MINUTES
Downtown Development Authority Meeting
Wednesday, November 7, 2001

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

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

1. ROLL CALL

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

Absent: Bob Gillett, John Hieftje, Skip Ungrodt

Staff: Susan Pollay, Executive Director
Present: Joe Morehouse, Deputy DDA Director
Sarah Armstrong

Audience: Peter Allen, Lower Town Patricia Deng, Washtenaw County
Ray Detter, Citizens Advisory Council
Adrian Iraola, City of Ann Arbor/DDA
Donna Johnson, City of Ann Arbor Planning Department
Herbert Kauffer, Citizens Advisory Council
Jane Kauffer, Citizens Advisory Member
Brenda Macon, Ann Arbor Area Chamber of Commerce
Cathy O'Donnell, Ann Arbor News
Ethel Potts, Citizen

2. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Solo seconded a motion to approve the minutes of October 3, 2001:

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

3. AUDIENCE PARTICIPATION

Mr. Dave Konkle, City Energy Coordinator, spoke about encouraging the use of small electric cars by downtown commuters. He asked if the DDA would continue to provide electrical outlets in the parking structures for them, provide half-price monthly permit rates, and that electric car users be placed on the top of the waitlist. Mr. Konkle’s request was referred to the Operations Committee.

Mr. Peter Allen said a Lower Town plan had been presented. Its goal is to provide a pedestrian-orientated village. He asked the DDA expand their boundary to include this area so that TIF could be used to pay for the necessary public improvements. He presented a project concept and he said he would bring back more concepts at the next meeting. Ms. Johnson, of the City’s Planning Department, said that the Lower Town plan is in draft form at the City’s Planning Department.

4. CITIZENS ADVISORY COUNCIL

Members of the Citizens Advisory Council met last night with Police Sgt. Richard Blake to continue the discussion we began last month with Police Chief Dan Oates on issues of public safety in the downtown. We were pleased to also have as our guests David Solo from the DDA and Maggie Ladd from the S. University Area Association. Chief Oates is committed to increasing citizen involvement with the police department and we are delighted to have the opportunity to provide input. Last night’s discussion ranged over a number of issues, but we devoted a good amount of our time to evaluating actions and proposals for improving the
perception and the reality of Liberty Plaza. A "Friends of Liberty Plaza" group has now been formed to encourage positive changes, one of which is the need for better lighting in the park. We hope that the DDA will be involved in support of changes proposed for the park.

In your DDA packet for this month is a copy of the Citizens Advisory Council supplemental goals statement on Pedestrian and Non-Motorized Vehicle Traffic in the Downtown. Led by CAC members Dick Shackson and Joan Blos, our group has attempted to define the importance of the downtown pedestrian experience, point out some problems, and suggest some of the ways—better maintenance, design, policy and enforcement—in which the pedestrian experience can be enhanced. We plan to use this document to guide our future discussions on issues relating to the downtown pedestrian experience. It will be the major topic of discussion at the Nov. 28 meeting of the Downtown Marketing Task Force. We invite your comments and suggestions.

You are also being provided with a draft copy of the document that has emerged from the third Northeast Area Plan workshop on the future of the Lower Town Area. The third workshop was held on November 1 at the Kellogg Eye Center. About 150 people attended, including representatives from the University, to participate in the process of developing a community vision for this important under utilized area of town. The Urban Environment Alliance, of which the CAC for the DDA is a member, is pushing to have this document distributed to the Planning Commission and the City Council as soon as possible in order that we can move quickly ahead to encourage a creative dialogue among city and university leaders and private developers.

Building height is an issue we face in planning the future of Lower Town, as it is in planning for the downtown. The Citizens Advisory Council has asked me to urge you to support the revised resolution on height of downtown buildings which you are being asked to vote on today. We support increased density in the downtown—particularly in mixed-use buildings that include a large portion of residential units. The emphasis of the resolution upon considering neighborhood context and showing respect for policies and guidelines outlined in the City’s Downtown Plan assures us that building height in the downtown will be limited where necessary.

