ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, January 9, 2013
DDA Office, 150 S. Fifth Avenue, Ann Arbor, MI 48104

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: Ms. Gunn called the meeting to order at 12:04 p.m.

1. ROLL CALL

Present: Newcombe Clark, Robert Guenzel, Leah Gunn, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Sandi Smith, John Splitt

Absent: Russ Collins, Nader Nassif, Keith Orr

Staff: Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy Director

Audience: Amber Miller, Planning & Research Specialist

Jada Hahlbrock, Management Assistant

Audience: Art Low, Republic Parking System

Elizabeth Riggs, Huron River Watershed Council

Frances Todoro, State Street Area Association

Eileen Tyler, Downtown Neighbors Committee

Ryan Stanton, A2.com

Ray Detter, Downtown Area CAC

Peter Allen, Allen & Assoc.

Doug Kelbaugh, University of Michigan

Mary Hathaway, Library Green

Dave Askins, Ann Arbor Chronicle

2. AUDIENCE PARTICIPATION

Elizabeth Riggs, Huron River Watershed Council, spoke about River Up, an initiative which aims to draw people to the Huron River. The Watershed Council is working with municipalities along the length of the river to clean it and improve access points.

Ingrid Ault, member of the City’s Parks Advisory Commission, said that she had attended the DDA’s January 3rd meeting for its Connecting William Street project. She said that her take-away was that there is a lot of support for open space downtown, but no consensus about exactly what that open space would look like. Ms. Ault said that the Parks Commission has established a subcommittee to undertake an assessment of downtown parks, and as part of this assessment they will consider the role downtown parks play, and what any additional open space could look like. The Commission is concerned about adding additional park space without being certain it would have an active use. They will be certain to share their findings with the DDA.

Frances Todoro spoke on behalf of the State Street Area Association. She shared that the SSAA would like the DDA and the City to focus on improving existing parks before moving to add additional park or open space downtown. She used the Liberty Plaza Park as an example of a
downtown park that has issues. Transforming and programming that space should be a priority. An active space on that site would be an asset to the State Street Area community.

Ilene Tyler spoke to the Connecting William Street plan, suggesting that the DDA add more detail regarding the future design of the streetscape. She said that she strongly believes developers must be held to community standards, and this would give them direction. She expressed concern that the proposed development at 413 E. Huron was not meeting the standards set by this community.

3. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council. Mr. Detter said the previous night’s CAC meeting had been about reaffirmations. The CAC reaffirmed its commitment to public art. They reaffirmed their support for the DDA’s work amassing public input to shape the development goals and details for the Connecting William Street sites. They also reaffirmed their strong opposition to the proposed high rise at 401-413 East Huron. He said that the CAC felt that the Connecting William Street recommendation that context must be used when considering appropriate project massing was important, and the Huron Street proposal should do more to set back from lower-density neighbors. He said that the CAC appreciates the Connecting William Street recommendations for strengthening the Design Review Process, saying that we should only approve good architectural design in the downtown—architecture that is good public art.

4. COMMUNICATIONS FROM DDA MEMBERS

Mr. Mouat said that Terri Blackmore has taken a new position in Colorado and the WATS Policy Committee has begun the process of filling the WATS Executive Director position.

Mr. Hieftje said that he appreciated the speaker comments regarding downtown park space. He said he understands that some people feel uncomfortable in Liberty Plaza Park and that changes need to be made there. The City will seek public feedback on what can be done to better utilize the space. Mr. Splitt thanked the First Martin Corporation for their ongoing maintenance efforts at Liberty Plaza Park.

Ms. Smith addressed the comments made by Ms. Tyler, and said that throughout the Connecting William Street process the Leadership and Outreach steering committee worked hard to find the appropriate balance between suggesting too much or too little detail in the images. When it comes time to design a new William Street streetscape the elements suggested by Ms. Tyler will certainly be considered. Ms. Lowenstein added that the LOC had discussed greening the William Street corridor and she liked Ms. Tyler’s term, “oasis” as being very expressive.

