MINUTES
Downtown Development Authority Meeting
Wednesday, November 1, 2000

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

Time: The Chair, Ron Dankert, called the meeting to order at 12:03 p.m.

1. **ROLL CALL**

| Present: | Fred Beal, Neal Berlin, Ron Dankert, Dave DeVarti, David Fritz, Bob Gillett, Rene Greff, Leah Gunn, Karl Pohrt, Lorri Sipes, Skip Ungrodt |
| Absent:  | Rob Aldrich |
| Staff   | Susan Pollay, Executive Director |
| Present: | Sarah Armstrong, DDA |
|         | Joe Morehouse, Fiscal and Administrative Manager |
| Audience: | Peter Allen, Allen and Kwan Commercial Realtors |
|         | Johanna Asztalos, E. Liberty Historic Block Merchants |
|         | Paul Dannels, Citizens Advisory Council |
|         | Herb David, Herb David Guitar Studio, E. Liberty Historic Block Merchants |
|         | Ray Detter, Citizens Advisory Council |
|         | Bob Frazier, National Garages, Inc. |
|         | Woody Holman, Ann Arbor Area Chamber of Commerce |
|         | Martha Johnson, Ann Arbor Area Chamber of Commerce |
|         | Donna Johnson, City Planning Department |
|         | Amy Klinke, Washtenaw Housing Alliance |
|         | Cathy O'Donnell, Ann Arbor News |
|         | Eileen Ryan, City Community Development Department |

2. **CITIZEN ADVISORY COUNCIL**

The Citizens Advisory Council congratulates the DDA and its Planning Committee on moving forward in the process of defining its 2012 Development Plan Objectives. Three more Planning meetings have been scheduled prior to the DDA December 11 retreat. A lot remains to be done. Members of the Citizens Council look forward to participating in this process of shaping a specific set of DDA development plan objectives for the years up to and beyond the year 2012. We need this long-range vision to accomplish the overall goal of undertaking improvements that will have the greatest impact in strengthening the downtown area and attracting new private investments. We support all the changes in specific objectives that have been proposed so far. We were delighted to see the statement included among those visionary objectives that the DDA is also committed to support the retention of significant historical elements of our past and to "Visually celebrate Ann Arbor's past through sidewalk elements such as historic markers."

Among the specific items discussed at the Citizens Advisory Council meeting last night, members asked me to comment on three issues that involve your commitment to a broad vision for the future of the downtown.

1. The Citizens Council supports lighting and street improvements for the proposed Huron Street homeless shelter. But we believe those improvements must be a part of a larger concept for West Huron that includes the entire streetscape from Main to Chapin. It should be tied in with plans that the Huron/Jackson Association is now developing for the Huron corridor all the way to Stadium Boulevard. The concept might also involve East Huron to Washtenaw and be integrated with University plans for the new Life Sciences buildings and the Arthur Miller Theatre.

2. The Citizens Council supports improvements now planned for the Fourth and William parking deck. Here too, however, a long-range vision must guide DDA decisions. Yesterday, a number of our members joined a large group that included Adrian Iraola, Greg Cook of AATA, members of the Downtown Public Arts Committee, members of the Commission on Art in Public Places, and representatives of downtown businesses to discuss the possibility of including public art in the parking
structure as well as along the Fourth Avenue streetscape. We all agree that 4th and William is a distinctly ugly parking structure. We learned its expected life, even with improvements, is only about thirty years. We also learned that the cost of putting an additional floor on top of the deck is $3.8 million, an amount that translates to over $30,000 for each new parking space. Greg Cook also described tentative AATA plans for development of the YMCA site. These included retail space and a transit center on the first floor below as much as eight floors of residential housing. He was asked about the possibility of placing parking below the structure. He currently thinks that unfeasible.

