MINUTES
Downtown Development Authority
Thursday, November 13, 1997

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

Time: The Chair, Maria Harshe, called the meeting to order at 5:10 p.m.

1. Roll Call

Present: David Fritz, Bob Gates, Bob Gillett, Maria Harshe, Karl Pohrt, Ed Shaffran,
Lorri Sipes, Skip Ungrodt

Absent: Neal Berlin, Dave DeVarti, Leah Gunn, Deanna Relyea

Staff Present: Susan Pollar, Executive Director

Audience: Ray Detter, Citizen's Advisory Council
Bob Frazer, National Garages
Donna Johnson, Planning Department
Andrew Kinchen, National Garages

2. Approval of Minutes

Ms. Harshe noted that Karl Pohrt had acted as Chair for the duration of the October 9, 1997 meeting. Mr. Shaffran made a motion, and Ms. Sipes seconded, that with that with Ms. Harshe's modification, the minutes of the October 9, 1997, October 14, 1997, and October 30, 1997 meetings be approved.

A vote on the motion showed:

AYES: Fritz, Gates, Gillett, Harshe, Pohrt, Shaffran, Sipes, Ungrodt
NAYS: None
Absent: Berlin, DeVarti, Gunn, Relyea

The motion carried.
Mr. DeVarti and Mr. Berlin enter.

Last night's two-hour meeting of the Citizens Advisory Council was entirely devoted to discussion of the future Fourth and Washington parking structure. We met with Adrian Iraola, Project Manager, Architect Richard Mitchell, and a landscape design consultant from J. J. & R. to explore all aspects of this important new building -- particularly its design and its future impact upon the downtown area. Susan Pollay and Deanna Relyea were there from the DDA. Four members of the Main Street Area Association's Downtown Public Art Committee also joined us. There were thirty of us in that conference room engaged in a creative dialogue that led several people to come up to me after the meeting and say, "This is really exciting!" Susan Pollay has always said she would make parking structures fun. This one is! It is--because it provides us with wonderful opportunities for shaping the future direction of the downtown.

The Citizens Advisory Council is committed to making the Fourth and Washington structure a model for future parking structures and an example of the way in which parking can creatively relate to all our goals for the future of the downtown--goals which are consistent with the Downtown Master Plan. Think about that! This structure doesn't only have to do with parking. It has much to do with residential, pedestrian orientation, transportation and public safety goals in the downtown. We are pleased that you have chosen a design team that understands these goals and can make good things happen.

We are all very concerned about the many parking construction elements in this new structure--number of spaces, stories, height, entrances, ceiling height, stairwells, elevators, ease of maintenance, etc. But we must keep in mind that while parking is essential to the economic health of the downtown, parking alone will not guarantee the area's prosperity and success. Parking must always be considered within the larger context of the downtown’s pedestrian orientation and overall community requirements for health and well-being. Innovative design concepts for new parking structures should be promoted and monitored for their sensitivity to their immediate street scape environments. What will be the impact of the structure's design and mass in relation to surrounding residential and retail? Shade? Wind? Historic character? Line of vision?

The Citizens Council strongly believes that all parking should be complementary to the concept and prospect of increasing the residential population in the downtown. When adding spaces there should be provision for sufficient and protected parking for present and future downtown residents. At what point is the DDA going to announce a portion of residential parking permits in these new spaces to encourage the success of the adjoining Courthouse Square Apartments, existing nearby lofts, and potential housing lofts in nearby buildings?

The Citizens Council believes the new parking structure must not only be inviting to motorists but to pedestrians as well--both within and outside the building. Inside, the pedestrian experience should begin the moment motorists leave their cars. To be bright, clean and safe is the first priority. But we are also concerned with ways that art can be built into the design.
Those present last night supported making glassed-in, exterior-placed stairs and elevators, the entrance area, ramps, enclosed walkways—even the top floor—artworks in themselves with appealing designs, colors, textures and lighting—perhaps in relation to a consistent theme. (Possible themes: historic, natural elements, etc.) Visually stimulating, signage could be a part of this overall theme or design—imaginatively reminding drivers or pedestrians of where they are—or where they might take shopping, dining, or historic tours of our downtown (perhaps availability of shuttles or public transportation so they won’t have to drive the next time they come downtown).

