DDA Annual Spring Retreat Minutes
Monday, June 11, 2001    1:00 p.m. – 5:00 p.m.   Hoover Mansion

Present:   Rob Aldrich, Fred Beal, Ron Dankert, Dave DeVarti, David Fritz, Bob Gillett, Rene Greff, Leah Gunn, Karl Pohrt, Lorri Sipes, Skip Ungrodt
Absent:    Neal Berlin
Staff:     Susan Pollay, Joe Morehouse
Audience:  Ray Detter, Citizen's Advisory Council
           Eric Sheneman, DDA Intern

The meeting was called to order at 1:10 p.m. by Ms. Sipes.

1. Review of 2000/2001 Committee Work Plans
   Mr. Gillett reported on the work of the Partnerships Committee;  Mr. Beal reported on the work of the Capital Improvements Committee; Ms. Sipes reported on the work of the Planning Committee; and Mr. Aldrich reported on the work of the Operations Committee. All acknowledged that this had been a particularly productive year for the DDA, and that the new committee structure worked well to support DDA member efforts.

   Eric Sheneman was introduced to the Board as the DDA’s intern.

2. Review of the Ten-Year Financial Plan
   Mr. Aldrich reviewed the contents of the DDA’s Ten-Year Plan, amended since the last retreat to reflect any changes. Elements of the Plan including revenue and expense assumptions, in addition to projected capital improvement projects and debt service. Mr. Aldrich confirmed that even with steady parking rate increases, it is anticipated that significant TIF funds will be needed to subsidize parking operations and repairs over the remaining ten years.

   Mr. Gillett reported that the Plan as written sets aside only $6 million for the reconstruction of First & Washington; yet the project will likely need at least $8 million. Mr. DeVarti asked if the Plan includes the cost to raise Republic Parking employee wages to what has been defined as a Living Wage level. Mr. Aldrich said that the Plan reflects only what we know at this time, which includes neither this wage increase nor parking revenues from the street meters. Mr. DeVarti said that he understood that monthly and hourly parking rates would increases by 5% and 10% every other year which is reflected in the 10-Year Plan. Mr. Aldrich apologized, saying that he had misspoke about projected rates at the board meeting; but that this schedule of increases could be shown on the Plan.

   Mr. Aldrich said with regard to parking rates, the Operations Committee has become increasingly aware that the cost of doing business downtown is growing steadily. Parking costs are an important factor in this. Mr. Dankert said by way of example that Swisher’s parking costs equaled an additional $7/S.F. in rent costs making downtown office space much less competitive with space elsewhere in the city where parking is provided free. Mr. Beal suggested perhaps that permits might be auctioned off to the highest bidders given the great wait list demand. Mr. Pohrt said that he remained committed to the concept that the decks should eventually pay for themselves, but that this was becoming increasingly difficult. Mr. DeVarti said that the large number on the permit wait list
indicated that monthly permit prices had not yet affected demand. Ms. Pollay said that a
great percentage of the wait list had identified themselves as students, whereas the
majority of current permit holders were downtown employees, and that there may be a
difference in price sensitivity between these two groups. Ms. Gunn suggested that the
DDA develop an overall strategy for downtown parking. Mr. Ungrodt said that he
perceived that that restaurant employees were using the street meters, not customers. He
suggested that the meters remain operational later into the evening. Mr. Detter said that
the CAC had consistently supported the idea of DDA management of the City meter
system as part of a comprehensive approach to parking in the downtown.

Mr. Gillett asked if the DDA efforts toward renewal were successful if this would change
the financial picture at all. Mr. Aldrich said no, this would not. Mr. Gillett asked about TIF
projections, and Mr. Aldrich said that they were shown with 2%/year increases, which is
what we’ve experienced over the past ten years. Mr. Gillett said that the Ten-Year Plan
reflected the tension between our role as a Parking Authority and as a Downtown
Development Authority. Mr. Aldrich agreed, but added that although TIF was being
drained to support parking, that it was clear from past history that the DDA had to step up
to address downtown parking needs. He suggested that the DDA consider ways to use its
parking spaces to leverage new developments and thus an increase in TIF.

3. **Review of 2012 Plans**

Ms. Sipes presented a power point presentation on the DDA’s proposed 2012 Plan as
drafted by the Planning Committee with help from our interns. She outlined the goal of the
1982 Plan, and said that the reasons for renewal included the DDA’s singular focus on
downtown, the importance of having a single entity concerned with downtown vitality, our
existing long-term debt commitments, our skillful management of the parking system, and
our broader vision beyond just parking. She outlined the DDA’s goals and boundaries,
and said its most notable achievements over the past 19 years included improving parking
and transportation alternatives, encouraging mixed-use developments, participation in
housing development, and improvements to open space, particularly sidewalks. She said
that over the past 19 years over $50 million has been reinvested downtown, including $22
in TIF and $28 in Parking Funds.

She said the 2012 Plan as proposed would retain the same goal and boundaries, and that
seven new objectives would be set forward. These objectives would include Development
Partnerships, Infrastructure, Transportation, Housing, Business Encouragement, Identity,
and Sustainability. In support of these objectives a number of strategies and possible
future projects proposed.

