MINUTES
Ann Arbor Downtown Development Authority Meeting
Wednesday, October 6, 2004

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: Board Chair Fred Beal called the meeting to order at 12:10 p.m.

1. ROLL CALL

Present: Rob Aldrich, Fred Beal, Ron Dankert, Bob Gillett, Rene Greff, Leah Gunn, John Hieftje, Sandi Smith, Dave Solo

Absent: Gary Boren, Dave DeVarti, Roger Hewitt

Staff Present: Susan Pollay, Executive Director

Audience: Joe Morehouse, Deputy Director

Adrian Iraola, Project Manager

Susan Ziff, Intern

Sarah Armstrong

Jennifer Burn, Reinhart Commercial

Newcombe Clark, Citizens Advisory Council

Jim Corbett, Republic Parking

Ray Detter, Citizens Advisory Council

Kim Groome, City Council

Eric Hartz, David Milling & Associates

Donna Johnson, City Planning Development

Brian Kern, Republic Parking

Jim Mogensen, Citizen

Alice Ralph, AA Greenway/Friends of First/Washington

Chris White, AATA

2. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Hieftje seconded approval of the September 1, 2004 meeting minutes.

A vote on the motion showed:

AYES: Aldrich, Beal, Dankert, Gillett, Greff, Gunn, Hieftje, Smith, Solo

NAYS: None

ABSENT: Boren, DeVarti, Hewitt

The motion carried.

3. AUDIENCE PARTICIPATION

Mr. Tom Luczak, a downtown stakeholder, addressed the board on his concerns regarding current plans to redevelop the YMCA site. He said he felt that SRO’s were not a good use for the site, and that a critical mass of commercial and residential development is needed in downtown right now. He asked that the board think about the greater goals of the city.

Mr. Chris White said that AATA was seeking funds to continue operation of The Link, as project funding will expire in late January 2005. Mr. Beal said that the matter will be taken up in committee and Mr. White will be asked to attend that meeting.
Ms. Alice Ralph addressed the board, saying that she lives on E. Stadium but is concerned about the proposed parking structure at First and William. She asked several questions, such as when the ground breaking would take place. Mr. Beal said that the project is still being developed and that the DDA will ensure that there will be more opportunities for public comment before any ground breaking would take place.

4. **CITIZENS ADVISORY COUNCIL**

The Citizens Advisory Council held their meeting two weeks ago in order not to interfere with the International Downtown Association conference last weekend. We devoted our entire meeting to a review and discussion of CAC goals and objectives in the areas of housing, parking, pedestrian and open space, and transportation. Our discussion of downtown housing supported the presentation I had made the previous night to the Planning Commission stating our opposition to the development of the North Main Condominiums project on Main and Kingsley. But I want to make a few things clear about the CAC’s opposition to that project.

Neither our opposition, nor the Planning Commission’s decision to table the project, represents a rejection of increased downtown housing density. The CAC continues to support more downtown housing. But we also continue to insist upon following the policies set forth in adopted City Master Plans until a time when they may be changed as a product of community input. Unlike Kingsley Lane, which conformed to the Downtown Plan and had our support, the N. Main project arrogantly ignored our City Master Plans with the argument that increased downtown density was a greater good that the values expressed in those plans. They also ignored the fact that this downtown neighborhood “gateway” edge was not even included in the Downtown Residential Task Force recommendations for increased density. In fact, those recommendations specifically supported the maintenance of near-downtown neighborhoods. North Main Condominiums boldly ignored all Downtown Plan recommendations for lower rise buildings in the Farmers’ Market area and proposed to rip out four residential houses and a church on this interface neighborhood edge in order to build an inappropriate 14 story and nine story building. It was the wrong proposal in the wrong place that killed the project, not any broad opposition to increased density in the downtown. The CAC continues to be involved in the process of discussing with the developers a possible proposal that might be acceptable at this site.

