MINUTES
Downtown Development Authority Meeting
Wednesday, December 4, 2002

Place: Kerrytown Concert House, 415 N. Fourth Avenue, Ann Arbor, MI 48104
Time: DDA Chair Bob Gillett called the meeting to order at 12:15 p.m.

1. ROLL CALL

Present: Fred Beal, Dave DeVarti, David Fritz, Bob Gillett, Leah Gunn, John Hieftje, Dave Solo
Absent: Rob Aldrich, Ron Dankert, Rene Greff, Lorri Sipes
Staff: Susan Pollay, Executive Director
       Joe Morehouse, Deputy Director
       Adrian Iraola, Project Manager
       Sarah Armstrong

Audience: Brandt Coultas, Chamber of Commerce/Get!Downtown Program
          Ray Detter, Citizens Advisory Council
          Christie Dunbar, Pollack Design Associates
          Paula Gardner, Business Direct Weekly
          Kim Groome, City Councilmember
          Mark Hodesh, Downtown Home and Garden
          Donna Johnson, City Planning Department
          Andy McGowan, Partners for Places
          Cathy O'Donnell, Ann Arbor News

2. APPROVAL OF MINUTES

Mr. Solo asked how the amendments to the resolution establishing a project budget and selecting architects for
the E.U./Church/Forest/S.U. Sidewalk Repair & Improvements Project would be shown once the November 6,
2002 minutes were approved. Ms. Pollay said that staff would go back and modify the original resolution to reflect
the changes approved by the Board. Mr. Beal moved and Ms. Gunn seconded that the minutes of the November
6, 2002 meeting be approved.

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

3. AUDIENCE PARTICIPATION

None.

4. CITIZENS ADVISORY COUNCIL

The Citizens Advisory Council was pleased with the almost total community support expressed during the two-
session public hearing before City Council on DDA renewal. The comments of those few who questioned the
value of DDA renewal indicated their lack of knowledge about the goals of the DDA, what it does and has
done, how it is appointed and how it is funded. This lack of awareness among some members of the
community indicates the need for the DDA to continue to look for ways to inform the public of its activities and
to publicize its many accomplishments. The recently completed video is an important step that needs to be
supplemented by other educational efforts.

The Citizens Advisory Council met last evening at our annual December dinner meeting at my home. Among
the many agenda items was a discussion of our continuing role in moving forward the process of DDA renewal.
A draft of our letter to Mayor and Council expressing our strong support for renewal was distributed to all
members of the CAC for their approval. It should be delivered to the Mayor’s office within the next few days.
Most of last night’s meeting was devoted to a discussion of our goals and plans for the next year. Each member was asked to state a project or area of concern to which they hoped we would commit our individual and combined efforts and energy. I would like to list these goals, in no special order of importance. You will be hearing more about them during the coming year.

- Work on the development of a downtown residential handbook that will attempt to inform residents and others about what to do and whom to contact regarding problems such as noise, pollution, lights, etc. in the downtown. We are increasingly aware of conflicts between the interests of commercial and residential users of the downtown and we are seeking ways to resolve problems.
- Continue to improve Liberty Plaza and provide more activities in the downtown for children. All of us were very pleased with the DDA Capital Improvement Committee’s support for DDA funds for Liberty Plaza. We strongly support the full Board’s approval of the funding resolution before you today.
- Finding more ways of cooperating with the University of Michigan in undertaking developments in the downtown that accomplish our mutual interests.
- Encourage downtown public art by setting up a system of DDA support.
- Work in every way possible to make DDA endeavors consistently of the highest quality.
- Participate in the creative development of Lower Town as an extension of downtown.
- Continue to identify and deal with pedestrian issues, insisting on pedestrian safety, public enforcement of protective ordinances, and improvement of the pedestrian environment.
- Encourage DDA leadership in the task of developing a pedestrian, bicycle and traffic plan for the downtown.
- Participate with the DDA in all efforts to develop a wise land use plan for the Allen Creek area of the downtown that includes greenway, residential and commercial elements.
- Work to improve all AATA facilities and services in the downtown.
- Participate in finding ways to replace the housing in the current YMCA and continue to encourage increased and improved housing in the downtown for residents at all income levels.

