<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Details</th>
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<tr>
<td>1. Roll Call:</td>
<td>Micah Bartelme, Steve Brummer, Alexandra Dieck, Milton Dohoney, Tyler Kinley, Jessica A. S. Letaw, Jonathan Massey, Darren McKinnon, Mike Michelon, Thressa Nichols, Danielle Vaughn</td>
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<td>2. Approval of the Board Meeting Agenda</td>
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<td>3. Public Comment</td>
<td>(4 people maximum, 4 minutes each)</td>
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<td>4. Reports from City Boards and Commissions</td>
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<td>5. Executive Director Report</td>
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<td>6. DDA Members Communications</td>
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<td>7. Approval of November, December, and January Minutes (Pages 3-20)</td>
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<td>8. Subcommittee Reports</td>
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<td>A. Finance Committee – M. Michelon for M. Bartelme</td>
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<tr>
<td>- DDA FY22 Audited Financial Statements Presentation (Pages 22-38)</td>
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<td>- Resolution to Accept the DDA’s Audited Financial Statements for Fiscal Year 2022 (Page 39)</td>
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<td>- Resolution to Approve Signatories (Pages 88-91)</td>
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<td>- FY24 and FY25 Budget Update</td>
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<td>- Next Committee meeting: Thursday, February 23 2023 at 9 am</td>
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<td>B. Capital Improvements Committee – T. Kinley for A. Dieck</td>
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<td>- Resolution to Grant $135,000 to the City of Ann Arbor for Bikeway Sweeper Equipment (Pages 92-94)</td>
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<td>- Resolution to Approve an Agreement Between the City of Ann Arbor and the DDA for Sidewalk Repairs within the DDA District During FY2023 through FY2026 (Pages 95-96)</td>
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<td>- Resolution to Approve a Contract with SmithGroup for Fourth Avenue Design and Engineering (Pages 97-100)</td>
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<td>- Resolution to Approve a Contract with SmithGroup for a Downtown Area Circulation Study (Page 101)</td>
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<tr>
<td>- Resolution to Approve a South Main Street Construction Cost Sharing Agreement with the City (Pages 150-152)</td>
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<tr>
<td>- Project Updates</td>
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<td>- Next meeting: Wednesday, March 15 at 11 am</td>
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C. Operations Committee – J. Massey
   - Resolution to Approve a Professional Services Agreement with Fishbeck for Engineering Services and Project Administration for FY24 Parking Structure Repairs (Page 159)
   - Quarterly Revenue Update (Pages 165-169)
   - Curb Management Study Update
   - Parking Rate Study Update
   - Next Committee meeting: Wednesday, February 22 at 11 am

D. Affordable Housing/Economic Development Committee – T. Kinley
   - Unhoused Population Discussion-Summary
   - Partner Updates
   - Next meeting: Wednesday, February 8 at 9 am (DDA only)

E. Executive Committee – T. Kinley
   - Executive Director Update
   - Next Committee meeting: Wednesday, March 1 at 11:30 am

9. New Business

10. Public Comment (4 minutes each)

11. Adjournment
1. ROLL CALL

Present: Micah Bartelme, Alex Dieck, Tyler Kinley, Jessica A.S. Letaw, Jonathan Massey, Darren McKinnon, Mike Michelon, Thressa Nichols, Danielle Vaughn

Absent: Steven Brummer, Milton Dohoney

Staff: Jeffrey Watson, Executive Director
Maura Thomson, Communications Manager
Sara McCallum, Deputy Director/Accounting Director
Jada Hahlbrock, Manager of Parking Services
Amber Miller, Capital Projects and Planning Manager
Kelley Graves, Management Assistant/Board Secretary
Hayett Chater, Accounts Payable and Procurement Specialist
Shelby Mistor, Planning Specialist
Luke Ranker, Intern

Others: Jennifer Hall, Tim Olivier/AAHC

Public: Members of the public were in attendance.

2. APPROVAL OF BOARD MEETING AGENDA

Ms. Letaw moved and Mr. McKinnon seconded the motion to approve the board agenda.

A vote on the motion showed:
Ayes: Bartelme, Dieck, Kinley, Letaw, Massey, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Brummer, Dohoney

The motion was approved.

3. PUBLIC COMMENT

None.

4. APPROVAL OF MINUTES

Mr. Bartelme moved and Mr. Michelon seconded a motion to approve the September and October minutes.

A vote on the motion showed:
Ayes: Bartelme, Dieck, Kinley, Letaw, Massey, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Brummer, Dohoney

The motion was approved.

5. REPORTS FROM CITY BOARDS AND COMMISSIONS

None.
6. **DDA MEMBER COMMUNICATIONS**  
Ms. Letaw stated that election day is next Tuesday, November 8, 2022.

7. **EXECUTIVE DIRECTOR REPORT**  
Mr. Watson welcomed new DDA Board members, Thressa Nichols and Danielle Vaughn. He said is working on scheduling an orientation for the new DDA board members. He reminded the board that per the 2019 amendment to the state statute, DDA’s are required to hold a minimum of two informational meetings per calendar year. The DDA’s second informational meeting for 2022 will be held on Wednesday, December 7th, ahead of the regular board meeting. Mr. Watson will be giving a DDA overview/presentation to new City Council members on November 29th. He reported that the go!pass program is seeing a steady increase in participation and shared a positive patron email. The new program cycle began yesterday. Mr. Watson shared the Maura Thomson volunteered to be on the City’s Bicentennial Committee. The City’s budget kick off meeting is scheduled for November 15th.

8A. **SUBCOMMITTEE REPORTS—AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT**  
Ms. Hall and Mr. Olivier gave a presentation on the AAHC’s Baker Commons’ grant request. Questions were asked and answered.

After the presentation, Mr. Kinley moved and Mr. Bartelme seconded the following resolution:

**RESOLUTION APPROVING A GRANT TO THE ANN ARBOR HOUSING DEVELOPMENT CORPORATION TO ASSIST WITH CAPITAL IMPROVEMENTS TO BAKER COMMONS**

Whereas, The Ann Arbor Downtown Development Authority (DDA) is a catalyst for strengthening economic vibrancy and quality of life in the downtown area, and to meet its mission, the DDA has supported a variety of downtown affordable housing projects, including projects which serve residents earning below 60% of Area Median Income;  
Whereas, The Ann Arbor Housing Commission (AAHC) works with its associated Ann Arbor Housing Development Corporation (AAHDC), which is an “instrumentality” of the AAHC created in 1979, to serve as the development, grant, and services nonprofit for non-federally funded projects;  
Whereas, The DDA provided $1.426M in funding support to the AAHC and the associated AAHDC between 2012 and 2020 to help complete in excess of $10M in renovations at Baker Commons, including many energy efficiency upgrades;  
Whereas, Baker Commons has 64 apartments, and 94% of its tenants have extremely low incomes (below 30% AMI) and 6% are very low income (below 50% AMI), and the DDA’s investments enable the building to remain available as a vital downtown affordable housing option;  
Whereas, City of Ann Arbor Ordinance, Section 1:156(e), adopted in 2013 and amended in 2020, establishes a minimum amount of Tax Increment Financing (TIF) be set aside annually in its Housing Fund and restricts those funds to the support of affordable housing to residents with incomes at or below 60% of the Area Median Income (AMI), and this project is compliant with that restriction;  
Whereas, The DDA Housing Fund currently has a budget capacity of $876,624 for grants in FY2023, and also has the ability established by DDA and City resolution to roll forward unspent dollars for grants to better accommodate project timing;
Whereas, The Ann Arbor Housing Commission has requested that the DDA Board provide a new grant for Baker Commons to support several needed capital maintenance projects, including:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>HVAC</td>
<td>$334,251</td>
</tr>
<tr>
<td>Masonry</td>
<td>$88,580</td>
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<tr>
<td>Electrical</td>
<td>$10,000</td>
</tr>
<tr>
<td>Trash Room</td>
<td>$35,000</td>
</tr>
<tr>
<td>Community Room</td>
<td>$20,000</td>
</tr>
<tr>
<td>Parking Lot</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$537,831</strong></td>
</tr>
<tr>
<td>10% contingency</td>
<td><strong>$53,783</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$591,614</strong></td>
</tr>
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Whereas, The Affordable Housing/Economic Development (AH/ED) Committee has reviewed and recommends approval of this request;

RESOLVED, The DDA approves a grant from its Housing Fund to the AAHDC for capital maintenance at their Baker Commons property, in an amount not to exceed $591,614;

RESOLVED, The DDA Board authorizes the DDA Accounting Director to release grant funds to the AAHDC as follows:

- Advance prior to the start of construction – 50% of total estimated project costs
- Remainder of funding shall be on a reimbursement basis, subject to review and acceptance of invoices for actual work performed

Prior to the vote, Mr. McKinnon recused himself because he is doing consulting work with the AAHC.

A vote on the resolution showed:
- **Ayes:** Bartelme, Dieck, Kinley, Letaw, Massey, Michelon, Nichols, Vaughn
- **Nays:** None
- **Recused:** McKinnon
- **Absent:** Brummer, Dohoney

The resolution was approved.

The next Affordable Housing/Economic Development Committee meeting is scheduled for Wednesday, November 9 at 9:00 am.

**8B. SUBCOMMITTEE REPORTS—CAPITAL IMPROVEMENTS COMMITTEE**

Communication and Engagement: Ms. Dieck reported on staff’s continuing communication and engagement work that will be discussed in more detail at the next CIC meeting. The Peoplefriendlystreets.org website has been integrated into the DDA website. Staff worked with Community Television Network to produce a bikeway educational video. The video runs on Channel 16 and can be found on the DDA website and YouTube. Staff partnered with the Shelter Association of Washtenaw to host two educational events at the Delonis Center on Huron Street. Events were held in September and October where over 50 bike lights and 75 pieces of reflective gear were distributed to Delonis clients. Common Cycle joined the DDA at both events providing bike repair services.
Ms. Miller gave a presentation on the DDA’s FY2024-2029 Operations and Capital Improvements CIP. Questions were asked and answered.

After the presentation, Ms. Dieck moved and Mr. McKinnon seconded the following resolution.

RESOLUTION TO SUPPORT THE DDA CAPITAL PROJECTS FOR INCLUSION IN THE CITY CIP FOR FY 2024-2029

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 People-Friendly Streets 2 recommendations; 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, as outlined in the attached document, 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, Dieck, Kinley, Letaw, Massey, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Brummer, Dohoney
The resolution was approved.

Ms. Dieck moved and Mr. Bartelme seconded the following resolution:

RESOLUTION TO AUTHORIZE A $600,000 CONTRACT FOR ROW REPAIR WORK IN 23 AND 24

Whereas, The DDA’s Development Plan highlights identity, infrastructure, and transportation as overarching strategy areas, which includes improving economic vitality through pedestrian improvements;

Whereas, As part of its annual maintenance efforts, the DDA is responsible for specific ROW repairs and improvements including repairing sidewalk brick and the sidewalk extension area;

Whereas, Through their procurement process (ITB 4677), the City of Ann Arbor selected Doan Construction Co for the City Sidewalk Repair Program;

Whereas, The DDA staff recommends using the same City-selected contractor to undertake as-needed ROW repairs; and

Whereas, The DDA’s approved TIF budget includes $550,000 annually for general capital improvements and maintenance;
Resolved, The DDA Board authorizes the DDA Executive Director to execute a $600,000 contract with Doan Construction Co. for ROW repair work in FY 2023 and 2024.

A vote on the resolution showed:
Ayes: Bartelme, Dieck, Kinley, Letaw, Massey, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Brummer, Dohoney
The resolution was approved

Ms. Dieck moved and Ms. Letaw seconded the following resolution:

RESOLUTION TO AUTHORIZE A $124,000 CONTRACT FOR ANNUAL SEASONAL LIGHTING

Whereas, The DDA’s Development Plan highlights identity, infrastructure, and business encouragement as overarching strategy areas, which includes encouraging economic vitality through pedestrian improvements;

Whereas, As part of its annual pedestrian improvements, the DDA has contracted a seasonal light installation for over 20 years to provide supplemental interest and lighting during the shortest days of the year (November - March);

Whereas, DDA staff issued an RFP for seasonal lighting in September 2022 and received two responses on October 3rd, 2022;

Whereas, DDA staff determined Faith Lawn Property Maintenance to be the most responsive, with a lump sum price of $98,800, plus hourly rates for as-call services;

Whereas, The DDA staff recommends Faith Lawn Property Maintenance to provide seasonal lighting for the 2022-2023 seasons for a not to exceed annual price of $124,000, with an option for two consecutive administrative renewals;

Whereas, The DDA’s approved budget (TIF) includes capacity for this service and this recommendation is supported by the Capital Improvements Committee;

Resolved, The DDA Board authorizes the DDA Executive Director to execute a not to exceed contract of $124,000 with Faith Lawn Property Maintenance for seasonal lighting in the 2022-2023 season, with the option of two consecutive administrative renewals.

A vote on the resolution showed:
Ayes: Bartelme, Dieck, Kinley, Letaw, Massey, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Brummer, Dohoney
The resolution was approved.

Project Updates: Miller/Catherine and 4th Avenue reopened to vehicular traffic on October 28th. The contractor anticipates opening the bikeway once the final signage is in place. State Street reopened on October 8th. Ongoing supply chain issues have delayed street light installation.

The next Capital Improvements Committee meeting is scheduled for Wednesday, November 16 at 11 am.
### 8C. SUBCOMMITTEE REPORTS-OPERATIONS COMMITTEE

**Parking System Financials:** Dr. Massey reported that the Committee decided at its September meeting to move from monthly to quarterly reporting as post-pandemic the volatility has leveled out.

**Parking Structure Fencing:** Dr. Massey said that a recent incident at one of the parking structures prompted City Council to pass a resolution regarding parking structure fencing. The Committee asked Ms. Hahlbrock to document in a memo the DDA’s past and ongoing commitment to parking structure fencing, which was included in the board packet. Suicide deterrence and fall prevention fencing is integrated into the DDA’s parking operation. Staff will continue its work with its engineering firm to assess fencing condition and options, and preparation of construction drawings for the remaining unfenced levels.

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

### 8D. SUBCOMMITTEE REPORTS-FINANCE COMMITTEE

Mr. Bartelme reported the October Finance Committee meeting was cancelled due to a lack of agenda items. The FY 2022 audit may be a topic at the next Committee meeting.

The next Finance Committee meeting is scheduled for Thursday, December 1 at 9 am.

### 8E. SUBCOMMITTEE REPORTS-EXECUTIVE COMMITTEE

Mr. Kinley said the Committee reviewed today’s board meeting agenda.

The next Executive Committee meeting is scheduled for Wednesday, December 7 at 11:30 am.

### 9. NEW BUSINESS

**Finance Committee Assignment:** Mr. Kinley assigned Mr. Michelon to the Finance Committee.

**DDA 2023 Calendar:** The 2023 committees and board meetings’ calendar was included in the board packet. Members will receive Outlook invites for all 2023 meetings before the end of the year.

### 10. PUBLIC COMMENT

None.

### 11. ADJOURNMENT

Ms. Letaw moved and Mr. Bartelme seconded the motion to adjourn.

The meeting adjourned at 1:20 pm.

Respectfully submitted,
Kelley A. Graves, Board Secretary
Place: DDA Office, 150, S. Fifth Ave., Suite 301, Ann Arbor, MI 48104

Time: 11:30 am

Present: Micah Bartelme, Kelley Graves, Tyler Kinley, Jessica A.S. Letaw, Jeffrey Watson

Staff: Jada Hahlbrock, Sara McCallum, Amber Miller, Maura Thomson

Public: None.

The Committee reviewed the agenda for today’s Board meeting.

New Business: The Committee discussed the vacant Vice Chair position. No action taken.

Public Comment: None.

Adjournment: There being no other business, the meeting adjourned at 11:40 am.

Respectfully submitted,
Kelley A. Graves, Board Secretary
The main focus of the meeting was a discussion about Ann Arbor’s unhoused population. Guests included Ms. Aubrey Patino, Director of Avalon Housing, Teresa Gilotti, Director of Washtenaw County Office of Community and Economic Development, and Jennifer Hall, Director of the Ann Arbor Housing Commission. They provided data and detailed information about their individual organizations’ properties and services, and ongoing initiatives.

Ms. Patino emphasized focusing on housing being “a right not a reward.” There was discussion about episodic and chronic homeless populations. The majority are episodic, which self-resolve within a short period of time. The other part of the population is categorized as chronic, requiring the most support services and has a higher cost to provide ongoing assistance. There was significant funding available at both the state and federal level during the pandemic. These funding sources, extensions, and moratoriums on evictions are ending. In addition to the decreased funding, all of the organizations are experiencing staffing and supply shortages. Questions were asked and answered. It was a very in-depth and informative discussion. It was agreed that ongoing education, awareness, and support are needed.