Finally, I want to invite all of you to the dedication and celebration of the Downtown Historical Street Exhibit's installation of nine more transparent glass frames in the Main Street and Kerrytown areas. The dedication will be held on Wednesday, November 14, 4:30 p.m., on the northwest corner of William and South Main. It will be followed immediately by a party in the penthouses of Ashley Mews with food, drink, music and dancing. The DDA has been the most important factor in making this project possible. Rob Aldrich, representing the DDA, will be one of the speakers on the program. Rob, through MAV Co., has also been one of the major supporters of this project and has funded one of the two transparent frames in Kerrytown. We hope all of you will join us at the event.

5. NEW BUSINESS
Ms. Pollay said that there had been a question about moving the day and time of the DDA meetings. Board members responded to a fax survey, and it was the consensus to leave the meetings on the first Wednesday of the month at noon.

6. OLD BUSINESS
None.

7. SUBCOMMITTEE REPORTS

OPERATIONS COMMITTEE
Mr. Dankert presented the financial report. He said that $300,000 went to Ashley Mews under the terms of our development agreement with Syndeco, and $50,000 was sent to the IT Zone. He said parking revenues are up 20% against last year due to parking rate increases and expenses are on budget. The Housing Fund shows payments of $100,000 to Courthouse Square and $5,000 to the Chamber of Commerce for its Housing Coordinator position. Mr. Dankert moved and Ms. Gunn seconded approval of the financial report.
A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, DeVarti, Fritz, Greff, Gunn, Sipes, Solo
NAYS: None
Absent: Gillett, Hieftje, Ungrodt
The motion carried.

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

RESOLUTION RECOMMENDING APPROVAL OF A LEASE EXTENSION
WITH HURON/ASHLEY LIMITED PARTNERSHIP FOR THE FIRST & HURON PARKING LOT

Whereas, The City's lease with the Huron Ashley Limited Partnership for the First and Huron parking lot is set to expire December 31, 2001;

Whereas, The DDA manages the First and Huron parking lot on behalf of the City;

Whereas, This 165 space parking facility is heavily utilized by a variety of downtown stakeholders and is providing much-needed parking to the downtown district;

Whereas, The DDA has negotiated with representatives of the Huron Ashley Limited Partnership for a lease extension that may be terminated early if the property owner submits a site plan application for redevelopment of the property;

Whereas, The rental amount for the lot shall be five percent more than the current rental amount, with annual increases thereafter based on the Consumer Price Index;

Whereas, Under the proposed lease extension there would be the expectation of improvements to the site, including painting the day shelter and repaving the lot, with the DDA reimbursed a prorated amount for the cost of this resurfacing should the early termination clause be enacted prior to December 31, 2001;

Whereas, The DDA's Operations Committee recommends approval of this lease extension;

RESOLVED, The DDA supports this recommendation, and authorizes its Executive Director to go forward with a lease renewal resolution to City Council at the next earliest opportunity.

Mr. DeVarti and Mr. Beal expressed concern over letting the owners of the property continue to earn money, which could delay development of the parcel. Mr. Aldrich stated that the land is exempt from current parking restrictions as it was grand fathered in, thus the owners could operate a parking lot there without the DDA.

Mr. Beal presented an amendment and Mr. DeVarti seconded, to renew the lease for a 5-year period with three 5-year options.

A ROLL CALL VOTE ON THE AMENDMENT SHOWED:
AYES: Beal, DeVarti
NAYS: Aldrich, Dankert, Fritz, Greff, Gunn, Sipes, Solo
Absent: Gillett, Hieftje, Ungrodt
The amendment failed.

