

**Ann Arbor Downtown Development Authority Meeting
Wednesday, September 2, 2020 at 12:00 pm**

Place: Virtual Meeting—Zoom link: <https://us02web.zoom.us/j/85644719881>
Or by Phone: 877-853-5257 (US Toll-free)
Meeting ID: 856 4471 9881 Passcode: 580563

1. ROLL CALL

Present: Micah Bartelme, Tom Crawford, Alexandra Dieck, Bob Guenzel, Ji Hye Kim, Tyler Kinley, Marie Klopf, Jessica A.S. Letaw, Molly McFarland, Darren McKinnon, Rishi Narayan

Absent: Phil Weiss

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/TheRide

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

2. APPROVAL OF BOARD MEETING AGENDA

Mr. Guenzel moved and Ms. Klopf seconded the motion approve the meeting agenda.

A consent vote on the motion to approve the agenda showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: Weiss

The motion was approved.

3. AUDIENCE PARTICIPATION

None.

4. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council: Mr. Kaplan reported Ms. Pollay gave an update to the group on the DDA and City Healthy Streets pilot projects being installed this week which are aimed at creating more social distancing space plus they are study projects utilizing the right of way while vehicular traffic is light. The DDA projects are three temporary protected bikeways and one expanded pedestrian area. CAC members shared their observations about the traffic impacts on Division Streets as that bikeway is being installed, and the need for both driver and cyclist awareness of these new traffic patterns. There was discussion about the expanded patio spaces and

street closures for businesses and whether these may continue/be adapted as the weather changes this fall and winter. The group discussed the UM students returning to campus and fears people have for the potential increase in COVID-19 cases. Members of the Old Fourth Ward created a Downtown Neighbor Guide that was shared with the group.

5. DDA MEMBER COMMUNICATIONS

None.

6. EXECUTIVE DIRECTOR REPORT

Ms. Pollay welcomed new Board member, Ji Hye Kim. Ms. Kim introduced herself as chef and owner of Miss Kim's in Kerrytown. She spoke highly of the DDA's outreach to the community during its 5th & Detroit project, and said she is excited to be a part of the DDA.

7. APPROVAL OF MINUTES

Ms. McFarland moved and Mr. Bartelme seconded a motion to approve the July and August minutes.

A consent vote on the motion to approve the minutes showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: Weiss

The motion was approved.

8A. SUBCOMMITTEE REPORTS –AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT

Mr. Kinley provided overview of the Committee's recommendation that the DDA approve a grant for Lurie Terrace. **Mr. Guenzel moved and Mr. Crawford seconded the following resolution:**

RESOLUTION TO APPROVE A GRANT FOR THE ACQUISITION & RENOVATION OF LURIE TERRACE BY THE ANN ARBOR AFFORDABLE HOUSING CORPORATION

Whereas, In support of its mission the Ann Arbor DDA provides grants from its Housing Fund as part of its effort to support affordable housing both within and near downtown;

Whereas, Lurie Terrace includes two-buildings with 136 apartments located at 600 W Huron, which is within a quarter mile of the DDA District which provides much-needed below market-rate rental housing for households aged 62 years or older;

Whereas, The Ann Arbor Housing Commission (AAHC) has created a new non-profit entity called the Ann Arbor Affordable Housing Corporation (AAHC) to acquire, renovate, and continue to manage the property as below-market rate rental housing for seniors aged 62 and older;

Whereas, AAHC has determined that 40% of the units will be reserved for households up to 60% of

the Area Median Income, and 60% will be reserved for households up to 80% AMI, and all existing over-income tenants will be grandfathered in (approximately 10% of current residents);

Whereas, The purchase price is estimated to be \$4,050,000; The development costs, which include soft costs such as legal, environmental testing, and approximately \$60,000 in renovations, as well as the establishment of a reserve, are estimated to be \$1,286,400 for a total of \$5,336,400;

Whereas, AAAHC is applying for a HUD-insured 223(f) loan for the maximum amount supported by the current rent revenues, which is estimated to be \$4,017,400;

Whereas, The FY21 City Council budget includes \$940,000 to AAHC from the mental health millage, from which \$319,000 was budgeted to acquire Lurie Terrace and \$31,950 was provided from the Ann Arbor Area Community Foundation for pre-development due diligence;

Whereas, The AAHC is requesting up to \$1 million from the Ann Arbor DDA to cover the balance of funding needed for this project, with the actual DDA grant amount dependent on the interest rate that gets locked in at the time that HUD approves the loan;

Whereas, In November 2018 the DDA approved a commitment of \$745,000 from its Housing Fund to realize the goal of a substantial number of affordable housing units created by the redevelopment of the 350 S. Fifth Avenue lot, and subsequently provided a \$25,000 grant to support the lot redevelopment process, thus the balance of the DDA's commitment to this site is \$720,000 and these funds are contained within the current Housing Fund fund balance;

