Ann Arbor Downtown Development Authority Meeting Minutes  
Wednesday, December 6, 2006

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104  
Time: DDA Chair Sandi Smith called the meeting to order at 12:05 p.m.

1. ROLL CALL

Present: Rob Aldrich, Fred Beal, Russ Collins, Leah Gunn, Jennifer Hall, Roger Hewitt, John Hieftje, Sandi Smith, John Splitt

Absent: Gary Boren, Dave DeVarti, Rene Greff

Staff: Susan Pollay, Executive Director  
Present: Joe Morehouse, Deputy Director  
Lindsay-Jean Hard, DDA Intern  
Sarah Armstrong, Accounts Payable  
Joan Lyke, Management Assistant

Audience: Tony Bisesi, Republic Parking System  
Jason Boggs, Kerrytown District Association  
Erica Briggs, getdowntown! - Ann Arbor Chamber of Commerce  
Ron Dankert, Swisher Realty  
Bob Dascola, State Street Area Association  
Ray Detter, Downtown Area Citizens Advisory Council  
Ryan Galvin, Republic Parking System  
Adrian Iraola, Washtenaw Engineering Co.  
Frank Nagy, Republic Parking System  
Keith Orr, Kerrytown District Association  
Wendy Rampson, Systems Planning, City of Ann Arbor  
John Zam, P M A Consultants

2. AUDIENCE PARTICIPATION

Mr. Ponce de Leon provided an overview of his proposed project located at 200 S. Ashley Street which had received unanimous approval from the Planning Commission, and would soon go before City Council. The DDA was asked to provide a Partnerships Grant based on 25% of the project’s incremental tax capture for a period of ten years estimated to be $118,000-$153,000, with these funds applied to the costs of streetscape improvements, etc., and shown part of the local match for a Brownfield application.

Mr. Boren and Mr. DeVarti enter.

Mr. Boggs and Mr. Orr presented a $14,505 grant request from the Kerrytown District Association to help fund eight events planned for 2007. Mr. Boggs said that each event is unique, increases visitor traffic and provides an immediate benefit to the locally owned stores and restaurants by turning event visitors into regular customers.

Mr. Dascola thanked the DDA for sponsoring him as the State Street Area Association representative to the IDA’s 52nd annual conference in Portland Oregon. He provided a written report and CD recording of the conference proceedings.

Mr. Detter said that the Downtown CAC supports the 200 S. Ashley project. They oppose the proposal to pick up trash at 5am in the downtown area and are happy that City Council has
postponed the pilot program until the spring of 2007. He said that they also oppose the proposal to use the S. Fifth Avenue parking lot as a potential site for the city’s court and police.

3. APPROVAL OF MINUTES
Ms. Gunn moved and Mr. Aldrich seconded approval of the November 1, 2006 minutes

A vote on the motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES:   None
Absent:  Greff
The motion carried.

4. STATUS OF CITY TASKFORCE EFFORTS
Community Security & Public Space Task force: Mr. Aldrich reported that the taskforce completed its assignment. He moved and Ms. Gunn supported the following resolution:

RESOLUTION TO SUPPORT THE CITY COURT POLICE FACILITY

Whereas, In February 2006 the City appointed a Community Security and Public Space Task Force, Chaired by the City Administrator;

Whereas, The Taskforce presented its recommendations to City Council on September 11, 2006;

Whereas, The Ann Arbor DDA approved a resolution on November 1, 2006 in support of the Taskforce recommendations and the City’s goals to build new facilities for its 15th District Court and police department;

RESOLVED, The DDA will continue to support City Council in its efforts to address space needs for its 15th District Court and police department on any downtown site as a means of accomplishing our mutual goals to preserve the downtown as a center for government community services.

Mr. DeVarti said that he supported the resolution; Ms. Smith said she also supported the resolution as it reaffirmed the DDA’s earlier statement of support for City Council’s efforts. Mr. Hieftje said that Council would appreciate that the DDA passed this resolution and that they had given themselves a deadline to determine the location of the court/police facility by January 8, 2007.