Mr. Kinley asked all three guests to email links to their organization information, data, volunteer, and donation opportunities discussed during the meeting. The links are provided below:

- Recent data on homelessness: [www.washtenaw.org/coc](http://www.washtenaw.org/coc)
- Monthly newsletter on the Continuum of Care: [https://www.washtenaw.org/3591/CoC-Newsletter](https://www.washtenaw.org/3591/CoC-Newsletter)
- Sign-up link for daytime warming center needs /volunteering: [https://www.signupgenius.com/tabs/53177db0ea42-daytime](https://www.signupgenius.com/tabs/53177db0ea42-daytime)
- Donations to Avalon may be made through the website ([www.avalonhousing.org](http://www.avalonhousing.org))
- Properties the AAHC is developing on city-owned sites: [Development of City-Owned Properties as Affordable Housing (a2gov.org)](http://a2gov.org)
- Washtenaw Housing Alliance’s State of Homelessness & Affordable Housing event is scheduled for Tuesday, November 15th from 8am-10:30am at Washtenaw Community College – Morris Lawrence Building ([event webpage here](http://eventwebpagehere)). Registration is closed.
Partner updates were also shared today:

**AAATA:** Mr. Carpenter said the AAATA millage approved earlier this year will support the efforts of Avalon Housing, AAHC, and Washtenaw County with additional routes and longer hours of service. He said the AAATA conducted an Alternative Propulsion Bus Study as part of its exploration of zero emission bus propulsion technology ([https://www.theride.org/about/projects/theride-zero-emission-buses](https://www.theride.org/about/projects/theride-zero-emission-buses)).

**DDA:** Mr. Watson said the DDA provides the funding for the getDowntown go!pass program in support of the efforts to provide accessible and affordable transportation for the community. He shared an email from go!pass program participant, Café Zola expressing the positive impact of the program for their employees and their business.

**Planning Commission:** Ms. Gibbs-Randall said the Commission is currently reviewing several developments. The only downtown location being reviewed at this time is the Treasure Mart on Detroit Street that was purchased by a church. The Commission continues its work plan discussions that include D1 and D2 zoning, an electrification ordinance, a site plan light for smaller projects, and mixed-use neighborhoods.

**AADL:** Mr. Neiburger said work continues on the Scio Township warehouse that the Library District purchased for housing its archives and some of its operations. Once completed, renovations will begin on the downtown AADL to create more public space. The Library is seeing an increase in patrons overall with a high percentage still utilizing library resources remotely vs. in-person.

**Public Comment:**
Mr. Haber asked about the potential for development of the air space above the BTC as part of the AAHC development at 350 S. Fifth Ave. (old Y-Lot) and the financing/cost aspect of the project. Though not the norm to respond to public comment, Ms. Hall and Mr. Carpenter answered Mr. Haber’s question. This option was discussed during the planning stage. It was determined that because the optimal number of affordable housing units could not be built in the air space above the BTC and, that the AAHC would be subject to the same extensive federal regulations as the AAATA if affordable housing units were built in that space, this was not a viable option.

Ms. Andrade (MSAA), Ms. Todoro-Hargreaves (SSAA), and Carolyn and Joseph Arcure (residents) thanked everyone for the discussion on Ann Arbor’s unhoused population.

The next Affordable Housing/Economic Development Committee meeting (DDA only) is scheduled for December 14, 2022 at 9 am.

The meeting adjourned at 10:55 am.

Respectfully submitted,
Kelley A. Graves, Board Secretary
ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, December 7, 2022

Place: DDA Office, 150 S. Fifth Ave., Suite 301, Ann Arbor, MI 48104
Time: 12 Noon

ROLL CALL

Present: Micah Bartelme, Steve Brummer, Alex Dieck, Milton Dohoney, Tyler Kinley, Jessica A.S. Letaw, Darren McKinnon, Mike Michelon, Thressa Nichols, Danielle Vaughn

Absent: Jonathan Massey

Staff: Jeffrey Watson, Executive Director
Maura Thomson, Communications Manager
Sara McCallum, Deputy Director/Accounting Director
Jada Hahlbrock, Parking Services Manager
Amber Miller, Capital and Private Projects Manager
Kelley Graves, Management Assistant/Board Secretary
Hayett Chater, Accounts Payable and Procurement Specialist
Shelby Mistor, Planning Specialist

Others: Jerry Lax/DDA Attorney, Peter Honeyman/DACAC

Public: Members of the public were in attendance.

APPROVAL OF BOARD MEETING AGENDA

Mr. Bartelme moved and Ms. Letaw seconded the motion to approve the board agenda.

A vote on the motion showed:
Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Massey

The motion was approved.

PUBLIC COMMENT

Mr. Honeyman provided a report on the DACAC’s 12/6/22 meeting. Molly Maciejewski gave a written update on solid waste progress. CAC remains supportive of proper solid waste management. Frances Todoro reported on feeling safe downtown and the increased police presence over the next few weeks. City Planner Jeff Kahn and Transportation Manager Raymond Hess presented overviews of their scope of work. Members of the CAC stated their continued general support of increased density and more downtown residents. Vision Zero, cyclist responsibility, and MDOT control of streets were discussed. Possibility of state legislation to provide more local control was introduced.

NEW BUSINESS

The Board welcomed new board member, Steve Brummer.

Mr. Kinley stated that the DDA Board would be going into a closed session as authorized under Michigan Act 267 of 1976 Open Meetings Act, MCLA 15.268, sec. 8 (1) (2) (a) to discuss the Executive Director’s performance review, the Rehmann Assessment Report, and attorney/client communication. Mr. Watson has requested a closed session.
Mr. Dohoney moved and Mr. Michelon seconded the motion to go into closed session.

A vote on the motion showed:
Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Massey
The motion was approved.

CLOSED SESSION
The Board entered the closed session at 12:06 pm. The Board returned from the closed session at 1:20 pm.

BOARD RECOMMENDATION
Mr. Kinley moved and Mr. Dohoney seconded the following resolution:
RESOLUTION REGARDING SEPARATION AGREEMENT FOR MR. JEFF WATSON FROM THE ANN ARBOR
DDA AND MUTUAL RELEASE IN A FORM APPROVED BY THE DDA ATTORNEY

RESOLVED, Effective, December 7, 2022, the DDA Board agrees to Mr. Watson’s separation of employment from the DDA, which should include severance payment and relocation reimbursement in the amount of severance provided in the employment agreement, subject to Mr. Watson and the DDA entering into a satisfactory severance agreement and mutual release in a form approved by the DDA attorney, which such terms shall include, but not be limited to, a mutual release of all claims;

RESOLVED, The DDA Board authorizes the DDA Board Chairperson to review and execute the necessary separation agreement.

A vote on the resolution showed:
Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Massey
The resolution was approved.
December 7, 2022

Mr. Bartelme moved and Mr. Dohoney seconded the following resolution:
RESOLUTION TO APPOINT MAURA THOMSON AS INTERIM DDA EXECUTIVE DIRECTOR

Whereas, As of December 7, 2022, the office of DDA Executive Director is vacant;

Whereas, The DDA Board finds that Maura Thomson has the skills and experience needed to perform the duties to serve as Interim Executive Director;

Resolved, The DDA appoints Maura Thomson to serve as Interim DDA Executive Director effective December 7, 2022 until such time as a permanent DDA Executive Director is appointed by the DDA board and takes office;

Resolved, During the time she serves as Interim Executive Director Maura Thomson shall be paid an amount equal to the annual salary received by the most recent Executive Director, annually;
Resolved, During the time she serves as Interim Executive Director Maura Thomson shall also perform
the essential duties of the DDA Communications Manager;

A vote on the resolution showed:
Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Massey
The resolution was approved.
December 7, 2022

PUBLIC COMMENT
None.

ADJOURNMENT
Mr. Brummer moved and Ms. Letaw seconded the motion to adjourn.

A vote on the motion showed:
Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Massey
The motion was approved.

The meeting adjourned at 1:30 pm.

Respectfully submitted,
Kelley A. Graves, Board Secretary
Place: DDA Office, 150, S. Fifth Ave., Suite 301, Ann Arbor, MI 48104

Time: 11:40 am

Present: Micah Bartelme, Kelley Graves, Tyler Kinley, Jessica A.S. Letaw, Jeffrey Watson

Staff: Jada Hahlbrock, Sara McCallum, Amber Miller, Maura Thomson

Public: Peter Honeyman

The Committee reviewed the agenda for today’s Board meeting.

Public Comment: None.

Adjournment: There being no other business, the meeting adjourned at 11:50 am

Respectfully submitted,
Kelley A. Graves, Board Secretary
### ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
### CAPITAL IMPROVEMENTS COMMITTEE MEETING MINUTES
### Wednesday, December 21, 2022

**Place:** DDA Office, 150 S. Fifth Ave., Suite 301, Ann Arbor, MI 48104  
**Time:** 11:15 am  
**Committee Present:** Alex Dieck, Tyler Kinley, Jessica A.S. Letaw  
**Committee Absent:** Darren McKinnon  
**Other Board Members:** Mike Michelon  
**Staff:** Amber Miller, Kelley Graves, Jada Hahlbrock, Shelby Mistor, Maura Thomson  
**Public:** None

**Resolution-Sidewalk Repair Agreement:** Ms. Miller provided a brief history of the Sidewalk Repair Agreement between the City and the DDA. She presented a graphic depicting the DDA capital project and maintenance responsibilities. The resolution is to approve the renewal of the agreement with the City for sidewalk repairs within the DDA District from FY 2023 – FY 2026, whereby the DDA pays its capture of the sidewalk millage to the City and, in return, the City maintains the sidewalks within the DDA District. This City-managed program has been working successfully since 2012. Staff recommended and the Committee agreed to bring the resolution to the Board.

**Resolution-Bikeway Sweeper Equipment:** The DDA regularly monitors and makes adjustments as needed to its capital projects. The DDA has added loading zones and delineators to the six Bikeway miles installed on four downtown streets. Illegal parking in the bikeways remains an ongoing issue. The DDA would like to install centerline delineators, narrowing the width of the bikeways and deterring delivery drivers from parking in them. The City’s standard street sweepers will not fit in the narrowed bikeways. The City has identified an electric equipment option at a cost of $270,000. The City plans to expand the bikeway network outside of the downtown, which will also require the use of a narrower street sweeper. The resolution would approve the 50/50 cost-share between the City and the DDA for the purchase of the new sweeper in FY24. Staff recommended and the Committee agreed to bring the resolution to the Board.

**Project Updates:** Ms. Miller said the State Trunkline Transfer Study previously rejected by City Council in 2019 was brought forward again and approved at the last Council meeting. This study will inform the cost/benefit of switching control of the State Trunklines (including Huron Street) from the State to the City. Ms. Miller will attend the kickoff meeting in January. She also provided updates on the Fourth Avenue final design and engineering scope and the Downtown Area Circulation Study scope. Questions were asked and answered.

**Public Comment:** None.

The meeting adjourned at 12 Noon.

Respectfully submitted,  
Kelley A. Graves, Board Secretary
Two Resolutions to Approve Two Contracts with SmithGroup: Ms. Miller talked the Committee through the details of the memo for both resolutions included in the CIC packet. The People-Friendly Streets 2 (PFS 2) planning process began in 2020. Four projects were identified and the conceptual work was completed. The Division Street and Miller/Catherine projects’ final engineering and construction have advanced. The DDA Board supported including the other two projects—the 4th Avenue Engineering Project and the Circulation Study—in the CIP. The DDA CIP was approved at the November 2022 DDA Board meeting and has since been adopted as part of the City’s overall CIP by the Planning Commission.

The first resolution is to approve a contract with SmithGroup for 4th Avenue design and engineering and is a cost-share agreement between the DDA, the City, and the AAATA. The project focus is between William and Liberty streets. It includes public storm main relocation, private utility connections to support the AAHC project at 350 S. Fifth Avenue, and streetscape work to improve transit stop comfort and access.

The second resolution is to approve a contract with SmithGroup under a cost share agreement for the downtown area circulation study. It will include potential additional bikeway connections, a transit street prioritization plan, a Fifth Avenue and Division Street two-way traffic feasibility study, an event streets feasibility study, and a multimodal operational model. The results of the study will inform the next round of projects.

The DDA will manage both contracts, receiving reimbursement from the City and AAATA for their share of the costs. Questions were asked and answered. The Committee agreed to bring both resolutions to the Board.

Resolution to Approve South Main Street Construction Cost Sharing Agreement with City: The South Main Street Project includes addressing critical water infrastructure and road conditions. The project lends itself to the City and the DDA coordinating infrastructure work elements including replacing irrigation services, meter pits, and irrigation connections. This aligns with the DDA’s responsibilities of taking over the restoration and maintenance of irrigation systems set forth in the State Street Project. The City will manage the contractor and the DDA will reimburse the City for its portion of the construction costs. Questions were asked and answered. The Committee agreed to bring the resolution to the Board.
**December CIC Resolutions:** Ms. Miller reminded the Committee that the resolutions regarding the cost-share with the City for a new bikeway sweeper and the resolution regarding sidewalk repairs within the DDA District that the Committee reviewed at its November meeting will be brought to the February Board meeting.

**Project Update:** Phase II of the State Street Project is scheduled to begin in February with DTE’s work on the gas main. Fonson will begin work in March. The surface work is expected to be completed by Art Fair. DDA Staff met with businesses and area associations yesterday to discuss the project construction schedule. The meeting was recorded and will be available on the DDA website.

Ms. Miller provided a brief background on the discussions over the past few years about including Main Street capital projects in the CIP and the Main Street businesses’ preference for keeping the scope of the work limited to watermain work rather than a larger capital project with streetscape work.

**Public Comment:** Mr. Honeyman said the DACAC has discussed the need and growing demand for capital project changes on Main Street over the next five years.

The meeting adjourned at 11:55 am.

Respectfully submitted,
Kelley A. Graves, Board Secretary
Parking System Financials: The parking system financials as of December 31, 2022 were shared with the Committee. Total revenues to-date are up almost $1.3M. Staff noted they seem to have leveled off. Ending FY23 revenues anticipated to be at about 14% over budget. For the upcoming rate study, it will be important to keep the lost revenue over the past three years and the FY23 anticipated loss in mind. It is also important to remember that a large part of the loss was offset by the deferment of capital maintenance, which will need to be reviewed and prioritized for inclusion back into the budget. If the trend of both the City 20% Payment and Credit Card Charges continues being over 50% of budget due to revenues being up, the DDA will be seeking a budget amendment before year-end as was done last year.

The FY24 and FY25 budget overview was shared with the Committee. Rather than anticipating the results of the rate study, staff included a conservative 3% increase to revenues and a 4% COL increase on the expenditure side in both budget years. The final requested budget will come to Finance Committee on February 23, and to the Board on March 1. If approved, it will move on to City Council and then come back to the Board for final approval in June. Questions were asked and answered.

Parking Structure Fencing: Ms. Hahlbrock provided a summary of the ongoing parking structure fencing work. Inspections and repairs are being done now. Specifications, drawings, and bid documents for additional fencing for levels three and above are being prepared and work will be bid in February. Fishbeck is compiling it recommendations for parking structure rooftops, including material options and costs based on best practice research.

Parking Structure Restoration Resolution: Ms. Hahlbrock recommended, and the Committee agreed to bring forward the resolution to approve an agreement with Fishbeck for engineering services and project administration for FY24 parking structure repairs. The Board selected Fishbeck to perform this work on an as needed basis in December 2021.
Curb Management Study Update: Walker Consultants’ work on the study is going well. They have met with the Disabilities Commission, Transportation Commission, DDA Board and Street Design Team. Ms. Hahlbrock said they have created an IQ database and curb mapping tool and will present it to the Operations Committee at an upcoming meeting. Staff and the Consultant are developing the pilot program based on the information gathered during the study to include 15-minute parking zones on Liberty and Forest. The study outcome goal is to provide realistic recommendations for both actions that may be undertaken now and those for future consideration. Ms. Hahlbrock said it will function as an ‘operational handbook.’

Parking Rate Study: The RFP was released in December. Responses are due by January 31st. The RFP specified the DDA is looking for a comprehensive review and recommendations. The study will inform discussion and decisions by the DDA around rates and rate structures that meet both financial needs and align with DDA’s goals. The DDA Operations and Finance Committee will work together to develop and bring recommendations to the Board.

PCI Municipal Services: Mr. McKiness reported a fire that destroyed two businesses, next to the Maynard parking structure on Friday. PCI MS team members were on-site all day as the Ann Arbor Fire Department battled the fire. Ms. Hahlbrock had Fishbeck inspect the site on Monday to determine if there was any damage to the Maynard parking structure. They are compiling their report.

The Ride: Ms. Web reported on the 2022 year-end and 2023 year-to-date go!pass participants. She said some minor service adjustments were implemented as of Sunday, January 22nd. The Conquer the Cold Challenge began on January 10th and runs through February 10th.

New Business: Mr. Massey requested that the Operations Committee meeting Outlook invites be revised from two-hour time blocks to 90-minutes moving forward.

Public Comment: None.

The meeting adjourned at 12:15 pm.

Respectfully submitted by:
Kelley A. Graves, Board Secretary
Agenda Item

TO: Members of the Ann Arbor DDA Board
FROM: Sara McCallum, Deputy Director
ITEM #: Audit Report FY22
MEETING DATE: February 1, 2023, 12:00 noon

Daniel Clark, CPA, Signing Principal, and Dan Merritt, CPA, Senior Manager for Rehmann will be present to present the DDA’s FY22 Audit Report and answer any questions the Board may have.