Whereas, To approve the AAAHC grant request to purchase and renovate Lurie Terrace, the DDA will need to temporarily utilize these funds with the understanding that the DDA will have the opportunity to replenish \$720,000 in TIF transfers to its Housing Fund as part its FY22 budget;

Whereas, The DDA's Affordable Housing and Economic Development Committee has reviewed this grant request and recommends DDA approval;

RESOLVED, The DDA approves a grant of up to \$1million from its Housing Fund to the Ann Arbor Affordable Housing Corporation for the acquisition and renovation of Lurie Terrace; and

RESOLVED, The DDA reaffirms its commitment to realize the goal of a substantial number of affordable housing units created by the redevelopment of the 350 S. Fifth Avenue lot, including the intention to budget \$720,000 in future TIF Fund transfers into its Housing Fund to realize this goal.

Ms. McCallum responded to questions regarding the Housing Fund balance. Ms. Hall was asked about the timing of the purchase to which she responded the approval on the federal grant is anticipated in 60-days and the closing date would be sometime in December. Mr. Bartelme emphasized the importance of this project and his support for a DDA grant.

A vote on the resolution showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: Weiss

The resolution was approved.

Affordable Housing: Mr. Kinley reported that Jennifer Hall had provided an update on the status of work examining the redevelopment of 12 City properties for affordable housing sites. The Former Y-Lot is furthest along with Council approving moving forward to create a pre-entitlement plan for the site. Council also approved moving forward to create a pre-entitlement plan for 415 W. Washington, although there currently is no funding for this work. She also said Council unanimously approved placing an affordable housing millage on the November ballot.

The next Affordable Housing/Economic Development Committee meeting will be on Wednesday, September 9 at 9 am with our partners.

8B. SUBCOMMITTEE REPORTS – CAPITAL IMPROVEMENTS COMMITTEE
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Ms. McFarland moved and Ms. Klopf seconded the following resolution:

RESOLUTION TO ADOPT PROJECT VALUES FOR PEOPLE-FRIENDLY STREETS PHASE II

Whereas, The DDA's Development Plan highlighted identity, infrastructure, transportation, sustainability, and housing as key strategy areas, and included transformative and strategic street projects as important tools to achieve DDA goals;

Whereas, In December 2019 the DDA Board approved a \$10M project budget for People-Friendly Streets Round 2 and initiated a planning process to help guide a second round of strategic infrastructure investments;

Whereas, To establish project priorities, provide clear direction to staff, and guide decision making, the DDA Capital Improvements Committee recommends adopting the following project values:

- Safe, comfortable downtown streets
- Equitable, just access for all people
- Affordable and inclusive community
- Resilient, energy responsible downtown
- Vibrant and thriving local economy
- Responsible design and implementation
- Connected community with streets as civic space

RESOLVED, The DDA Board approves the above values to guide People-Friendly Streets Part 2;

RESOLVED, That staff use these values to shape recommended CIP projects and bring recommendations back to the DDA Board for approval.

A vote on the resolution showed:

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

Nays: None

Absent: Weiss

The resolution was approved.

Ms. McFarland moved and Ms. Klopff seconded the following resolution:

RESOLUTION TO SUPPORT THE DDA CAPITAL PROJECTS FOR INCLUSION IN THE CITY CIP FOR FY22

Whereas, Ann Arbor code Chapter 7, Ord. No. 13-28, § 3 requires that the DDA submit their capital projects for inclusion in the City's Capital Improvement Plan (CIP);

Whereas, Upon adoption by the City Planning Commission, the CIP becomes a supporting document for the City's master plan; and the CIP is also used as the source document for the DDA's capital budget planning as well as City's capital budget planning;

Whereas, The DDA's capital projects reflect the DDA Renewal Plan values; and inclusion in the City CIP process ensures coordination with the City;

Whereas, The DDA's Capital Improvement and Operations Committees have reviewed the DDA's updated capital projects and recommend inclusion in the City's CIP;

RESOLVED, The DDA Board accepts the recommendation of its Capital Improvement and Operations Committees and supports the inclusion of these projects in the City's CIP.

A vote on the resolution showed:

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

Nays: None

Absent: Weiss

The resolution was approved.

Project Updates: Ms. Dieck reported that a watermain was installed on 1st near Huron and testing is completed. Conduit installation and road paving south of Huron is delayed awaiting approval of railroad agreements by the City Attorney's office. Landscape maintenance on Huron is ongoing. Miscellaneous punch list items will take place on William in the coming weeks.