Those present also recognized the importance of the exterior facade and pedestrian improvements in relation to the significance of Fourth Avenue as the pedestrian corridor to Kerrytown. All seemed to agree that art should be integrated into strongly vertical design character for the new structure. Banners, exterior lighting, awnings, green space should attract from a distance. An alcove, bench and work of art called "Reuben’s Place," along with a glass-enclosed revolving arts display would involve the passerby. We need spaces both inside and outside the structure to place art works financed by contributions to the developing “Downtown Public Arts Committee.” We already have one offer of $20,000 from the owners of the building that contains the Amadeus restaurant.

Of course, we cannot forget that we all have a commitment to encouraging alternative modes of transportation in the downtown. Architect Dick Mitchell plans to provide bike storage racks in the unused areas of the parking structure to provide sheltered, easily accessible bicycle parking.

All of this is very exciting! The Citizens Council looks forward to working with the DDA in making this new parking structure a key element in defining the direction of your emerging fifteen year plan for downtown Ann Arbor. As Lorri Sipes expressed it at the retreat: “In the next fifteen years, we must make sure that the pedestrian is supreme.”

4. Audience Participation

None.

5. New Business

Ms. Harshe welcomed Bob Frazer as new Ann Arbor System Manager for National Garages. Mr. Frazer reported that he had worked for National Garages for 30 years, and that he had managed operations all over the country, most recently in Minneapolis/St. Paul. He had accepted the Ann Arbor position as a new challenge, and he looked forward to working with everyone, particularly the DDA Parking Operations Committee and the Fourth & Washington Design Committee.

Ms. Sipes reported that she and Ms. Pollay had recently gone over their notes from the October 30th DDA retreat, and had attempted to integrate everyone's comments into the "Spaces Between Buildings"
proposed list of projects for the next year. Having amassed everyone's ideas into a comprehensive list, a first attempt was then made to establish priorities in understanding that Board member and staff time was limited and not everything might be accomplished.

Mr. Gillett stated his concerns that the project list showed no specific allocation to the newly-created Housing Fund, as he felt that without dedicated funding housing development would not take place. Ms. Sipes stated that she felt the Board efforts at the retreat set forward very clear housing goals which would lead to projects. Mr. Gillett asked that a dollar amount be assigned to housing-related programs, similar to what had been agreed-upon for parking structure repairs. Mr. Shaffran stated that no dollar amounts had been put forward for parking repairs until specific plans were developed; so too, specific housing projects should be devised and then costs could be assigned. He also stated his belief that housing or other projects would not take place if individual DDA members did not take personal responsibility for seeing things through, from beginning to end.

Mr. DeVarti said that if costs were not assigned to each project, they would be overshadowed by an ambitious parking repair plan. To accomplish other projects, money must be set aside for them. Mr. Ungrodt asked why the DDA was in the business of providing housing? Ms. Sipes said that the DDA should work to encourage downtown housing because it was important to the downtown's continued vitality. She felt that the private sector would provide the housing, and the DDA could do things like provide resident parking, or purchase land and make it more affordable for developers to purchase for housing development the DDA sought to encourage. Ms. Harshe said she felt that details needed to be fleshed out on a committee level, and she asked everyone to participate in a meeting to assign priorities and cost estimates in concert with the information provided by the Finance Committee.

Mr. Gates and Ms. Pollay were asked to provide Ms. Sipes with projections of funds available. All Board members were asked to participate in shaping future priorities and cost estimates, at a meeting December 1st, from 10:00 a.m. to 12:00 noon in the DDA office. Ms. Sipes, Mr. Pohrt, and Ms. Harshe would meet first to set the agenda for this meeting, and meeting notices would be mailed.

Ms. Relyea enters.