A vote on the motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES:   None
Absent:  Greff
The motion carried.

Allen Creek Greenway Taskforce: Ms. Smith reported that the Taskforce is still writing its report.

Percent for Art Taskforce: Mr. Collins stated there is nothing new to report.

Status of the A2D2 Task Force: Mr. Hewitt said the Steering Committee is meeting twice a month and is currently focusing on the historic district text amendments. They are researching state and federal laws to bring Ann Arbor’s historic district zoning into compliance. The steering committee will receive a report every three months and the report will be available on the City’s website, with a copy also provided to the DDA members in their board packet.
5. PARTNERSHIPS COMMITTEE

200 S. Ashley: Ms. Smith reported that developer Ponce de Leon provided the Committee with information about his project and the Committee will review his request for a grant at its next meeting.

Mayer Shairer Project: A sub-committee is scheduled to meet with City staff on December 8th to learn more about downtown infrastructure before making a decision on the specific request.

William Street Station: Jayne Miller met once again with the Committee to respond to questions asked in a previous meeting. Ms. Gunn moved and Ms. Hall supported the following resolution:

RESOLUTION SUPPORTING CITY’S COUNCIL’S GOALS FOR THE WILLIAM STREET STATION PROJECT

Whereas, The Ann Arbor Downtown Development Authority Renewal Plan makes a strong commitment to participating in projects which stimulate new, converted, or renovated housing;

Whereas, Important DDA Renewal Plan residential development strategies include the following:
- In order to encourage and facilitate a full range of housing options, the DDA will provide grants and loans to support housing affordable to lower income persons and families.
- The DDA will provide affordable housing grants for downtown and near downtown residential development and redevelopment projects when necessary.

Whereas, In December 2003 the DDA Executive Committee voted to approve a request from the City to loan the City up to half the funding needed to allow the City to purchase the former YMCA site with the goal of retaining 100 units of very affordable housing, thus obligating the DDA for $1.75 million plus the interest costs for the loan secured by the City, which to-date has been $204,414;

Whereas, In response to its RFP for the purchase and redevelopment of the former YMCA site City Council selected the William Street Station proposal from HDC in June 2005, in large part to ensure the construction and long-term operation of 100 units of very affordable housing on this site;

Whereas, In February 2006 the DDA voted to approve two resolutions providing substantial support to the William Street Station project as follows:
- A grant to William Street Station in the amount of 20% of the TIF generated from this project up to $500,000 over the first ten years to help defray costs associated with project elements that provide a direct public benefit, including pedestrian improvements, storm water inlets and energy efficient windows in the affordable residential units;
- A waiver for William Street Station for up to $100,000 of the cost for meter bags needed to provide an alternative location for AATA operations during the period of time the Blake Transit Center is closed and the new transit center is opened;
- A commitment that the DDA will pay for up to $20 million in new parking facilities within two blocks of William Street Station, both to ensure the necessary parking for this project and to provide the local commitment needed for William Street Station’s Brownfield application;

Whereas, The DDA has been notified that City Council has an interest in reducing the rents for the 100 very affordable units that will be part of William Street Station below what had been requested in the City’s RFP which was used to select HDC as the preferred developer;

Whereas, The DDA has learned that $2 million will be needed in a rent subsidy reserve to enable these rents to be reduced to the levels sought by City Council;
Whereas, This issue was discussed in the DDA’s Partnerships Committee on several occasions;

RESOLVED, The DDA looks forward to the City coming to conclusion with HDC on an agreement to redevelop the former YMCA site;

RESOLVED, The DDA looks forward to learning what the City’s financial commitment from its Housing Trust Fund and other sources will be for this purpose;

RESOLVED, The DDA looks forward to learning what Washtenaw County’s financial commitment will be for this project and for this specific purpose;

RESOLVED, The DDA extends its support to Ann Arbor City Council for this project and Council’s goals to provide housing for some of our community’s most vulnerable residents, and looks forward to receiving a formal request from City Council outlining how the DDA might be able to assist the City accomplish its goals beyond the commitment already made by the DDA.