The Citizens Council position based on this information is clear. It would be a waste of money, as well as bad planning, to put new, very expensive parking on top of an ugly, decaying structure that will have to be replaced in thirty years. It would be a waste if we fail to take the initiative in finding some means of encouraging below-grade parking beneath the new AATA building as well as mixed-use, mixed income occupancy. This is clearly a time for vision. It goes far beyond improvements or public art in the parking structure. All committees should be looking at the possibilities, particularly the Planning, Capital Improvements and Partnership Committees. Let's take a careful look at AATA's footprint and plans for the YMCA site and seek to integrate it into our emerging vision of downtown development, housing, parking, public art and streetscape improvements. This may be the time when we seriously think about the future of the Library Lot. It may even be the moment when we should look more closely at the plans for three underground levels of parking below a mixed-use development on that site.

3. Finally, as an expression of the Citizens Council's commitment to the most creative vision for the future of our downtown, we strongly support your insistence on the broadest possible consideration of development ideas that may come in response to the Request for Qualifications for the Public/Private partnership at the First and Washington Parking Structure site. Let's be creative and open to possibilities, not close them off. But, at the same time, let's consider the way in which those ideas fit into our overall goals and objectives and the future development of the Brown Block, the Kleinschmidt property, Downtown Home and Garden, the properties of Monti Ponce, and the traffic flow on South Ashley and First --indeed, the entire west side of downtown Ann Arbor.

3. **AUDIENCE PARTICIPATION**

Former DDA Member Maria Harshe introduced her husband, Jeff and their daughters Hannah and Janie, and thanked everyone for their support during her stint on the DDA. All extended their best wishes.

Mr. Herb David distributed an issues statement of the Liberty Street Business Association. Principally, they worry that downtown Ann Arbor is losing the unique character it once had and that it is becoming just a suburb of Detroit. He said the Association would like to see that the homeless are provided for, rents are affordable at all levels, opportunities abound for businesses and people have interesting places to shop in a vibrant setting. He would also like to see historic areas preserved in the downtown.

Ms. Amy Klinke, of the Washtenaw Housing Alliance, along with Paul Dannels of the Shelter Neighborhood Association, requested that the DDA assist with the development of the new homeless shelter by providing improved lighting along Huron Street from Main Street to Chapin Street on both sides of the street.

Mr. Peter Allen reported that he has 58 UM graduate students working on term projects analyzing the development potential for First & Washington, the Kline’s Lot, and 415 W. Washington. He will share copies of their reports with the DDA upon completion.

Mr. Allen then showed a proposed multi-story mixed-use development project sought by his firm Allen & Kwan at 320 E. Liberty that would require the demolition of an historic building. He asked if he could be a part of a future DDA meeting agenda to receive input and support. The Board authorized Ms. Pollay to give a preliminary letter of support.

Ms. Eileen Ryan, of the City’s Community Development Department, said she was present if the DDA wished to consult with her about the proposed Chamber/City Housing Coordinator position.
4. APPROVAL OF MINUTES

Ms. Gunn moved and Ms. Sipes seconded the approval of the October 4, 2000 meeting minutes.

A vote on the motion showed:
AYES: Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Sipes, Ungrodt
NAYS: None
Absent: Aldrich
The motion carried

5. NEW BUSINESS

Mr. Pohrt reported there will be a community meeting on Thursday, November 2 at 7:00 p.m. at the Fire Hall to present an overview of the State Street improvements project and he invited everyone to attend. Also, he said that on November 16 at 4:00 p.m. the I.T. Zone will present the first in a series of speakers who will address the question of how brick and mortar stores make the transition to become “click and mortar stores”.

The Board asked that Mr. Allen’s project be referred to the DDA Planning Committee for further consideration.

6. OLD BUSINESS

None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE

In Mr. Aldrich’s absence, Ms. Gunn reviewed the process used to select a new parking operator. Requests For Proposals were mailed in August, and seven companies responded. After review of the bids, five companies were interviewed. The committee then requested further information from two firms. Ultimately they opted to recommend Republic Parking System as the DDA’s next parking operator for a variety of important reasons.