Mr. Hewitt reported that the Connector Study steering committee received a report summarizing results from several public outreach events that took place in December. Public goals for this project include: more frequent transit service, longer service hours and reduced emissions. Most people also expressed interest in an alternate technology in addition to the buses currently in use. More outreach will take place in the coming months.

5. APPROVAL OF MINUTES
Mr. Mouat moved and Mr. Guenzel seconded approval of the December 5, 2012 meeting minutes.

**A vote on the motion showed:**

**AYES:** Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Split

**NAYS:** none

**ABSENT:** Collins, Nassif, Orr

**ABSTAIN:** Clark

The motion carried.

### 6. A. PARTNERSHIPS/ ECONOMIC DEVELOPMENT COMMITTEE

Ms. Gunn moved and Ms. Smith seconded the following resolution:

**RESOLUTION TO APPROVE GRANT DOLLARS FOR DDA ENERGY SAVING GRANT PROGRAM ADMINISTRATION AND ENERGY AUDITS**

Whereas, In 2008 the DDA created its Energy Saving Grant Program, which included Phase I funds for free energy audits for downtown businesses and buildings to determine the most feasible and economically beneficial improvements that could be made to reduce energy use and costs, and Phase II funds to encourage the installation of energy-saving measures;

Whereas, All funds set aside for its Energy Saving Grant Program have been expended;

Whereas, The Michigan Saves program makes affordable financing available to implement energy saving measures by commercial and residential property owners, but requires property owners to have an approved energy audit to take advantage of this opportunity;

Whereas, A total of 118 businesses and building owners in the DDA District have a recent energy audit as a benefit of the DDA Energy Saving Grant Program;

Whereas, Downtown business and building owners would benefit from the assistance of a trained energy professional as they apply to this program to help them make energy saving improvements to their property;

Whereas, The DDA Partnerships Committee recommends that the DDA designate $50,000 toward its Energy Saving Grant Program, with funds directed as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>DDA Energy Engineer time to assist w/communication and applications</td>
<td>$10,000</td>
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<tr>
<td>Funds for additional energy audits for downtown properties</td>
<td>$40,000</td>
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<td>$50,000</td>
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RESOLVED, The DDA allocates $50,000 into its DDA Energy Saving Grant Program as recommended by its Partnerships Committee, with funds taken from its 2012/2013 (003) TIF budget.

Ms. Lowenstein said that the DDA’s energy grant program has been very successful. The City’s PACE Program has been slow to start, however there is more that the DDA can do right away. The resolution would make funds available for additional energy audits. And it would also allow
businesses with energy audits to work with the DDA Energy Engineer Dave Konkle to apply for low-interest financing for energy-saving improvements through the Michigan Saves program. Michigan Saves is funded by grants from the State and from the U.S. Dept. of Energy, and it works with the Bank of Ann Arbor to provide low-interest financing. Ms. Smith shared that it can be difficult for a small business to navigate the often-confusing world of energy saving options and the help of a professional will be very helpful for small business owners who might otherwise be overwhelmed.

Mr. Mouat asked about the average cost of an audit. Ms. Pollay said that in the first round of audits a cap had been set, but the average cost was around $3,000. Given that, this grant allocation might cover as many as 15 audits, or fewer if the spaces being audited were larger than average. Mr. Mouat suggested that since the amount of grant money available is limited, perhaps the cap for an individual audit could be lowered.

Mr. Hieftje said that indeed the PACE program has moved slowly, but it is important to remember that it is the first such program in the state. Overcoming regulatory hurdles has been more difficult than expected. However the first bonding process will occur in the near future and many banks are showing interest. Mr. Hieftje then moved to add a resolve clause stating that the DDA will consult and work with City Staff administering the PACE program. He said that there is a lot of synergy to be gained through collaboration, and the motion was seen as friendly. The resolution, as amended:

RESOLUTION TO APPROVE GRANT DOLLARS FOR DDA ENERGY SAVING GRANT PROGRAM ADMINISTRATION AND ENERGY AUDITS

Whereas, In 2008 the DDA created its Energy Saving Grant Program, which included Phase I funds for free energy audits for downtown businesses and buildings to determine the most feasible and economically beneficial improvements that could be made to reduce energy use and costs, and Phase II funds to encourage the installation of energy-saving measures;

Whereas, All funds set aside for its Energy Saving Grant Program have been expended;

Whereas, The Michigan Saves program makes affordable financing available to implement energy saving measures by commercial and residential property owners, but requires property owners to have an approved energy audit to take advantage of this opportunity;

Whereas, A total of 118 businesses and building owners in the DDA District have a recent energy audit as a benefit of the DDA Energy Saving Grant Program;

Whereas, Downtown business and building owners would benefit from the assistance of a trained energy professional as the apply to this program to help them make energy saving improvements to their property;

Whereas, The DDA Partnerships Committee recommends that the DDA designate $50,000 toward its Energy Saving Grant Program, with funds directed as follows:

DDA Energy Engineer time to assist w/communication and applications: $10,000
Funds for additional energy audits for downtown properties $40,000
RESOLVED, The DDA allocates $50,000 into its DDA Energy Saving Grant Program as recommended by its Partnerships Committee, with funds taken from its 2012/2013 (003) TIF budget.

RESOLVED, The DDA will consult and work with the City PACE Program Staff.

A vote on the resolution as amended showed:
AYES: Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt
NAYS: none
ABSENT: Collins, Nassif, Orr
The resolution passed.

Ms. Lowenstein moved and Ms. Smith seconded the following resolution:

RESOLUTION PROVIDING $150,000 TO DAWN FARM TO ASSIST WITH CREATION OF FUTURE AFFORDABLE HOUSING

Whereas, The Ann Arbor DDA Plan goal is to address problems of urban decline, and with a specific objective to participate in programs which stimulate new, converted, or renovated housing;

Whereas, The DDA has received a grant request from Dawn Farm to assist with the refinancing of two of their properties located within a quarter mile of the DDA District boundary;

Whereas, Refinancing these properties will enable Dawn Farm to acquire additional transitional housing units in or near downtown, which serve individuals working toward sobriety, many of whom are downtown users and employees;

Whereas, The DDA Partnerships Committee has reviewed this grant request at several meetings and is satisfied that a DDA grant would contribute to the DDA’s mission, it recommends approval by the full DDA;

RESOLVED, The DDA approves a $150,000 grant from its DDA Housing Fund to Dawn Farm to support its efforts to refinance its debt for two properties located within a quarter mile of the DDA boundary with the goal of encouraging the creation of additional affordable housing units that contribute to a strong and diverse downtown.

Ms. Lowenstein said that Dawn Farm was requesting a grant in order to refinance two properties, which would enable it to free up dollars to add more affordable housing units. Mr. Hewitt asked if the properties were within ¼ mile of downtown; Ms. Lowenstein said that yes they were.

Mr. Clark said that he had reviewed the capital expenditures report and the depreciation schedule for these properties, and he felt that the information provided by Dawn Farm demonstrated management competency and financial rigor. Mr. Clark said that helping to reduce debt was not something he felt the DDA should do on a regular basis, but in this situation he felt that it was acceptable because he felt confident the savings would be put towards creating additional housing.
Mr. Splitt asked how Dawn Farm was funded; Ms. Pollay explained that they received funding from multiple sources, and the various funding streams enabled them to serve a wide variety of people. Mr. Splitt said that he felt that Dawn Farm was more of an outreach organization rather than a housing provider; Ms. Pollay said that providing housing to its clients was one of the many services Dawn Farm provided in support of its mission. Mr. Clark said that the documents he saw did indicate that the money saved through refinancing would be put towards adding beds.

**A vote on the resolution showed:**

**AYES:** Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Split

**NAYS:** none

**ABSENT:** Collins, Nassif, Orr

The resolution passed.

