MINUTES  
Downtown Development Authority Special Meeting  
Monday, December 14, 1998

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

Time:  The Chair, Ed Shaffran, called the meeting to order at 4:12 p.m.

1.  Roll Call

Present:  Neal Berlin, David Fritz, Leah Gunn, Maria Harshe, Karl Pohrt, Ed Shaffran, Skip Ungrodt
Absent:  Ron Dankert, Dave DeVarti, Bob Gillett, Deanna Relyea, Lorri Sipes

Staff:  Susan Pollay, Executive Director  
Present:  Joseph Morehouse, Fiscal and Administrative Manager

Audience:  Ray Detter, Citizens Advisory Council  
Adrian Iraola, City Engineering  
Colleen Newvine, Ann Arbor News  
George Patak, City Police  
Dick Stoll, Citizen  
Andrew L. Wright, Citizens Advisory Council

2.  Subcommittee Reports

Parking Construction

Mr. Shaffran thanked members of the DDA for their willingness to attend a special meeting, explaining that the December DDA meeting had ended before all agenda items could be attended to.

Mr. Shaffran said that one of the most important items to report on were upcoming repairs in the Maynard structure, as the project would soon be put out to bid. Floors 1 - 5 in the west half of the deck are in poor condition, in addition to the first two levels above Maynard Street, and the DDA had elected to do a full slab replacement with high-quality cast-in-place concrete. The structure will be partially closed February through April and September through October, and completely closed May through August 1999.

Ms. Sipes enters.

Ms. Pollay pointed to a handout, saying that closing the structure for repairs affords the DDA an opportunity to make some improvements. These may include a new larger elevator, improved lighting, exterior signage, electrical system, extensive painting, and new parking equipment. Redesigning the first floor layout was also being explored, including a new speed ramp from Thompson St. to the second floor to eliminate traffic conflicts, reengineering the existing speed ramp to facilitate easier exiting onto Thompson St., and relocating the police mini station to Maynard St. to enhance its visibility.

Mr. DeVarti enters.

Mr. Shaffran said that the DDA had approved a project budget of $7.5 million in 1997, although the likely estimate for 1999 is now at least $9 million, in addition to costs of approximately $0.5 million for improvements mentioned by Ms. Pollay.
Ms. Pollay reported that the University of Michigan had generously offered to provide parking for State Street Area Association permit holders in its structures from May through August 1999 when Maynard would be closed. A “shopping zone” has been installed on the lower levels of the Liberty Square parking structure, with no parking allowed before 10:00 a.m., to ensure convenient customer parking in the area. Ms. Pollay also said that several AATA shuttles provided service in the State Street area, and the DDA would provide a free AATA monthly pass to any permit holder displaced by the Maynard repairs.

Mr. Shaffran reported that the DDA received a proposal from Otis Elevator to address ADA compliance and other issues called out by a recent State of Michigan inspection, including replacing car sills, installing audible and visual devices, remounting control panels, installing hand rails, key stop switches, and “In Case of Fire” Signs. Total cost for these improvements would be $35,972. Ms. Sipes asked why these elements had not been included in the Otis service contract, to which Ms. Pollay reported that Otis had specifically excluded these items.

Upon motion by Ms. Gunn, with support from Mr. Ungrodt, a motion was made to support approval of this project, in an amount not to exceed $35,972.

A vote on the motion showed:
AYES: Berlin, DeVarti, Fritz, Gunn, Harshe, Pohrt, Shaffran, Sipes, Ungrodt
NAYS: None
Absent: Dankert, Gillett, Relyea

The motion carried.

Mr. Shaffran reported that the vote taken the week before on the Forest structure did not have the seven votes needed under the DDA bylaws for passage, and that he wanted to reopen the matter for additional discussion. Mr. DeVarti expressed concern that the matter had not been publicized as part of the agenda prior to the day’s meeting. Mr. Shaffran said that discussions with the University would continue later in the week, and he wanted to present the clear wishes of the DDA at that time.