Ms. Gunn made the motion and Ms. Sipes seconded the following resolution:

RESOLUTION APPROVING SELECTION OF REPUBLIC PARKING AS DDA PARKING OPERATOR

Whereas, The DDA is responsible for oversight of seven City parking structures and three City surface parking lots;

Whereas, The DDA contract with its current parking operator will expire on January 31, 2001;

Whereas, The DDA Operations Committee distributed a Request for Proposals in August, 2000;

Whereas, Seven proposals were received on September 19, 2000, from which a Selection Committee opted to interview five candidate operators;

Whereas, The Selection Committee followed this with a request for extensive secondary information from two candidate operators;

Whereas, The Selection Committee met and upon a great deal of discussion, recommended that the DDA negotiate a contract with Republic Parking, based in Chattanooga, Tennessee;

RESOLVED, The Downtown Development Authority authorizes the DDA Operations Committee, Executive Director and DDA Attorney to negotiate a contract with Republic Parking to operate the DDA parking system effective February 1, 2001, for a term and fee to be determined.

A vote on the motion showed:
AYES: Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Sipes, Ungrodt
NAYS: None
Absent: Aldrich
The motion carried.
Mr. Berlin noted that validations are down and asked if this program should be discontinued. Ms. Pollay suggested that validations may increase during the holiday shopping period and that the Committee should discuss possible changes to the program at the beginning of the year. Mr. Fritz questioned why Liberty Square revenues had decreased. Mr. Morehouse said that it was due to changing Liberty Square to an all-permit structure, and that as a function of this change, hourly parking revenues are up at Maynard.

**PARTNERSHIPS COMMITTEE**

Mr. Gillett moved and Mr. Fritz seconded the following resolution:

**RESOLUTION APPROVING FUNDING FOR A HOUSING COORDINATOR**

Whereas, The DDA has a commitment to maintaining and increasing the supply of housing in the downtown area, and encourages public programs and private sector development which provide a broad spectrum of housing opportunities that are affordable to people at all income levels.

Whereas, The DDA created a DDA Housing Fund in 1997 with the understanding that it would be used to support the overall housing goal of the DDA to encourage residential development in the downtown and help facilitate a balanced housing environment in the downtown;

Whereas, The DDA approved “Criteria to Evaluate Proposals for Use of the DDA Housing Fund” in May 2000;

Whereas, An important criterion states that the project involves funds from sources in addition to the DDA;

Whereas, The Ann Arbor Chamber of Commerce and the City of Ann Arbor have proposed the creation of a Housing Coordinator to implement the actions identified by the City’s Affordable Housing Taskforce aimed at increasing the availability of housing for households earning up to 95% of the area median income;

Whereas, The Task Force has identified four goals for action, which are as follows:
- Convert at least 250 units of existing housing into permanent, affordable housing.
- Provide at least 10 families per year with a first time home ownership opportunity.
- Identify and establish 3 new income sources for affordable housing.
- Review City of Ann Arbor regulatory ordinances and development review process to give priority to affordable housing.

Whereas, The Chamber and City have approached the DDA as a potential partner in this three-year project, whereby a Coordinator would be guided by a committee with representatives from the DDA, the Chamber, and the City Community Development Department;

Whereas, The Housing Coordinator would be expected to work with the DDA to determine the feasibility of adding affordable housing units in the downtown area;

Whereas, The three-year project costs are expected to be $141,120;

Whereas, The Chamber will provide the rent, equipment, and supplies valued at $15,000;

Whereas, The City has committed $27,000 for F/Y 2000/2001;

Whereas, The Ann Arbor Community Foundation has been asked to contribute $15,000 to this project;

Whereas, The DDA has been asked to contribute $10,000 year for three years beginning 2000/2001;

Whereas, The DDA Partnerships Committee has discussed this project, and recognizes the importance of collaboration to achieve residential development goals;

Whereas, The DDA Partnerships Committee also recognizes that the issue of increasing the stock of affordable housing is a regional concern that can not be met merely by focussing on Ann Arbor resources,
and urges the Chamber and City to expand the focus of the project to work in cooperation with Washtenaw County, the Townships, and the University of Michigan;

RESOLVED, The DDA approves funding for a Housing Coordinator position for fiscal year 2000/2001 for the total amount of $10,000.