At the CAC meeting we also reaffirmed our position in support of retaining 100 units of low income, transient housing on the current YMCA site. It’s already there! Let’s keep it there. But let’s make it more successful in dealing with the housing and social problems it attempts to address. As the CAC representative, I attended the September 21 Conference on Plans to End Homelessness in Washtenaw County. That meeting helped confirm our CAC position on future plans for the YMCA. The Conference outlined a coordinated plan for housing, treatment, and services that places a great stress upon measurement of needs, supply of services, and strict evaluation of impact in our handling of the problems relating to homelessness. We must know and publicize our successes and failures. We must be accountable for measuring and evaluating the impact of our programs. It is our hope that the way in which we handle the YMCA can be a test of our ability to stop the revolving door of homelessness relating to drug and alcohol abuse, psychological problems and a myriad of other causes.

At the CAC meeting we also confirmed our positions of support for, and opposition to, a number of current possibilities in the development of Parks and Open Space. A memorandum detailing these positions was delivered to the Parks Advisory Committee representatives at a September
28 public meeting at Cobblestone Farm. That meeting was held to gain public input on development of the new Five Year Plan for Parks. I will give a copy of our statement to Susan Pollay so she can include it in your packet for next month.

5. NEW BUSINESS
None.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Dankert reported on the highlights of the August 2004 financial statements. Not much had taken place in the first two months of the year. TIF funds are on budget and expenses are under budget. Parking revenues are over budget year-to-date and expenses are over budget by 1.78%. A comparison of August 2004 revenues to August 2003 show revenues up 2.67% but patron numbers down by 1.37% (or 1,700 people). With that Mr. Dankert moved and Ms. Gunn seconded approving the financial report.

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

CAPITAL IMPROVEMENTS COMMITTEE
First/Washington. Mr. Beal reported that ongoing maintenance continues. No significant deterioration has been detected. Our structural engineers will be conducting a comprehensive structural evaluation this winter.

State Street Project Phase III. Streetlights are scheduled for shipment later this month and trees late this month. Everything is scheduled for completion by November 10th.

Forest Structure. The project is now complete.

Alley Study. Mr. Beal reported the initial report has been received and some additional information has been requested. In general it appears that the overall cost for this alley work is less than we anticipated. Additional information will be presented to the Board as it is received.

Huron/Division/Fifth. Mr. Beal said that the Committee would continue its examination of next steps.

Sidewalk Repairs. Mr. Beal reported that work in the Kerrytown area is nearly complete. The design for Ann Street is complete and our contractor was asked to double check the cost estimates provided by our architect. Mr. Iraola described the work involved, which includes installing 14 streetlights, adding trees, and installing ramps. Mr. Beal moved and Mr. Solo seconded the following resolution:

RESOLUTION APPROVING A PEDESTRIAN IMPROVEMENT PROJECT
ON E. ANN STREET ($250,000)

Whereas, DDA Development Plan objectives include undertaking improvements to sidewalks to make the downtown more pedestrian-friendly;

Whereas, The DDA set aside $350,000 in its 2004/05 budget for streetscape repairs and lighting improvements;

Whereas, As part of its 2004/05 sidewalk improvement program, the DDA has completed or is underway with sidewalk repairs and other improvements on Chapin Street, Ashley Street between Huron and Washington, under the Miller and Washington Street railroad overpasses, and in the Kerrytown area;

Whereas, The cost for these projects is estimated to be $196,800;

Whereas, The 2004 spring maintenance walk around also pointed to the need to install streetlights and repair sidewalks on East Ann Street, between Main Street and Fifth Avenue;

Whereas, The cost for pedestrian improvements on Ann Street is estimated to be $250,000, including design, testing, construction, and streetlights;

Whereas, The DDA received bids for sidewalk repairs in 2003/04 and Doan Construction was deemed to have the lowest responsible bid;

Whereas, Doan Construction has indicated a willingness to hold its 2003/04 prices for the Ann Street improvement project, and to eliminate a general conditions cost for the project;

Whereas, The DDA Capital Improvements Committee has resolved to support the Ann Street pedestrian improvement project and Doan Construction as contractors for the project;

RESOLVED, The DDA authorizes the DDA Capital Improvements Committee to move forward with pedestrian improvements on E. Ann Street, between Main and Fifth Avenue, to establish a project budget in the amount of $250,000, and to support the selection of Doan Construction as project contractors.

