

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, May 6, 2020**

Place: Virtual Meeting--Zoom link: <https://us02web.zoom.us/j/89892430111> or by phone 1-877-853-5257 (Meeting ID: 898 9243 0111, Password: 004222)

Time: Chair Orr called the meeting to order at 12:02 pm

1. ROLL CALL

Present: Micah Bartelme, Tom Crawford, Alexandra Dieck, Bob Guenzel, Tyler Kinley, Marie Klopf, Jessica A.S. Letaw, Molly McFarland, Darren McKinnon, Rishi Narayan, Keith Orr, Phil Weiss

Absent: None.

Staff: Susan Pollay, Executive Director
Sara McCallum, Deputy Director
Jada Hahlbrock, Parking Services Manager
Maura Thomson, Communications Manager
Amber Miller, Capital Projects Manager
Kelley Graves, Management Assistant
Liz Rolla, Project Manager

Others: Mike McKiness/Republic Parking System
Chris Simmons/getDowntown

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

2. APPROVAL OF BOARD MEETING AGENDA

Ms. Klopf moved and Mr. McKinnon seconded the motion to approve the Board meeting agenda.

A consent vote on the motion showed:

Ayes: Bartelme, Dieck, Guenzel, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan, Orr, Weiss

Nays: None

Absent: None

By voice vote, the motion passed.

3. AUDIENCE PARTICIPATION

Ms. Sandra Andrade, President of the MSAA expressed appreciation of the DDA covering the cost of sidewalk permits for the downtown businesses. She also thanked the DDA for the bagged meters that are allowing for vital curbside pick-up and delivery for businesses during this time. Ms. Andrade stated the Main Street Area Association does not agree with the resolution being brought forward today to provide a discount of one permit per permit holder account. This does

not benefit or impact the downtown as a whole and is not in keeping with the DDA's mission. She recommends the DDA look for more inclusive opportunities that benefit more stakeholders.

4. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council: The meeting was cancelled. No report.

5. DDA MEMBER COMMUNICATIONS

None.

6. EXECUTIVE DIRECTOR REPORT

Ms. Pollay stated on June 3rd the DDA will present the first of its two informational presentations as required each calendar year by state statute. The presentation will be held at Noon, followed immediately by the regular monthly Board meeting.

7. APPROVAL OF MINUTES

Mr. Guenzel moved and Ms. Letaw seconded the motion to approve the April minutes.

A roll call vote on the motion showed:

Ayes: Bartelme, Dieck, Guenzel, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan, Orr, Weiss

Nays: None

Absent: None

By voice vote, minutes were approved.

8A. SUBCOMMITTEE REPORTS - OPERATIONS COMMITTEE

Presentation-COVID-19 Pandemic Revenue Impacts and Projections:

Staff gave the presentation they gave at the April 22 Ops Committee meeting on the COVID-19 pandemic revenue impacts and projections. 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 stated that DDA staff is prioritizing parking system expenditures relative to the significantly reduced revenues considering what is essential and what can be delayed. Staff remains mindful of the DDA's responsibility for the parking system to be self-supporting, fulfilling its debt service and operations obligations and being attentive to capital expenditures related to structural integrity and safety. This information will be shared at the May Operations Committee meeting.

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 for May have been collected with approximately \$930,000 remaining in outstanding accounts receivable. Ms. Hahlbrock stated the DDA and RPS are working on a phased reopening plan for the parking system.

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. She emphasized that staff will continue to modify them as new information becomes clear. Even with capital expenditures reduced by 50% 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. Questions were asked and answered.

There was discussion about whether to hold more frequent Operations Committee meetings due to the evolving situation. Ms. Pollay does not see that more frequent committee meetings would garner more results as parking system information is received the third week of the month, plus it takes additional time to assemble the level of detailed information as shared in today's presentation, especially with staff working from home. Mr. Orr suggested and there was consent to keep to the one regularly scheduled Ops meeting at the end of the month.