Ms. Smith moved and Mr. Mouat seconded the following resolution:

**RESOLUTION TO APPROVE A DDA GRANT POLICY TO ENCOURAGE PRIVATE DEVELOPMENT OF CITY-OWNED PROPERTIES LOCATED IN THE WILLIAM STREET AREA**

Whereas, The DDA mission is to strengthen the downtown and spark private reinvestment;

Whereas, An important way for the DDA to accomplish its mission is to encourage private development of City-owned sites in alignment with community values and good planning;

Whereas, The DDA Partnerships/Economic Development Committee has formulated a Connecting William Street Plan for DDA approval and submittal to the City per the City’s “Resolution Authorizing that the Ann Arbor DDA Develop an Implementation Plan to Redevelop Downtown City-Owned Parcels.”

Whereas, The DDA Partnerships/Economic Development Committee has developed a DDA Grant Policy to direct DDA participation in the implementation of the Connecting William Street Plan, and recommends this Grant Policy for DDA approval;

**RESOLVED,** The DDA approves the William Street Area Grant Policy to encourage the redevelopment of the City-owned properties located in the William Street area.

Ms. Smith said that the policy was similar to the DDA policy regarding Brownfield grants. None of the properties are potential Brownfield sites, but the public benefits the DDA would support are the same. As with its Brownfield policy, with this new grant policy the DDA stipulates that it would not forgo any TIF, it may provide a grant calculated by using the TIF total from a project, the DDA won’t pay its grant ahead of receiving its TIF, and the DDA would set the payment schedule for any grant.

Ms. Lowenstein said that the policy is also similar to the Brownfield Policy in that it creates criteria for developers to consider before coming to the DDA for a grant.

Mr. Mouat asked if Ms. Smith could read the list of the 11 items listed in the policy that would be used as criteria to evaluate a project; Ms. Smith read the list.
Mr. Clark asked for confirmation that the policy would only apply to the five Connecting William Street properties; Ms. Smith said yes.

Mr. Hewitt said that he was uncomfortable that the policy didn’t establish a calculation based on a TIF capture within a ten-year period; Ms. Smith said that the Committee was recommending that the DDA retain the flexibility to determine this in the future. Mr. Hewitt said he was also concerned about the DDA paying out grant money and then being left short if a property went bankrupt and this interrupted the DDA’s TIF; Ms. Smith pointed out the statement that the DDA will never release more grant money than the amount of new TIF paid by the developer. Mr. Splitt said he appreciated keeping as much flexibility in the policy as possible.

Mr. Hewitt offered an amendment that added a time limit to the TIF capture calculation, limiting it to the first 10 years. Ms. Smith said that she did not accept this as friendly, but instead asked for a vote on the amendment. Mr. Hewitt suggested the following amendment:

“The DDA has the discretion to provide a grant based on up to 17-25% of the first 10 years of TIF capture. …..”

Mr. Splitt asked what the DDA had done regarding its Brownfield grant for the 618 S. Main project; Ms. Pollay said that the grant calculation was based on the first 10 years. Mr. Clark said that he supported using a 10 year limit for the calculator.

A vote on the amendment showed:
AYES: Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt
NAYS: none
ABSENT: Collins, Nassif, Orr

The amendment to the resolution passed.

Mr. Hieftje asked for an amendment to strengthen the language of the policy in regards to the decision to provide a grant or not. He proposed adding the following language to the policy; “The DDA also has full discretion to determine if it chooses to prioritize its grant funding to help stimulate new private development within a particular subarea of its DDA District including the William Street area as part of its Connecting William Street efforts. This policy is not intended to create an expectation that a grant will be awarded.” The amendment was seen as friendly.

Mr. Hieftje then offered another amendment to strengthen the environmental standard being considered in the policy. He proposed adding the following language to the policy: “9. Environmental design exceeds City requirements, and meets nationally recognized standards.” Ms. Smith suggested adding the word “exceeds” to the statement. Mr. Hieftje then altered the amendment to read: 9. Environmental design exceeds City requirements, and meets and exceeds nationally recognized standards.” The amendments were both seen as friendly.