A ROLL CALL VOTE ON THE MAIN MOTION SHOWED:
AYES: Aldrich, Dankert, Fritz, Greff, Gunn, Sipes, Solo
NAYS: Beal, DeVarti,
Absent: Gillett, Hieftje, Ungrodt
The motion carried.
Mr. Dankert moved and Ms. Gunn seconded the following resolution:

RESOLUTION APPROVING EXECUTION OF A LEASE WITH CITY HALL LLC FOR A SURFACE PARKING LOT LOCATED AT THE CORNER OF FIFTH AND HURON

Whereas, The DDA leased the Surface Parking Lot at the Corner of Fifth and Huron Streets from August 1, 1997 to July 31, 2000 from City Hall LLC;

Whereas, City Hall LLC has proposed terms for a new lease with the DDA at this lot;

Whereas, If leased, the DDA could readily provide for 54 premium parking spaces on this lot;

Whereas, The length of the lease is two years, or until the Landlord has submitted to the City an application for site plan approval for redevelopment of the premises;

Whereas, The rental amount for the lot shall be $20,000 per year and shall rise annually by increases in the Consumer Price Index;

Whereas, The previous rental amount was $41,056.80 year;

Whereas, The DDA’s Operations Committee recommends approval to the DDA Board;

RESOLVED, That the DDA Board authorizes the Operations Committee Chair, Executive Director and the DDA’s Legal Counsel to finalize and execute a lease for the Fifth and Huron parking lot.

Mr. Dankert said that the rent would begin at $20,000 per year, with other lease terms the same as before. The Committee intends to operate it as a premium parking lot and estimate it will generate $47,000 per year. The Committee intends this as a short-term lease to enable First Martin to pursue development of this site. Mr. DeVarti expressed his opposition to the resolution based on his opinion that the DDA should be encouraging development of vacant lots and not earning money for the owners.

A VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Fritz, Greff, Gunn, Sipes, Solo
NAYS: DeVarti
Absent: Gillett, Hieftje, Ungrodt
The motion carried.

Mr. Dankert moved and Ms. Sipes seconded the following resolution:

RESOLUTION TO EVALUATE AND PROPOSE A SALARY INCREASE FOR THE DOWNTOWN DEVELOPMENT AUTHORITY EXECUTIVE DIRECTOR FOR THE YEAR 2001-2002

Whereas, Susan Pollay has served the DDA with commitment and hard work, helping to shape the agenda, and coordinating the research and follow-up on most DDA decisions over the past year; and

Whereas, Substantial improvements to the Fourth and William Parking Structure are underway following completion of design and engineering, bidding, and contract negotiations. In addition to preparatory efforts, Susan has also worked to anticipate and minimize the impact of construction on our parking customers by managing work and traffic flows, reassigning permits, and providing monthly reports to merchant and neighborhood groups; and

Whereas, Designs have been completed for Fourth Avenue and State Street Improvements with the bulk of the construction to occur in the coming year; and
Whereas, Susan has completed considerable background work on the First and Washington site including floodway/floodplain mapping, geo-technical studies, multi-option construction cost analyses, preliminary community information gathering, bond research, and background checks on prospective partners. Susan has been invaluable in helping to develop a framework for this groundbreaking public/private partnership, and including members of Council on the decision-making committee. This project will demand a significant portion of Susan's time and efforts in the coming year as we move from selection and contract negotiations to the design and approval phases. Again, Susan has worked to anticipate and minimize impact on our parking customers by commissioning engineering studies and overseeing the reinforcement of the existing structure to maximize it lifespan and number of spaces in operations; and

Whereas, The parking system under DDA management has been successfully transitioned to a new parking management team that has brought about considerable improvements in cleanliness, customer service, efficiency, and revenue tracking. These improvements have also been the result of a very successful partnership with Parking Operations Manager Jim Stein over the past year; and

Whereas, With Susan's guidance, the DDA has laid the groundwork for or completed a number of mutually beneficial contracts, leases, and agreements with State Street Lofts, Tower Plaza, and Voice Stream; and

Whereas, Susan works tirelessly to represent the DDA to countless downtown groups and organizations including the Mayor's Downtown Marketing Task Force; Main Street, South University, State Street and Kerrytown Historic District Associations; the Mayor's Taskforce on Panhandling; and many ad-hoc groups and committees working on issues dealing with downtown transportation, housing, cleanliness, and safety. Susan was also responsible for the Forest Structure opening party – a great community event and showcase for DDA efforts; and