In other new business, Mr. DeVarti stated the need to promote parking validation as a means of countering negative perceptions about rate increases. Mr. Shaffran said the Main Street Area Association agrees with this in general, although many merchants don't participate in the validation program. Ms. Relyea said that an advertisement would run in the Ann Arbor News on the Monday before Thanksgiving, and a map showing parking locations and promoting free customer validations had been paid for in the Ann Arbor Observer within the Main Street and State Street Area Association full-page ads. Moreover, flyers promoting validations would be handed out at all parking facilities to hourly customers. Ms. Relyea asked for an additional $5,000 budget to promote the parking validation program. Mr. DeVarti asked that AATA be asked to offer free bus passes to anyone complaining about the raise in parking rates, and to use more testimonial advertising to promote use of the bus system. Ms. Pollay said she would contact AATA with these requests.
Mr. Ungrodt was thanked by all for use of the Hoover Mansion for the retreat.

6. Subcommittee Reports

Executive Director's Report
Ms. Pollay stated that she, Mr. Berlin and Mr. Shaffran had participated in visit from a 100+ person delegation from Chapel Hill, N.C., and a great deal of valuable information about Chapel Hill and Ann Arbor had been exchanged. She stated that she and Karl Pohrt would attend a two-day seminar on the "Future of Downtown" presented by Hyatt/Palma. Donna Johnson reported that she, too, would be attending this seminar, and that Hyatt/Palma were nationally renowned for presenting highly-stimulating sessions. Ms. Pollay asked for feedback about moving the monthly Board meeting to the DDA office versus holding these meetings in Council chambers. She also reported that she would be out of the office November 24 through 28 for Thanksgiving.

Parking Construction Committee
Mr. Shaffran reported that the Fourth & Washington Design Committee had met twice and stakeholder sessions would take place the next week. Demolition was scheduled to begin at the end of December and would take approximately 6 to 12 weeks. He reported that information was still being gathered about shoring up or demolishing the roof level of Forest during January 1998, and that either way, the plan was to keep the structure operational until 1999 by which time hopefully the concrete slabs for the new structure would have been precast off site. He asked Board support for hiring Sue Gott of JJR to oversee creating a public input process for the new Forest structure, as he had shown great skill in involving the public in the replacement of the Broadway Bridges and the Fourth/Washington structure, and her fee would likely be reimbursed upon securing the construction bond. Support for this idea was shown.

Bids for waterproofing Ann/Ashley and Liberty Square and minor repairs in Maynard had been received, and Carl Walker Inc. had assisted in this process. It was anticipated that work would begin next July for Ann/Ashley and Liberty Square.

Parking Operations Committee
In Chairperson Gunn's absence, Mr. Pohrt reported that the Committee had been very pleased to be introduced to new Ann Arbor System Manager for National Garages, Bob Frazer, and Facilities Manager, Andrew Kinchen. With their assistance, a greater level of customer service and system efficiency could be reached.

Mr. Pohrt reported that the Committee had discussed and was recommending an annual bonus for National Garages. Upon motion by Pohrt, with support from Shaffran, the following resolution was put forward:

RESOLUTION REGARDING THE 1996/97 ANNUAL BONUS FOR NATIONAL GARAGES, INC.
Whereas, The first extension of the Agreement between DDA and National Garages, Inc., dated November 9, 1992, as amended, provides in paragraph 4(b) that the DDA shall pay to National Garages, Inc. an additional amount equivalent to no more than 3% of net revenues at the conclusion of each twelve month period if their performance has been to the satisfaction of the DDA; and

Whereas, the Parking Operations Committee has reviewed National Garages' performance during the past year and has determined that National Garages has performed satisfactorily;

Resolved, The DDA authorizes an additional payment in December 1997 of $20,000.00 to National Garages, Inc. as provided for in the Agreement between DDA and National Garages.