Mr. DeVarti said he felt uneasy with the ambiguity of the unknowns of the project but he didn’t want to hold up the process. He wanted to make sure DDA’s support of the project didn’t deviate from its goals. Mr. Hieftje said he felt the resolution is a good one although the response from City Council may not come for some time as the project is still under negotiation. Conversations continue with the GSA about the potential to partner with the Federal Government on underground parking.

A vote on the motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES: None
Absent:  Greff
The motion carried.

6. OPERATIONS COMMITTEE

October 2006 Financial Reports: Mr. Hewitt said that TIF income was as anticipated; operating expenses are 5% over budget; and TIF maintenance expenses are 3% over budget. Parking income is 6% over budget, operating expenses are 2% under budget, and parking maintenance expenses are 2% over budget. All other accounts are as anticipated. The financial reports were moved by Mr. Hewitt, seconded by Ms. Gunn and unanimously approved.

Audit FY 2005/06: Mr. Hewitt said that Mr. Panter from Abraham and Gaffney reported that the DDA financial statements fairly presented the financial position of each fund ending June 30, 2006 and conform with generally accepted accounting principles. The auditors stated that the DDA has financial controls in place and suggested other actions to strengthen these controls. Staff will respond to these suggestions at the next Committee meeting and reports will be provided to the Board.

Parking Study: Mr. Hewitt announced that Nelson/Nygaard would lead a public workshop tonight at 6pm in the DTE Building Community Room. The purpose of the workshop is to hear comments from the public on their perception of how the parking system is working and how parking can be managed to better support the community’s overall goals and priorities. The consultants will meet with the Project Advisory Committee (which includes all Operations Committee members and other interested members of the DDA) tomorrow at 3:30 PM in the DDA office.

Mr. Hewitt moved and Ms. Gunn supported the following resolution:
RESOLUTION TO PURCHASE NEW LIGHTING FOR THE LIBERTY SQUARE PARKING STRUCTURE ($250,000)

Whereas, Carl Walker Inc. provided the DDA with a 20-year repair and improvement plan for DDA parking facilities, and the DDA has included these costs in its Ten Year Financial Plan to ensure that these improvements can be implemented;

Whereas, These improvements include a recommendation to improve the lighting of the Liberty Square parking structure;

Whereas, The Operations Committee has studied this recommendation and has determined a need to replace the lighting in the Liberty Square parking structure due to the ability to reduce energy consumption and the age of the lights;

Whereas, The DDA bid out three methods of lighting the structure, (metal halide, LED and fluorescent) to six contractors;

Whereas, Two contractors offered bids that gave prices and data for the three methods;

Whereas, The Operations Committee has determined that the DDA would reduce its cost to power the new lighting over their estimated 15-year lifespan by installing a generator rather than relying on batteries;

Whereas, The Operations Committee has reviewed and recommended approval for the installation of fluorescent lighting fixtures and a generator in the structure due their energy efficiency and lowest lifetime cost of installation and usage;

RESOLVED, The DDA resolves to hire Edgewood Electric, Inc. to install fluorescent lights and a generator in the Liberty Square Parking structure and establish a project budget of $250,000.

Mr. Hewitt stated that the Operations committee did a cost analysis to replace the Liberty Square lights, which included sodium vapor lights, LED lights and fluorescent lights. Mr. Hieftje said the City has received interest in the LED streetlight prototype from as far away as Vancouver. However, the supply of LED lights is not readily available. Weighing other factors in the 15 year cost analysis, he agreed that fluorescent lights seemed to be the way to go at the present time.

A vote on the motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES:   None
Absent:  Greff
The motion carried.