Members of the CAC believe that all of these issues can be dealt with in relation to the commitments of the DDA expressed in the new DDA renewal plan.

5. NEW BUSINESS

Mr. Gillett said that after receiving feedback from a number of community groups, the DDA Executive Committee met in early November and resolved to affirm the DDA’s earlier stance that DDA District boundaries should remain unaltered in the 2002-2032 Plan prior to commencing the State-proscribed process toward renewal. The Executive Committee is authorized under DDA Bylaws to act on behalf of the DDA between meetings, and the resolution they approved is as follows:

RESOLUTION TO AMEND DDA RESOLUTIONS REGARDING ANN ARBOR DDA DISTRICT BOUNDARIES

Whereas, The Ann Arbor Downtown Development Authority has resolved to work toward renewal of the DDA and its TIF capture;

Whereas, In October 2001 the DDA Planning Committee put forward a recommendation that existing DDA boundaries be maintained upon renewal of the DDA, with the limited exception of the new Forest parking structure as well as nine commercially-zoned properties immediately adjacent to the DDA District boundary along Willard Street;

Whereas, On November 7, 2001 the DDA voted to accept this recommendation that the existing DDA boundaries be largely maintained;
Whereas, The reasons for maintaining existing boundaries included:

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

Whereas, It was perceived that the Forest structure could appropriately be included within the DDA District so TIF could be used for future repairs to that structure, whereupon the nine adjacent commercial properties could be included within the District, as well, to even out the boundary line;

Whereas, The DDA voted on March 6, 2002 to approve a recommended DDA Development and TIF Plan that would maintain DDA boundaries save this small addition to the existing DDA District;

Whereas, Subsequently the DDA and City modified their Parking Agreement to provide DDA management responsibility for the on-street parking meter system effective May 2, 2002;

Whereas, research preceding this vote made clear that:

- Parking meter revenues would eventually circumvent the need to use TIF to support the ongoing repair/maintenance program for the parking structures
- The DDA could act as an asset manager for City-owned parking facilities outside the DDA District, including various lots and street parking meter spaces, to serve the public purpose of supporting a vibrant and healthy downtown, which requires among other things a municipal parking system which is self-supporting

Whereas, These findings eliminate any need to incorporate the Forest parking structure into the DDA District;

Whereas, The DDA Executive Committee is authorized under DDA Bylaws to act on behalf of the DDA between meetings;

Whereas, The DDA Executive Committee met to clarify feedback gleaned from meetings with community groups on the recommended DDA Plan prior to the Public Hearing on November 18, 2002;

Whereas, Based on this feedback, the DDA Executive Committee has resolved to amend the November 7, 2001 and March 6, 2002 DDA resolutions to underscore the recommendation that the DDA District boundary remain as it is currently, without incorporation of the Forest structure and adjacent commercial properties;

Resolved, The DDA Executive Committee authorizes an amendment to the November 7, 2001 and March 6, 2002 DDA resolutions to retain DDA District Boundaries as approved by City Council in 1982 and to continue to proceed with renewal/TIF plan modification as outlined in Michigan Public Act 197 of 1975, as amended, Section 125:1664.

A vote on the motion showed:

AYES: Aldrich, Dankert, Gillett, Greff

NAYS: none

ABSENT: none

The motion carried.

DDA Executive Committee, Monday November 11, 2002

Ms. Gunn asked if the Board should add its own vote of support, but it was stated that since the Executive Committee is authorized to act on behalf of the DDA, it wasn’t necessary. Mr. DeVarti said that he supported the resolution; his earlier vote against a similar boundary issue was both an affirmation to retain existing boundaries as well as a desire to affirm the opportunity for the DDA to act outside its boundaries when necessary to the purposes of the downtown.
6. **OLD BUSINESS**

None.