The Board was reminded that when the contract with National Garages had been signed, the bonus system was created as an incentive for the system managers. Mr. DeVarti asked about the quantity of management staff, to which Mr. Frazer reported there were six managers. Mr. DeVarti stated that he would support the resolution, but he wished the hourly staff might receive more of the bonus. Ms. Harshe stated that the Parking Operations Committee had discussed that National Garages had taken some significant steps toward improving service, but that there were still improvements to be made, and that she looked forward to working with National Garages on these advances. To that end, she was in favor of this resolution. Mr. Berlin asked how National Garages could measure its efforts to "contain costs and maximize system revenues?" Mr. Pohrt said there were also concerns that maintenance and cleanliness were not more improved or that the ticket system still allowed for discrepancies in reporting. To this end, the Committee had asked Mr. Frazer to present to the Committee a proposed budget for 1998/99 that would ensure the system was as attractive, smoothly functioning, and profitable as possible. The Committee had suggested Mr. Frazer might want to move through the system taking one structure at a time making updates. Mr. Berlin suggested that the DDA shouldn't have to spend more money to improve maintenance. A recent Ann Arbor News editorial was based on an incident where cleaning hadn't taken place in over a week. Mr. Shaffran asked that National Garages treat the facilities as the asset they were. Nothing was worse than a dirty structure, and National Garages could pick up trash more regularly and could pay attention to lighting, painting, and landscaping more.

A vote on the motion showed:

AYES: Berlin, DeVarti, Fritz, Gates, Gillett, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt
NAYS: None
Absent: Leah Gunn

The motion carried.

Mr. Gillett leaves.
Mr. Pohrt reported that a meeting set for November 19th with the South University Area Association had been canceled by SUAA. The Parking Operations Committee would attempt to reschedule at a time more convenient for SUAA, and to this end, they would fax out possible meeting times to DDA members to ascertain their schedules.

Mr. Pohrt stated that at its last meeting, the Committee recommended that the DDA not pursue involvement with Jack Stegeman’s proposal for South U Place. Upon motion by Pohrt, with support from Shaffran, the following resolution was put forward:

RESOLUTION REGARDING SOUTH UNIVERSITY PLACE

Whereas, The DDA received a proposal from Mr. Jack Stegeman in Spring 1997 asking the DDA to participate in a public/private partnership in the South University area;

Whereas, The DDA Board members on the Parking Operations Committee have reviewed the South University prospectus;

Whereas the Committee members have ascertained that the project is not contained within the DDA boundary;

Whereas legal counsel has indicated that the process of changing the DDA boundaries contains the risk of losing TIF revenues from those units of government who must assent to the plan, including Washtenaw County, Washtenaw Intermediate School District, Washtenaw Community College, the Ann Arbor Library, and the City;

Whereas, If the DDA boundaries are not expanded, any investment by the DDA in South University Place will not be reimbursed by TIF revenues;

Resolved, The DDA will not pursue involvement with South University Place as proposed.

Mr. Pohrt said that this resolution stated the DDA was not interested in investing $4.9 million in the project, but that it was supportive if Mr. Stegeman chose to go forward without DDA involvement. The South U Place proposal assumed the DDA had eminent domain powers, which it does not, and that the DDA had agreed to expand its boundaries for this project, which it had not. It also assumed that taxing entities, like the County and Library, would agree to give up tax revenues within this newly expanded DDA district, which was unlikely given their budgetary demands. Mr. DeVarti stated that he worried this resolution might be perceived negatively, to which Mr. Pohrt stated his belief that all DDA actions could be perceived negatively by various members of the community.

Comments of concern were then expressed about the DDA incurring the financial risk for this venture, as well as the negative public fallout for a project that used the power of government to take property in an area in which the developer already owns a significant amount of property.
A vote on the motion showed:

AYES: Berlin, Fritz, Gates, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt
NAYS: DeVarti
Absent: Gunn, Gillett

The motion carried.

Ms. Pollay was asked to communicate with Mr. Stegeman about this action.