Mr. Hewitt moved and Ms. Gunn supported the following resolution:

RESOLUTION FOR THE DDA TO EXTEND THE CURRENT LEASE WITH CITY HALL LLC FOR THE SURFACE PARKING LOT LOCATED AT THE CORNER OF FIFTH AND HURON

Whereas, The DDA currently leases from City Hall LLC the parking lot at the corner of Fifth Avenue and Huron Streets, which began December 1, 2001;

Whereas, City Hall LLC has offered to extend this lease for one more year, until November 30, 2008;
Whereas, The parking lot is fully leased, and there is a waiting list for permits on this lot;

Whereas, The lease extension would increase the amount of rent by the Consumer Price Index increase for the past year (2.02%);

Whereas, All other terms of the current lease will remain in effect;

Whereas, The DDA’s Operations Committee has voted to recommend this resolution;

RESOLVED, The DDA approves the lease extension for the Fifth and Huron parking lot with City Hall LLC, and authorizes the Operations Committee Chair, Executive Director and DDA attorney to execute this agreement.

Mr. Morehouse explained the cost of the annual rent would be $36,842.

A vote on the motion showed:

AYES: Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieltje, Smith, Splitt
NAYES: None
Absent: Greff

The motion carried.

Mr. Hewitt moved and Ms. Gunn supported the following resolution:

RESOLUTION TO AUTHORIZE A 2006 YEAR-END MANAGEMENT INCENTIVE/FEE SUPPLEMENT FOR REPUBLIC PARKING FOR MANAGEMENT OF DDA PARKING FACILITIES

Whereas, The DDA entered into a contract with Republic Parking Systems beginning February 1, 2001 for management of the DDA’s parking system;

Whereas, According to the contract, Republic is eligible for an annual management incentive/fee supplement which is to be calculated based on goals agreed to by Republic and the DDA Operations Committee, including the level of customer satisfaction as measured by a sampling of users on a bi-monthly basis;

Whereas, Overall satisfaction with Republic’s management of the facilities has been very good, with high marks given for facility cleanliness and for continuing operations while dealing with new equipment installation and facility construction;

Whereas, Calendar year 2006 customer surveys indicated that 84% of customers indicate that they believe Republic’s service is good or excellent, and the DDA Parking Facility Inspector rated maintenance efforts at 93.18 for the year out of a possible 100;

Whereas, In 2005 the DDA approved a year-end management incentive/fee supplement to Republic Parking for $118,965, which is 1.2% of the total revenue collected by Republic on the DDA’s behalf;

Whereas, The DDA Operations Committee reviewed the criteria set forward for Republic Parking for 2006 and has determined that Republic Parking has continued to provide a very high level of service, with facilities being well maintained and customer satisfaction remaining high;
Whereas, The DDA Operations Committee has recommended that the DDA authorize a 2006 end-of-year management incentive/fee supplement to Republic Parking at $122,534, which is 3% higher than the 2005 management incentive/fee supplement and represents 1.10% of the total revenue collected by Republic on the DDA's behalf;

RESOLVED, Per its contract with Republic Parking, the DDA authorizes a 2006 end of year management incentive/fee supplement to Republic Parking in the amount of $122,534.

Mr. Hewitt explained this would be the last year of the current agreement. He indicated Republic has provided excellent service and proactively addresses maintenance and service issues. Ms. Gunn said that she appreciates the “can – do” attitude of Republic staff. Mr. DeVarti asked to be notified when the customer appreciation days are scheduled so he can participate. Mr. Hieftje asked if the fee would be passed on to front line workers but Republic staff stated that it was not allowed by contract.

A vote on the motion showed:

AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES:   None
Absent:  Greff
The motion carried.