After receiving Rehmann’s report, the Board will be asked to consider the Resolution to Accept the FY22 Audited Financial Statements.

Included in the Board Packet for your review today:

- Rehmann’s FY22 Audit Presentation
- The FY22 Audited Financial Statements
- The Independent Auditor’s Communication with Those Charged with Governance
- The Resolution to Accept the FY22 Audited Financial Statements

ACTION REQUESTED:

Receive the Audit Report, review the Financial Statements and Audit Letter, and consider approval of the Resolution to Accept the DDA’s Audited Financial Statements for Fiscal Year 2022.
Our Agenda for Today

- Team Members
- Questions
- Board Communications
- Financial Results
- Upcoming Accounting Pronouncements
Meet the People on Your Team

Daniel Clark, CPA
Signing Principal

Dan Merritt, CPA
Senior Manager

Shelby Bailey
Senior

Not Pictured Here
An unmodified opinion was given on the 6/30/2022 financial statements

One new accounting pronouncement was adopted in FY22 – GASB87 Leases

Accounting estimates by management were assessed and deemed reasonable

No difficulties were encountered during the audit

No material misstatements were noted. No uncorrected misstatement were noted

No material weaknesses, significant deficiencies, or other matters were noted
## Assets

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<th>6/30/2022</th>
<th>6/30/2021</th>
<th>Variance</th>
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<td>Cash and investments</td>
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<td>Receivables</td>
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# Liabilities

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<td>AP and accrued liabilities</td>
<td>$3,295,000</td>
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<td>Compensated absences</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$3,429,000</strong></td>
<td><strong>$3,309,000</strong></td>
<td><strong>$120,000</strong></td>
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Net Position (Government-Wide)

- 2018: $15,547,012
- 2019: $19,982,398
- 2020: $22,330,292
- 2021: $20,964,849
- 2022: $25,672,928

Unrestricted
Securities offered through Rehmann Financial Network, LLC, member FINRA/SIPC. Investment advisory services offered through Rehmann Financial, a Registered Investment Advisor.
Major Revenue Line Items (Governmental Funds)

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<tr>
<th>Year</th>
<th>Charges for Services</th>
<th>Property Taxes</th>
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<tr>
<td>2018</td>
<td>$6,460,184</td>
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<td>2019</td>
<td>$6,837,590</td>
<td>$7,017,309</td>
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<td>2020</td>
<td>$7,350,768</td>
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<tr>
<td>2021</td>
<td></td>
<td>$7,928,843</td>
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<tr>
<td>2022</td>
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Securities offered through Rehmann Financial Network, LLC, member FINRA/SIPC. Investment advisory services offered through Rehmann Financial, a Registered Investment Advisor.
Revenues vs. Expenditures (General Fund)

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<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Change in Fund Balance</th>
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<tr>
<td>2018</td>
<td>$6,681,737</td>
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<td>$-2,738,714</td>
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<td>2019</td>
<td>$7,305,734</td>
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<td>$-4,201,961</td>
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<td>2020</td>
<td>$11,507,695</td>
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<td>2021</td>
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<td>2022</td>
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<td>$9,561,271</td>
<td>$2,120,916</td>
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</table>

Securities offered through Rehmann Financial Network, LLC, member FINRA/SIPC. Investment advisory services offered through Rehmann Financial, a Registered Investment Advisor.
Fund Balance (General Fund)

- Total Fund Balance
- Unassigned

Yearly Fund Balance:
- 2018: $6,247,899
- 2019: $8,362,616
- 2020: $9,131,039
- 2021: $9,803,743
- 2022: $11,924,659

Unassigned Funds:
- 2018: $3,386,780
- 2019: $7,423,032
- 2020: $8,318,898
- 2021: $7,324,422
- 2022: $11,150,275
General Fund Coverage Ratio (in months)

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<th>Year</th>
<th>Coverage Ratio</th>
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<td>10.51</td>
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<tr>
<td>2019</td>
<td>12.19</td>
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<td>8.67</td>
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<td>2021</td>
<td>10.28</td>
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<tr>
<td>2022</td>
<td>13.99</td>
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</tbody>
</table>
Revenues vs. Expenditures (Parking Fund)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Change in Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$22,153,554</td>
<td>$23,330,844</td>
<td>-$307,890</td>
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<tr>
<td>2019</td>
<td>$29,769,604</td>
<td>$19,464,437</td>
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<tr>
<td>2020</td>
<td>$18,289,086</td>
<td>$12,822,383</td>
<td>$5,466,703</td>
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<tr>
<td>2021</td>
<td>$14,694,750</td>
<td>$14,971,500</td>
<td>-$2,276,750</td>
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<tr>
<td>2022</td>
<td>$15,247,540</td>
<td>$15,247,540</td>
<td>$0</td>
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</table>

Revenues offered through Rehmann Financial Network, LLC, member FINRA/SIPC. Investment advisory services offered through Rehmann Financial, a Registered Investment Advisor.
Parking Fund Coverage Ratio (in months)
Upcoming Accounting Pronouncements (next three years)

1. GASB 91 – Conduit Debt Obligations (FY23) – N/A
2. GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements (FY23)
3. GASB 96 – Subscription-Based Information Technology Arrangements (FY23)
4. GASB 99 – Omnibus 2022 (FY23) – N/A
5. GASB 100 – Accounting Changes and Errors Corrections (FY24) – N/A
6. GASB 101 – Compensated Absences (FY25)
QUESTIONS
RESOLUTION TO ACCEPT THE DDA’S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2022

Whereas, The Uniform Budgeting and Accounting Act, Public Act 2 of 1968 requires that the financial records of local units be audited annually;

Whereas, The City of Ann Arbor contracted with the auditing firm of Rehmann to perform an independent audit of the City’s financial records for the fiscal year ending June 30, 2022, and that contract included a provision for the audit of the DDA’s financial records;

Whereas, Rehmann performed the audit according to Government Auditing Standards;

Whereas, Rehmann gave the DDA’s financial statements an unmodified opinion;

Whereas, Rehmann assessed management’s accounting estimates and deemed them reasonable;

Whereas, Rehmann reported that no difficulties were encountered during the audit;

Whereas, Rehmann noted the presence of no material weaknesses, significant deficiencies, or other matters of concern;

INDEPENDENT AUDITORS’ COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

December 21, 2022

Board of Directors
City of Ann Arbor Downtown Development Authority
Ann Arbor, Michigan

We have audited the governmental activities and each major fund of the City of Ann Arbor Downtown Development Authority (the "Authority"), a component unit of the City of Ann Arbor, Michigan, as of and for the year ended June 30, 2022, and have issued our report thereon dated December 21, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 31, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated December 21, 2022. In addition, we noted a certain other matter which is included in Attachment A to this letter.
Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on August 12, 2022.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the risks of management override of internal control and revenue recognition as significant risks, and have obtained an understanding of the Authority’s related controls, including control activities, relevant to such risks.

Qualitative Aspects of Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.
• Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

• Management’s estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

**Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Authority’s financial statements or the auditors’ report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment C to this letter.

**Management’s Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the City of Ann Arbor Downtown Development Authority and is not intended to be and should not be used by anyone other than these specified parties.
During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding this matter. Our consideration of the Authority’s internal control over financial reporting is described in our report, dated December 21, 2022, issued in accordance with Government Auditing Standards. This memorandum does not affect that report or our report dated December 21, 2022, on the financial statements of the Authority.

**Review and Approval of Manual Journal Entries**

The Authority uses manual journal entries to account for various types of transactions, such as: wire transfers, indirect cost allocations, and corrections of errors. Journal entries, which are an essential part of any accounting system, represent an opportunity to enter information into the Authority’s records in a way that bypasses normal internal controls. Accordingly, the Authority should have a system in place to ensure that all journal entries, and similar adjustments made to the Authority’s accounting records, are reviewed and approved. During our audit, we noted that due to staffing constraints, the Authority did not consistently follow their practice of having independent review and approval of all journal entries. We recommend that the Authority incorporate independent review and approval whenever possible, and that this review be signed and dated as evidence of the control activity.
The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Plan in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

**GASB 91 ■ Conduit Debt Obligations**  
*Effective 12/15/2022 (your FY 2023)*

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the Authority.

**GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements**  
*Effective 06/15/2023 (your FY 2023)*

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the Authority.

**GASB 96 ■ Subscription-Based Information Technology Arrangements**  
*Effective 06/15/2023 (your FY 2023)*

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

**GASB 99 ■ Omnibus 2022**  
*Effective 06/15/2023 (your FY 2023)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the Authority.
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Attachment B – Upcoming Changes in Accounting Standards / Regulations
For the June 30, 2022 Audit

GASB 100 ■ Accounting Changes and Error Corrections
Effective 06/15/2024 (your FY 2024)

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the Authority.

GASB 101 ■ Compensated Absences
Effective 12/15/2024 (your FY 2025)

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.
The following pages contain the written representations that we requested from management.
This page intentionally left blank.
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<td>5</td>
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<td><strong>Basic Financial Statements</strong></td>
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<td>Government-wide Financial Statements:</td>
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<td>Statement of Net Position</td>
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<td></td>
</tr>
<tr>
<td>Governmental Funds</td>
<td>18</td>
</tr>
<tr>
<td>Reconciliation - Net Changes in Fund Balances of Governmental Funds to</td>
<td></td>
</tr>
<tr>
<td>Change in Net Position of Governmental Activities</td>
<td>19</td>
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<tr>
<td>Statement of Revenues, Expenditures, and Change in Fund Balance -</td>
<td></td>
</tr>
<tr>
<td>Budget and Actual - General Fund</td>
<td>20</td>
</tr>
<tr>
<td>Statement of Revenues, Expenditures, and Change in Fund Balance -</td>
<td></td>
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<tr>
<td>Budget and Actual - Parking Special Revenue Fund</td>
<td>21</td>
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<td>23</td>
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</tr>
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<td></td>
</tr>
<tr>
<td>Financial Statements Performed in Accordance With <em>Government Auditing</em></td>
<td></td>
</tr>
<tr>
<td>Standards</td>
<td></td>
</tr>
</tbody>
</table>
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INDEPENDENT AUDITORS’ REPORT

December 21, 2022

Board of Directors
City of Ann Arbor Downtown Development Authority
Ann Arbor, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the governmental activities and each major fund of the City of Ann Arbor Downtown Development Authority (the "Authority"), a component unit of the City of Ann Arbor, Michigan, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022, and the changes in financial position and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Independent Auditors’ Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2022, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority’s internal control over financial reporting and compliance.
MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

The City of Ann Arbor Downtown Development Authority (the “Authority”) was established pursuant to Public Act 97 of 1975, as amended. The Authority presents this management's discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended June 30, 2022.

Using this Annual Report

The discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The basic financial statements are comprised of the following:

- The statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

- The statement of activities presents information showing how the Authority’s net position changed during the most recent fiscal year.

- The balance sheet and statement of revenues, expenditures, and changes in fund balances – governmental funds focuses on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

- The statement of revenues, expenditures, and change in fund balance – budget and actual presents information showing the comparison of the Authority’s actual revenues and expenditures to what was budgeted for its primary operating fund.

- The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Authority, assets exceeded liabilities by $25,672,928 at the close of the most recent fiscal year.

A comparative analysis of the data is presented below:

<table>
<thead>
<tr>
<th></th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$27,978,804</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,122,798</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>29,101,602</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>3,294,786</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>133,888</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,428,674</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$25,672,928</td>
</tr>
</tbody>
</table>
Management's Discussion and Analysis

The net position of the Authority is summarized for the purpose of determining the overall fiscal position. As shown above, the Authority's net position was $25.7 million, of which all was unrestricted.

<table>
<thead>
<tr>
<th>Changes in Net Position</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>$29,540,800</td>
<td>$24,137,758</td>
</tr>
<tr>
<td>Total expenses</td>
<td>24,832,721</td>
<td>25,503,201</td>
</tr>
<tr>
<td>Change in net position</td>
<td>4,708,079</td>
<td>(1,365,443)</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>20,964,849</td>
<td>22,330,292</td>
</tr>
<tr>
<td>Net position, end of year</td>
<td>$25,672,928</td>
<td>$20,964,849</td>
</tr>
</tbody>
</table>

Revenues increased approximately $5.4 million, and expenses decreased by approximately $0.7 million, which resulted in a change in net position of approximately $4.7 million. These changes were largely due to the following factors:

- Total revenue increased primarily due to parking revenues recovering from pandemic related losses in the previous year.
- Total expense decreased primarily due to project expenditures fluctuating year over year.

General Fund

At the end of fiscal year 2022, fund balance for the Authority's general fund was $11.92 million. Compared with the ending fund balance of $9.80 million in the prior year, this represented an increase of $2.12 million. The increase in parking fund balance was largely due to conservative budgeting by the Authority for expenditures and an increase in property tax revenue driven by an overall increase in the property tax base for the City.

Parking Special Revenue Fund

At the end of fiscal year 2022, fund balance for the Authority's parking fund was $13.77 million. Compared with the ending fund balance of $11.14 million in the prior year, this represented an increase of $2.63 million. The increase in parking fund balance was largely due to conservative budgeting by the Authority for expenditures and an increase in revenue driven by the return to in-person activity during the pandemic recovery.
Management's Discussion and Analysis

Budgetary Highlights

General Fund

During fiscal year 2022, total general fund revenues were $11.7 million, which was $0.2 million less than the final amended budget of $11.9 million. This was largely due to losses on investments due to market conditions. The final amended budget for revenue was $3.7 million more than the original budget primarily due to bond reimbursements being rolled forward due to project timing.

During fiscal year 2022, total general fund expenditures were $9.56 million, which was $0.36 million less than the final amended budget of $9.92 million. This is largely due to variances on project expenditures being rolled forward to future periods. This also caused a reduction in the final amended budget for expenditures which resulted in the final budget being $3.27 million less than the original budget.

Capital Assets and Debt Administration

The Authority holds no capital assets as all capital items that were purchased or constructed became property of the City of Ann Arbor, Michigan (the "City"). The City issues debt on behalf of the Authority, and the related debt is reported in the City's annual comprehensive financial report.

Economic Factors and Next Year's Budget

The fiscal year 2023 budget anticipates an increase in tax increment finance income due to the completion of new private development projects in the downtown business district during calendar year 2021. This increase will be capped at approximately $7.9 million, per City ordinance. Negative impacts of COVID on downtown businesses are anticipated to be significant and long lasting. Parking revenues are anticipated to be negatively impacted in fiscal year 2023 and beyond.

Contacting the City of Ann Arbor Downtown Development Authority

This financial report is designed to provide a general overview of the City of Ann Arbor Downtown Development Authority finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 150 S. Fifth Avenue, Suite 301, Ann Arbor, Michigan 48104.
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BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
# Statement of Net Position

**June 30, 2022**

## Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$27,978,804</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>129,688</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>153,406</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>839,704</td>
</tr>
</tbody>
</table>

**Total assets**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$29,101,602</td>
</tr>
</tbody>
</table>

## Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>3,294,786</td>
</tr>
<tr>
<td>Long-term debt - compensated absences:</td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>20,926</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>112,962</td>
</tr>
</tbody>
</table>

**Total Liabilities**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,428,674</td>
</tr>
</tbody>
</table>

## Net position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$25,672,928</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Activities
For the Year Ended June 30, 2022

<table>
<thead>
<tr>
<th>Functions / Programs</th>
<th>Program Revenues</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenses</td>
<td>Charges for Services</td>
<td>Net (Expense) Revenue</td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downtown development</td>
<td>$ 9,573,226</td>
<td>$ 4,131,146</td>
<td>$(5,442,080)</td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>15,259,495</td>
<td>18,136,375</td>
<td>2,876,880</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$24,832,721</td>
<td>$22,267,521</td>
<td>$(2,565,200)</td>
<td></td>
</tr>
</tbody>
</table>

General revenues

- Property taxes: 7,928,843
- Unrestricted investment loss: $(768,901)
- Other revenue: 113,337

Total general revenues: 7,273,279

Change in net position: 4,708,079

Net position, beginning of year: 20,964,849

Net position, end of year: $25,672,928

The accompanying notes are an integral part of these financial statements.
FUND FINANCIAL STATEMENTS
# Balance Sheet

Governmental Funds  
June 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Parking Special Revenue Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$12,727,078</td>
<td>$15,251,726</td>
<td>$27,978,804</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>6,275</td>
<td>123,413</td>
<td>129,688</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>146,794</td>
<td>6,612</td>
<td>153,406</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>6,790</td>
<td>832,914</td>
<td>839,704</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$12,886,937</td>
<td>$16,214,665</td>
<td>$29,101,602</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$865,552</td>
<td>$2,239,381</td>
<td>$3,104,933</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>13,002</td>
<td>13,002</td>
<td>26,004</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>77,500</td>
<td>86,349</td>
<td>163,849</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>956,054</td>
<td>2,338,732</td>
<td>3,294,786</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenue</td>
<td>6,224</td>
<td>108,874</td>
<td>115,098</td>
</tr>
<tr>
<td><strong>Fund balances</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid items</td>
<td>6,790</td>
<td>832,914</td>
<td>839,704</td>
</tr>
<tr>
<td>Assigned for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>767,594</td>
<td>-</td>
<td>767,594</td>
</tr>
<tr>
<td>Parking operations</td>
<td>-</td>
<td>12,934,145</td>
<td>12,934,145</td>
</tr>
<tr>
<td>Unassigned</td>
<td>11,150,275</td>
<td>-</td>
<td>11,150,275</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
<td>11,924,659</td>
<td>13,767,059</td>
<td>25,691,718</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources, and fund balances</strong></td>
<td>$12,886,937</td>
<td>$16,214,665</td>
<td>$29,101,602</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

**Reconciliation**
Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2022

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances - total governmental funds</td>
<td>$ 25,691,718</td>
</tr>
</tbody>
</table>

Amounts reported for *governmental activities* in the statement of net position are different because:

- Long-term receivables are reported as an asset and revenue when earned on the statement of net position and the statement of activities while the governmental funds report these balances as an asset and deferred inflows of resources until the availability criterion for revenue recognition is met.

