Downtown Development Authority
Board Meeting Minutes
Thursday, November 14, 1996

Place: Maude's Restaurant, 314 S. Fourth Avenue, Ann Arbor, 48104

Time: Karl Pohrt, Chair, called the meeting to order at 6:15 p.m.

1. Roll Call

Members Present: Neal Berlin, Dave DeVarti, David Fritz, Bob Gates, Leah Gunn, Maria Harshe, Karl Pohrt, Ed Shaffran, Lorri Sipes

Members Absent: Robert Gillette, Deanna Relyea, Paul Ungrodt

Staff Present: Susan Pollay

Audience Participation: Ray Detter, DDA Citizen's Advisory Council

2. Approval of Minutes

Mr. Shaffran made a motion, and Mr. Gates supported, that the minutes for the Regular Board meeting dated October 10, 1996 be approved:

AYES: Berlin, DeVarti, Fritz, Gates, Gunn, Harshe, Pohrt, Shaffran, Sipes

NAYS: None

Absent: Gillette, Relyea, Ungrodt

3. Report of the DDA Citizen's Advisory Council

Ray Detter presented the following report:

The Citizen's Advisory Council strongly urges the DDA to pass a resolution requesting the Ann Arbor City Council and the Planning Commission move as quickly as possible to revise downtown zoning laws, codes and premium requirements to implement the recommendations of the Downtown Plan adopted in 1988.
The Ann Arbor community, particularly residents of the downtown and surrounding neighborhoods, have always expected the Downtown Plan to be implemented by changes in City Code requirements and review processes, but this has not been done. The recent Burger King proposal and site plan indicates that existing zoning and parking ordinances, premium policies and the planning review process were not sufficient to require that Burger King fully comply with the Downtown Plan and community expectations before beginning their attempt to move through the approval process. Now is the time to make whatever changes are necessary -- and possible -- to give force to the recommendations of the Downtown Plan.

But we must be realistic about the amount of effort this procedure will take. The Citizens Advisory Council also requests that the DDA urge our City Council to provide the funds necessary to support allocation of the Planning Department staff time required to complete this task.

The Citizen’s Advisory Council remains firmly committed to maintaining a vibrant downtown and making the best use of vacant and redeveloped land in the area. Completing the work necessary for implementing the 1988 Downtown Plan is the best first step we can make in 1997, toward achieving those objectives.

4. **Audience Participation**

None.

5. **New Business**

a. **Audit Report for Fiscal Year Ended June 30, 1996**

Budget Committee Chair Bob Gates reported that Karen Lancaster, Chief Accountant for the City of Ann Arbor, had reviewed the 1995/96 Audit at length with the Budget Committee. Ms. Lancaster had indicated that the report was consistent with the prior year report, and that DDA finances appeared to be in good order. Fund balances were strong, with fund balances of $3,093,391 in the TIFA fund and $2,089,622 in the Parking fund.

Mr. Shaffran made a motion, and Ms. Gunn supported, that the Audit for Fiscal Year Ending June 30, 1996 be accepted:

**AYES:** Berlin, DeVarti, Fritz, Gates, Gunn, Harshe, Pohrt, Shaffran, Sipes

**NAYS:** None

**Absent:** Gillette, Relyea, Ungrodt
b. Report from the Insurance Board

Maria Harshe reported that she met recently with the City Insurance Board to discuss the DDA proposed settlement of $50,000. This proposal had not been accepted, as there are disagreements over the extent and duration of DDA responsibility. DDA Board members expressed concern about the importance of preserving a positive and productive working relationship between members of the Insurance Board and the DDA. After much discussion, it was agreed that Susan Pollay and Neal Berlin would meet with Insurance Board representatives Kolb and Kwan to discover a way past the current impasse.

c. Update and Resolution on Surplus Parking Revenue Transfer

Susan Pollay reported that an amendment was needed to the original lease agreement between the DDA and City Council, whereby DDA would be allowed to reserve surplus parking revenues for urgent repairs to the parking structures. After discussion with Dean Moore, Director of the City Finance Department, a proposed amendment has been drafted reserving all surplus parking funds for the next three fiscal years, ending June 30, 1999. The proposed language change has been provided to the City Attorney for her review and was distributed to all present.

Ms. Gunn made a motion, and Mr. Gates supported, that the proposed amendment be included as part of the parking structure lease agreement between the DDA and the City of Ann Arbor.