7. **SUBCOMMITTEE REPORTS**

**OPERATIONS COMMITTEE**

In Mr. Dankert’s absence, Mr. Solo reported that he and Ron had worked with Joe to go over the financial statements at length so that Mr. Solo could gain a better grasp of the DDA’s financials. This month there is a slight increase in TIF, although the revenue excess attributable to the schools would need to be set aside. Parking revenues are up, most notably meter revenues are over what had been calculated by the City last year. TIF expenses are on track with the budget. In Housing we made a grant payment to Ashley Mews for affordable housing per our agreement. Due to the complex nature of the financial reports, including City fund transfer in and out, timing delays, etc., the Committee asked Mr. Morehouse to create a monthly executive summary which assumes delays, transfers, etc., and which also relates the monthly totals to the DDA’s Ten Year Plan. The Committee agreed to meet two times per month for the next few months to get a handle on this. Tentatively he suggested Friday, December 20th as the first of the next two meetings.

Mr. Solo reported that the Committee is still working on a meter bag policy, including a policy for fee waivers. He would like to get additional input from the area associations. Also, the question about going to a paperless agenda was put on hold until next meeting. A report was received from Wayne Mixdorf/ Republic Parking about ½ hr parking rate increments for attended lots and decks, and Jim Stein conducted a survey of downtown meter time-spans and has some recommendations which will be discussed at an upcoming meeting.

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

**RESOLUTION TO APPROVE A NEW DDA INVESTMENT POLICY**

Whereas, The DDA previously opened two bank accounts for revenues received from parking facilities and meters in January 2001 and May 2002;

Whereas, The DDA now has accumulated approximately $4,000,000 in these two accounts;

Whereas, The DDA has previously followed the City’s investment policy, which did not include long-term investment options such as obligations from United States Government agencies as allowed under P.A. 20;

Whereas, The DDA is allowed under Public Act 197 to invest its own funds;

Whereas, The DDA Deputy Director does regular cash flow projections to ensure that all current and anticipated obligations can be met, and these projections are reviewed by the DDA Operations Committee;

Whereas, It is recommended that the DDA adopt a new investment policy to allow for more long-term investments;

RESOLVED, That the DDA adopts the attached investment policy.

Mr. Gillett said that it appeared the authorized investment instruments were very conservative options. Mr. Morehouse agreed, saying that public bodies were limited in their investment choices. The proposed policy was taken from State codes, and had been reviewed by the DDA’s attorney. Mr. Solo said that RFP for the Investment Manager is due December 13 and this would clarify the DDA’s investment policies. Mr. Gillett proposed a friendly amendment to the Investment Policy, #3. “Delegation of Authority to Make Investments”, second paragraph to read “In carrying out these responsibilities, the Operations Committee shall be subject to oversight by the DDA Board and is responsible for periodic reports to the Board.” Ms. Gunn seconded this amendment.

**A VOTE ON THE AMENDED MOTION SHOWED:**
AYES: Beal, DeVarti, Fritz, Gillett, Gunn, Hieftje, Solo
NAYS: None
Absent: Aldrich, Dankert, Greff, Sipes
The motion was approved as amended.

Mr. Solo said that the next Committee meeting will be December 23, 2002 and the meeting to discuss the financial statements will be December 20th.

CAPITAL IMPROVEMENTS COMMITTEE
Mr. Beal moved and Mr. Hieftje moved the following resolution:

RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A PROJECT BUDGET OF $200,000 FOR REPAIRS AND IMPROVEMENTS TO LIBERTY PLAZA PARK

Whereas, The DDA’s 2032 Plan strategies include:
· The installation of physical improvements, including furniture and lighting, to existing open spaces including Liberty Plaza Park
· Partnership with the City Parks Department to provide for maintenance of downtown parks

Whereas, DDA representatives participated in community meetings this spring focused on resolving security concerns in Liberty Plaza Park;

Whereas, These meetings led to the development of a “Friends of Liberty Plaza Park” group which has taken responsibility for organizing Park activities, including a children’s reading series, a concert series, and attraction of a food vendor to encourage more lunchtime use;

Whereas, An assessment of the Park has shown that a good deal of maintenance is needed, including the replacement of lights, concrete pavers, and drinking fountain;

Whereas, A proposed plan to repair and improve the Park was voluntarily developed by Pollack Design Associates and was refined through a series of meetings by the Friends of Liberty Plaza Park, in collaboration with the Parks Department, the Police Department, the Kempf House, the District Library, First Martin Corporation, and other Park stakeholders;

Whereas, The proposed plan takes a very moderate approach to improve conditions in the Park, focusing on repairs and modest improvements rather than a wholesale redesign;