  - Deferred inflows of resources for unavailable revenue $115,098

- Certain liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

  - Compensated absences $(133,888)

| Net position of governmental activities               | $ 25,672,928 |

The accompanying notes are an integral part of these financial statements.
### City of Ann Arbor
### Downtown Development Authority

#### Statement of Revenues, Expenditures, and Changes in Fund Balances

**Governmental Funds**  
For the Year Ended June 30, 2022

<table>
<thead>
<tr>
<th>Fund</th>
<th>General Fund</th>
<th>Parking Special Revenue Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$7,928,843</td>
<td>$</td>
<td>$7,928,843</td>
</tr>
<tr>
<td>Charges for services</td>
<td>4,131,146</td>
<td>18,136,375</td>
<td>22,267,521</td>
</tr>
<tr>
<td>Investment earnings (loss)</td>
<td>(380,623)</td>
<td>(388,278)</td>
<td>(768,901)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>2,821</td>
<td>125,680</td>
<td>128,501</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>11,682,187</td>
<td>17,873,777</td>
<td>29,555,964</td>
</tr>
</tbody>
</table>

| **Expenditures**            |              |                              |                 |
| Downtown development        | 9,561,271    | -                            | 9,561,271       |
| Parking                     |              | 15,247,540                   | 15,247,540      |
| **Total expenditures**      | 9,561,271    | 15,247,540                   | 24,808,811      |

| **Net change in fund balances** | 2,120,916 | 2,626,237 | 4,747,153 |
| **Fund balances, beginning of year** | 9,803,743 | 11,140,822 | 20,944,565 |
| **Fund balances, end of year** | $11,924,659 | $13,767,059 | $25,691,718 |

The accompanying notes are an integral part of these financial statements.
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds $ 4,747,153

Amounts reported for governmental activities in the statement of activities are different because:

Long-term receivables are reported as revenue when earned on the statement of activities while the governmental funds report these balances as revenue when the availability criterion for revenue recognition is met.

Net change in deferred inflows of resources (15,164)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in the accrual for compensated absences (23,910)

Change in net position of governmental activities $ 4,708,079

The accompanying notes are an integral part of these financial statements.
### Statement of Revenues, Expenditures, and Change in Fund Balance

Budget and Actual - General Fund  
For the Year Ended June 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Amended Budget</th>
<th>Actual</th>
<th>Over (Under) Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$ 7,607,900</td>
<td>$ 7,607,900</td>
<td>$ 7,928,843</td>
<td>$ 320,943</td>
</tr>
<tr>
<td>Charges - general government</td>
<td>554,702</td>
<td>4,225,200</td>
<td>4,131,146</td>
<td>(94,054)</td>
</tr>
<tr>
<td>Investment earnings (loss)</td>
<td>40,800</td>
<td>40,800</td>
<td>(380,623)</td>
<td>(421,423)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>4,000</td>
<td>4,000</td>
<td>2,821</td>
<td>(1,179)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>8,207,402</td>
<td>11,877,900</td>
<td>11,682,187</td>
<td>(195,713)</td>
</tr>
</tbody>
</table>

| **Expenditures**               |                 |                |         |                     |
| Current -                      |                 |                |         |                     |
| Downtown development           | 13,198,919      | 9,921,091      | 9,561,271 | (359,820)           |
| **Net change in fund balance** | (4,991,517)     | 1,956,809      | 2,120,916 | 164,107             |
| Fund balance, beginning of year| 9,803,743       | 9,803,743      | 9,803,743 | -                   |
| **Fund balance, end of year**  | $ 4,812,226     | $ 11,760,552   | $ 11,924,659 | $ 164,107           |

The accompanying notes are an integral part of these financial statements.
CITY OF ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - Parking Special Revenue Fund
For the Year Ended June 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Amended Budget</th>
<th>Actual</th>
<th>Over (Under) Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ 14,548,000</td>
<td>$ 19,714,800</td>
<td>$ 18,136,375</td>
<td>$ (1,578,425)</td>
</tr>
<tr>
<td>Investment earnings (loss)</td>
<td>35,000</td>
<td>35,000</td>
<td>(388,278)</td>
<td>(423,278)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>4,000</td>
<td>4,000</td>
<td>125,680</td>
<td>121,680</td>
</tr>
<tr>
<td>Total revenues</td>
<td>14,587,000</td>
<td>19,753,800</td>
<td>17,873,777</td>
<td>(1,880,023)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current - Parking services</td>
<td>17,612,936</td>
<td>17,996,036</td>
<td>15,247,540</td>
<td>(2,748,496)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(3,025,936)</td>
<td>1,757,764</td>
<td>2,626,237</td>
<td>868,473</td>
</tr>
<tr>
<td>Fund balance, beginning of year</td>
<td>11,140,822</td>
<td>11,140,822</td>
<td>11,140,822</td>
<td>-</td>
</tr>
<tr>
<td>Fund balance, end of year</td>
<td>$ 8,114,886</td>
<td>$ 12,898,586</td>
<td>$ 13,767,059</td>
<td>$ 868,473</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
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NOTES TO FINANCIAL STATEMENTS
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

These financial statements present the activities of the City of Ann Arbor Downtown Development Authority (the “Authority” or “DDA”). The Authority was established May 10, 1982, pursuant to Public Act 197 of 1975. The primary purpose of the Authority is to revitalize and encourage economic activity in the downtown business district. The Authority’s activities are primarily funded through its increment of property taxes and parking system charges for services.

The Authority is a component unit of the City of Ann Arbor, Michigan (the “City”) since the City appoints the Authority’s Board of Directors and is financially accountable for the Authority as defined under generally accepted accounting principles. Accordingly, the Authority is presented as a discrete component unit in the City’s financial statements and is an integral part of that reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements present the Authority’s individual major funds. Separate columns are shown for the major funds on the balance sheet and statement of revenues, expenditures, and changes in fund balances.

The Authority reports the following major governmental funds:

The **general fund** is the Authority’s primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

The **parking special revenue fund** is used to account for all financial resources of the Authority relating to the public parking system, except for some debt service expenditures from the general fund.
Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial information is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial information is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports the general fund as the Authority’s primary operating fund. It accounts for all financial resources of the Authority, except those, if any, accounted for and reported in another fund.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Investments

The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments consist of certificates of deposit, U.S. government notes and bonds, municipal bonds, commercial paper, money market accounts, with original maturities of greater than 90 days and pooled investments held by the same agent in the Authority’s name. Investments are recorded at fair market value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

Prepaid Items

Prepaid items represent payments made to vendors for goods and services applicable to future fiscal years. Prepaids of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepaid items are offset by nonspendable fund balance in governmental funds.
Notes To Financial Statements

Capital Assets

The Authority has no capital assets for which it holds legal ownership. Capital assets, including improvements to parking structures paid for by the Authority, are not recorded as the Authority’s capital assets, even though the Authority has committed to repay the debt issued to finance the related projects. Such capital assets become the property of the City when they are placed into service and, accordingly, are reported in the City’s capital assets.

Receivables and Due from Other Governments

Receivables consist of amounts related to charges for services, reimbursements, and property taxes. Due from other governments, if any, consist of amounts due from the City for various payments.

Long-term Obligations

The Authority has no long-term debt for which it holds legal ownership. The City issues debt on behalf of the Authority for both parking and TIF system projects. The City holds the bond proceeds and reimburses the Authority for construction expenditures as incurred based on the individual project and funding agreement. The Authority has commitments to pay debt service. The debt issues are obligations of the City that the Authority has agreed, through action of its Board of Directors, to fund in whole, as applicable. The parking structure bonds and other construction bonds are to be serviced with revenues from the parking special revenue fund along with general fund revenues.

Compensated Absences

The Authority accrues vacation pay, severance pay for sick leave, and any salary-related payments for these compensated absences. Authority employees are granted vacation time based on length of service. Sick pay is earned at the rate of 80 hours per year, and unused sick days may be accumulated without limitation. An employee is paid, in most cases, a maximum of 960 unused sick hours upon retirement or death. The Authority’s policy provides for payment of unused vacation, but not unused sick hours, should the employee terminate their employment other than via retirement or death. In accordance with GAAP, in the fund financial statements, compensated absences are considered a long-term liability and therefore, are not a fund liability and represent a reconciling item between the fund level and government-wide presentations.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund reports unavailable revenues, which arise only under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
Notes To Financial Statements

**Fund Equity**

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance*, if any, is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance*, if any, is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board. A formal resolution of the Board is required to establish, modify, or rescind a fund balance commitment. The Authority currently has no nonspendable, restricted or committed fund balances. The Authority reports assigned fund balance for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority’s policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

**Budgetary Information**

The general fund and parking special revenue fund are under formal budgetary control, and their budgets are prepared on the same modified accrual basis used to reflect actual results. The Authority's budgets are adopted and amended at the activity level (the Authority has only one activity to present in each fund).

During the year ended June 30, 2022, the Authority did not incur expenditures in excess of the amounts appropriated at the legal level of budgetary control.

### 2. DEPOSITS AND INVESTMENTS

Following is a summary of deposit balances and investments as of June 30, 2022:

**Statement of Net Position**

| Cash and investments | $ 27,978,804 |

**Deposits and Investments**

**Deposits:**

- Petty cash $ 107
- Bank deposits (checking and savings accounts) 1,527,620
- Certificates of deposit - due in more than 1 year 2,059,306

**Investments:**

- U.S. government treasury notes 1,450,488
- U.S. agencies (asset backed) 16,375,841
- Municipal bonds 2,842,772
- Commercial paper 992,177
- Money market funds 2,730,493

**Total** $ 27,978,804
Notes To Financial Statements

All accounts are in the name of the Authority. Interest is recorded when deposits mature or is credited to the applicable account.

Statutory Authority

The Authority is authorized by Michigan law to invest surplus funds in the following:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers acceptances of United States Banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Cash and cash equivalents are in accordance with statutory authority.

Custodial Credit Risk – Deposits. For deposits, custodial credit risk is the risk, that in the event of a bank failure, the Authority’s deposits may not be returned to the government. As of June 30, 2022, of the Authority’s bank balance of $3,775,452 (total book balance was $3,586,926) of which $2,539,426 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2022, none of the Authority’s investments were exposed to risk since the securities are held in the Authority’s name by the counterparty. Short-term investments in money market funds are not subject to custodial credit risk.
Credit Risk. The Authority’s investment policy does not have specific limits in excess of state law on investment credit risk. As of June 30, 2022, the Authority’s investments in U.S. Government notes and bonds, municipal bonds, and commercial paper were as follows:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Amount</th>
<th>S&amp;P Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. government treasury notes</td>
<td>$1,450,488</td>
<td>AA+</td>
</tr>
<tr>
<td>U.S. agencies</td>
<td>16,375,841</td>
<td>N/A</td>
</tr>
<tr>
<td>Municipal bonds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rated bonds</td>
<td>235,090</td>
<td>AAA</td>
</tr>
<tr>
<td>Rated bonds</td>
<td>455,955</td>
<td>AA</td>
</tr>
<tr>
<td>Rated bonds</td>
<td>1,080,918</td>
<td>AA-</td>
</tr>
<tr>
<td>Unrated bonds</td>
<td>1,070,809</td>
<td>N/A</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>992,177</td>
<td>A-1+</td>
</tr>
</tbody>
</table>

Concentration of Credit Risk. The Authority’s investment policy does not address this risk. At June 30, 2022, the investment portfolio was concentrated as follows:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Issuer</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. agencies</td>
<td>Federal Home Loan Bank</td>
<td>57.74%</td>
</tr>
<tr>
<td>U.S. agencies</td>
<td>Federal Farm Credit Bank</td>
<td>13.34%</td>
</tr>
</tbody>
</table>

Interest Rate Risk. As of June 30, 2022, maturities of debt securities were as follows:

<table>
<thead>
<tr>
<th>Investment Maturities (fair value by years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>U.S. government treasury notes $1,450,488</td>
</tr>
<tr>
<td>U.S. agencies 16,375,841</td>
</tr>
<tr>
<td>Municipal bonds 2,842,772</td>
</tr>
<tr>
<td>Commercial paper 992,177</td>
</tr>
</tbody>
</table>

The Authority’s investment policy does not address interest rate risk.
Notes To Financial Statements

Fair Value Measurements. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the Authority.

The Authority had the following recurring fair value measurements as of June 30, 2022:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. government treasury notes</td>
<td>$</td>
<td>-</td>
<td>$1,450,488</td>
<td>-</td>
</tr>
<tr>
<td>U.S. agencies</td>
<td>-</td>
<td>16,375,841</td>
<td>-</td>
<td>16,375,841</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>2,842,772</td>
<td>-</td>
<td>-</td>
<td>2,842,772</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>992,177</td>
<td>-</td>
<td>-</td>
<td>992,177</td>
</tr>
<tr>
<td>Money market funds</td>
<td>2,730,493</td>
<td>-</td>
<td>-</td>
<td>2,730,493</td>
</tr>
<tr>
<td></td>
<td>$6,565,442</td>
<td>$17,826,329</td>
<td>$</td>
<td>$24,391,771</td>
</tr>
</tbody>
</table>

The fair value of the Authority's Level 1 investments is based on quotes from publicly traded securities markets, where available. The fair value of the Authority's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables and accrued liabilities as of year end are as follows:

<table>
<thead>
<tr>
<th>Fund Financial Statements</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$3,104,933</td>
</tr>
<tr>
<td>Accrued salaries and related liabilities</td>
<td>26,004</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>163,849</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,294,786</strong></td>
</tr>
</tbody>
</table>

**Government-wide Financial Statements**

| **$3,294,786** |
4. COMPENSATED ABSENCES

Long-term debt activity for the year ended June 30, 2022 was as follows:

<table>
<thead>
<tr>
<th>Governmental activities</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$109,978</td>
<td>$57,805</td>
<td>$33,895</td>
<td>$133,888</td>
<td>$20,926</td>
</tr>
</tbody>
</table>

Compensated absences are generally liquidated by both the general fund and the parking fund.

5. DEBT SERVICE COMMITMENTS

The Authority has commitments to pay debt service for parking structures and pedestrian improvements. The debt issues are obligations of the City that the Authority has agreed, through action of its Board of Directors, to fund in whole, as applicable. The parking structure bonds and other construction bonds are to be serviced with revenues from the parking special revenue fund along with general fund revenues.

As of June 30, 2022, these commitments and the remaining annual obligations are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Annual Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$3,625,000</td>
<td>$1,634,640</td>
<td>$5,259,640</td>
</tr>
<tr>
<td>2024</td>
<td>$3,735,000</td>
<td>$1,541,790</td>
<td>$5,276,790</td>
</tr>
<tr>
<td>2025</td>
<td>$3,860,000</td>
<td>$1,435,020</td>
<td>$5,295,020</td>
</tr>
<tr>
<td>2026</td>
<td>$3,965,000</td>
<td>$1,323,912</td>
<td>$5,288,912</td>
</tr>
<tr>
<td>2027</td>
<td>$4,110,000</td>
<td>$1,209,125</td>
<td>$5,319,125</td>
</tr>
<tr>
<td>2028-2032</td>
<td>$21,145,000</td>
<td>$4,288,913</td>
<td>$25,433,913</td>
</tr>
<tr>
<td>2033-2035</td>
<td>$10,150,000</td>
<td>$772,400</td>
<td>$10,922,400</td>
</tr>
<tr>
<td>Totals</td>
<td>$50,590,000</td>
<td>$12,205,800</td>
<td>$62,795,800</td>
</tr>
</tbody>
</table>

6. RISK MANAGEMENT

The Authority participates in a risk management pool through the Michigan Municipal Risk Management Authority. The pool is organized under Public Act 138 of 1982, as amended, as a governmental group property and casualty self-insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Authority has not been informed of any special assessments being required.