AYES: Berlin, DeVarti, Fritz, Gates, Gunn, Harshe, Pohrt, Shaffran, Sipes

NAYS: None

Absent: Gillette, Relyea, Ungrodt

Pollay then asked the Board to review a proposed resolution for City Council, which would authorize the amendment indicated above, in addition to authorizing that surplus parking funds over the budgeted amount for fiscal year 1995/96 be appropriated back from the General Fund balance and paid to the DDA for its Urgent Repairs account. Mr. Shaffran asked to modify the proposed resolution language to state that surplus revenues would be appropriated "until the fiscal year ending June 30, 1999," to parallel the proposed contract amendment. Questions were then raised about the amount to be transferred back from the General Fund. Pollay responded that the DDA Board had approved a resolution in June 1996, reserving all surplus funds for Urgent Repairs, but that the City had budgeted approximately $245,800 for the year, with a net surplus of about $319,000.

Ms. Harshe made a motion, and Mr. Pohrt supported, that the DDA override its earlier decision, and ask the City for the 1995/96 net surplus of $319,000.

AYES: Berlin, DeVarti, Fritz, Gunn, Harshe, Pohrt, Sipes

NAYS: Gates, Shaffran

Absent: Gillette, Relyea, Ungrodt
6. Financial Reports

The financial reports for October 1996 were distributed at the Board meeting. Pollay reported that an apparent parking decrease shown against 1995 figures for Fourth/William and Ann/Ashley was attributable to the late receipt of permit payments by a few large companies, and it was her understanding that these payments had since been received. Transient parking was up in both structures. To allow Board members more time to review financial statements, Pollay was asked to distribute materials one week prior to meetings or delay distribution until the following month.

7. Subcommittee Reports

a. Executive Director Report

Pollay reported that a letter had been sent to Mr. Stegeman, responding to his request that the DDA remove a sidewalk “bumpout” located in front of his building on S. University. She will be meeting with him soon to discuss his concerns in person.

b. Parking Committee

Mr. Shaffran reported that a letter had been received from the South University Merchant Association requesting that the DDA include the Forest Street structure in its discussion of parking facilities slated for replacement. Engineering and other information will continue to be gathered on all DDA structures.

c. Housing Committee

Mr. DeVarti stated that the Committee had met recently, but had nothing to report. He asked the rest of the Board to be aware that there were considerable financial problems at the Shelter, and he would report more about this later.

8. Adjournment

There being no further business, upon motion by Ms. Gunn with support by Mr. Shaffran, the meeting was unanimously adjourned at 6:50 p.m.

Respectfully submitted by:

Susan Pollay, Director
Downtown Development Authority
ANNUAL RETREAT
Thursday, November 14, 1996

Place: Maude's Restaurant, 314 S. Fourth Avenue, Ann Arbor, 48104

Time: Karl Pohrt, Chair, called the meeting to order at 1:10 p.m.

Members Present: Neal Berlin, Dave DeVarti, David Fritz, Bob Gates, Leah Gunn, Maria Harshe, Karl Pohrt, Deanna Relyea, Ed Shaffran, Lorri Sipes, Paul Ungrodt

Members Absent: Robert Gillette

Staff Present: Susan Pollay

Audience Participation: Ray Detter, DDA Citizen's Advisory Council

Facilitator: Alan Davenport

Activity Program

Purpose for the Retreat: To review mission/purpose and create context for setting priorities for the next 3-5 years.

1. **Delineate stakeholders in the downtown.** Determine the needs of the stakeholders and list organization/agencies that may be working to meet the needs. The purpose of this exercise will give the DDA a better understanding of its stakeholders (customers).

   Stakeholders were described as including: Ann Arbor citizens, citizens in communities outside Ann Arbor, downtown residents, downtown business owners, businesses that supply/support downtown businesses (e.g., wholesalers), downtown property owners, downtown employees, shoppers/restaurant patrons, visitors, tourism industry, Washtenaw County, Federal Government, City of Ann Arbor, State of Michigan, U/M, AATA, Library, arts/entertainment organizations/businesses.

   The exercise was concluded due to lack of time.

2. **Committee reports: What information does the Board need to know?**

   Budget Chair, Bob Gates, presented the 1996/97 budget, including a description of where revenue is generated, what was appropriated for repairs this year, and
the current fund balances. He provided an update regarding the DDA's current estimated bonding abilities, as well as other possible sources of funds.

