

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY  
CAPITAL IMPROVEMENTS COMMITTEE MEETING MINUTES  
Tuesday, November 17, 2020**

Place: Virtual Meeting: <https://us02web.zoom.us/j/89699498315> or by Phone:  
1-877-853-5257 Meeting ID: 896 9949 8315 Passcode: 856739

Time: 10:30 am

Committee Present: Alex Dieck, Tyler Kinley, Jessica A.S. Letaw, Molly McFarland, Darren McKinnon

Committee Absent: Micah Bartelme

Other DDA Present: None

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

Others Present: Bob Doyle, Oliver Kiley/SmithGroup, Chris Wall/Wade Trim

Public: Mark Hodesh

Virtual Meeting Guidelines: Ms. McFarland outlined the guidelines for electronic meetings.

People Friendly Streets Phase 2: Ms. Miller reviewed the First & Ashley Street project timeline, noting that Ashley Street construction is expected to take ½ a construction season. First Street construction south of Huron is complete and is substantially complete from Miller to Huron. Work remains to be done between Kingsley and Miller. During the Ashley Street design, staff had been in contact with and had support from property owners on filling in underground vaults on Ashley. Staff will circle back with the property owners for further discussions. Questions were asked and answered.

At the October board meeting staff were directed to determine the implications of delaying construction on Ashley Street which is scheduled to begin in the spring of 2021. DDA staff have been working with its legal counsel, City staff, and the consultant team to provide the committee with a comprehensive review of the feasibility of delaying the project. Ms. Pollay noted the extraordinary amount of time and effort that staff expended this past month to prepare a response. Ms. Miller prefaced the discussion by stating that DDA and City staff do not think it is feasible to delay construction on Ashley Street. She stated the team has assessed sequencing plans to alleviate some of the construction impacts including completing some work over the winter and potentially finishing the project by mid-July.

Ms. McCallum walked the committee through the process by which the First/Ashley/William/Huron bonds were issued in February 2019, noting that that the bond covenants require that the proceeds be spent by 2/6/2022. There are no federal COVID provisions for extending the expenditure period. City Staff and their bond counsel cautioned that if funds are not spent within the established timeframe IRS regulations require a rebate analysis be completed and the tax exempt status of the bonds could be in jeopardy. Because

the bonds were issued by the City, if the DDA failed to comply with the bond provisions, the City would be put in a position of needing to evaluate whether they would need to step in and complete the project with the remaining bond proceeds. McCallum noted that City staff did not support delaying the project, and she voiced concern that doing so could damage the trust relationship between the City and the DDA.

The additional costs and complications associated with delaying the project and impacts to other projects in the CIP that are scheduled for 2022 were shared. Ms. Miller outlined the impacts regarding the contract with Fonson and the cost-share agreement between the DDA and the City. Fonson has not bid on other projects for 2021 as it is committed to the First/Ashley project. Delaying construction could result in a damage claim by Fonson against the DDA and the City. In addition, the City has control over their portion of the Ashley Street scope. Questions were asked and answered.

Mr. Kiley and Mr. Doyle provided a PFS-2 project update. Public engagements will take place in early 2021. Specific design options will be brought to the committee.

Pilot Projects: DDA and City staff are preparing a report on the results of the pilot projects for the DDA Board and City Council.

Pandemic Response: Ms. Thomson reported the street closures ended 11/6. The curbside pick-up program has been extremely well-received and successful. The program is being improved, changing the temporary meter bags installed in March with red bags, designating them as enforceable by City Community Standard, to lessen long-term parkers from using the spaces.

Projects Updates: Ms. Rolla reported work on 1<sup>st</sup> Street will be buttoned up for the winter around Thanksgiving.

Public Comment: Mr. Mark Hodesh expressed his concern for local businesses of moving forward with the Ashley Street project next year as they struggle to recover from the impact of the pandemic. An email from Dick Mitchell expressing his concern for local businesses and his request that the project be delayed until 2022 was read aloud.

The meeting adjourned at 11:50 am

Respectfully submitted,  
Susan Pollay, Executive Director