The Authority, as a component unit of the City, is covered from other losses as described in the note captioned "Risk Management" in the City's annual comprehensive financial report.
Through June 30, 2022, the Authority had an agreement with Republic parking, under which Republic operated various parking facilities in the City. Effective July 1, 2022, the Authority has entered into an agreement with PCI Municipal Services ("PCI") under which PCI operates various parking facilities in the City. Parking revenues collected are deposited directly in the Authority's bank account, and the Authority is billed monthly for operating expenses incurred by PCI. Additionally, PCI is paid a management fee of $10,417 per month as well as an annual incentive payment that is determined based on certain agreed-upon measures of performance. The term of this agreement is three years and shall automatically renew for up to two additional one-year terms unless the Authority should elect to terminate the agreement. The Authority must do so by giving a written notice no less than 90 days prior to the commencement of the applicable renewal period.

These amounts are paid from the Authority's parking special revenue fund with revenues derived from charges for services at the various parking facilities.

Property tax revenue is derived pursuant to tax increment financing arrangements per State Statute 197 as amended (DDA Act). Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing district. The City bills and collects the taxes on behalf of the Authority. Delinquent taxes on ad valorem real property are purchased by Washtenaw County. Property tax revenue is recognized in the year it is levied in both the government-wide financial statements and in the fund financial statements.

The Authority prides itself on having a board that is invested and involved in a variety of downtown interests. During the year, in accordance with Authority bylaws, two Authority board members recused themselves from resolutions related to contacts in which they were either personally involved with one of the vendors, or had an immediate family member who was personally involved with the vendor. The resolutions were approved by the board members who had no related party involvement with those contracts and/or vendors.
11. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The pandemic has resulted in operational challenges for the Authority as it determines the impact on employees, vendors, and taxpayers, and the appropriate method for providing services. Management expects that the negative impacts of COVID on downtown businesses are anticipated to be significant and long lasting. Parking revenues are anticipated to be negatively impacted in fiscal year 2023 and beyond.
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INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 21, 2022

Board of Directors
City of Ann Arbor Downtown Development Authority
Ann Arbor, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Ann Arbor Downtown Development Authority (the "Authority"), a component unity of the City of Ann Arbor, Michigan, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated December 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
TO: Members of the Ann Arbor DDA Board
FROM: Sara McCallum, Deputy Director
ITEM: Corporate Authorization Resolution (to establish signatories)
MEETING DATE: February 1, 2023, 12:00 noon

Presented for your consideration is an updated Corporate Authorization Resolution to approve signatories for the DDA’s checking accounts with Bank of Ann Arbor. The resolution is in the format provided and required by the Bank of Ann Arbor. It is brought at this time to add Maura Thomson as a signatory on the accounts. The provisions in these resolutions are consistent with the ones approved last June.

The DDA currently has the following accounts with The Bank of Ann Arbor:

- **Incorporated Checking Account** – a pooled (all funds) checking account for the payment of bills
- **On-Street Checking Account** – a deposit only account for receipt of on-street parking revenues
- **Off-Street Checking Account** – a deposit only account for receipt of off-street parking revenues
- **Investment Account** – a pooled (all funds) investment account managed by BOAA

**Resolution Highlights:**

- Two signatures required on each check
- Three signatories established for continuity – Executive Director, Deputy Director/Accounting Director, and Board Treasurer
- Accounting Director is authorized to make transfers between DDA accounts
- External wire transfers limited to checking account (which keeps a minimal balance)
- Facsimile signature authorized

**ACTION REQUESTED:**

Consider approval of the Corporate Authorization Resolution.
# Corporate Authorization Resolution

**BANK OF ANN ARBOR**

125 S. FIFTH AVENUE
ANN ARBOR, MI 48104

**By:**

ANN ARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

150 S FIFTH AVE STE 301
ANN ARBOR MI 48104-1948

---

**Referred to in this document as "Financial Institution"**

**Referred to in this document as "Corporation"**

---

I, KELLEY GRAVES, certify that I am Secretary (clerk) of the above named corporation organized under the laws of MICHIGAN, Federal Employer I.D. Number 61-1460602, engaged in business under the trade name of ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on 02/01/2023 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

**Agents.** Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

<table>
<thead>
<tr>
<th>Name and Title or Position</th>
<th>Signature</th>
<th>Facsimile Signature (if used)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SARA L MCCALLUM</td>
<td>X</td>
<td>X ON FILE</td>
</tr>
<tr>
<td>MICAH DAVID BARTELME</td>
<td>X</td>
<td>X ON FILE</td>
</tr>
<tr>
<td>MAURA THOMSON</td>
<td>X</td>
<td>X ON FILE</td>
</tr>
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<td></td>
<td>X</td>
<td></td>
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<td>X</td>
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<tr>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

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Corporation Authorization
Bankers Systems™
Wolters Kluwer Financial Services © 2018

CA-1 7/1/2018
(1807) 01
Page 1 of 3
### Powers Granted

(Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

<table>
<thead>
<tr>
<th>Indicate A, B, C, D, E, and/or F</th>
<th>Description of Power</th>
<th>Indicate number of signatures required</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Exercise all of the powers listed in this resolution.</td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td>Open any deposit or share account(s) in the name of the Corporation.</td>
<td></td>
</tr>
<tr>
<td>A, B, C</td>
<td>Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.</td>
<td>2</td>
</tr>
<tr>
<td>(4)</td>
<td>Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.</td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td>Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.</td>
<td></td>
</tr>
<tr>
<td>(6)</td>
<td>Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.</td>
<td></td>
</tr>
<tr>
<td>(7)</td>
<td>Other:</td>
<td></td>
</tr>
</tbody>
</table>

### Limitations on Powers

The following are the Corporation's express limitations on the powers granted under this resolution.

### Resolutions

The Corporation named on this resolution resolves that,

1. The Financial Institution is designated as a depository for the funds of the Corporation and to provide other financial accommodations indicated in this resolution.

2. This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Board of Directors of the Corporation and certified to the Financial Institution as governing the operation of this corporation’s account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.

3. The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Corporation. Any Agent, so long as they act in a representative capacity as an Agent of the Corporation, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated in this resolution, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.

4. All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Corporation with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
(5) The Corporation agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Corporation. The Corporation authorizes the Financial Institution, at any time, to charge the Corporation for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.

(6) The Corporation acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Corporation with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Corporation authorizes each Agent to have custody of the Corporation's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Effect on Previous Resolutions. This resolution supersedes resolution dated 07/22/2021. If not completed, all resolutions remain in effect.

Certification of Authority
I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions stated above and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

☑ If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on (date).

______________________________
Secretary
KELLEY GRAVES

______________________________
Attest by One Other Officer

For Financial Institution Use Only
Acknowledged and received on (date) by _________ (initials)
□ This resolution is superseded by resolution dated

Comments:
Memorandum

To: DDA Capital Improvements Committee  
From: Amber Miller, Capital Projects and Planning Manager, AICP  
Date: December 16, 2022  
Re: Bikeway Sweeper Equipment Grant

Attached for your review and approval is a resolution to approve a grant to the City of Ann Arbor to help purchase bikeway sweeper equipment.

Background:
In 2019, the DDA and City began installing Ann Arbor’s Downtown Bikeway loop with a two-way separated bike lane on William Street. Today we have a total of six Bikeway miles on four downtown streets. With all DDA projects, particularly those that introduce new treatments, we monitor and adjust after installation. Based on observation and feedback, one Bikeway issue remains persistent – illegal parking. Despite added loading zones and delineators, some drivers prioritize convenience over safety and continue to illegally park in the Downtown Bikeway.

Bikeway Sweeper Equipment
To exclude the more egregious offenders (e.g., FedEx and Amazon delivery drivers), DDA staff would like to install centerline delineators throughout the Downtown Bikeway. This would narrow the effective width of the Bikeway so that delivery drivers can no longer park in them without running over a post. This change would also prevent the City’s existing street sweepers from accessing the Bikeways for maintenance and necessitate the need for new, smaller street sweeper equipment.

The Ann Arbor Public Works Department collaborated to test new Bikeway sweepers; the only suitable electric equipment option totals $270,000. The DDA has installed all separated bike lanes to date, but the City Transportation Department has plans to expand the network outside
of the downtown. As a result, staff recommend a 50/50 split, for a total of $135,000 per funding partner. The City of Ann Arbor will be responsible for equipment repair and replacement moving forward.

**Next Steps**
DDA staff recommend a $135,000 grant to the City of Ann Arbor for the purchase of new bikeway sweeper equipment. Approval at the January Board Meeting enables subsequent City Council approval, followed by equipment delivery in fall 2023 (FY 2024).

In the interim, DDA, Transportation, Public Works, and the Police Department will continue collaboration to address illegal Bikeway parking. In addition to added delineators, this includes education through social media and events and parking enforcement. The AAPD recently authorized overtime hours and created a new ticket tracking number to expressly support this issue.

**Action Recommended:**
DDA staff recommend approving a $135,000 grant to the City of Ann Arbor to help purchase smaller bikeway sweeper equipment.
RESOLUTION TO GRANT $135,000 TO THE CITY OF ANN ARBOR FOR BIKEWAY SWEEPER EQUIPMENT

Whereas, The DDA's Development Plan highlights infrastructure, identity, transportation, housing, and sustainability as overarching Principles;

Whereas, To facilitate a solution to illegal parking in the Downtown Bikeway, the DDA has received a request for funding from the City of Ann Arbor towards bikeway sweeper equipment;

Whereas, The City has obtained quotes for bikeway sweeper equipment totaling $270,000 which is planned to be delivered by Fall of 2023;

Whereas, Staff recommend sharing costs equally at $135,000 per funding partner and the DDA’s Capital Improvement Committee supports this recommendation;

Whereas, The DDA’s General/TIF Fund FY24 Budget includes capacity for the requested $135,000 grant;

RESOLVED, The DDA Board approves The Resolution to Grant up to $135,000 to the City of Ann Arbor for bikeway sweeper equipment, to be paid from its General/TIF Fund.
Memorandum

To: DDA Capital Improvements Committee
From: Amber Miller, Capital Projects and Planning Manager, AICP
Date: December 16, 2022
Re: Sidewalk Repair Agreement within the DDA District

Attached for your review and approval is a resolution to approve an agreement with the City of Ann Arbor for sidewalk repairs within the DDA District from fiscal years 2023-2026. Under the agreement, the City of Ann Arbor maintains sidewalks within the DDA District for the corresponding millage period.

Background:
In 2012, the DDA and City of Ann Arbor began a sidewalk repair agreement to align with a new road, bridge, and sidewalk repair millage and City Code change. Prior to the millage approval in 2011, individual property owners were responsible for sidewalk maintenance. With millage approval, and corresponding City Code changes, the City of Ann Arbor becomes responsible for annual sidewalk maintenance outside of the DDA District. City Code includes two options to address properties within the DDA District:

- City-managed program - Agreement for Sidewalks Within the Downtown Development District to Be Treated Like Sidewalks Outside the Downtown Development District
- DDA-managed program - Agreement for Downtown Development Authority to be Responsible for Keeping and Maintaining Sidewalks in Good Repair

The DDA and City have renewed the agreement for a City-managed program successively since 2012. With millage approval for 2022-2026, staff recommend renewing this agreement through fiscal year 2026.

Agreement overview
The agreement between the City of Ann Arbor and the DDA allows the City to treat sidewalks within the DDA District like sidewalks outside of the DDA District boundaries. In return, the DDA pays the City annually for the portion of 0.125 mill of the 2.125 mill streets, bridges and sidewalks millage that is captured by the DDA (approx. $32,000 in 2021). This is a long-standing agreement and the City has developed expertise and an efficient program to oversee these repairs. DDA staff recommend approval for fiscal years 2023-2026.

This agreement and program is distinct from the right of way (ROW) repairs carried out by the DDA directly, which includes the amenity zone, pavers, tree grates, benches, etc. For additional details, please see the Engineering Department memo provided to City Council and the attached agreement.

Action Recommended:
With millage approval for 2022-2026, DDA staff recommend agreement renewal through FY 26.
RESOLUTION TO APPROVE AN AGREEMENT BETWEEN THE CITY OF ANN ARBOR AND THE DOWNTOWN DEVELOPMENT AUTHORITY FOR SIDEWALK REPAIRS WITHIN THE DDA DISTRICT DURING FY 2023 THROUGH FY 2026

Whereas, The DDA's Development Plan highlights infrastructure as an overarching Principle;

Whereas, Subsection 4:58(D) of Chapter 49 of the Ann Arbor City Code allows the City and the DDA to enter into an agreement regarding repair and payment for repair of sidewalks within the DDA District boundaries, as established by Section 1:154 of Chapter 7 of the Ann Arbor City Code;

Whereas, The DDA and City of Ann Arbor see value in entering into an agreement in accordance with Subsection 4:58(D)(1) of Chapter 49 for FY 2023 through FY 2026; and

Whereas, The proposed agreement complies with the City Code provisions and sets forth the responsibilities of the City for sidewalk repairs and related tasks and further sets forth the responsibilities of the DDA for payment equal to the amounts set forth in City Code;

Whereas, the CIC reviewed the recommendation and recommends DDA Board approval;

RESOLVED, The DDA Board approves the agreement between the City of Ann Arbor and the DDA for Sidewalk Repairs within the DDA District during FY 2023 through FY 2026 to be paid from its General/TIF Fund;

RESOLVED, That the DDA Executive Director is authorized to sign the contract with the City of Ann Arbor.
TO: DDA Board  
FROM: Amber Miller, DDA Capital Projects & Planning Manager  
DATE: 1.13.2023

REGARDING: DDA People-Friendly Streets 2 & Capital Improvement Plan Implementation

BACKGROUND - PEOPLE-FRIENDLY STREETS 2
In 2020, the DDA began People-Friendly Streets 2 (PFS 2) and initiated a planning process to guide a second round of strategic infrastructure investments. Through that effort, the following projects were identified, and conceptual work was completed with technical analysis, community input, and priority values guiding our decisions.

IDENTIFIED PROJECTS
1. Division Street bikeway – constructed 2021
2. Miller/Catherine bikeway & utility project- constructed 2022
3. 4th Ave transit enhancements & utility project- 2023 engineering and 2025 construction
4. Circulation Study (5th & Division 2-Way restoration & transit priority) 2023 study

NEXT STEPS – Advancing Project Priorities
Since that time, the DDA has advanced the Division Street and Miller/Catherine Projects through final engineering and construction. DDA staff have also continued collaboration with DDA partners to refine the desired scopes of work for the 4th Avenue Engineering Project and the Circulation Study. Reinforcing these efforts, the DDA Board supported both projects for inclusion in the City Capital Improvement Plan (CIP) at the Nov. 2nd, 2022 DDA Board Meeting. Approving the associated contracts is the next step to advance PFS 2 implementation.

<p>| Ann Arbor DDA |
| TIF Capital Improvements Plan FY 24-FY29 |
| Supported for inclusion in the City CIP 11.2.22 &amp; adopted by City Planning Commission 1.24.2023 |</p>
<table>
<thead>
<tr>
<th>Project</th>
<th>FY 23</th>
<th>FY 24</th>
<th>FY 25</th>
<th>FY 26</th>
<th>FY 27</th>
<th>FY 28</th>
<th>FY 29</th>
<th>Total</th>
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</thead>
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<td>Bike/Ped Counters</td>
<td>75,000</td>
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<td>Miller-Catherine Bikeway Extension</td>
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<td>Division Street (Packard to Catherine)</td>
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<td>350,000</td>
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<tr>
<td>Miller/Catherine (Division to First)</td>
<td>2,279,967</td>
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<td>2,279,967</td>
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<tr>
<td>N. Main Street (Huron to Kingsley)</td>
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<td>200,000</td>
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<td>People-Friendly Streets 2 (Design dollars)</td>
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<td>120,000</td>
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<td>Annual DDA General Capital Improvements &amp; Maintenance</td>
<td>550,000</td>
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<td>State St Streetscape</td>
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<td>Downtown Circulation Study</td>
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<td>Downtown Energy Utility Study (geothermal &amp; solar)</td>
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<td>Ann Street bumpout + parking (First to Ashley)</td>
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<td>250,000</td>
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<td>Downtown Public Restrooms</td>
<td>50,000</td>
<td>561,917</td>
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<td>Main Street Irrigation</td>
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<td>150,000</td>
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<td>Total</td>
<td>7,231,000</td>
<td>4,163,869</td>
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<td>2,650,000</td>
<td>2,650,000</td>
<td>28,963,542</td>
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CONSULTANT CONTRACTS AND PARTNER COST SHARE AGREEMENTS

Both the 4th Avenue Engineering Project and the Circulation Study present opportunities for collaboration on the design and study phases as well as eventual construction. Combining DDA work into a single contract with the City of Ann Arbor and Ann Arbor Area Transportation Authority (AAATA) ensures coordination while reducing overall cost, staff time, and disruption. The DDA and partner agencies provide funding for their respective shares of the project.

4th AVENUE DESIGN CONTRACT SCOPE AND COST SHARE

The 4th Avenue project is focused between William and Liberty streets. The project serves two main purposes. First, it includes public storm main relocation and private utility connections to support the Ann Arbor Housing Commission project at 350 S. Fifth Avenue. Second, it includes streetscape work to improve transit stop comfort and access (sidewalk widening, lighting, updated pedestrian crossings, and other streetscape improvements). This provides an opportunity for the AAATA to partner on updated transit amenities, wayfinding signage, and shade and wind protection and for the City to replace an old watermain and resurface the street. The 4th Avenue engineering contract with SmithGroup will move the project from conceptual design through to final design and engineering. Contract fee and cost share details, below.