The resolution and policy as amended are as follows:
RESOLUTION TO APPROVE A DDA GRANT POLICY TO ENCOURAGE PRIVATE DEVELOPMENT OF CITY-OWNED PROPERTIES LOCATED IN THE WILLIAM STREET AREA

Whereas, The DDA mission is to strengthen the downtown and spark private reinvestment;

Whereas, An important way for the DDA to accomplish its mission is to encourage private development of City-owned sites in alignment with community values and good planning;

Whereas, The DDA Partnerships/Economic Development Committee has formulated a Connecting William Street Plan for DDA approval and submittal to the City per the City’s “Resolution Authorizing that the Ann Arbor DDA Develop an Implementation Plan to Redevelop Downtown City-Owned Parcels.”

Whereas, The DDA Partnerships/Economic Development Committee has developed a DDA Grant Policy to direct DDA participation in the implementation of the Connecting William Street Plan, and recommends this Grant Policy for DDA approval;

RESOLVED, The DDA approves the William Street Area Grant Policy to encourage the redevelopment of the City-owned properties located in the William Street area.

Ann Arbor DDA Policy Regarding Grants to Encourage Private Development of City-Owned Properties Located In The William Street Area

- The A2 DDA mission is to spark private reinvestment within its DDA District and strengthen the downtown.
- The DDA always refers to its mission and its Development Plan when considering any grant request. It is the goal of the DDA to promote the economic growth and development of properties within its DDA District by private investment.
- Whereas the DDA has pursued an extended series of meetings with members of the community to develop a set of strategies so that the redevelopment of five City-owned properties in the William Street area will be in alignment with community values and goals.
- An important way for the DDA to accomplish its mission & Development Plan is to provide a DDA grant to encourage the private development of City-owned properties in the William Street area that are in alignment with community goals, particularly those developments that contain elements that benefit the public.
- The DDA Development Plan sets forward important values, such as walk ability, sustainability, building design, mix of downtown uses, mix of downtown users, and downtown Ann Arbor’s unique identity. The DDA has full discretion to determine if a project meets its values, and to determine whether a grant should be awarded to any project.
- The DDA also has full discretion to determine if it chooses to prioritize its grant funding to help stimulate new private development within a particular subarea of its DDA District including the William Street area as part of its Connecting William Street efforts. This policy is not intended to create an expectation that a grant will be awarded.
Through this grant, the DDA aims to support elements of a project that offer prioritized public benefits, helping downtown developers advance projects that are in alignment with the community’s goals while maximizing sale proceeds to the City. Such elements include, but are not limited to:

- Connectivity & walkability improvements (streetscape, sidewalk, and bicycle facility improvements)
- Environmental design features (green roofs, rain gardens)
- Significant architecture & design investment (exterior feature or overall design that improves walkability on adjacent sidewalks, enhances the quality of an area, and/or brings significant design prestige)
- Landscaping & plazas/urban open spaces that are available for public use but maintained and managed privately
- Infrastructure investments (upsizing water, storm, or sewer mains, adding electrical, trash, and fire hydrant capacity to serve a larger area)

The DDA is particularly interested in supporting eligible projects that have the clear potential to encourage or trigger other private tax-generating new development in the immediate vicinity and strengthen William Street and the DDA District.

The DDA will only invest in the components of a project that would benefit not only the proposed project, but also a larger public good.

The DDA will not forgo its TIF capture from a project; the DDA may elect to provide a grant to a project utilizing its funds, or it may elect to provide all or some of its support using such in-kind elements as access to parking for contractors or construction staging.