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

Ann/Ashley Fire Suppression System. Mr. Beal reported that the Committee had bid out repairs, but it was determined that this work was insufficient. The system has now been redesigned to avoid the freeze/thaw problem that caused the problem in the first place, and most of the system will be replaced. Bids are due back in late October, and it is anticipated that the project cost will be around $200,000-$250,000.
Other. Mr. Beal reported that UM reps met with the Committee to discuss plans to modify N. U. at Geddes to improve pedestrian conditions and to enhance the site as a bus transit area. The DDA will be informed as the project evolves.

First & William. Mr. Beal said that he has heard that some individuals would like to jettison the project before research has been completed, yet he would argue that planning should be completed before any decisions are made. The technical issues (the drain and the railroad) have been resolved so now we have to step back and take a look at the rest of the three site plan elements. Partnerships and Capital Improvements will continue their work in the coming weeks.

PARTNERSHIPS COMMITTEE
Mr. Solo moved and Ms. Gunn moved the following resolution:

RESOLUTION RENEWING THE DDA REVOLVING LOAN PROGRAM TO ASSIST WITH THE RESTORATION OF HISTORIC OR SIGNIFICANT DOWNTOWN BUILDING FACADES

Whereas, The DDA has as its mission the encouragement of private investment in the downtown, both in new developments, as well as the retention, restoration, and reuse of historic and/or architecturally significant buildings;

Whereas, The DDA seeks to work in partnership with private property owners to realize this goal;

Whereas, The 1988 Ann Arbor Downtown Plan encourages historic preservation and recommends the provision of low-interest loans for building renovation;

Whereas, The DDA created a revolving loan program that ran May 2002 through June 2003, and which was then extended through September 2004;

Whereas, The DDA dedicated two grants of $100,000 each toward this program, and as of September 7, 2004 had approved loans of $101,900 with two new requests that total approximately $113,000;

Whereas, The DDA Partnerships Committee has recommended that the DDA renew its low-interest revolving loan program through December 2005;

Whereas, The DDA Partnerships Committee has recommended that the DDA make available an additional $100,000 to the program;

Resolved, The DDA will provide low interest loans from a revolving loan fund under these general guidelines.

1. The purpose of the loan will be to assist private developers in city-approved historic façade restorations of important downtown buildings located within designated historic districts within the DDA District, although in the future other properties will be considered.

2. The loans will be at 2% interest; loan repayment may be deferred for 2 years from the date of issuance; the loans will be secured by a security interest in the property; the loans will be subordinate to the primary financing of the project. Other loan terms will be negotiated at the time of approval.

3. The DDA Partnerships Committee may fund any amount up to 50% of the cost of the historic façade construction.
4. These general guidelines will be used to inform the DDA Board from an overall policy perspective; each specific request shall be evaluated by the DDA Partnerships Committee and be subject to a specific recommendation from the Committee to the Board.

5. The DDA established an initial revolving loan pool of $100,000 in 2002/2003 coming from TIF funds, and increased this pool with an additional $100,000 in TIF with its approval of its 2003/2004 budget. With this resolution the Partnerships Committee is recommending a third $100,000 TIF grant to the façade loan pool.

6. The DDA reestablishes this policy as an interim policy for the period October 1, 2004 through December 31, 2005. The DDA will review this policy at that time.

Mr. Beal requested a friendly amendment which states, “...with this resolution, the DDA commits another $100,000” and Ms. Gunn seconded the amendment.