**Pedestrian Improvements Chair, David Fritz,** described the need to continue pedestrian improvement projects as a visible way of inspiring private investment. He reminded the Board that the DDA had allocated $175,000 in 1995 for the Kerrytown lights project. The Washington St./N. Main project needs an estimated $50,000 to repair broken tree grates, replace missing brick, and replace four dozen dead trees. Also, the DDA made a verbal commitment last year to the State Street Area that it would undertake approximately $1.5 million in streetscape improvements, including new sidewalks, streetlights, and other amenities.

**Housing Committee Chair, Dave DeVarti,** presented a statement from the Housing Committee regarding the value of housing in the downtown. He described the need for low-cost housing given the high average rents and income in Ann Arbor. Low-cost housing does not need to be located directly in the downtown as development costs would be greater in this area. However, it needs to be located in close proximity if downtown service businesses were to have a pool of minimum and low-wage earners available.

**Parking Committee Chair, Ed Shaffran,** described the engineering assessments and repair options for the First/Washington and Fourth/Washington structures. Both facilities are in serious disrepair. It will cost an estimated $100,000 to $200,000 this fiscal year to keep them safe for public parking while the DDA shapes its future plans. In both cases, over the long-term, it will cost more to keep these structures standing than it will to replace them, particularly because their replacement would allow the addition of several hundred more parking spaces.

Shaffran reported that it has been estimated we will need more than $25 million to repair existing structures.

Two principal questions related to replacement are:

1. How will the DDA find the revenue to support construction? and
2. Where will the new structure be built?

The cost assessments provided by the Carl Walker company did not address the additional cost of lost income due to repair. Shaffran reported that a second RFP has been issued for a study of the remaining structures. It is anticipated that the DDA will have complete findings in late March.

Harshe reported that the S. University merchants also face the problem of a structure in serious need of repair. With no other options available they are asking the Board to consider solutions for this problem along with the Washington structures.

Ungrodt asked that the Board also consider an innovative mixed-use development on Huron/Fifth Avenue property.
**Action Steps:**

After much discussion, the Board formed four temporary/ad hoc DDA Committees to address specific issues in a more focused manner. Each committee has agreed to present an outline of the following to the December 12, 1996 DDA Board meeting:

1. What is the problem, and what action steps are necessary to solve the problem?

2. What is the timeline needed?

3. How will the community be involved in the process?

Ad hoc committees are as follows:

The **Maintenance Committee** is charged with: 1) determining what the DDA role may be in downtown maintenance; 2) creating a position statement about where the DDA responsibilities may end and the City’s may begin before, during, and after each pedestrian improvement project; 3) overseeing the completion of the Kerrytown lights project, framing recommendations for the Washington St./N.Main Street repairs, and begin planning for the State Street Area improvements.

DDA Maintenance Committee members: Lorri Sipes, David Fritz, Karl Pohrt

Next meeting: Monday, December 2nd 9:30-11:30am, 3rd Floor conference room, City Hall

The **Finance Committee** is charged with finding the estimated $25 million to repair the downtown structures.

DDA Committee members: Bob Gates, Ed Shaffran, Maria Harshe, Dave DeVarti, and Bob Gillette

Next meeting: Monday, Dec. 2nd 1:30-2:30pm, 3rd floor conference room, City Hall

The **1st/Washington and 4th/Washington Committee** is responsible for figuring out what to do about these two structures, including resolving such issues as possible replacement location.

DDA Committee members: Ed Shaffran, Bob Gates, Leah Gunn, Lorri Sipes, Karl Pohrt, Deanna Relyea, Skip Ungrodt

Next meeting: Monday, Dec. 2nd 2:30-4pm, 3rd floor conference room, City Hall

The **S. Forest Street Structure Committee** is responsible for figuring out what to do about this facility, including determining if there is a role for the U/M to play in its replacement/repair.

DDA Committee members: Maria Harshe, Ed Shaffran, Skip Ungrodt, Karl Pohrt
Next meeting: Monday, Dec. 2nd 11:30am-1:30pm, Ideation Offices, 222 S. State, 3rd floor

It is intended that once plans have been finalized, these committees will "go out of business" and the DDA will return to its standard committee structure.

All agreed that the DDA would seek the support and full participation of City departments, City Council, and the community to resolve these issues. To this end, Pollay was instructed to begin organizing a work session with Council as soon as possible, in addition to relaying information about the retreat to City staff.

The retreat was formally adjourned at 6:15 p.m.

Respectfully submitted by Susan Pollay