Pandemic Response-DDA Support & Pilot Projects: Parking space use for food pick-up/dining and the DDA grant for barricading for street closures continues to be well received by downtown

businesses. The City engaged Cadillac to install street elements for the DDA and City pilot projects and installations began this week. Multiple communication methods with the community are being employed and will continue throughout the pilot projects. Questions were asked and answered.

The next Capital Improvements Committee meeting is scheduled for Thursday, October 21 at 9am.

8C. SUBCOMMITTEE REPORTS – OPERATIONS COMMITTEE
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CIP Recommendations: Mr. McKinnon reported that Parking CIP recommendations were included in the joint CIC/Operations resolution approved earlier in the meeting. He noted the committee understands that the budget has been impacted by the pandemic and the CIP recommendations are not a commitment to spend funds.

Deterrent Fencing: Mr. McKinnon said that the Forest garage, which is co-owned by the City and UofM, is the next location for fencing on the higher levels below roof level. UofM has declined to share in the cost; staff recommended and the committee approved pursuing the project even though DDA will be responsible for the entire cost which is currently estimated to be <\$400,000. Further discussion with UofM regarding cost-sharing will continue. Questions were asked and answered.

Parking Equipment Installation: Installation at the S. Ashley lot was completed in early August. COVID-related supply chain delays have impacted delivery of equipment but full system installation is still expected to be completed by the end of the calendar year.

Annual Restoration Work: Restoration work deemed necessary is underway. The demo and replacement of the SE stair tower at 4th & Washington is scheduled for mid-September. There will only be one stairway available during the project and so parkers will be redirected to other structures to comply with safe occupancy requirements.

Parking Revenue Collections: In July Republic Parking reached out to all permit accounts notifying them of revenue collection process and payment plan options. Several accounts paid their balances in full and others have set up payment plans. Non-responders had their permits deactivated and have until October to contact RPS to avoid being sent to collections. Mr. Crawford asked about the DDA's ability to pay debt service if parking revenues are further reduced; Ms. McCallum said there are no concerns and worst case scenario, structure maintenance will be postponed.

Parking Study: SmithGroup is working with Nelson/Nygaard to update a 2015 parking study with help from RPS to help determine impacts if/when downtown parking lots are redeveloped for affordable housing. Real-time data will be collected when the time is right.

GetDowntown: AAATA began collecting fares again and temporary/reduced service routes are beginning. GoPass! renewals began this week with distribution scheduled for mid-September.

The next Operations Committee meeting is scheduled for Wednesday, September 30 at 11 am.

8D. SUBCOMMITTEE REPORTS- FINANCE COMMITTEE

Mr. Guenzel said the August meeting was cancelled. Ms. McCallum reported all FY20 materials have been given to the auditors. The auditors officially start work tomorrow and will conduct the audit remotely; this has been made easier due to the new BS&A software. Ms. Letaw asked if there will be an impact to the DDA's TIF this year; Ms. McCallum and Mr. Crawford both agreed that this was not anticipated.

The next Finance Committee meeting is scheduled for Thursday, October 1 at 9:00 am.

8E. SUBCOMMITTEE REPORTS- EXECUTIVE COMMITTEE

Ms. Letaw said a special Executive Committee meeting was held last Thursday and a portion of today's committee meeting were dedicated to a discussion on the Executive Director search. The committee explored the potential to create a special workgroup, but it was decided the Executive Committee as a whole will oversee the process and bring recommendations to the Board.

RESOLUTION AUTHORIZING THE DDA EXECUTIVE COMMITTEE TO OVERSEE THE SEARCH FOR THE NEXT DDA EXECUTIVE DIRECTOR

Whereas, DDA Bylaws set forward that the DDA Executive Committee may make recommendations to the Board and shall perform such other duties as specified by the Board;

Whereas, This year the DDA must pursue a search for its next Executive Director;

RESOLVED, The DDA Board authorizes its Executive Committee, with such board and staff input as may be useful, to carry out tasks relating to this selection process, including but not necessarily limited to such matters as creation of a job description and a timeline and providing continuing advice to the Board regarding the process.

A vote on the resolution showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: Weiss

The resolution was approved.

Ms. Letaw said the Executive Committee also decided that additional committee meetings focused on the search would be beneficial. The dates for those meetings will be forthcoming.

The next Executive Committee is scheduled for Wednesday, October 7 at 11:00 am.

9. NEW BUSINESS

None.

10. OTHER AUDIENCE PARTICIPATION

Mr. Honey commended the DDA on its grant for the Lurie Terrace purchase, and asked that it retain its commitment to development of affordable housing with the former Y-Lot.

11. ADJOURNMENT

Ms. Letaw asked for a motion a second to adjourn. Mr. Crawford moved, and Mr. Guenzel seconded the motion to adjourn.

A consent vote on the motion showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: Weiss

The motion passed.

The meeting adjourned at 1:10 pm.

STAFF DRAFT