Mr. Gillett said that this position will be housed at the Chamber of Commerce and would be jointly funded by the City and DDA. Chamber representatives Martha Johnson and Woody Holman said that it was anticipated this would be a part-time position overseen by the Chamber in an arrangement similar to that used for the Downtown Transportation Coordinator position. They said that their board wouldn’t support seeking funding for this position from throughout the County as it would be unwieldy to address the concerns of all municipalities.

Mr. Gillett moved and Ms. Gunn seconded a motion to table the resolution. A vote to table showed:

AYES:  Beal, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Sipes, Ungrodt
NAYS:  Berlin
Absent:  Aldrich

The motion to table was approved.

Ms. Pollay reported that a resolution would go to City Council on Thursday asking for approval of the DDA’s Request for Qualifications for a public/private development on the First and Washington site.

Mr. Gillett reported that their committee was monitoring four future and current developments. They are:

- Jack Stegeman’s proposal for the corner of William and Thompson.
- Bill Martins proposed development at Fifth and Huron Streets.
- Jeffrey Spoon’s development on the Maynard McDonald’s site.
- A possible lease for the retail space under the Ann Ashley parking deck.

CAPITAL IMPROVEMENTS COMMITTEE

State Street Area Improvements Project Status

Mr. Beal presented an amended resolution, seconded by Mr. Pohrt for:

RESOLUTION TO RECOMMEND THAT THE CITY RESTORE TWO-WAY TRAFFIC IN THE STATE STREET AREA

Whereas, The DDA has committed itself to a streetscape improvement project in the State Street Area and in anticipation of this project, the DDA commissioned an area study from the University of Michigan, including an assessment of its current and potential customer base, its urban design strengths and weaknesses, and the public policy issues that affect the area, in hopes of understanding the basis upon which future streetscape design decisions might be based;

Whereas, Extensive data collection led the UM study team to put forward the recommendation that the City modify its pattern of one-block, one-way streets in the State Street area, specifically restoring two-way traffic along S. State Street, E. Liberty, N. University, Thompson, and Maynard Streets;

Whereas, Restoring two-way traffic patterns along these streets would enable visitors, customers, and others to more readily enter and navigate the area, making it more attractive as a shopping and residential district;

Whereas, Restoring two-way traffic patterns would provide better linkages between the State Street area and other sectors of the University and community, making the area more accessible for alternate transit options, and would strengthen the pedestrian use of the area, as vehicular traffic speeds would be moderated;
Whereas, In a July 8, 1999 resolution the DDA asked City Council to consider the UM recommendation, and to modify the street pattern following a period of public input;

Whereas, City Council accepted this recommendation, and directed City staff to undertake an analysis, to determine the impacts of such a change;

Whereas, This study has been completed and it has been determined that some on-street parking and loading zones would need to be relocated, and that there are some cost factors associated with this change including the need to resignalize the area particularly in the State and Liberty Street areas;

Whereas, Local media has featured information on the issue and a public meeting was held at the Michigan Theater to elicit community input;

RESOLVED, The DDA endorses the UM recommendation that two-way traffic be restored on S. State Street, E. Liberty, N. University, Thompson, and Maynard Streets in the State Street area;

RESOLVED, The DDA recommends that the City work with the State Street Area Association, University of Michigan, and other area stakeholders to determine alternate locations for parking spaces and loading zones if displaced by these changes;

RESOLVED, The DDA recommend that the physical reconstruction needed to implement these changes be timed to coincide with the pedestrian improvements construction project scheduled tentatively in Spring 2001.