Whereas, The DDA's active participation in the community has led to DDA financial assistance for the Chamber of Commerce Go Pass program and Housing Coordinator position, Dawn Farm, Courthouse Square improvements, and the South University Area study; and

Whereas, During the past year, Susan coordinated the DDA move to its new office with negligible operational impact on DDA meetings and business; and

Whereas, The DDA under Susan's leadership is incredibly focused, productive, and prepared to meet the many new challenges and opportunities facing us in the coming year including the unification of the parking system and DDA renewal;

THEREFORE BE IT RESOLVED, That Susan Pollay deserves not only our heartfelt thanks for all that she has done, but a raise to an annual salary of $89,250.

Mr. Dankert thanked Ms. Greff for writing the resolution. He said that the Operations Committee feels everything is running smoothly and her management of the DDA is excellent. They recommended a 5% increase, retroactive to September 1, 2001.

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

PARTNERSHIP COMMITTEE
In Mr. Gillett's absence, Ms. Pollay reported that the committee met with the Chamber's Housing Coordinator to learn more about her work assisting with affordable housing issues in the DDA district. She said that the Committee is also hard at work on the First & Washington project, and over the past month there has been
information gathered on soil conditions and estimated construction costs. She said the Committee was discussing options and continuing negotiations.

**CAPITAL IMPROVEMENTS COMMITTEE**

Sidewalk Maintenance. Mr. Beal reported that the Committee spent time discussing sidewalk maintenance issues, and will hold a second meeting with City staff to determine the extent of City responsibility and programs.

Parking Structure Maintenance. A proposal was received from Carl Walker Inc. to assess long-term costs for parking structure maintenance, and the scope of work and proposal cost will be revised before approval.

Forest Parking Structure-Status. Mr. Beal reported that there is still much razing work left to do and Rudolph Libbe still has a lengthy punch list to complete. A number of change orders have been received.

Fourth & William Repairs-Status. Mr. Beal reported that the seal coating on levels 3 and 4 would be completed next week. 200 spaces are out of service right now, and the drive lanes are constricted on the lower levels.

State Street Project-Status. Plans will be out to bid next week and work to begin in the spring 2002. The two-way traffic changes will be done at the very end of the project and it may take two years to accomplish this.

**PLANNING COMMITTEE**

Ms. Sipes reported that a draft schedule for the Plan Renewal is in the DDA packet. There will be a resolution supporting the Plan presented at the December 5 meeting. A copy of the Plan will be sent to everyone prior to the next meeting. Ms. Sipes is hoping to have all completed and approved in about a year from now.

Ms. Sipes moved and Ms. Gunn seconded the following resolution:

**RESOLUTION RECOMMENDING BOUNDARIES FOR THE ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY UPON RENEWAL**

**Whereas,** The Ann Arbor Downtown Development Authority and Tax Increment Financing Plan is slated to expire in 2012;

**Whereas,** The DDA has resolved to work toward renewal prior to 2012 to ensure the completion of important programs currently underway, as well as the continuing protection of downtown vitality through DDA partnerships and long-term financial investment in the downtown;

**Whereas,** The DDA Planning Committee has drafted a proposed DDA and TIF Plan for the renewal of the Ann Arbor Downtown Development Authority and has presented this document at several DDA meetings and retreats;

**Whereas,** At the last DDA retreat there was discussion about the proposal to maintain existing DDA boundaries;

**Whereas,** The DDA Planning Committee has discussed this question at length, and has resolved to formally recommend that existing DDA boundaries be maintained upon renewal of the DDA with the exception of incorporation of the remainder of the block including the new Forest Avenue parking structure;

**Whereas,** The reasons for retaining these boundaries include:

- A tremendous amount of work remains to be done within existing boundaries, including taking advantage of redevelopment opportunities, continuing with sidewalk enhancement projects, a construction of new parking structures.
• Expanding DDA boundaries may dilute DDA's ability to be attentive to downtown Ann Arbor concerns

RESOLVED, The DDA approves the recommendation as set forward by the DDA Planning Committee

RESOLVED, The DDA Planning Committee is charged to complete its work to enable the DDA to begin the process toward reauthorization

Ms. Sipes said that it was decided to only extend the boundaries to include the Forest structure and the due to the commitments already made which are extensive.