Whereas, This plan was presented at a public meeting on November 13, 2002, at which nearly three dozen people affirmed their support for the DDA moving forward with this project;

Whereas, The plan has also been presented to representatives of the Parks Advisory Committee who have also indicated their support for moving forward;

Whereas, The cost of this project has been estimated to be $200,000 including contingencies;

Whereas, The Parks Department has indicated it can provide $50,000 toward the cost of repairs in Liberty Plaza Park;

Whereas, The DDA Capital Improvements Committee discussed this project and recommends its approval;

RESOLVED, The DDA shall establish a project budget for repairs and improvements to Liberty Plaza Park of $200,000, which would include the Parks Department contribution of $50,000;

RESOLVED, The project shall be implemented by the DDA in close cooperation with the City Parks Department;
RESOLVED, The DDA shall have the opportunity to approve the selection of project contractor once interviews have been completed and a recommendation put forward by the Capital Improvements Committee.

Mr. Beal presented drawings, saying that the majority of the budget would be dedicated to repairs, as the park has deteriorated over time. New lights, water fountain, and pavers are needed. The project would also include improvements like new electrical outlets to support concerts as well as new tables and chair. The total cost will be approximately $200,000 with the Parks Department providing $50,000 and the DDA providing $150,000. Ms. Christie Dunbar, of Pollack Design Associates, answered a question about signage, saying that the cost reflected the design and construction of an events kiosk. Mr. Hieftje asked that the Parks Department be kept apprised of the project as it progresses; Ms. Pollay said that she would keep them informed, and that they had been supportive partners throughout the process to date. Mr. Hieftje asked if a public bathroom, similar to a unit he had seen in San Francisco, could be installed. Mr. Beal said that the Committee was discussing this topic in relationship to the parking structures, and suggested that these may be the better locations for bathrooms. Mr. Hieftje agreed that this would likely be a better placement for them. Mr. Gillett asked Mr. Beal’s position on the project; Mr. Beal said that he supported the project but felt badly that so much money would be spent on repairs, not improvements. Mr. Solo asked to see a scope of work plan; Mr. Iraola said he would provide this as the project moves forward. Mr. Hieftje said that the police have been very helpful in helping to address problems, and this was our chance to help, as well.

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

State Street Area-Status. Mr. Beal said the project is largely in recess during the winter months, with some punch list items being worked on and lights installed along Washington Street. The Committee will be separating out additional work items approved by the DDA as part of the project scope and budget, but which were not included in the contract with Abbot Construction. These items will include additional lights along William Street, sidewalk repairs on Thayer, Washington, and William, and lights under the structure on Maynard. These items, repairs to E.U./Church, and the Liberty Plaza repairs will be bid out at the same time to prequalified contractors in hopes of securing affordable prices and a coordinated construction schedule.

Tree Pit Repairs. This maintenance project is largely complete, and awaits only the arrival of the new tree grates on N. Main Street.

Fourth/William Repairs. Mr. Iraola reported that the punchlist items are almost done. They are testing the air quality in the office area and this should be done sometime in the following week.

Forest. Rudolph/Libbe will remove the bridge and replace the concrete panel the week of December 16th. Separately Carl Luckenbach’s office is preparing a pedestrian-friendly entrance to the deck on the ground level facing the Galleria to replace the bridge. Once this is in hand construction bids will be distributed. Mr. Iraola reported that all retainages for Rudolph Libbe have been released, and about $0.5 million in contingency funds will be distributed back to the DDA and the University. Mr. Gillett thanked Mr. Iraola for seeing this project through, particularly with its many problems. Everyone agreed and thanked Mr. Iraola.

PLANNING COMMITTEE
Mid-Year Retreat. Ms. Pollay reported in Ms. Greff’s absence that the next Committee meeting would be December 5th at 4:00 p.m. to finalize the agenda for the December 6th Retreat, which would run from 12noon to 5pm at Arbor Brewing Company. A copy of a draft agenda was included in the packet.