Mr. Hewitt moved and Ms. Gunn supported the following resolution:

RESOLUTION TO AUTHORIZE NEW MANAGEMENT CONTRACT WITH REPUBLIC PARKING FOR MANAGEMENT OF DDA PARKING FACILITIES

Whereas, The DDA entered into a contract with Republic Parking Systems beginning February 1, 2001 for management of the DDA’s parking system;

Whereas, Overall satisfaction with Republic’s management of the facilities has been very good, with high marks given for facility cleanliness and for continuing operations while dealing with new equipment installation and facility construction;

Whereas, Calendar year 2006 customer surveys indicated that 84% of customers indicate that they believe Republic’s service is good or excellent, and the DDA Parking Facility Inspector rated maintenance efforts at 93.18 for the year out of a possible 100;

Whereas, The DDA Operations Committee reviewed the criteria set forward for Republic Parking for 2006 and has determined that Republic Parking has continued to provide a very high level of service with facilities being well maintained and customer satisfaction remaining high;

Whereas, The current contract and all of its extensions will run out on January 31, 2007;

Whereas, The Operations Committee has discussed the Republic Contract and reviewed all the options available to the DDA and recommends that a new contract with Republic Parking Systems, Inc. be negotiated;
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, 2007, for a term and fee to be determined.

Mr. Hewitt explained that some aspects of the current contract need to be updated, e.g., the seven-year renewal would bring it into line with the DDA contract with the City 2015 rather than 2010. Mr. Beal said that he recommended that the DDA consider a 3 or 5-year contract with multiple single year extensions, and that the 1% fee per gross income was very low. He suggested raising the bar higher. Mr. Collins agreed that the evaluations would be critical to negotiations.

A vote on the motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES:   None
Absent:  Greff
The motion carried.

7. CAPITAL IMPROVEMENTS

Huron Street: The Design Team is revising its design east of State Street following its meeting with the UM. The project will be submitted to the City in early January.

5th & Division: Additional surveys have been conducted so construction drawings can begin. The project will be presented to the Planning Commission next week for its review and approval.

4th & William Structure: Steel columns at the seventh level have been installed and the speed ramp is complete except for the slab at grade and sealants. The number of spaces being temporarily eliminated is being monitored daily to minimize disruption, while reducing exposure of the public to construction zones.

1st & Washington Demolition: The demolition is half done. Ameritech lines that did not show up via Miss Dig review are causing some delay.

Mr. Beal moved and Ms. Hall supported the following resolution:

RESOLUTION AUTHORIZING THE CAPITAL IMPROVEMENTS COMMITTEE TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CORBIN DESIGN FOR THE DESIGN OF A WAYFINDING PROGRAM FOR DOWNTOWN ANN ARBOR

Whereas, The DDA 2003 Renewal Plan reaffirmed the DDA mission and set forward key strategies the DDA could follow to meet this mission, including projects that showcased downtown’s unique identity and fostered improved downtown accessibility through enhanced transportation options;

Whereas, At its 2006 summer retreat the DDA determined that it would pursue the design and installation of a wayfinding project to help visitors find their way easily to the downtown and then to key points of interest;

Whereas, The DDA’s Capital Improvements Committee distributed a RFQ on September 22, 2006 to ten wayfinding design firms, and on October 12, 2006 seven RFQ responses were received, from which three firms were invited for interviews on November 17, 2006;
Whereas, Following interviews, a selection committee of the Capital Improvements Committee recommended Corbin Design as the consultant firm that would best meet the needs of the DDA for this project;

Whereas, Corbin Design’s proposal includes elements which will be incorporated in a scope of services:

   Task One: Analysis. Identify wayfinding issues and opportunities including existing street signs, electronic/other visitor communications, points of entry and circulation flow, and list of destinations. Input will be gleaned from downtown stakeholders, City staff, Visitors Bureau staff, and others.

   Task Two: System Design. Corbin will generate two design concepts for feedback and final approval. Mock-up signs will be placed in the right–of-way so the DDA can gather community comments. The DDA will receive design drawings and a statement of probable cost for fabrication/installation of the system.

   Task Three: Documentation. Corbin Design will generate a bid package including specification, purchase, fabrication, and installation of the approved signage system.