Mr. Weiss moved and Ms. Letaw seconded the following resolution:

RESOLUTION TO DELAY PREAPPROVED JULY 2020 PARKING RATE INCREASES

Whereas, The DDA has worked diligently to operate, maintain and repair public parking facilities to meet its mission to encourage downtown vibrancy and private investment since 1992;

Whereas, Parking revenues are the primary source of funding used by the DDA to pay parking debt service, operations, maintenance, in addition to 20% of adjusted revenues transferred to the City;

Whereas, At its February 2018 meeting, the DDA voted to approve a five-year slate of parking rate increases that would begin on April 1, 2018 and end on July 1, 2022, including rates for monthly parking permits and hourly parking spaces on street;

Whereas, The rate increases scheduled for July 1, 2020 include:

- Monthly permit increases of \$5 for standard permits and \$10 for premium permits
- Flat rate increase from \$4 to \$5 at the 415 W Washington surface lot
- Meter hourly rate increase of .10/hour

Whereas, The Operations Committee has recommended that the DDA delay implementation of its July 1, 2020 parking rate increases until January 1, 2021;

RESOLVED, The DDA supports the recommendation of its Operations Committee and approves delaying implementation of the parking rate increases scheduled to go into effect on July 1, 2020.

A roll call vote on the resolution showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kinley, Klopff, Letaw, McFarland, McKinnon, Narayan, Orr, Weiss

Nays: None

Absent: None

The resolution passed.

Ms. Klopff moved and Mr. Guenzel seconded the following resolution:

RESOLUTION TO APPROVE A DISCOUNT TO MONTHLY PARKING PERMIT HOLDERS

Whereas, The DDA has worked diligently to operate, maintain and repair public parking facilities to meet its mission to encourage downtown vibrancy and private investment since 1992;

Whereas, Parking revenues are the primary source of funding used by the DDA to pay parking debt service, operations, maintenance, in addition to 20% of adjusted revenues transferred to the City;

Whereas, The DDA has responded in a number of ways to help its community impacted by COVID-19, including providing downtown businesses with free on-street pickup/delivery spaces, and waiving penalties for late payment of monthly parking permits;

Whereas, As another effort to assist its community, the Operations Committee has recommended that the DDA provide a discount to every monthly parking permit account, with this discount calculated to be equal to one month's permit fee for one permit;

Whereas, The Operations Committee recommends that this discount not be provided to permit accounts required by contract or City site plans;

RESOLVED, The DDA supports the recommendation of its Operations Committee and approves providing a discount to every monthly parking permit account other than those required by contract or by City site plan; with this discount calculated to be equal to the fee for one permit for one month.

A roll call vote on the resolution showed:

Ayes: Bartelme, Dieck, Guenzel, Kinley, Klopff, Letaw, McFarland, McKinnon, Narayan, Orr, Weiss

Nays: Crawford

Absent: None

The resolution passed.

The next Operations Committee meeting will be scheduled for Wednesday, May 27 at 11:00 am.

8B. SUBCOMMITTEE REPORTS – FINANCE COMMITTEE

Mr. Guenzel stated that the April Finance Committee was cancelled due to a lack of crucial business. Approval of the expense registers will be done at the May Finance Committee meeting. Meanwhile, the draft reports will be posted on the DDA website.

Council is scheduled to approve the FY21 budget at its May 18 meeting.

The next Finance Committee meeting is scheduled for Thursday, May 28 at 9:30 am (new time).

8C. SUBCOMMITTEE REPORTS – CAPITAL IMPROVEMENTS COMMITTEE

Project Updates: Ms. McFarland reported that the tree planting is finishing this week on Huron Street. Final striping is due to be completed next week. Installation and final pavement markings are waiting consistent temperatures above 50 degrees and no rain. Work is underway on First Street with watermain installation on the east side beginning at Liberty and moving north. Installation of the watermain to Huron Street may be completed by the end of next week. Washington Street will be closed Wednesday through Saturday this week for watermain installation and temporary paving. Work at Jefferson Street will also begin this week. Testing of the watermain and beginning installation of conduit on the east side of First Street will begin next week.

