) This project involves adding 140 parking spaces through the construction of an eight floor along with the installation of an interior speed ramp from floor two to floor one on the Fourth Avenue side of the structure located at the corner of Fourth Avenue and William Street.

Mr. Collins said that he thought the Board should always strive to make solid business decisions, which in this case meant bonding for this project. Mr. DeVarti stated his opposition, saying that at this time there are funds available in fund balance and bonding would entail greater costs.

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

7. PARTNERSHIPS COMMITTEE

Community Security and Public Space: Ms. Smith reported that the Committee met with Ms. Parker, Executive Director of the Ann Arbor District Library, to learn more about her board’s resolution which opposed the proposed City court/police facility on the S. Fifth Avenue lot as they did not feel that it was in the best interests of library patrons. Ms. Smith said that the Committee asked many questions of Ms. Parker, and there was much give and take around aspects of their resolution.

Downtown Infrastructure Needs: At its next meeting the Committee will revisit its earlier discussion about infrastructure and ways the DDA can encourage future development downtown. This will include revisiting an earlier request from the Mayer Shairer building developers.

8. RESEARCH AND OPPORTUNITY

DDA Grants: Mr. Boren reported that the Committee reviewed a five year grant history and began to brainstorm ideas for new guidelines which may or may not include the establishment of a targeted grant
priority each year (e.g., green architecture, or alternative transportation, etc.) or allow for more general grant applications. The committee will continue its work on this issue at its next meeting.

**Communication Plan:** The next phase will be an update of the DDA’s website. Re:Group has been asked to provide a proposal for this work which will be reviewed at the next meeting.

**DDA Open House, October 12th:** All were reminded of the Open House and welcomed to attend.

9. **OTHER DDA BUSINESS MATTERS**

**Community Security and Public Space Taskforce Recommendation:** Mr. Aldrich expressed his concern regarding the status of the proposed court/police facility and said that he feared nothing would come of it. He asked if the DDA could take a stand on the issue to help further the discussion. Mr. Collins said that he would like to see the DDA take a leadership role and that a strong voice would help facilitate a community discussion. Ms. Gunn agreed, saying that the issue deserved more discussion. Ms. Hall said that the DDA could help break the paralysis surrounding the issue. Mr. Hieftje stated that he was not in favor of a new city hall, and he assured the DDA that City Council would take action on the Taskforce recommendation within this calendar year. Ms. Smith referred the matter to Partnerships for discussion and/or action.

**New Board Member:** Ms. Pollay officially welcomed Mr. Splitt to the Board. All applauded.

**Executive Committee:** Ms. Smith announced that Ms. Pollay had her annual performance review prior to the DDA Board meeting. Board members were asked to provide input and she had received a unanimous outstanding review.

10. **OTHER AUDIENCE PARTICIPATION**

None.

11. **ADJOURNMENT**

As there was no further discussion the meeting was adjourned at 2:20 P.M.

Respectfully submitted,
Susan Pollay, Executive Director