Upon motion by Mr. Fritz, with support from Ms. Gunn, the following resolution was put forward:

**Resolution to Build the New Forest Parking Structure Above Grade**

Whereas, A 1997 parking demand study demonstrated that parking usage in the South University area exceeded 100% of available parking spaces at peak period;

Whereas, City Council approved a footprint for the new structure which will maximize the potential number of parking spaces, thereby enhancing the economic viability and character of the S. University commercial and adjacent residential districts;

Whereas, The University of Michigan has shown an interest in exploring the feasibility of providing parking spaces for its faculty and staff in the new Forest structure in addition to the 591 parking spaces the DDA intends to build for use by the community;

Whereas, A 950-space structure could be built on the new parking structure footprint, providing parking spaces for both UM and community purposes;
Whereas, A 950-space parking structure built with seven levels above grade is estimated to cost $3 million less than a 950-space parking structure built with five levels above and two levels below grade;

Whereas, In addition to the initial construction cost increase there is significant annual energy and equipment cost to operate ventilation, lighting and sprinkling systems below grade;

Whereas, The current Forest structure is six levels above grade;

RESOLVED, The DDA will go forward with a design for the new Forest structure that is seven levels above grade to allow the construction of up to 950 parking spaces to provide parking for both University of Michigan and community purposes;

RESOLVED, The DDA will seek to arrive at a lease or co-ownership arrangement with the University of Michigan whereby construction, maintenance and operation costs are fairly apportioned proportionate to the percentage of occupancy by each party;

RESOLVED, The DDA will continue with its plans to construct a parking structure of 591 parking spaces if the UM resolves not be part of this project.

Mr. DeVarti expressed again his concern with the matter and asked that the language drafted at the previous meeting be re-voted upon. Upon motion by Mr. DeVarti with support by Ms. Gunn, the following amended resolution was put forward:

Resolution to Build the New Forest Parking Structure Above Grade

Whereas, A 1997 parking demand study demonstrated that parking usage in the South University area exceeded 100% of available parking spaces at peak period;

Whereas, City Council approved a footprint for the new structure which will maximize the potential number of parking spaces, thereby enhancing the economic viability and character of the S. University commercial and adjacent residential districts;

Whereas, The University of Michigan has shown an interest in exploring the feasibility of providing parking spaces for its faculty and staff in the new Forest structure in addition to the 591 parking spaces the DDA intends to build for use by the community;

Whereas, A 950-space structure could be built on the new parking structure footprint, providing parking spaces for both UM and community purposes;

Whereas, A 950-space parking structure built with seven levels above grade is estimated to cost $3 million less than a 950-space parking structure built with five levels above and two levels below grade;

Whereas, In addition to the initial construction cost increase there is significant annual energy and equipment cost to operate ventilation, lighting and sprinkling systems below grade;

Whereas, The current Forest structure is six levels above grade;

RESOLVED, The DDA will continue with its plans to construct a parking structure of 591 parking spaces above grade.
RESOLVED, If the University of Michigan chooses to be part of this project, they will be asked to pay the additional amount to build a structure that is 950-spaces including 2 levels below grade.

A vote on the motion showed:
AYES: DeVarti, Gunn
NAYS: Berlin, Fritz, Harshe, Pohrt, Shaffran, Sipes, Ungrodt
Absent: Dankert, Gillett, Relyea

The motion failed.

On the main motion, Ms. Harshe asked that a friendly amendment be allowed to include the words “acquisition and existing land costs” in the second resolved. Mr. Ungrodt supported this change. Mr. DeVarti asked that the language in the first resolved be modified to read “up to seven levels above grade” to allow for greater flexibility in determining the ultimate height of the structure. All agreed to this change.

A vote on the motion showed:
AYES: Berlin, Fritz, Gunn, Harshe, Pohrt, Shaffran, Sipes, Ungrodt
NAYS: DeVarti
Absent: Dankert, Gillett, Relyea

The motion passes.

Mr. Shaffran said that the steel beam installation at First and Washington was complete. He reminded DDA members that the project was only intended to extend the use of the structure for another year or so, and that a final resolution needed to be made on the future of the structure. Repair bids had been rejected earlier in the year, as the total project costs would have exceeded $3 million. Mr. Shaffran suggested it might be possible to rebid the slab replacement project and include it as part of the bid package for Maynard repairs in hopes of reducing costs. Once rebuilt, the structure could be partially utilized as an hourly facility, thereby raising revenues. Mr. DeVarti said that he would encourage Mr. Shaffran to come back to the other members with additional information, to make the case more fully why it made sense to repair the structure.