   Task Four: Implementation. Corbin will provide a list of fabricators to include in the bid process, issue documents, conduct a pre-bid conference call or site visit, field questions, issue any necessary addenda, evaluate bid returns. Corbin will assist during the fabrication period and will conduct on-site inspections. Corbin will provide the DDA with a Wayfinding and Signage Standards Manual.

Whereas, Based on a review of wayfinding projects undertaken in other downtowns the Capital Improvements Committee recommends setting forward an anticipated project budget of $500,000;

RESOLVED, The DDA establishes an anticipated project budget for its downtown wayfinding project of $500,000, although the actual cost may vary as the system design is developed;

RESOLVED, The DDA authorizes its Capital Improvements Committee to develop a Professional Service Agreement with Corbin Design for the design of a wayfinding system as set forward in its proposal to the DDA;

RESOLVED, The DDA Capital Improvements Committee Chair and Executive Director are authorized to oversee and execute said Professional Services Agreements; and

RESOLVED, Throughout the process of design members of the DDA will be invited to participate and provide feedback, and the DDA will be provided an opportunity to approve a contract with a sign fabricator once the project has been put out to bid.

Mr. Beal reported that Capital Improvements received bids from seven firms. Corbin Design appears to be the most experienced with wayfinding projects in Michigan and most comfortable and familiar with the public process necessary with a project like this. He said that the $500,000 project budget would include Corbin’s design fees, estimated to be approximately $80,000+ based on previous projects. Mr. Hewitt asked if the project would include wayfinding in areas outside the DDA boundaries; Mr. Beal said that this will be determined in the weeks ahead, but that the Committee saw the need to direct visitors from the highways toward downtown, and then to specific districts and points of interest in the downtown. Mr. DeVarti suggested including the University in the project, as the majority of questions he is asked by passing drivers is how to get to the University Hospital and other University buildings. Mr. Collins said that he felt the DDA should develop a comprehensive wayfinding plan and that other groups including the city may be asked to pay for
signage portions outside the downtown. He said that the UM is developing its own wayfinding program.

A vote on the motion showed:
AYES:   Aldrich, Beal, Boren, Collins, DeVarti, Gunn, Hall, Hewitt, Hieftje, Smith, Splitt
NAYES:  None
Absent: Greff

The motion carried.

8. RESEARCH AND OPPORTUNITY

DDA Grants: Mr. Boren stated that ROC has 3 grant requests on its agenda: CAPP – request of $3,000 to move a sculpture to Liberty Plaza Park; MSAA – request of $9,000 for a customer service enhancement program; and LEN – request of $8,000 to support a downtown “Buy Local” event. All three groups have been asked for additional information.

Communication Plan: Mr. Boren indicated that the committee reviewed the website redesign elements as developed at the last meeting. These included thinking of the website as a communication tool that can provide much more information on current and past projects, grants, minutes, maps, etc. Inner Circle Media has been asked for a proposal to design a new DDA website. ROC will review the proposal at its next meeting.

9. OTHER DDA BUSINESS MATTERS

January DDA Board Meeting: Ms. Smith asked to reschedule the January meeting from January 3rd to January 10, 2007. All agreed with this recommendation.

DDA Executive Committee. Ms. Smith said that the Executive Committee met before the board meeting last month and this to discuss the potential for monthly parking permits to be offered to a company moving to downtown. The Committee unanimously reaffirmed the DDA’s policy that all parking patrons must pay for parking – free parking is not provided to any group. Mr. Hieftje stated that the DDA might need to reopen a discussion of the cost of monthly parking permits at some point in the future.

Buy Local Week: Ms. Smith reminded everyone of the Buy Local week activities.

Energy Savings: Mr. Hieftje commended Mr. Morehouse for working with Mr. Konkle to find energy savings opportunities within the parking structures.

10. OTHER AUDIENCE PARTICIPATION

Ms. Briggs provided a handout of the 2007 Bike Winter events sponsored by the getDowntown! Program.

11. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 2:05 P.M.

Respectfully submitted,
Susan Pollay, Executive Director