### Fourth Avenue Fee Summary

<table>
<thead>
<tr>
<th>PHASE</th>
<th>TASK &amp; SUBTASK</th>
<th>City Water Costs</th>
<th>City Street</th>
<th>AAATA Costs</th>
<th>DDA Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STAKEHOLDER AND PUBLIC ENGAGEMENT</td>
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<tr>
<td>STAKEHOLDER AND PUBLIC ENGAGEMENT</td>
<td>FEETHISTASK</td>
<td>$2,895.00</td>
<td>$37,190.56</td>
<td>$40,085.56</td>
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<td>Reimbursables</td>
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<tr>
<td>ONE</td>
<td>SITE INVESTIGATION and PROGRAM CONFIRMATION</td>
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<td>ONE</td>
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<td>$953.90</td>
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<td>TWIN</td>
<td>SCHEMATIC DESIGN</td>
<td>$2,001.17</td>
<td>$469.32</td>
<td>$50,884.02</td>
<td>$45,114.59</td>
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<tr>
<td>THREE</td>
<td>DESIGN DEVELOPMENT (2 plan sheets)</td>
<td>$6,868.46</td>
<td>$8,088.23</td>
<td>$26,025.42</td>
<td>$73,077.90</td>
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<td>Reimbursables</td>
<td></td>
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<tr>
<td>FOUR</td>
<td>CONSTRUCTION DOCUMENTATION (2 plan sheets/sets)</td>
<td>$5,625.74</td>
<td>$5,498.89</td>
<td>$32,434.25</td>
<td>$103,540.29</td>
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<td>FEETHISTASK</td>
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<td>Reimbursables</td>
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<tr>
<td>FIVE</td>
<td>CONSTRUCTION BIDDING and NEGOTIATIONS</td>
<td>$781.33</td>
<td>$738.50</td>
<td>$5,896.84</td>
<td>$16,109.32</td>
<td>$23,325.99</td>
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<td>FEETHISTASK</td>
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<td>Reimbursables</td>
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<tr>
<td></td>
<td>Reimbursable Expenses Total (see below)</td>
<td></td>
<td></td>
<td></td>
<td>$16,950.00</td>
<td>$16,950.00</td>
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<tr>
<td></td>
<td>FEE TOTAL (Hourly, Not to Exceed. Includes reimbursables)*</td>
<td>$15,403.09</td>
<td>$14,914.40</td>
<td>$119,088.44</td>
<td>$325,711.22</td>
<td>$475,118.15</td>
</tr>
<tr>
<td></td>
<td>Contingency (10%)</td>
<td>$1,540.31</td>
<td>$1,491.44</td>
<td>$11,908.94</td>
<td>$32,571.12</td>
<td>$47,511.82</td>
</tr>
<tr>
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<td>FEE TOTAL + CONTINGENCY</td>
<td>$16,943.40</td>
<td>$16,405.84</td>
<td>$130,997.38</td>
<td>$358,282.35</td>
<td>$522,629.97</td>
</tr>
<tr>
<td>Percentage of total</td>
<td>3.24% 3.14% 25.07% 68.55%</td>
<td></td>
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</table>

NOTES: Reimbursables include $15,000 allowance for geotechnical services

DOWNTOWN AREA CIRCULATION STUDY CONTRACT AND COST SHARE

The Downtown Area Circulation Study (DAC) is a tool to understand downtown transportation operations, guide future projects in a coordinated manner, and help both the DDA and the City prioritize projects that best align with adopted values. The study includes a(n):

- Active transportation prioritization plan (remaining bike connections into and through downtown)
- Transit street prioritization plan
- Fifth & Division two-way traffic feasibility study
- Event streets feasibility study (e.g. shared street, pedestrian mall)
- Multimodal operational model (to inform the feasibility, benefits, and trade-offs of the collective street changes)
This study will build on earlier data collection efforts, adopted plans, and community conversations. Fee and cost share details, below.

## Ann Arbor Downtown Area Circulation Study

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<tr>
<th>TASKS</th>
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<td>TASK 4 – Transit Plan Alignment &amp; Transit Priority Streets</td>
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<td>TASK 5 – Fifth &amp; Division Two-Way Restoration Feasibility Study</td>
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<td>$500</td>
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<td>TASK 6 – Event Street Feasibility Studies</td>
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<td>$500</td>
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<tr>
<td>SUB-TOTAL</td>
<td>3,562</td>
<td>$534,670</td>
<td>$43,000</td>
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| PROJECT TOTAL                              | $577,670        |             |
| Contingency 10%                            | $57,767         | $38,704     |

Project Total with contingency $635,437 $425,743 $209,694

## DDA-City Cost Share Agreement Splits

<table>
<thead>
<tr>
<th>TASKS</th>
<th>DDA %</th>
<th>DDA Share</th>
<th>City %</th>
<th>City Share</th>
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<td>67%</td>
<td>$39,255</td>
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<td>$19,334</td>
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### Action Recommended: The following resolutions align with the DDA budget and FY23 and FY24 CIP. DDA staff recommend approval:

- **RESOLUTION TO APPROVE A CONTRACT WITH SMITHGROUP FOR FOURTH AVENUE DESIGN AND ENGINEERING**
- **RESOLUTION TO APPROVE A CONTRACT WITH SMITHGROUP FOR A DOWNTOWN AREA CIRCULATION STUDY**
RESOLUTION TO APPROVE A CONTRACT WITH SMITHGROUP FOR FOURTH AVENUE
DESIGN AND ENGINEERING

Whereas, The DDA’s Development Plan highlights identity, infrastructure, transportation, and sustainability as overarching principles;

Whereas, On March 4, 2020 the DDA Board approved a contract with Smithgroup for People-Friendly Streets 2, a process to identify four priority Capital Improvement Plan (CIP) projects and conceptual design for each project;

Whereas, The process identified Fourth Avenue, between William and Liberty, as an important partnership opportunity with the Ann Arbor Housing Commission and Ann Arbor Area Transportation Authority (AAATA);

Whereas, Staff recommend advancing the project to final design and construction documentation through a $523,000 contract with Smithgroup, which includes a base contract amount of approximately $476,000 and a 10% contingency;

Whereas, Approximately $131,000 and $33,000 of the contract costs are attributable to the AAATA and City scopes, respectively, and will be reimbursed to the DDA, making the DDA’s net expenditure approximately $359,000;

Whereas, This aligns with the approved FY23 and FY24 CIP and is supported by the Capital Improvements Committee;

RESOLVED, The DDA Board authorizes the DDA Director to sign the cost share agreements with the City of Ann Arbor and AAATA;

Resolved, The DDA Board authorizes the DDA Director to sign a Smithgroup contract not to exceed $523,000 to be paid from the General/TIF Fund (248).
RESOLUTION TO APPROVE A CONTRACT WITH SMITHGROUP
FOR A DOWNTOWN AREA CIRCULATION STUDY

Whereas, The DDA’s Development Plan highlights identity, infrastructure, transportation, and sustainability as overarching principles;

Whereas, On March 4, 2020 the DDA Board approved a contract with Smithgroup for People-Friendly Streets 2, a process to identify four priority Capital Improvement Plan (CIP) projects;

Whereas, The process identified the need for a downtown circulation study and began the data collection and scoping process;

Whereas, Staff recommend advancing the project with a $635,000 contract with Smithgroup for a downtown area circulation study, which includes a base contract amount of approximately $578,000 and a 10% contingency;

Whereas, Approximately $210,000 of the contract costs are attributable to the City and will be reimbursed to the DDA, making the DDA’s net expenditure approximately $426,000;

Whereas, This aligns with the approved FY23 and FY24 CIP and is supported by the Capital Improvements Committee;

RESOLVED, The DDA Board authorizes the DDA Director to sign the cost share agreement with the City of Ann Arbor contingent on the approval of City Council;

Resolved, The DDA Board authorizes the DDA Director to sign a Smithgroup contract not to exceed $635,000 to be paid from the General/TIF Fund (248).
AGREEMENT BETWEEN THE ANN ARBOR AREA TRANSPORTATION AUTHORITY AND THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF ANN ARBOR REGARDING RESPONSIBILITIES AND COST ALLOCATION FOR THE DESIGN OF THE FOURTH AVENUE PROJECT

This Agreement (“Agreement”) is made and entered into this _______ date of ______________, 2023, by and between the Ann Arbor Area Transportation Authority, a public corporation with its principal offices at 2700 S. Industrial Highway, Ann Arbor, Michigan 48104 (“AAATA”), and the Downtown Development Authority of the City of Ann Arbor, a public corporation organized and existing pursuant to the authority of Act 197, Public Acts of Michigan, 1975, MCL 125.1651 et seq. with its principal offices at 150 South Fifth Avenue, Suite 301, Ann Arbor, Michigan 48104 (“DDA”), for the purpose of fixing the rights and obligations of the parties relative to the Final Design of the Fourth Avenue Project (the “Project”). Relevant details and the scope of the Project are set forth in Exhibit A.

Whereas, the AAATA and the DDA have expressed interest in working cooperatively on the Final Design of the Fourth Avenue Project;

Whereas, the AAATA and the DDA have agreed that the AAATA should award a contract to SmithGroup Companies, Inc. hereinafter referred to as “Consultant,” to perform design work for the Project;

Whereas, the AAATA will be responsible for funding a portion of the Project as established in Exhibit B; and

Whereas, the AAATA and the DDA have reached an understanding with each other regarding their respective responsibilities for the payment of the design costs for the Project, and desire to enter into this Agreement to memorialize that understanding.

Therefore, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, the AAATA and the DDA agree:

1. The AAATA and the DDA shall undertake and complete the design phase of the project in accordance with the terms of this Agreement. Exhibit A to this describes generally the scope of the design phase and incorporates by reference the Consultant’s design proposal. Exhibit B to this Agreement lists the study tasks and allocation of costs between the AAATA and the DDA. As set forth in Exhibit B, the estimated total dollar amount for the work the Consultant will perform, plus contingency is $522,629.97, of which the estimated total dollar amount of the AAATA’s share is $130,998.38.

2. The DDA will enter into a contract with the Consultant for the Project. The DDA will administer the contract and related work necessary for the completion of the Project. In its contract with the Consultant, the DDA must require that the Consultant indemnify the AAATA for any claims or lawsuits by third parties arising from the Consultant’s work, and must require the Consultant to cover the AAATA as additionally insured on its general liability policy. In the contract between them, the DDA and the Consultant also must recognize the AAATA as a third-party beneficiary of the contract.
3. The AAATA is responsible for funding its identified share of each work item of the Project as defined in Exhibit B.

4. For payment of the Project costs, the DDA will contract directly with the Consultant, and finance the complete cost of the design, including the AAATA’s share of the costs. The AAATA will reimburse the DDA for the AAATA’s share of amounts paid by the AAATA according to the allocation of costs for each cost category in Exhibit B.

5. As the DDA pays for design services and incurs costs on the Project, the DDA will invoice the AAATA at a frequency no more than monthly. The AAATA shall reimburse the DDA for the AAATA’s share of incurred costs within 30 days of receipt of an invoice from the DDA.

6. Notwithstanding the AAATA’s funding of a share of the Project, the parties agree that responsibility for management of the Project, including all aspects of the contract with the Consultant, rests with the DDA.

7. The parties understand and agree that the dollar amounts in Exhibit B are estimates of Project costs and that the actual costs may differ. However, the percentages for cost allocation between the AAATA and the DDA for each work item identified in Exhibit B are agreed to between the parties and cannot be changed except by Amendment to this Agreement. The AAATA’s obligation to fund its share of the Project includes the obligation to fund change orders authorized in writing prior to the work being performed for any work item of the Project that the AAATA is funding in whole or in part. All change orders that relate to a work item whose cost is covered in whole or in part by the AAATA must be approved by the AAATA prior to the work being done. The AAATA’s approval shall not be unreasonably withheld, and the AAATA shall respond promptly to requests for approval. The parties agree that any change order that affects one or more work items of the Project will be paid by the AAATA and the DDA in proportion to the percentages identified in Exhibit B for the work item(s), including both increases and decreases in Project costs.

8. In the event a claim is brought against the DDA and/or the AAATA by the Consultant and/or its consulting team, arising out of work on the Final Design of the Fourth Avenue Project, costs incurred by the DDA in defending or resolving such claims shall be considered Project costs and will be funded in the same manner and proportion as the work to which the claim pertains. Any change order that results from a claim shall be funded as provided in Paragraph 7.

9. Each of the persons signing this Agreement represents and warrants that he or she has authority to sign this Agreement on behalf of the DDA or the AAATA, respectively.
ANN ARBOR AREA TRANSPORTATION AUTHORITY, a public corporation

By: _________________________________
Matthew Carpenter, CEO

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY, a public corporation

By: ________________________________
Maura Thomson, Interim DDA Executive Director

By: ________________________________
________________, DDA Board Secretary
Attached as Exhibit A is the Scope of Services for the Final Design of the Fourth Avenue Project, which includes improvements of Fourth Avenue from William Street to Liberty Street. Contemplated improvements include upgrading the street and pedestrian lighting, providing updated pedestrian crossings, installation of new street trees, landscape beds and rain gardens, road and sidewalk reconstruction, a new storm water management system (consistent with Ann Arbor’s Green Streets policies) and pedestrian amenities. The project will also include design for relocation of a public storm main, water, storm water, and sanitary service lead engineering for the proposed development at 350 S. Fifth Street.
**EXHIBIT B**

Estimated Costs and Cost Allocations

Attached as Exhibit B are the cost summary and funding responsibilities for the Project.

Exhibit B: Ann Arbor DDA: Fourth Avenue Reconstruction

### Fourth Avenue Fee Summary

<table>
<thead>
<tr>
<th>PHASE</th>
<th>TASK &amp; SUBTASK</th>
<th>City Water Costs</th>
<th>City Street</th>
<th>AAATA Costs</th>
<th>DDA Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STAKEHOLDER AND PUBLIC ENGAGEMENT</td>
<td>$2,895.00</td>
<td>$37,190.56</td>
<td>$40,085.56</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>FEE THIS TASK</td>
<td>Reimbursables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONE</td>
<td>ONE SITE INVESTIGATION and PROGRAM CONFIRMATION</td>
<td>$126.39</td>
<td>$119.46</td>
<td>$953.90</td>
<td>$33,728.56</td>
<td>$34,928.32</td>
</tr>
<tr>
<td></td>
<td>FEE THIS TASK</td>
<td>Reimbursables</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>TWO SCHEMATIC DESIGN</td>
<td>$2,001.17</td>
<td>$469.32</td>
<td>$50,884.02</td>
<td>$45,114.59</td>
<td>$98,469.10</td>
</tr>
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<td></td>
<td>FEE THIS TASK</td>
<td>Reimbursables</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>THREE DESIGN DEVELOPMENT (2 plan sheets)</td>
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<td>$8,088.23</td>
<td>$26,025.42</td>
<td>$73,077.90</td>
<td>$114,060.01</td>
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<tr>
<td></td>
<td>FOUR CONSTRUCTION DOCUMENTATION (2 plan sheets/sets)</td>
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<td>$5,498.88</td>
<td>$32,434.25</td>
<td>$103,540.29</td>
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<tr>
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<td>Percentage of total</td>
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<td>3.14%</td>
<td>25.07%</td>
<td>68.55%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:** Reimbursables include $15,000 allowance for geotechnical services.
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Whereas, the City and the DDA have expressed interest in working cooperatively on the Final Design of the Fourth Avenue Project;

Whereas, the City and the DDA have agreed that the City should award a contract to SmithGroup Companies, Inc. hereinafter referred to as "Consultant," to perform design work for the Project;

Whereas, the City will be responsible for funding a portion of the Project as established in Exhibit B; and

Whereas, the City and the DDA have reached an understanding with each other regarding their respective responsibilities for the payment of the design costs for the Project, and desire to enter into this Agreement to memorialize that understanding.

Therefore, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, the City and the DDA agree:

1. The City and the DDA shall undertake and complete the design phase of the project in accordance with the terms of this Agreement. Exhibit A to this describes generally the scope of the design phase and incorporates by reference the Consultant’s design proposal. Exhibit B to this Agreement lists the study tasks and allocation of costs between the City and the DDA. As set forth in Exhibit B, the estimated total dollar amount for the work the Consultant will perform, plus contingency is $522,629.97, of which the estimated total dollar amount of the City’s share is $33,349.24.

2. The DDA will enter into a contract with the Consultant for the Project. The DDA will administer the contract and related work necessary for the completion of the Project. In its contract with the Consultant, the DDA must require that the Consultant indemnify the City for any claims or lawsuits by third parties arising from the Consultant’s work, and must require the Consultant to cover the City as additionally insured on its general liability policy. In the contract between them, the DDA and the Consultant also must recognize the City as a third-party beneficiary of the contract.
3. The City is responsible for funding its identified share of each work item of the Project as defined in Exhibit B.

