

**Meeting of the Ann Arbor DDA Operations Committee
Wednesday, April 22, 2020**

Place: Virtual Meeting--Zoom Link: <https://zoom.us/j/242151204>
by Phone: 1-877-853-5257 (Meeting ID: 242 151 204 Password: 020499)

Time: 11:00 am

Committee Present: Robert Guenzel, Tyler Kinley, Darren McKinnon, Keith Orr

Committee Absent: Phil Weiss

Other DDA Present: Rishi Narayan, Tom Crawford

Other DDA Absent: Micah Bartelme, Alexandra Dieck, Marie Klopf, Jessica A.S. Letaw, Molly McFarland

Staff: Susan Pollay, Sara McCallum, Jada Hahlbrock, Amber Miller, Maura Thomson, Kelley Graves

Other Attendees: Mike McKiness/RPS, Chris Simmons/GetDowntown

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Virtual Meeting Guidelines: Mr. Orr read the virtual meeting guidelines outlining the authority given to municipalities to hold electronic meetings for a period of time during the COVID-19 pandemic to conduct necessary business of public bodies as outlined in Governor Whitmer's Executive Order #2020-48.

A2 DDA Core Responsibilities: Ms. Pollay provided an overview of the events of the last month due to the COVID-19 pandemic, emphasizing that impacts on downtown, both temporary and some permanent are still unknown. She also emphasized that this is likely to be a very long, drawn out period of time, and a great deal of need will be coming, but it may be months away. In light of this evolving environment, she stated her view that it is essential that the DDA look at its core goals and objectives established in the Development Plan to guide us moving forward. DDA staff will prioritize its expenditures relative to the significantly reduced revenues and remain mindful of the DDDA's responsibility to debt service, operations and CIP's related to safety. And, all of this is in the context of ensuring the parking system remains economically self-supporting and a vital part of the downtown's ongoing stability and vitality for many years to come.

Current Impact on Parking Revenues: Ms. Hahlbrock compared FY20 budgeted revenues against FY20 actual and FY19 actual totals for the three parking system revenue streams. She spoke to the impact of the pandemic over the initial 6-week period of March 2nd to mid-April 2020. On-street meter revenues saw three significant drops due to: U of M closure, local

schools' closures and Governor's Stay Home/Stay Safe order. Off-street hourly followed a similar track to last year, until March 16th when COVID safety measures and the Governor's orders required sending RPS staff home ; no hourly revenues have been collected since that time. Off-street permits are billed monthly. As of mid-April, 18% of all permit fees had been collected. Collections are usually at 90% at this point in the billing cycle. Ms. Hahlbrock noted that many permit holders may be availing themselves of the 4/1/2020 decision by the DDA Board to waive all late payment penalties, until further notice. She reported that it will take some time to assess the full impact on the system's revenues. Questions were asked and answered.

Potential Revenue Impacts: Ms. McCallum laid out a worst-case and an optimistic scenario of the potential financial impact on the parking system through FY23 based on certain assumptions about the timing of re-openings and how quickly a cure can be found and distributed. She emphasized that these are predictions, and staff will continue to modify them as new information becomes clear. Even with capital and operating parking expenditures significantly reduced, optimistic predictions show the DDA's Parking Fund balance expended by the end of FY21 and in the red by FY22 due to very reduced revenues. Fund balance by law may not be negative. And, the DDA's required fund balance policy as previously approved by the Board is 10% of expenditures. Mr. Crawford stated the City's fund balance policy is 15-20% and is based on account type. Questions were asked and answered.

Parking Permits: There was a detailed discussion regarding whether the DDA should provide some level of financial assistance to monthly permit holders during this time. It was suggested that relief should be given as a sign of goodwill to businesses. Mr. Orr asked why parking permits were seen as essential to their business operation, since parking is available and there are other payment options available. Mr. Narayan stated that it is not the DDA's role to determine what each business considers essential. Mr. Kinley suggested conducting a customer outreach survey to help the DDA make an informed decision. Mr. Orr stated the importance of any assistance as being equitable. Several ideas were put forward, including working with each permit account on a case-by-case basis, waiving one-month of parking fees and offering grants for small businesses. Ms. Pollay stated that she would check with the DDA's attorney, but she did not believe municipal entities like the DDA are legally allowed to give grants to businesses. Mr. Orr suggested and there was consensus to bring to the Board a resolution to give a discount of the fee for one permit, for one-month for each of the approximately 620 accounts. The group also supported the addition that permits required by contract and site plan would be excluded from this discount.

Rate Change Schedule: Ms. Hahlbrock reminded the Committee that the next rate increase is due to take effect on 7/1/2020. The Committee and staff agreed that delaying the increase until 1/1/2021 is the right decision. A resolution will be brought to the Board.

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Public Comment: None.

The next Operations Committee meeting is scheduled for Wednesday, May 27, 2020 at 11 am.

The meeting adjourned at 1:10 pm.

Respectfully submitted by Susan Pollay, Executive Director