The DDA has the discretion to provide a grant based on a calculation of up to 17-25% of the first 10 years of TIF capture from this project. When contemplating a possible grant award, the DDA will consider the total eligible expenses anticipated, and it will then review the scale of a potential DDA matching grant using the following criteria with which it will evaluate a project:

1. Addresses a documented gap in the market place or underserved markets of commerce
2. Is “connected” to the adjacent sidewalk with uses on the first floor that are showcased using large transparent windows and doorways to give pedestrians a point of interest to look at as they walk by a project.
3. Creates a large office floor plate, particularly a corporate headquarters which brings with it great regional attention and a density of jobs
4. Will facilitate the creation of a large number of new permanent jobs
5. Is a mixed use development, that will encourage activity in the daytime, evening, and weekend, such as a development with a mix of commercial and residential
6. Adds to downtown’s residential diversity
7. Adds to downtown’s residential density
8. Includes a cultural venue, such as a museum or performance space
9. Environmental design exceeds City requirements, and meets or exceeds nationally recognized standards.
10. Architecturally significant building or project design
11. Strengthens Ann Arbor’s national visibility

- If awarded, the total DDA grant awarded by the DDA to a project will be paid out over time, and the amount released will at no point be greater than the amount of new TIF paid by the developer of a new project constructed on one of the City parcels in the William Street corridor. The DDA reserves the right to adjust the amount of each portion of its grant to best benefit the DDA’s budget and other considerations.
- In the event of a sale or transfer of the development, the DDA’s grant may be assigned to the new owner of the property upon prior written consent of the DDA, provided, however, that the project has not been substantially modified since the time of the DDA’s grant approval.

A vote on the amended resolution and policy showed:
AYES: Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Split
NAYS: none
ABSENT: Collins, Nassif, Orr
The resolution passed.

Ms. Smith moved and Ms. Lowenstein seconded the following resolution:

RESOLUTION TO APPROVE THE CONNECTING WILLIAM STREET PLAN

Whereas, In April 2011 City Council voted to approve “Resolution Authorizing that the Ann Arbor DDA Develop an Implementation Plan to Redevelop Downtown City-Owned Parcels”, which were outlined as the surface of the Library Lane structure, the Fifth and William lot, the Main and William lot, and Ashley and William lot, and the first floor of the Fourth & William structure;

Whereas, The DDA Partnerships/Economic Development Committee was assigned management of this project, and the Committee set forward a goal to develop a plan that would lead to increased vibrancy along William Street, and was based on community goals, market realities and opportunities, and City Council approved plans, including the Downtown Plan, A2D2, and Design Guidelines;

Whereas, The Partnerships Committee established a Leadership & Outreach Committee to act as the Steering Committee for this project to shape recommendations and a draft plan;

Whereas, Over the past 15 months, more than 30 community events were held, and more than 2,000 community participants provided input through meetings, webinars, survey, and emails;

Whereas, The LOC distilled an enormous amount of input into a draft CWS plan that was reviewed and revised by the DDA Partnerships Committee;
Whereas, The DDA Partnerships Committee presented the draft CWS plan at the DDA’s December 2012 meeting, and the final plan at the DDA’s January 2013 meeting for DDA approval;

RESOLVED, The DDA approves the Connecting William Street Plan, and anticipates that the Plan will be presented to City Council later this month, with the expectation of working to implement this Plan in the future.

Ms. Pollay provided an overview of the Connecting William Street plan, including the many ways the public was invited to provide input, the many interconnecting elements of the plan, and the proposed next steps. She said that the final plan would be presented at a City Council work session on January 14th and all DDA members were invited to attend and participate.

Mr. Mouat thanked Ms. Pollay for her synopsis. He added that in addition to the significant citizen input, the project’s Leadership and Outreach Committee, which oversaw the project, was itself a diverse group of citizens, most of whom were non-political regular folks including several young people from the community.

Ms. Smith said that the City Council resolution set forward a number of project elements, which included reaching out to the University of Michigan and tapping their expertise. She introduced Professor Doug Kelbaugh, from the University and invited him to present some of his student’s work which looked at the Connecting William Street properties, and explored in detail how open space and development could work together to help this section of downtown become more vibrant.