4. For payment of the Project costs, the DDA will contract directly with the Consultant, and finance the complete cost of the design, including the City’s share of the costs. The City will reimburse the DDA for the City’s share of amounts paid by the City according to the allocation of costs for each cost category in Exhibit B.

5. As the DDA pays for design services and incurs costs on the Project, the DDA will invoice the City at a frequency no more than monthly. The City shall reimburse the DDA for the City’s share of incurred costs within 30 days of receipt of an invoice from the DDA.

6. Notwithstanding the City’s funding of a share of the Project, the parties agree that responsibility for management of the Project, including all aspects of the contract with the Consultant, rests with the DDA.

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8. In the event a claim is brought against the DDA and/or the City by the Consultant and/or its consulting team, arising out of work on the Final Design of the Fourth Avenue Project, costs incurred by the DDA in defending or resolving such claims shall be considered Project costs and will be funded in the same manner and proportion as the work to which the claim pertains. Any change order that results from a claim shall be funded as provided in Paragraph 7.

9. Each of the persons signing this Agreement represents and warrants that he or she has authority to sign this Agreement on behalf of the DDA or the City of Ann Arbor, respectively.
CITY OF ANN ARBOR, a Michigan municipal corporation

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY, a public corporation

By: ________________________________

Maura Thomson, Interim DDA Executive Director

By: ________________________________

____________________, DDA Secretary

Approved as to substance:

_____________________________________

Milton Dohoney Jr., City Administrator

_____________________________________

Brian Steglitz, Public Services Area Administrator

Approved as to form:

_____________________________________

Atleen Kaur, City Attorney
EXHIBIT A
Scope of the Final Design of the Fourth Avenue Project

Attached as Exhibit A is the Scope of Services for the Final Design of the Fourth Avenue Project, which includes improvements of Fourth Avenue from William Street to Liberty Street. Contemplated improvements include upgrading the street and pedestrian lighting, providing updated pedestrian crossings, installation of new street trees, landscape beds and rain gardens, road and sidewalk reconstruction, a new storm water management system (consistent with Ann Arbor’s Green Streets policies) and pedestrian amenities. The project will also include design for relocation of a public storm main, water, storm water, and sanitary service lead engineering for the proposed development at 350 S. Fifth Street.
# EXHIBIT B

## Estimated Costs and Cost Allocations

Attached as Exhibit B are the cost summary and funding responsibilities for the Project.

### Exhibit B: Ann Arbor DDA: Fourth Avenue Reconstruction

### Fourth Avenue Fee Summary

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<thead>
<tr>
<th>Phase Task &amp; Subtask</th>
<th>City Water Costs</th>
<th>City Street</th>
<th>AAATA Costs</th>
<th>DDA Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER AND PUBLIC ENGAGEMENT</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Fee This Task</td>
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<td>$37,190.56</td>
<td>$40,085.56</td>
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<tr>
<td>Reimbursables</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>TWO SCHEMATIC DESIGN</strong></td>
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<tr>
<td>Fee This Task</td>
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<td>$469.32</td>
<td>$50,884.02</td>
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</tr>
<tr>
<td><strong>THREE DESIGN DEVELOPMENT (2 plan sheets)</strong></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Fee This Task</td>
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<td>$26,025.42</td>
<td>$73,077.90</td>
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<td></td>
<td></td>
</tr>
<tr>
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**Notes:** Reimbursables include $15,000 allowance for geotechnical services.
FOURTH AVENUE STREET RECONSTRUCTION
SCOPE OF SERVICES

SUMMARY
In 2020 SmithGroup prepared a Concept Plan for Fourth Avenue, working with the Ann Arbor Downtown Development Authority (“Ann Arbor DDA”), the City of Ann Arbor (“City”), Ann Arbor Area Transportation Authority (AAATA), the Ann Arbor Housing Commission (AAHC) and other key stakeholders. The project is a continuation of the DDA’s People-Friendly Streets efforts, designing streets to meet DDA core values and City policy goals. In the case of Fourth Avenue, street design will emphasize improved access, safety, equity, and sustainability. The Scope of Work outlined below is comprehensive and detailed to convey to you our understanding of the project. The geographic scope of the street design work is Fourth Avenue from William Street to Liberty Street.

A summary of the proposed scope is outlined below to provide a brief overview.

Phase One: SITE INVESTIGATION + PROGRAM CONFIRMATION: Building on the collaborative, working relationship with the key project partners, confirm and refine the list of programmed activities and site design elements to be included in the work. Prepare a topographic survey of the project area and confirm department and agency reviews and schedule.

Phase Two: SCHEMATIC DESIGN CONFIRMATION: Building on the concept plan developed in coordination with AAATA, the City, and community members, we will refine and confirm the Schematic Design of the street to address lighting, transit shelters, structures, and amenities, bus staging and parking, bus alighting and loading areas, street grades, storm water management, 350 S Fifth Street Housing Commission utility needs, and anticipated project construction costs.

Phase Three: DESIGN DEVELOPMENT: Further refine the design, phasing and estimates and budget for the Fourth Avenue Street Reconstruction project and work with stakeholders and City staff to ensure that the design reflects the desired character for Fourth Avenue, stated project goals, and the Ann Arbor Downtown Street Design Manual best practices.

Phase Four: CONSTRUCTION DOCUMENTATION: Prepare final design drawings, technical specifications, Engineer’s estimate, and Construction RFP to a high degree of quality to ensure sound construction and solid contractor proposals.

Phase Five: CONSTRUCTION REQUEST FOR PROPOSALS: Assist in obtaining and evaluating proposals and preparation of contractor contracts.

Assumptions from which this proposal is based include the following:
1. The Fourth Avenue Street Reconstruction project will be primarily funded by the Ann Arbor DDA. Funding of transit related amenities are to be funded through AAATA, and work related to the design and implementation of the structures and amenities is included in this contract. The City of Ann Arbor will also participate in the funding of the project to replace water mains on Fourth Avenue, road resurfacing, and (potentially) best practices to bring the storm water system up to current green street policy requirements. The funding of design and engineering expenses will be subject to a cost sharing agreement between the parties noted above and will be categorized in the cost proposal accordingly.

2. The current project construction budget assumes that the work will include improvements to Fourth Avenue from William Street to Liberty Street. Contemplated improvements include upgrading the street and pedestrian lighting, providing updated pedestrian crossings, installation of new street trees, landscape beds and rain gardens, road and sidewalk reconstruction in durable paving types, a new storm water management system (consistent with Ann Arbor’s Green Streets policies), relocation of storm water facilities currently located on the 350 S. Fifth Street site, and pedestrian and transit amenities. The project will also include water, storm water, and sanitary service lead engineering for the proposed development at 350 S. Fifth Street.

3. Modifications to the sanitary mains in the project area are not included in this proposal based on our understanding of the needs of the city.

4. There are traffic operational issues being experienced at the Blake Transit Center for bus movement and concerns about pedestrian safety. This scope of work will assess traffic operations in the context of the proposed improvements to Fourth Avenue and proposed development at 350 S. Fifth Ave. and make recommendations for Fourth Avenue and Fifth Avenue that may include new traffic control signals and devices adjacent to the transit center and/or modifications to existing signals at Fourth Avenue and William Street. As the recommended traffic control for the transit center access will not be known until the evaluation is complete, the design of potential new traffic signals and devices is not included in this scope.

5. The traffic assessment in this study will be coordinated with, and help inform, the forthcoming Downtown Circulation Study and the traffic study being prepared for the 350 S. Fifth site development project.

6. Geotechnical services to access below grade conditions are included in this scope of work and will be required to assess existing pavement cross sections and guide the new storm water management and pavement cross section design.

7. Portions of the water main and storm water system, and water, sanitary and storm water services will be integrated into the construction documents for the 350 S. Fifth Street project, as this work is directly related to this project. The remaining work of the Fourth Avenue Reconstruction will be bid as a single bid package (in a traditional design-bid-build approach), with clear delineations in the construction documents as to which agency is paying for the work.

8. For all phases of the work the team will manage the progress of the project through regular schedule updates, maintaining a record of meetings notes and tracking tasks, coordinating with other departments and agencies (e.g., helping to arrange meetings, construction plan review and follow up), and ensuring consistency and coordination from design through construction.
PROJECT TEAM

The SmithGroup Team for the Fourth Avenue Street Reconstruction project will include SmithGroup and Wade Trim. The proposed roles of the team are as follows:

**SmithGroup:**
- Lead design consultant
- Topographic site surveyor
- Overall design approach and theme
- Design of street reconstruction, sidewalks, lighting, landscape, and amenities, including grading, layout, and details
- Coordination with the SmithGroup Team members engaged in the 350 S. Fifth Street project

**Wade Trim**
- Design of all underground utilities, including storm water conveyance, storm water management, water main replacements, and water, storm, and sanitary service leads to 350 S. Fifth Street
- Pavement design recommendations in coordination with geotechnical firm
- Signage and striping plans
- Construction maintenance of traffic plans
- Schedule and agency project coordination and management
- Transportation and operational study at Blake Transit Center access points along Fourth Avenue and Fifth Street

PROJECT SCHEDULE

Attached to this proposal is a draft project schedule (Attachment A) which outlines the general progression of the work and deadlines for submittals and reviews. The schedule is based on the general assumption that the housing project at 350 S. Fifth Street will commence construction in the spring of 2025. Our engineering efforts for storm water relocation on the development site and the installation of water, sanitary, and storm water service leads to the new building will be designed under this contract and bid and built under the development contracts.

Once the design and engineering work of this contract is underway, we will update this schedule and provide greater specificity on deliverables, deadlines, and review periods.

STAKEHOLDER AND PUBLIC ENGAGEMENT

Committee Input and Guidance

The SmithGroup Team will conduct an information and outreach campaign. We have outlined a process in this proposal that includes meetings, interviews, web-based information and communication, and related outreach efforts. The format and content of the workshops and meetings that are outlined below will be used as a starting point for discussions with the Project Team as we refine a public and stakeholder outreach campaign. Before the design process begins, we will work with the Project Team to prepare a detailed and specific outline of the elements of the information and outreach campaign, which may become more project specific than what we have proposed in this scope of services.

To help facilitate the design process, we propose working within committees as outlined below to guide the design efforts:
1. The **Capital Improvements Committee (CIC)** of the Ann Arbor DDA Board will provide high level input to help determine budget priorities and reinforce Ann Arbor DDA values. We anticipate up to three meetings with the CIC.

2. A **Project Design Team**, including staff from the Ann Arbor DDA, City Planning, Transportation, Engineering, Housing Commission, and AAATA. This group will provide review and input into the plans, technical specifications, design character, and programmatic elements as they develop to ensure they are compatible with the stated values and comprehensive planning documents, Street Design Manual, and best practices. In addition, this group will help to ensure that all review processes are anticipated and efficient and think through construction staging and traffic detours, as it relates to other projects. We propose meeting the Project Design Team regularly during the design phase and anticipate up to six coordination meetings.

3. We will present the design plans to the **City of Ann Arbor Transportation Commission** and the **Street Design Team** for input into the design. At this time, we recommend that we meet with these two committees once (each) during the Design Development phase to provide them with information on the design at a point where design detail has been thought through but still flexible enough to adjust to their input.

**Public Outreach**

The previously developed Concept Plan was prepared through a public engagement process during the Key Streets design process. The intent of further public engagement outlined in this proposal is to inform the public about the progress of the design process, as follows:

1. **Public Design Open House**
   
   The SmithGroup Team will conduct a hybrid style open house meeting that is concurrently on-line and face-to-face. The purpose of the meeting will be to provide information on the design direction, and anticipated construction sequence and schedule. Participants will be provided with a summary presentation, followed by an opportunity to provide input into the design, ask questions, and outline any concerns about the project. We anticipate that the Ann Arbor DDA will want to specifically invite AAATA riders, the Main Street Merchant Association members, and other key stakeholders. This event can occur at any number of points during the design process; we recommend timing the workshop with Phase Two of the study.

2. **Rider Engagement**

   A pop-up workshop will be held at the Blake Transit Center to openly engage riders to express their thoughts on the current design layout, as well as indicate their preferences for shelter types and features, and other wayfinding and transit related street amenities. This event can occur at a number of points during the design process; we recommend timing the workshop with Phase One of the study.

3. **Project Information Sharing**

   SmithGroup will package products from the design process for posting on the Ann Arbor DDA website, AAATA web site, and use on social meeting sites at three points during the design process, including:
   a. At the beginning of the design process,
   b. During Design Development as project details are being refined, and
   c. At the beginning of the Construction Period to inform the public on the final design and construction schedule.
We have not included any costs associated with the set-up and use of a local project work and meeting space. We will look to the Ann Arbor DDA to provide this space or arrange a space for the team’s use. We have also not included any costs associated with the use, supply (including food and refreshments), arrangement, or furnishing of space for Team meetings, workshops, or workspace.

**Stakeholder and Public Engagement Meeting Summary:**
- Capital Improvements Committee (up to three times over the project duration)
- Project Design Team Meetings (up to six meetings)
- Main Street Area Association membership meeting (to engage on design & construction phasing)
- Public Design Open House (one meeting)
- Meetings with Ann Arbor DDA staff (as needed)

**PHASE ONE///////////**

**SITE INVESTIGATION + PROGRAM CONFIRMATION**

**Task 1.1: Site Visit and Conditions Evaluation**

The SmithGroup Team will review and document existing site conditions, including an overview of conditions in the project area, including pavements, pedestrian crossings and movement, site furnishings, site lighting and signage, landscape plantings, and site amenities in the context of evaluating the potential impacts of, and integration with, the proposed improvements. While documenting the site conditions our team will visit the site during peak transit hours, under different weather conditions, to observe pedestrian movement and behaviors, especially as they relate to transit use. We will visit the site in the nighttime to record light levels and observe the quality of light conditions. Findings will be documented in a series of Site Conditions and Opportunities maps and photographic image boards.

As part of this task, we will also confirm agencies, departments, and stakeholders that will be engaged for project coordination and perform plan reviews and approvals. We will update the project schedule detailing dates for submittals, review meetings and milestones.

**Task 1.2: Site Survey**

The SmithGroup Team will perform a topographic survey of lands related to proposed improvements on Fourth Avenue between William Street and Liberty Street in Ann Arbor, Michigan. The lands to be included in the mapping effort are shown on the attached Mapping Limits (Attachment A).

A topographic survey shall be performed by a licensed professional land surveyor and incorporated as part of an overall existing conditions plan. The topographic survey portion of the project will include the criteria specified below:

- Existing hardscape (walks, pavement, curb and gutter, walls, ramps, ADA warning pads, stairs, etc.), green space, utility poles and other visible surface evidence of existing utilities
- Existing utilities will be shown based on a combination of mapped surface evidence and record utility maps researched by the surveyor. The accuracy and completeness of the drafted utility network is dependent on the quality and availability of the utility records, and the accessibility and condition of manholes. Where accessible, inverts will be collected for storm and sanitary sewer
structures within the mapping limits. Top of pipe elevations will be gathered for accessible water main manholes. Structures that cannot be opened or are full of water/debris will be noted as such on the survey.

- Contours at 1-foot intervals. Site contours will be part of an intelligent Civil 3D surface.
- Light poles (street and site), light bollards, ground-level light mountings, emergency phones, and signs will be shown. Any device existing in the mapping limits that has a footprint (communication panel, traffic control box, dumpster, parking pay station, bus shelters, etc.) shall be mapped and incorporated in the map of survey.
- Individual trees will be mapped and identified by DBH and common English species.
- Street furnishings that are not permanently installed (i.e., trash and recycling bins, portable signs, and similar) will not be located on the survey mapping but will be inventoried during Phase One of the project.

The survey effort includes resolving the rights-of-way included in the project. Field evidence in the form of parcel corners, and site occupation will be uncovered and mapped. The field evidence will be compared to the records researched to determine an informed location of the rights-of-way for Fourth Avenue/Williams Street/Liberty Street Within the mapping limits.

**PHASE TWO///////////**

**SCHEMATIC DESIGN CONFIRMATION**

To confirm the scope and design direction of the project, the SmithGroup Team will prepare Schematic Design Plans for the project area. Our efforts will include the following:

**Task 2.1: Design Alternative Concepts**

**Alternative Schemes:** We will rely on the previously developed Concept Plan as a starting plan and established framework for the design. The Concept Plan outlines the lane configurations and pedestrian street crossings set during previous public and stakeholder input. Within the framework of the Concept Plan there are a number of open design and engineering elements that we will explore alternative approaches for, including:

- Site grading
- Stormwater
- Landscape
- Special paving types
- On-street parking and service
- Lighting approaches and layouts
- Bus bay and terminal structures and amenities
- Street furniture approach and types
- Opportunities for special amenities such as art, community markers, etc.
- Pedestrian crossing and intersection treatments
- Surface treatments will be reviewed for conflicts with underground infrastructure to further inform the design

**Perspective Model:** The alternatives will be illustrated with plan view sketches, as well as digitally modeled in 3-D (using Sketch-up software) so the design intent is easily understood and evaluated. Precent and product photos will also be used to illustrate the design
intent of the alternatives.

Cost Estimate: An order of magnitude estimate of construction costs will be prepared for each of the alternatives to assist in the evaluation of their value and attributes.