Mr. DeVarti gave his opinion that the boundaries should be expanded for two reasons. One is to include areas that could contain more affordable housing for the DDA to support. The second reason is so that the DDA could have more input on development such as Lower Town.

A ROLL CALL VOTE ON THE MOTION SHOWED:
AYES: Aldrich, Beal, Dankert, Fritz, Greff, Gunn, Sipes, Solo
NAYS: DeVarti
Absent: Gillett, Hieftje, Ungrodt

The motion carried.

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

RESOLUTION AFFIRMING DDA'S STATEMENT ON BUILDING HEIGHT IN DOWNTOWN ANN ARBOR

Whereas, The DDA Planning Committee has been asked to formulate a recommendation for a DDA position statement on building height in Downtown Ann Arbor;

Whereas, The Committee met and drafted the following declaration for DDA approval:

• Tall buildings 6 or more stories in Ann Arbor's DDA district can be positive contributors to our vital downtown

• Tall buildings serve as landmarks from the surrounding countryside to identify downtown and its importance as the cultural and financial center of the community, they add density that provides an alternative to urban sprawl and encourages reliance on a centralized transportation system, they provide for attractive residential views, they more efficiently reuse existing infrastructure and are a vibrant market response to the high cost of real estate and downtown construction and development;

• The height of a new building in downtown Ann Arbor, however, should be considered in the context in which it will be located. For example, the design and height of a building on a narrow street with 2 to 3 story historic buildings should be different than that which would be designed for a site on a 5-lane thoroughfare with large monumental buildings.

• More important in many ways than the height of a building is the design of its lower floors. A healthy downtown attracts a concentration of people and those people are attracted to streets that have a richness of material, design and experience including:
  o Retail storefronts all along the block (not offices, or blank walls or surface parking lots)
  o Entrances into stores/buildings every 20 or 30 feet
  o Wide sidewalks and outdoor cafes
  o Vegetation, signage and street furniture
  o Cars parked at the curb to protect the pedestrian from moving traffic (and, by inference, a recommendation for two-way traffic which slows traffic speeds)
  o Lower cornices or canopies that define the height of the first floor, reflecting human scale.
o The spaces between buildings (streets and sidewalks) are dominated by foot traffic rather than vehicular traffic
o A diversity of style and material on building facades

- Tools that might help planning and elected officials evaluate building proposals and encourage more pedestrian-friendly spaces can include:
  o Designs that follow the recommendations of the Downtown Plan
  o Designs that put an emphasis on the pedestrian experience
  o 3-d animation or modeling at the street level of the design of a new building from a variety of perspectives ("how does it feel to walk down this street with this new building?").

RESOLVED, The DDA supports the following recommendation on height restrictions in Downtown Ann Arbor:
- Maintenance of the current zoning ordinances, except where the Downtown Plan specifically encourages the change of zoning; specifically the FAR system which allows flexibility in design.
- A minimum height of two stories for new buildings in C2B and C2B/R zoning and possibly even a minimum of three stories in the core downtown zoning districts of C2A and C2AR.
- The use of technological communication tools to better understand the design of the first two floors of a building.

Ms. Sipes reported that the issue is less about height than about context. She said that the committee tried to separate those issues and talked about the advantages of density and height downtown.

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

South University Study-Update. Ms. Sipes reported that there's an update on the South University study included in the packet. Ms. Pollay said they are working closely with the South University Area Association and that data collection has begun.

8. OTHER BUSINESS

None.

9. OTHER AUDIENCE PARTICIPATION

None.

10. ADJOURNMENT

As there was no further discussion, upon motion, the meeting was adjourned at 2:02 p.m.

Respectfully submitted,
Susan Pollay, Executive Director