Mr. Pohrt stated that as a response to the South University Area Association request for parking assistance, the Committee had also discussed the recent parking demand study by BRW as well as statements by the Citizen's Advisory Council and resolved to ask the Board to pursue a mixed use development on property located beside University Towers and near the intersection of Washtenaw and Forest streets. This land was privately owned, yet was currently underutilized and provided the best location for additional public parking in the South University area. Upon motion by Pohrt, with support from Shaffran, the following resolution was put forward:

RESOLUTION REGARDING ADDING ADDITIONAL PARKING IN THE SOUTH UNIVERSITY AREA

Whereas, The 1997 parking demand study commissioned from BRW reported that the best location for structured vehicular parking in the South University area would be at the privately-owned site at the intersection of Washtenaw and Forest, east of the University-owned Church Street Parking Structure;

Whereas, The Citizen's Advisory Council has indicated their support of a mixed-use development at this site including public parking;

Whereas, The South University Area Association has indicated their desire for more parking in the South University area, particularly at this site;

Whereas, The DDA approved a project budget to demolish and replace the Forest Street Parking Structure sufficient to include the cost of purchasing land for additional parking in the South University area; and

Whereas, The DDA Parking Operations Committee recommends purchase or other means to secure this land for public parking;

Resolved, The privately-held parcels numbered 09-28-313-042, 09-28-313-015, 09-28-313-014, 09-28-313-012, as well as the adjacent abandoned former City street, be purchased or secured by any other means for the purpose of providing public parking in the South University area.
Mr. Pohrt said that this project presented an excellent opportunity for private partnership as it was contained within DDA boundaries, thus any private housing or retail component would generate tax revenues for the DDA and reimburse project development expenses. Mr. Berlin asked if the DDA would consider recommending condemnation action if purchase was not possible, to which Mr. DeVarti stated that condemnation was a viable option as the property owner would be fully compensated for the property. Mr. Shaffran said that the Carl Walker Inc. site assessment had indicated that a 475-car parking structure could be developed on this site. Mr. DeVarti stated his support for this resolution as it encourages the owner to work with us, and moves us ahead addressing a real need. It was his hope that the project could be developed without leading to adverse possession. Mr. Shaffran also stated his support, suggesting that the University could be involved with the DDA to provide additional parking in the area. Ms. Harshe asked if a new structure could be constructed before Forest had to be taken out of service, to which Mr. Shaffran reported it could not, because of the design time necessary, as well as funding.

A vote on the motion showed:

AYES: Berlin, DeVarti, Fritz, Gates, Harshe, Pohrt, Relyea, Shaffran, Sipes, Ungrodt
NAYS: none
Absent: Gunn, Gillett

The motion carried.

Ms. Pollay was asked to communicate with Mr. Stegeman about this action, as well.

Mr. Pohrt concluded the Parking Operations Committee report by expressing concern over the recent Ann Arbor News editorial about parking rate increases, stating that the DDA had been made to "look like knaves or fools." Nowhere in the editorial did it address the important questions that the DDA had been asked to tackle - including increasing the use of mass transit and increasing parking availability without increasing the amount of parking. Neither problem could be solved without raising parking rates; and through the many dozens of public meetings held during the past year members of the community expressed their support for this action, though it would affect them, as well. The editorial made it appear that the proposed City rate increase was an action in isolation. Mr. Shaffran stated that he had set up a meeting with the News' editorial editor. Mr. DeVarti urged Mr. Pohrt to write a letter in response to the editorial, perhaps as an "Other Voices" article.

Ms. Relyea leaves.

Finance Committee Report
Mr. Gates reported that there was nothing amiss with the October financial statements. He also reported that the Budget Committee would meet soon to begin formulating the 1998/99 budget.
Mr. Berlin leaves.

**Pedestrian Improvements Committee Report**
Mr. Fritz reported that he had met with the City Bicycle Coordinator to pursue efforts to install 40 new bike hoops.

**Housing Committee Report**
Mr. DeVarti reported that the Committee had helped establish contact between Court House Square Apartments and the City Police Department in an effort that would provide the Police with much-needed office space while filling the empty first floor of the apartment building with activity such as the Community Policing Office. He would soon schedule a Committee meeting.

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7. **Other DDA Business Matters**

Mr. Ungrodt reported that despite his office's move, he was still very much a downtown person, as he still lived downtown and he had had a business downtown for the last thirty years. All stated their thanks to Mr. Ungrodt for his continued involvement and support of the downtown.

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8. **Adjournment**

There being no other business, upon motion by Shaffran, with support from Sipes, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,

Susan Pollay, Recording Secretary