Ms. Gunn moved and Mr. Solo seconded the following resolution:
RESOLUTION PROVIDING $50,000 FOR DOWNTOWN AREA ASSOCIATION GRANTS FOR FY 2002/2003 AND SPONSORSHIP OF ASSOCIATION REPRESENTATIVES TO THE 2003 IDA CONFERENCE

RESOLUTION PROVIDING $50,000 FOR DOWNTOWN AREA ASSOCIATION GRANTS FOR FY 2002/2003 AND SPONSORSHIP OF ASSOCIATION REPRESENTATIVES TO THE 2003 IDA CONFERENCE

Resolution Providing $50,000 for Downtown Area Association Grants for FY 2002/03 and Sponsorship of Association Representatives to the 2003 IDA Conference

Whereas, The Ann Arbor Downtown Development Authority Plan contains a component for the encouragement of retail businesses;

Whereas, The DDA has worked to meet this goal in large part through partnerships with the four downtown area associations;

Whereas, This has included annual financial grants to the associations since 1995/96 to underwrite their marketing, analysis, and event planning efforts;

Whereas, The DDA has a special interest in efforts aimed at supporting downtown’s smaller, independent businesses, as well as projects that help to strengthen each downtown area’s unique identity and attractiveness;

Whereas, The International Downtown Association provides an important opportunity for networking and education at its annual conference; including the opportunity to learn about innovative downtown programs from around the country;

RESOLVED, The DDA shall set aside up to $12,500 each for the State Street Area Association, Main Street Area Association, South University Area Association, and Kerrytown Historic Market District in FY 2002/03 for projects which best benefit businesses in their respective areas;

RESOLVED, Detailed project proposals must be presented no later than April 15th, 2003 to the DDA for consideration before it can be determined that payment will be made;

RESOLVED, Prior to providing project grants, the DDA must receive the following no later than June 15, 2003:

- A copy of all general membership meeting minutes for the previous year
- A list of Association members, board members and officers
- A fiscal year Association budget, including details on income sources and amounts, administrative costs, etc. A suggested budget outline is attached to this resolution.
- A detailed project description, including total expenses and audience served, etc.
- Original project receipts

RESOLVED, A representative from each Association will be invited as a sponsored guest of the DDA at the 49th annual International Downtown Association conference to be held in Cleveland, OH in September 2003. The DDA will take responsibility for conference enrollment, and will reimburse Association participants for hotel and travel costs that will be determined prior to registration;

RESOLVED, Each Association representative shall be required to attend Conference roundtable discussions and workshop presentations on such subjects as retail promotion, promotions, and business development, and report back to their Associations on the conclusions gained from this experience.

Ms. Pollay reported that this past year the MSAA and SUAA used their DDA grants primarily to fund special events in their areas, SSAA used their funds to help nonprofits in their area including the Museum of Art and WUOM, and the Kerrytown Historic District Market used their funds to hire an Executive Director. She said that all groups conveyed their appreciation for the educational opportunity gained from the annual IDA conference.

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

PARTNERSHIP COMMITTEE
First/Washington Project Status. Mr. Gillett reported that the LibertyFirst group attended the most recent Committee meeting and presented information related to their due diligence investigations. They shared concerns about potential flood plain problems, as well as about the economic feasibility of the project at six stories. They said that these issues will affect whether or not they opt to go forward with the project at the conclusion of the inspection period. An initial conversation was held with City staff regarding the floodplain, and a meeting with the two Council members serving on the 1st & Washington committee would be held to ensure DDA and City Council were in alignment on the question of an added floor. The due diligence period had been extended from December 6th through December 31, 2002 to provide time for the DDA to meet with Council representatives.

Mr. Gillett said that the Committee also spent time shaping a draft future projects list for the upcoming Retreat. The Committee had also decided to discuss a standard parking formula at a later meeting.

8. OTHER BUSINESS
Mr. Hieftje asked that the DDA include a discussion of alternative transportation at its Retreat, particularly as it related to bicycling in the downtown area.

9. AUDIENCE PARTICIPATION
Mr. Detter said that the Citizens Advisory Council, as well as the Old West Side Association, would oppose a free standing parking structure on the First & Washington site should LibertyFirst opt not to go forward with a project at this site.

9. ADJOURNMENT
As there was no further discussion, upon motion, the meeting was adjourned at 1:33 p.m.

Respectfully submitted,
Susan Pollay, Executive Director