Ms. Sipes and the Planning Committee were thanked for their hard work on this Plan. Mr.
DeVarti asked why the boundaries had been shown as remaining the same. He said he
hoped to expand the boundary to N. Main Street to include the City site. Mr. Gillett
agreed, saying that the proposed boundaries needed additional discussion. Mr. Detter
said that respecting the neighborhood edges was very important, and that much of N. Main
was residential. Mr. Gillett said that the 2012 Plan indicated that N. U. and State would
serve as a transportation hub, yet this description was also used for the Blake Transit
Center, as well as the Amtrak station. Ms. Sipes said that all three sites served intermodal transportation purposes, and that the 2012 Plan might indicate at least some of the options available in the future. Mr. Detter said that the 2012 Plan didn’t include much about Allen Creek, and that this should be included in the section related to Sustainability. He urged the DDA to define its role with regard to Allen Creek before this was defined by others. Mr. Gillett said that he felt that open space and parks should be included within infrastructure, which would then also include Allen Creek.

It was suggested that the DDA revisit the possibility of commissioning a land use study for the Allen Creek corridor. Mr. Pohrt said that he didn’t want the DDA to lead the charge, as this was the role of the County Drain Commissioner or perhaps the City, but that we could acknowledge it as an issue and could seek to be a part of the discussion. He didn’t believe the DA should serve as a primary funding agency for this project. Mr. Dankert asked how much TIF was collected in the area immediately adjacent to the Allen Creek drain. Ms. Pollay said she didn’t know that this information had ever been assembled, particularly as much of the downtown section of the Creek had not been redeveloped during the time of the DDA. Mr. DeVarti suggested that the DDA leave it fairly open-ended as to their future participation in this project.

Ms. Sipes was provided with several suggestions for other “benchmarking” data that might be included in the 2012 Plan, including the office and retail rental rates downtown, housing purchase and rental rates downtown, the types of housing downtown, the number of chain stores versus individually-owned stores, and the number of owner-operated businesses downtown.

The question of boundaries was revisited. Mr. Pohrt expressed concern about extending boundaries as it may be that much more difficult to get the taxing entities to agree to renew the DDA. Ms. Sipes agreed, and added that if the DDA expanded its focus, that much would remain undone within the existing boundaries. Mr. DeVarti said that he personally wanted to see the DDA boundaries expanded to including Lower Town and North Main Street to the City site along the sidewalks only. Mr. Beal said that the City site was very unlikely to be substantially developed as it is all in the floodplain with most of it directly in the floodway, with Allen Creek running directly underneath. Mr. Gillett said that the redevelopment of the riverfront within Lower Town to M-14 is quite possible. He said that if the DDA takes a restrictive view about its boundaries he fears we will be left out of some future discussions, and that if we take a broader view we may be better able to participate. Mr. DeVarti wondered if it were still possible to have two DDA’s as Ypsilanti does.

Mr. DeVarti also urged the DDA to reconsider the idea of a “radius of activity” surrounding the DDA District, wherein the DDA could sponsor projects although it didn’t collect any TIF. Mr. Beal said that he wasn’t comfortable with this concept, as he felt that this would defeat the concept of a TIF District. Ms. Sipes said that this would also conflict with the DDA goal to respect the integrity of the near-downtown neighborhoods. Mr. Pohrt asked Mr. DeVarti why would the DDA want to spend funds in an area that didn’t generate funds for the downtown in the form of TIF. Mr. Dankert said he wasn’t sure what we could offer to the
Lower Town district other than new sidewalks. Mr. Aldrich said that he felt the DDA was impacting areas outside downtown already. Mr. Gillett asked if we have spent funds outside our district; Ms. Pollay said that no TIF has ever been spent, but that DDA parking funds are being used to construct the Forest structure which is not wholly contained within the DDA District. She suggested that the DDA consider the different uses and restrictions of these two funds. Ms. Gunn said that she felt that boundaries should remain as they are, as the City is working in partnership with residents and a variety of community groups to redevelop Lower Town. Mr. Ungrodt said he agreed. Mr. Dankert indicated his agreement as well, saying that much of Lower Town was and will be parkland, and thus no TIF would be collected. Mr. Aldrich said that he understood clearly the complexity of the questions. Mr. Pohrt said that he sought only to be part of the conversation about Lower Town, but that he didn’t feel it to be the DDA’s responsibility. Ms. Sipes said that this is the topic of the moment, and that we have enough on our plates already. Mr. Aldrich said that while he agreed that boundaries should not be expanded, this discussion was helpful to consider the topic from all sides.

Mr. Aldrich said that the 2012 TIF Plan was being shaped around projected assumptions about TIF. The thirty-year plan was being built in ten-year blocks, and at the present this plan doesn’t assume capital improvements nor does it include new debt. Mr. Beal asked Mr. Aldrich to revise the 10-year plan to include steeper parking rate increases, and then use this plan as the basis for the 30-year TIF Plan. Mr. Aldrich agreed to do this and said he would come back to the DDA with an array of information including bonding ability and potential parking increases.

Ms. Sipes asked to talk about the strategies for renewal. She said that the Committee and other members of the DDA had participated in preliminary presentations to City Council and the Planning Committee, but that much work needed to be done to contact stakeholders to gain support. It was suggested that staff organize meetings with:

- The four downtown merchant associations
- The adjacent neighborhood associations, including Old West Side and The Old Fourth Ward
- Rotary and Kiwanis Clubs
- UM Regents
- AATA Board – particularly with the goal of a more coordinated, centralized bus plan
- The Mayor’s Downtown Marketing Taskforce
- City Zoning Board of Appeals, Historic Commission, other City Boards & Commissions
- Ann Arbor Area Chamber of Commerce
- Contractors and builders
- Ann Arbor Area Convention & Visitor’s Bureau

Staff was also asked to develop a series of talking points to provide to DDA members to use when speaking with members of the public.
The DDA's 2001 Spring Retreat was adjourned at 4:20 p.m. to provide time for the DDA's Annual Meeting.