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

Mr. Solo moved and Mr. Gillett moved the following resolution:

RESOLUTION APPROVING AN $87,681 LOW-INTEREST LOAN TO THE WUERTH BUILDING IN SUPPORT OF ITS HISTORIC FAÇADE RENOVATION

Whereas, In September 2003 the DDA approved a resolution extending the duration of its revolving loan fund from which it would assist private developers in city-approved historic restorations of important downtown buildings within the DDA District;

Whereas, The DDA recently received a request for the Wuerth Building (318-322 S. Main Street) seeking assistance for a façade renovation on a property located within the Main Street Historic District, which is part of a project that has received Historic District Commission approval and which meets the U.S. Secretary of the Interior standards for historic restorations;

Whereas, The DDA has been asked to provide a low-interest loan for $87,681 at 2% interest, with 20% repayment a year for five years;

Whereas, The building façade is a prominent feature of this building and represent only a portion of the total cost of the restoration;

Whereas, The DDA Partnerships Committee met with the City Historic Preservation Coordinator to discuss the merits of this project and heard support for moving forward;

Whereas, The DDA Partnerships Committee discussed this request and has resolved to recommend its approval;

RESOLVED, The DDA approves a low-interest loan to the owners of the Wuerth Building in the amount of $87,681 under the terms requested above;

RESOLVED, The DDA Executive Director is authorized to sign the necessary documents for this action.

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

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

RESOLUTION APPROVING A $24,000 LOW-INTEREST LOAN TO THE BUILDING LOCATED AT 420 W. HURON STREET IN SUPPORT OF ITS HISTORIC FAÇADE RENOVATION

Whereas, In September 2003 the DDA approved a resolution extending the duration of its revolving loan fund from which it would assist private developers in city-approved historic restorations of important downtown buildings within the DDA District;

Whereas, The DDA recently received a request for the building located at 420 W. Huron Street, an eighty year old church lately used as the emergency men’s shelter, located on the edge of the Old West Side Historic District, and which is part of a project that has received Historic District Commission approval and which meets the U.S. Secretary of the Interior standards for historic restorations;

Whereas, The DDA has been asked to provide a low-interest loan for $24,000 at 2% interest, with the loan provided interest free for two years, years 3, 4, and 5 interest only, and at the end of the 5th year, payment in full;

Whereas, The building façade is a prominent feature of this building and represent only a portion of the total cost of the restoration;

Whereas, The DDA Partnerships Committee met with the City Historic Preservation Coordinator to discuss the merits of this project and heard support for moving forward;

Whereas, The DDA Partnerships Committee discussed this request and has resolved to recommend its approval;

RESOLVED, The DDA approves a low-interest loan to the owners of the building located at 420 W. Huron Street in the amount of $24,000 under the terms requested above;

RESOLVED, The DDA Executive Director is authorized to sign the necessary documents for this action.

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

YMCA Request for Project Assistance. Mr. Solo reported that the committee met with the YMCA President, and asked for additional information before considering the request.

First/Washington site redevelopment. Mr. Solo reported that Partnerships and Capital Improvements will continue discussions about this site.

N. Main Street Condominium development. Mr. Solo reported that the Committee met with project representatives. It isn’t clear yet what assistance they may request from the DDA.
City Court/Police Addition. Ms. Pollay reported that per the request at the last meeting, a letter was written to the City asking how the DDA can assist the City with this project.

YMCA RFP. Ms. Pollay said that the RFP will be presented to City Council at their November 8th meeting for approval.

Other. Mr. Solo reported that the Committee had been asked to continue holding meetings with City and AATA representatives to discuss the YMCA site, but the Committee has determined that a clear goal must be set first to give definition to any future discussions.

RESEARCH AND OPPORTUNITY COMMITTEE
In Mr. Boren’s absence, Ms. Pollay gave the committee report. Ms. Pollay reported that the Committee continued its work on the Vitality Index and benchmarking, and spent time discussing the M-Ride, which was the agreement between the University and AATA and the subsequent boost in ridership in September. The group has begun work framing a statement on future DDA grants and priorities, and determined that it would be useful to hold a midyear retreat. DDA members were asked to provide information on availability so a date and time could be set.

9. OTHER BUSINESS
Mr. Hieftje recommended everyone read the article in the Chamber Business to Business magazine which described the remaking of the Development Services Unit.

Ms. Pollay reported that the same publication included a mention of Republic Parking’s landscaping efforts at the First and Huron parking lot.

10. AUDIENCE PARTICIPATION
None.

11. ADJOURNMENT
There being no further business, the meeting was adjourned at 1:26 p.m.

Respectfully submitted,
Susan Pollay, Executive Director