Dr. Kelbaugh began by explaining his belief that the Library Lane site would be ideally suited for a small urban plaza, not a park, based on several factors including that the site needed to be designed with active uses along three sides and whatever was placed there would be installed atop a concrete pad. He said that Liberty Plaza was better suited to be redesigned as a park. He then presented the best student ideas for the various Connecting William Street sites, which included buildings on all sites, creative recommendations for open space, and ideas for various uses, including apartments, office, child care center, and more. There were questions asked and answered. Dr. Kelbaugh was thanked for the presentation and for spending so much time this past semester exploring the Connecting William Street plan sites with his students.

Mr. Clark said that the validity of the data and public input gathered by the DDA to shape the Connecting William Street plan would degrade with time, and he urged the City and DDA to move forward with plan implementation while the research that informed it was still fresh.

Mr. Hieftje thanked the DDA for all the work done on the project. In recognition that the Connecting William Street plan would continue to evolve including additional input from the Parks Advisory Commission and Energy Commission, he offered the following amendment “following further input from City Commissions and Council”. Ms. Smith said that she did not recognize the amendment as friendly. Ms. Lowenstein suggested changing the word “following” to “in conjunction with”. Mr. Hieftje saw that as acceptable, and Ms. Smith likewise agreed to this change as friendly.
Mr. Mouat said that the planning process had already been going on for a year and half and urged action now that the plan will be presented to the City. Mr. Clark agreed, saying that the DDA could draft an RFQ even as the other City boards and commissions continue their discussions.

The resolution as amended is as follows;

**RESOLUTION TO APPROVE THE CONNECTING WILLIAM STREET PLAN**

Whereas, In April 2011 City Council voted to approve “Resolution Authorizing that the Ann Arbor DDA Develop an Implementation Plan to Redevelop Downtown City-Owned Parcels”, which were outlined as the surface of the Library Lane structure, the Fifth and William lot, the Main and William lot, and Ashley and William lot, and the first floor of the Fourth & William structure;

Whereas, The DDA Partnerships/Economic Development Committee was assigned management of this project, and the Committee set forward a goal to develop a plan that would lead to increased vibrancy along William Street, and was based on community goals, market realities and opportunities, and City Council approved plans, including the Downtown Plan, A2D2, and Design Guidelines;

Whereas, The Partnerships Committee established a Leadership & Outreach Committee to act as the Steering Committee for this project to shape recommendations and a draft plan;

Whereas, Over the past 15 months, more than 30 community events were held, and more than 2,000 community participants provided input through meetings, webinars, survey, and emails;

Whereas, The LOC distilled an enormous amount of input into a draft CWS plan that was reviewed and revised by the DDA Partnerships Committee;

Whereas, The DDA Partnerships Committee presented the draft CWS plan at the DDA’s December 2012 meeting, and the final plan at the DDA’s January 2013 meeting for DDA approval;

RESOLVED, The DDA approves the Connecting William Street Plan, and anticipates that the Plan will be presented to City Council later this month, with the expectation of working to implement this Plan in the future, in conjunction with City commissions and Council.

A vote on the amended resolution and policy showed:
AYES: Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Split
NAYS: none
ABSENT: Collins, Nassif, Orr

The resolution passed.

The next Partnerships/Economic Development Committee meeting will take place on February 13.

Mr. Mouat departed the meeting.
6. B. OPERATIONS COMMITTEE

DDA Annual Audit. Mr. Hewitt reported to the board that the DDA had received an unqualified clean audit and that there had been no findings. Mr. Guenzel moved and Ms. Lowenstein seconded the acceptance of the DDA’s Audit for the Fiscal Year Ending June 30, 2012.

A vote on the motion showed:
AYES:  Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Smith, Split
NAYS:  none
ABSENT:  Collins, Mouat, Nassif, Orr
The motion carried.

Parking Report. Mr. Hewitt reported that November was a strong month for the parking system, with revenues 14% greater than last year. The number of hourly patrons increased 3.25%.