Merchant Association Grant Program
Ms. Gunn reported that the vote taken the week before on the merchant grants did not have the seven votes required under the DDA bylaws for passage, and that following discussion with Ms. Relyea over the weekend, she wanted to reopen the matter for additional discussion. Upon motion by Mr. Berlin, with support from Ms. Sipes, the following resolution was put forward:

Resolution Modifying The 1998/99 Promotional Grant Program for the Four Downtown Area Merchant Associations

Whereas, The Ann Arbor Downtown Development Authority Plan contains a component for the encouragement of retail businesses;
Whereas, In 1997/98 the DDA completed a commitment to support the promotional activities of the four
downtown area merchant associations with a $10,000 grant to each association in 1995/96,
1996/97, and 1997/98;

Whereas, The DDA seeks to become a more active partner with the downtown associations, to draw new
visitors, customers, residents, and others to the downtown;

Whereas, In May 1998 the DDA created a one-year program for FY 1998/99 to encourage innovative
marketing and event planning on the part of the downtown area associations to attract new
audiences to downtown Ann Arbor;

Whereas, The DDA set aside a total of $50,000 for this program, which may be used as grants for support
of innovative special events, cooperative advertising, joint marketing efforts such as the Downtown
Walking Map, and other promotional activities;

Whereas, The DDA resolved to give special consideration to proposals which feature collaborative
planning between associations or between associations and other downtown stakeholders, and
which bring new focus to the downtown;

Whereas, The DDA seeks to allocate funding up to a certain amount for each Association, rather than
retaining funds in a pooled account;

RESOLVED, The DDA shall modify its earlier resolution, specifically setting aside allocations of up to
$15,000 for the State Street Area Association, $15,000 for the Main Street Area Association,
$10,000 for the South University Area Association, and $10,000 for the Kerrytown Historic Market
District in FY 1998/99 for promotional activities which best benefit retail businesses in their area;

RESOLVED, Project receipts and description shall be required from each Association before payment
may be issued.

Ms. Gunn reported that the creation of a fund pool asked the DDA to assess the relative strengths and
weaknesses of proposals, which the DDA was not able to handle, and it encouraged competition between
associations, which went against the goals of the project. Restoring the program with assigned amounts
would make it easier for the associations, as well as for the DDA.

Mr. Shaffran asked that an additional resolved be added, setting forward the requirement that associations
submit to the DDA a copy of their by-laws, articles of incorporation, list of dues-paying members and
copies of minutes for the past year before payment could issued. Mr. Shaffran also requested that the
amount designated for the South University Area Association be reduced by $2,000 to $8,000 to provide
their proportionate payment for this year’s walking map. Members affirmed support for these changes.

A vote on the motion showed:
AYES: Berlin, DeVarti, Fritz, Gunn, Harshe, Pohrt, Shaffran, Sipes, Ungrodt
NAYS: None
Absent: Dankert, Gillett, Relyea

The motion passes.
Mr. Berlin leaves.

**State Street Study Project**
Mr. Pohrt reported that the DDA would receive a quarterly report in January and a short presentation on the progress of the study in February.

**Maintenance Storage Facility**
Mr. Fritz reported that he and Adrian Iraola had investigated a series of possible storage facilities for DDA streetscape materials, and had settled on a site within the Ann Ashley parking structure. He would come back to the DDA with costs to construct a chain link enclosure to house extra brick, street lamps, etc.

**Finance Report**
Mr. Morehouse reported that the DDA’s audit had been delivered that day, and a copy was distributed as part of the meeting packet to all members. Copies would be mailed to all DDA members not present, and a full report would be given at the January meeting. Mr. Morehouse then reviewed the DDA financial statements. Mr. Shaffran asked that the Finance report be given earlier in the meeting because of its importance.

**Executive Director Report**
Ms. Pollay reported that the Parking Advisory Committee, required under the contract between the DDA and City, had been formed and had held its first meeting. A list of committee members would be provided to the DDA. She reminded members that a decision needed to be made at the next meeting about whether meetings would continue at 12:00 noon.

### 3. Other DDA Business

Mr. Shaffran asked that the DDA consider shortening its agenda or commit itself to longer meetings to address the great number of important items on its agendas. Mr. DeVarti expressed concern that issues of major importance were appearing unannounced on agendas, and DDA members were being asked to make important decisions without time for reflection and further study. DDA members discussed solutions to both concerns, and elected to see if benefit might be gained by placing items on a consent agenda when possible, providing resolutions and committee minutes when available within the packet mailed one week in advance of Board meetings, and establishing the Board agenda at least a week in advance. The DDA also asked Mr. Detter to limit his comments to five minutes, although written comments of any length were welcome as part of the DDA packet.

### 4. Adjournment

As there was no further discussion, upon motion by Mr. Ungrodt, the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Susan Pollay, Executive Director
Secretary