SmithGroup Presentation Highlights: Ms. McFarland provided highlights from SmithGroup’s presentation to the Committee on insights and ideas being explored by the Street Design Team. They emphasized the vital role of infrastructure investments like those undertaken by the City and the DDA in building resilient communities. Key elements of resilience in street design projects include ensuring equity, adaptable street design, focus on managing carbon emissions, reducing impacts of urban heat island, building strong flexible infrastructure capacity and supporting human health and wellness. The Team will continue to focus on how to move forward, stay informed, work on project planning and design, plan for public engagement and data collection and, be ready to make adjustments to construction schedules in response to short and long term social distancing guidelines that may impact street design.

The next Capital Improvements Committee meeting will be on Wednesday, May 20 at 11: 00 am.

8D. SUBCOMMITTEE REPORTS- PARTNERSHIPS COMMITTEE

Mr. Kinley moved and Ms. Letaw seconded the following resolution:

RESOLUTION CHANGING THE RECIPIENT OF THE DDA’S MARCH 2020 HOUSING GRANT FROM THE CITY TO THE ANN ARBOR HOUSING COMMISSION TO SUPPORT THE CONSTRUCTION OF AFFORDABLE HOUSING ON DOWNTOWN CITY-OWNED PROPERTY

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Whereas, The DDA is a catalyst for strengthening economic vibrancy and quality of life in the downtown area, and to meet its mission, DDA has supported a variety of downtown affordable housing projects using its Housing Fund, with total grants now surpassing \$5M;

Whereas, The lack of affordable housing in Ann Arbor has become urgent;

Whereas, The City has commissioned a feasibility analysis of the development of affordable housing on underutilized city-owned properties, including eight downtown sites;

Whereas, The DDA provided grants to the City totaling \$100,000 to sponsor public engagement and analyses of 350 S. Fifth Ave. and 415 W. Washington by SmithGroup;

Whereas, Additional analysis and plan development are needed for these sites, and similar engagement and analysis are needed for the remaining downtown city-owned sites as follows;

FY20 Grant Request to the DDA

Community engagement and analysis (SmithGroup) (353 S Main, 721 N Main, S Ashley lot, Catherine/4 th lot)	\$125,000
Downtown Parking Study	\$ 55,000
Downtown Housing Market Analysis	<u>\$ 20,000</u>
	\$200,000

Whereas, At its March 4, 2020 meeting the DDA approved a \$200,000 grant to the City for this work but subsequently it was determined that the grant recipient designation should be changed to the Ann Arbor Housing Commission, as the AAHC will direct the next phase of work;

RESOLVED, The DDA approves changing the recipient designation for its previously approved \$200,000 grant to support the creation of new affordable housing from the City to the Ann Arbor Housing Commission.

A roll call vote on the resolution showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kinley, Klopf, Letaw, McFarland, Narayan, Orr, Weiss

Nays: None

Absent: None

Recused: McKinnon

The resolution passed.

The next Partnerships Committee meeting is scheduled for Wednesday, May 13 at 9:00 am.

8E. SUBCOMMITTEE REPORTS- EXECUTIVE COMMITTEE

Mr. Orr reported the Committee did not meet today. A reminder, as Mr. Pollay reported earlier that on June 3rd the DDA will hold the first of two informational meetings it is required by state statute to hold each calendar year. This will take place at Noon, immediately followed by the regular June Board meeting.

The next Executive Committee is scheduled for Wednesday, June 3 at 11:00 am

9. NEW BUSINES

Mr. Weiss shared that during his absence from the meetings over the past month he has been involved at his bank, Level One, with processing 25% of the bank's 1800 loans approved for Southeast Michigan businesses under the federally funded PPP program in response to the COVID-19 pandemic.

10. OTHER AUDIENCE PARTICIPATION

None.

11. ADJOURNMENT

There being no other business, Mr. Crawford moved and Mr. McKinnon seconded the motion to adjourn. A consensus vote showed no objections. Mr. Orr declared the meeting adjourned at 1:10 pm.