FY 2012/13 Budget Revision. Mr. Hewitt moved and Mr. Splitt seconded the following resolution:

RESOLUTION TO APPROVE A REVISED DDA BUDGET FOR FISCAL YEAR 2012/13

Whereas, The DDA Board passed a FY 2012/13 budget for the DDA on March 7, 2012;

Whereas, The DDA would like to recognize the completion of construction projects in FY 2012/13 instead of the forecasted completion in FY 2011/12

Whereas, The Operations Committee recommends approval of this budget revision by the DDA;

RESOLVED, The DDA approves this amendment to its FY 2012/13 budget.

Mr. Hewitt explained the various changes to the budget. The biggest change was due to the timing of the completion of the Library Lane structure later than anticipated, which shifted the timing of invoices and payments from the FY 2011/12 to FY 2012/13.

A vote on the resolution showed:
AYES:  Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Smith, Split
NAYS:  none
ABSENT:  Collins, Mouat, Nassif, Orr
The resolution passed.

Agreement with The Varsity. Mr. Hewitt moved and Mr. Splitt seconded the following resolution:

DDA RESOLUTION OF SUPPORT FOR A PARKING CONTRACT WITH THE VARSITY DEVELOPMENT UNDER THE CITY’S CONTRIBUTION IN LIEU FRAMEWORK

Whereas, The DDA mission is to strengthen the downtown area and attract new private investments, which includes the strategy that the DDA participate in efforts to encourage new housing in the downtown;
Whereas, Through agreement with the City, the DDA are managers of the public parking system until at least 2033;

Whereas, In 2012 Ann Arbor City Council set forward a Contribution in Lieu Parking Space option for new developments in the DDA District that are required to provide some amount of parking as part of their site plan requirements, but are unable to or unwilling to provide these parking spaces on site;

Whereas, The Varsity development project will construct a 14-story apartment building on E. Washington Street between Division and State Street, which will include a 70-space, two-level parking garage;

Whereas, The project as originally contemplated offering car-sharing spaces as part of its commitment to meet its full 76-parking space requirement under City zoning, but it has since learned that this concept will be infeasible;

Whereas, The developers of The Varsity have made a request to the DDA that they assist them by providing two parking spaces using the City’s Contribution in Lieu framework;

Whereas, The Operations Committee recommends approval of an agreement with The Varsity project that would provide for two parking spaces in the public parking system following the guidelines set forward in the City’s Contribution in Lieu policy, including the amount to be paid and the duration of the agreement; and

Whereas, The Operations Committee and representatives of the Varsity project will determine at a later date where these two parking spaces will be assigned, including but not necessarily in the Liberty Square parking structure;

RESOLVED, The DDA approves the recommendations as set forward by its Operations Committee.

RESOLVED, The DDA Chair and Executive Director are authorized to work with the DDA Attorney and City to execute a parking contract consistent with the provisions of the development agreement for this project.

Mr. Hewitt said that The Varsity project currently under construction on Washington Street has requested to utilize the City’s Contribution in Lieu regulations to obtain spaces. The resolution doesn’t specify the permit location as that will be determined by the Operations Committee at a later date.

A vote on the resolution showed:  
AYES: Clark, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Smith, Split  
NAYS: none  
ABSENT: Collins, Mouat, Nassif, Orr  
The resolution passed.

The next Operations Committee meeting will be Friday, January 25th.
7. OTHER DDA BUSINESS

Meeting with the Main Street BIZ. Ms. Pollay said that at the November retreat DDA members expressed interest in learning more about the Main Street BIZ, including questions about its possible expansion and how it overcame obstacles to its creation. She said that at 8am on January 22nd the Main Street BIZ would available to meet with DDA members and answer any questions.

Mr. Hieftje shared that the Downtown Marketing Taskforce meets on the first Tuesday of every month at 10:15am at the DDA office, and some DDA members attend, but all should consider themselves invited. At the February meeting there will be a presentation by the Convention and Visitors Bureau.

8. OTHER AUDIENCE PARTICIPATION

None

9. ADJOURNMENT

There being no other business, Mr. Hewitt moved and Ms. Lowenstein seconded a motion to adjourn. Ms. Gunn declared the meeting adjourned at 1:45 pm.

Respectfully submitted,
Susan Pollay, Executive Director