Mr. Beal said that the Committee had felt that the DDA’s earlier resolution was too tepid, and that all one-way streets be made two-way rather than just some, as had been previously stated. Mr. Ungrodt said that he was the only one present who had experienced the area with two-way traffic and that this change would be a mistake. Ms. Gunn said that she had frequented the area prior to the shift to one-way streets and she still recommended the alteration. Mr. DeVarti said he had also known the area when there had been two-way streets and had had initial concerns but had been convinced of the value of this change.

A vote on the amended resolution showed:
AYES: Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Sipes, Ungrodt
NAYS: None
Absent: Aldrich
The motion carried.

Mr. Beal apologized and said that the initial project budget for interim repairs at Fourth and William had not included costs for engineering or contingencies, so the DDA needed to revisit its earlier resolution. Mr. Berlin moved and Mr. Ungrodt seconded the following resolution:

RESOLUTION TO REVISE PROJECT BUDGET COSTS FOR INTERIM REPAIRS AT THE FOURTH & WILLIAM PARKING STRUCTURE

Whereas, At its August 2, 2000 meeting the DDA authorized general repairs, deck coating, lighting, new parking office and restroom, and miscellaneous architectural improvements for the Fourth & William Parking Structure beginning Spring 2001;

Whereas, At its September 6, 2000 meeting the DDA authorized interim repairs which would minimize corrosion and deterioration until principal repairs can be addressed next spring;

Whereas, The DDA approved $50,000 for this project based on an initial estimate from Carl Walker;

Whereas, The project was put out to bid and eight complete bids received, with Structural Preservation Systems the low bidder;
Whereas, Repair costs are higher than initially estimated and the DDA Capital Improvements Committee has now recommended that several alternates be added to this interim work in an effort to reduce patron inconvenience next summer;

Whereas, The Capital Improvements Committee also recommends that cost estimates for engineering, testing and owner contingency be added to the project budget;

Whereas, This will require a total of $131,000 for interim repairs and improvements this autumn;

RESOLVED, The DDA approves an additional $81,000 for interim repairs to the Fourth & William parking structure this autumn for a total of $131,000.

A vote on the motion showed:
AYES: Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Sipes, Ungrodt
NAYS: None
Absent: Aldrich
The motion carried.

Mr. Beal reported that DDA Project Manager Adrian Iraola had sought a professional estimate for adding an eighth floor at Fourth & William, and the estimate had come in at $3.8 Million, which is approximately $30,000 per space, nearly double initial estimates. With that in mind, Mr. Beal presented a motion to abandon the idea of adding the additional floor as part of the current repairs. After further discussion, Mr. Gillett added a friendly amendment that if the cost is found to be under $3 Million it should be brought back to the Board for consideration. Mr. Berlin seconded this motion.

A vote on the motion showed:
AYES: Beal, Berlin, Dankert, DeVarti, Fritz, Gillett, Greff, Gunn, Pohrt, Sipes, Ungrodt
NAYS: None
Absent: Aldrich
The motion carried.

PLANNING COMMITTEE
Ms. Sipes reported that DDA members had before them a draft of the work done to date rewriting the DDA Plan. In particular, the Committee asked that the DDA look at the goals and objectives and give feedback. There will be three more meetings (November 10th, 16th and 30th at 8am) to continue writing the new 2012 Plan prior to the retreat on December 11th. It is hoped that all DDA members will participate in one of the upcoming planning sessions.

Ms. Pollay suggested that the members also walk the DDA district boundaries to determine if DDA boundaries need revision.

8. Other DDA Business
None

9. Adjournment
As there was no further discussion, upon motion, the meeting was adjourned at 1:43 p.m.

Respectfully submitted,
Susan Pollay, Executive Director