Task 2.2: Schematic Design Plan

Based on input from the Project Design Team and the Ann Arbor DDA staff, the SmithGroup Team will prepare a Schematic Design Plan that illustrates preferred design direction. Alternative design approaches may still be under consideration for key parts of Fourth Avenue Street Reconstruction, and these alternatives will be clearly illustrated. The 3-D perspective model and precedent and product images will be updated to reflect the draft plans. A draft Opinion of Probable Construction Cost will also be developed to understand the budget implications of the proposed plan.

The Schematic Design Plan will include a schematic layout of underground utilities, including storm water system elements, water main, and public utility services to the proposed development.

Task 2.3: Implementation Strategy

The SmithGroup Team will develop an Implementation Strategy based on the accepted Preferred Plan. The Implementation Strategy will describe the proposed plan and will serve as a summary report for the project. As part of this task, the SmithGroup Team will prepare an assessment of the following important components of the project:

- Critical site infrastructure improvements
- The appropriate sequencing or phasing of improvements and an updated project schedule
- Opinion of probable construction costs reflecting the 30% complete level of design
- A written description of the project program, including how it meets the objectives of the City Capital Improvements Plan, Ann Arbor DDA Mission Statement and Values, AAATA’s mission and 2045 Long-Range Plan goals, project priorities, the Downtown Street Design Manual, and responds to design input
- Recommended sustainable low impact design measures

Task 2.4: Traffic Operations Assessment

Wade Trim will conduct an operational assessment of vehicular traffic on Fourth Avenue and Fifth Street, with a focus on how transit vehicles move within the corridors and enter and exit the Blake Transit Center. The assessment will assume the provision of four or five new bus bays integrated into the development of 350 S. Fifth Street and the reconfiguration of bus bays on Fourth Avenue. As part of this task, we propose meeting with planning and operations leaders at AAATA to understand the current conditions and issues, as well as typical bus scheduling and movement patterns.

The study will assess the need and feasibility of new traffic control signals and devices on Fourth Avenue and Fifth Street near the Blake Transit Center. Traffic modeling will be developed based on conceptual plans to replicate proposed conditions for bus access entering and exiting the Blake Transit Center hub, and signal warrants will be evaluated at the locations. If it is found that signalization of the access
entry and exit is required, timing recommendations will be made coordinate with existing adjacent signals on William Street and Liberty Street.

Task 2.5: Geotechnical Investigation

To assess the ability of the soil types underneath Fourth Avenue to infiltrate storm water and support the road paving a series of four, 12-foot-deep borings are proposed as indicated on the attached plan (Attachment B). The soil samples will be lab tested to determine grain sizes, soil typology, and transmissivity.

Task 2.6: City Review (30%)

The Schematic Design (30%) Plans and Implementation Strategy documents outlined above will be packaged and submitted to City Engineering, the Ann Arbor DDA, AAATA, Housing Commission, and other applicable City Units for review and input. We anticipate receiving comments within 10 working days of submittal and the comments will be addressed through integration into the next design submittal or through a memorandum documenting reasons for any deviations from the comments and outlining a process for resolving the issue.

PHASE THREE

DESIGN DEVELOPMENT

Task 3.1: Design Development Documents

Based on the approved Schematic Plan, the SmithGroup Team will prepare a set of Design Development Plans that illustrate the project improvements in sufficient detail to communicate the design intent, and measure quantities for cost estimation purposes.

We anticipate the following products will be required as part of each set of preliminary Design Development documents:

- Cover Sheet
- Site Survey of Existing Conditions
- Site Preparation and Removals Plans
- Street Plans
- Water Main Plan and Profile
- Water Service Plan and Profile
- Sanitary Service Lead Plan and Profile
- Storm Service Plan and Profile
- Storm Water Profiles and Details, including recommended best practices for managing stormwater
- Grading and Drainage Plans
Task 3.2 Implementation Strategy Update

The Design Development Plans will be supplemented with an updated Implementation Strategy Plan, including an Opinion of Probable Construction Cost (representing a 60% level of completion of design) and an updated Project Phasing Plan and Schedule. Particular attention will be paid to strategies for sequencing construction to minimize impacts to businesses and bus service, identifying potential construction staging areas and site preparation needs, and mapping out temporary traffic (and bus staging) patterns and access strategies.

Task 3.3 City Engineering Review (60%)

The Design Development (60%) Plans and Implementation Strategy documents outlined above will be packaged and submitted to City Engineering, the Ann Arbor DDA, AAATA, Housing Commission, and other applicable City Units for review and input. We anticipate receiving comments within 10 working days of submittal and the comments will be addressed through integration into the next design submittal or through a memorandum documenting reasons for any deviations from the comments and outlining a process for resolving the issue.

PHASE FOUR

CONSTRUCTION DOCUMENTATION

Task 4.1: Construction Documents

The SmithGroup Team will perform civil engineering, landscape architectural, and electrical engineering services to finalize Construction Document Plans and Technical Specifications for the project area. We anticipate the following will be required as part of this set of Construction Documents:

- Cover Sheet and Phasing Plan
- Site Survey of Existing Conditions
- Soil Erosion Control Plans
- Site Preparation and Removals Plans
- Traffic Maintenance and Control Plans, including pedestrian and vehicular detours and temporary transit accommodations
- Street Plan and Profile
• Street Cross Sections and Details
• Water Main Plan, Profile, and Details
• Water Service Plan, Profile, and Details
• Sanitary Service Lead Plan and Profile
• Storm Service Plan, Profile, and Details
• Stormwater Plans and Profiles, including storm water management elements
• Stormwater Details
• Grading Plans
• Lighting and Electrical Plans
• Electrical Diagrams and Details
• Layout Plans
• Jointing Plans
• Sidewalk Materials and Landscape Plans
• Sidewalk Zone Details
• Signage and Striping Plans
• Universally accessible transit amenities, including wayfinding signage and markers, shade and wind protection structures, seating, bike parking, and trash and recycling receptacles.
• Technical Specifications
• Request for Proposals

The SmithGroup Team will prepare the Construction Documents, Technical Specifications, Request for Proposals, and Engineer’s Estimates and Quantities to be included in the bid package, consistent with the City of Ann Arbor Request for Proposal requirements. All final design AutoCAD files will be submitted to the Ann Arbor DDA and the City for their records. We assume the Ann Arbor DDA will oversee the bid process with our input and assistance, as needed.

We will collaborate with AAATA planning, operations, and information technology staff to ensure that the plans include conduits, poles and signage frames to support the information technology screens, Wi-Fi, and related equipment selected and planned by AAATA.

Task 4.2: Implementation Strategy Update

The plans will be supplemented with an updated Implementation Strategy Plan, including an Opinion of Probable Construction Cost (representing a 90% and 100% level of completion of design) and an updated Project Phasing Plan and Schedule. Particular attention will be paid to strategies for sequencing construction to minimize impacts to businesses and bus service, identifying potential construction staging areas and site preparation needs, and to map out temporary traffic patterns and access strategies.

Task 4.3: City Engineering Review (90% and 100%) and Permitting

The Construction Document (90%) Plans and Implementation Strategy documents outlined above will be packaged and submitted to City Engineering, the Ann Arbor DDA, AAATA, Housing Commission, and other applicable City Units for review and input. We anticipate receiving comments within 10 working days of submittal and the comments will be addressed through integration into the final bid documents or through a memorandum documenting reasons for any deviations from the comments and outlining a process for resolving the issue.
The 100% Construction Document Plans, Technical Specifications, and Proposal forms will be sent to the City for the purpose of posting to potential proposers.

We will also submit the plans for local and state water main approval and permits. Other permits that are typically sought when a project is commencing construction are assumed to be the responsibility of the Construction Contractor.

**PHASE FIVE///////////////**

**CONSTRUCTION REQUEST FOR PROPOSALS**

**Task 5.1: Pre-Proposal Services**

The SmithGroup Team will aid the Ann Arbor DDA during bidding, including the following pre-bid services:

- Attend and lead a Pre-Proposal meeting, including a site tour
- Provide clarifications, both written and in the form of sketches, for their inclusion in addenda
- Attend the proposal opening, review the proposals and supporting documents and offer recommendations (if requested).

**Task 5.2: Post Proposal Assistance**

The SmithGroup Team will aid the Ann Arbor DDA during bidding, including the following post-bid services consistent with the City of Ann Arbor Best Value Procurement process:

- Aid the Ann Arbor DDA in negotiating contracts with the apparent successful proposing contractor. Such assistance may include participation in conference calls, review and acceptance of alternative materials and equipment, discussions with proposers as to content and completeness of their proposals and attending a briefing with the apparent successful proposing contractor and the Ann Arbor DDA to clarify any uncertain issues
- Review of proposer’s submittals including project schedule, schedule of values, subcontractor lists, qualifications data, and references
- Review of draft contracts for consistency with the Construction Documents
- Revise the plans and specifications based on modifications made during the proposal process and post the plans as “Issued for Construction”

**Attachment(s):**

- Attachment ‘A’ – Draft Project Schedule
- Attachment ‘B’ – Soil Boring Location Map
ANN ARBOR FOURTH AVENUE STREET RECONSTRUCTION
PROJECT SCHEDULE
Draft 11-22-2022

2022 2023 2024 2024 FALL and 2025 2025 FALL and 2026

PHASE

2023 2024 2024 FALL and 2025 2025 FALL and 2026

2023 2024 FALL 2025 2025 FALL 2026

2023 2024 2024 FALL 2025 2025 FALL 2026

2023 2024 2024 FALL 2025 2025 FALL 2026

PHASE ONE: SITE INVESTIGATION + PROGRAM CONFIRMATION

Task 1.1: Site Visit and Conditions Evaluation
Task 1.2: Site Survey Complete
Rider Engagement
traffic study for signals

PHASE TWO: SCHEMATIC DESIGN CONFIRMATION

Task 2.1: Design Alternative Concepts
Public Design Open House
Task 2.2: Draft Schematic Design Plan
Task 2.3: Implementation Strategy
Task 2.4: City Review (30%)

PHASE THREE: DESIGN DEVELOPMENT

Task 3.1: Design Development Documents
Task 3.2 Implementation Strategy Update
Task 3.3 City Engineering Review (60%)

PHASE FOUR: CONSTRUCTION DOCUMENTATION

BID PACKAGE for 350 S. FIFTH: STORM RELOCATION AND UTILITY SERVICES
Task 4.1: Construction Documents integrate into 350 S Fifth construction documents
Task 4.2: Implementation Strategy Update
Task 4.3: City Engineering Review (90% and 100%) 90% 100% permitting

BID PACKAGE: STREET RECONSTRUCTION
Task 4.1: Construction Documents
Task 4.2: Implementation Strategy Update
Task 4.3: City Engineering Review (90% and 100%) 90% 100%

PHASE FIVE: CONSTRUCTION REQUEST FOR PROPOSALS

BID PACKAGE ONE: STORM RELOCATION AND UTILITY SERVICES
5.1: Pre-Proposal Services Proposal Period
5.2 Post Proposal Assistance
Construction Construction

BID PACKAGE TWO: STREET RECONSTRUCTION
5.1: Pre-Proposal Services Proposal Period
5.2 Post Proposal Assistance
Construction Construction

NOTE: TIMING OF STREET AND STREETSCAPE CONSTRUCTION MAY CHANGE BASED ON INTEGRATION WITH OTHER PROJECTS
AGREEMENT BETWEEN THE CITY OF ANN ARBOR AND THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF ANN ARBOR REGARDING RESPONSIBILITIES AND COST ALLOCATION FOR THE DOWNTOWN AREA CIRCULATION STUDY

This Agreement ("Agreement") is made and entered into this _______ date of __________________, 2023, by and between the City of Ann Arbor, a Michigan municipal corporation with its principal offices at 301 E. Huron Street, Ann Arbor, Michigan 48104 ("City"), and the Downtown Development Authority of the City of Ann Arbor, a public corporation organized and existing pursuant to the authority of Act 197, Public Acts of Michigan, 1975, MCL 125.1651 et seq. with its principal offices at 150 South Fifth Avenue, Suite 301, Ann Arbor, Michigan 48104 ("DDA"), for the purpose of fixing the rights and obligations of the parties relative to the Downtown Area Circulation Study (the "Study"). Relevant details and the scope of the Study are set forth in Exhibit A.

Whereas, the City and the DDA have expressed interest in working cooperatively on the Downtown Area Circulation Study;

Whereas, the City and the DDA have agreed that the City should award a contract to SmithGroup Companies, Inc. hereinafter referred to as "Consultant," to perform design work for the Study;

Whereas, the City will be responsible for funding a portion of the Study as established in Exhibit B; and

Whereas, the City and the DDA have reached an understanding with each other regarding their respective responsibilities for the payment of the costs for the Study, and desire to enter into this Agreement to memorialize that understanding.

Therefore, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, the City and the DDA agree:

1. The City and the DDA shall undertake and complete the Study in accordance with the terms of this Agreement. Exhibit A to this describes generally the scope of the Study and incorporates by reference the Consultant’s design proposal. Exhibit B to this Agreement lists the study tasks and allocation of costs between the City and the DDA. As set forth in Exhibit B, the estimated total dollar amount for the work the Consultant will perform, plus contingency Consultant is $635,437, of which the estimated total dollar amount of the City’s share of the Study is $190,631 plus $19,063 contingency.

2. The DDA will enter into a contract with the Consultant for the Study. The DDA will administer the contract and related work necessary for the completion of the Study. In its contract with the Consultant, the DDA must require that the Consultant indemnify the City for any claims or lawsuits by third parties arising from the Consultant’s work, and must require the Consultant to cover the City as additionally insured on its general liability policy. In the contract between them, the DDA and the Consultant also must recognize the City as a third-party beneficiary of the contract.
3. The City is responsible for funding its identified share of each work item of the Study as defined in Exhibit B.

4. For payment of the Study costs, the DDA will contract directly with the Consultant, and finance the complete cost of the study, including the City’s share of the costs. The City will reimburse the DDA for the City’s share of amounts paid by the City according to the allocation of costs for each cost category in Exhibit B.

5. As the DDA pays for services and incurs costs on the Study, the DDA will invoice the City at a frequency no more than monthly. The City shall reimburse the DDA for the City’s share of incurred costs within 30 days of receipt of an invoice from the DDA.

6. Notwithstanding the City’s funding of a share of the Study, the parties agree that responsibility for management of the Study, including all aspects of the contract with the Consultant, rests with the DDA.

7. The parties understand and agree that the dollar amounts in Exhibit B are estimates of Study costs and that the actual costs may differ. However, the percentages for cost allocation between the City and the DDA for each work item identified in Exhibit B are agreed to between the parties and cannot be changed except by Amendment to this Agreement. The City’s obligation to fund its share of the Study includes the obligation to fund change orders authorized in writing prior to the work being performed for any work item of the Study that the City is funding in whole or in part. All change orders that relate to a work item whose cost is covered in whole or in part by the City must be approved by the City prior to the work being done. The City’s approval shall not be unreasonably withheld, and the City shall respond promptly to requests for approval. The parties agree that any change order that affects one or more work items of the Study will be paid by the City and the DDA in proportion to the percentages identified in Exhibit B for the work item(s), including both increases and decreases in Study costs.

8. In the event a claim is brought against the DDA and/or the City by the Consultant and/or its consulting team arising out of work on the Study, costs incurred by the DDA in defending or resolving such claims shall be considered Study costs and will be funded in the same manner and proportion as the work to which the claim pertains. Any change order that results from a claim shall be funded as provided in Paragraph 7.

9. Each of the persons signing this Agreement represents and warrants that he or she has authority to sign this Agreement on behalf of the DDA or the City of Ann Arbor, respectively.
CITY OF ANN ARBOR, a Michigan municipal corporation

By: __________________________________
    Christopher Taylor, Mayor

By: __________________________________
    Jacqueline Beaudry, City Clerk

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY, a public corporation

By: __________________________________
    Maura Thomson, Interim DDA Executive Director

By: __________________________________
    DDA Secretary

Approved as to substance:

____________________________________
    Milton Dohoney Jr., City Administrator

____________________________________
    Brian Steglitz, Interim Public Services Area Administrator

Approved as to form:

____________________________________
    Kevin S. McDonald, Interim City Attorney
Attached as Exhibit A is the Scope of Services for the Downtown Area Circulation Study, which includes a multi-modal operational model, an active transportation system prioritization plan, transit plan alignment and transit priority streets, a Fifth & Division two-way restoration feasibility study, and shared streets & pedestrian mall feasibility studies.
EXHIBIT B
Estimated Costs and Cost Allocations

Attached as Exhibit B are the cost summary and funding responsibilities for the Project.

<table>
<thead>
<tr>
<th>Ann Arbor Downtown Area Circulation Study</th>
<th>DDA-City Cost Share Agreement Splits</th>
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<tbody>
<tr>
<td><strong>TASKS</strong></td>
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<tr>
<td>464 - Project Coordination &amp; Engagement</td>
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<tr>
<td>564 - Multi-Modal Operational Model</td>
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</tr>
<tr>
<td>944 - Active Transportation System Plan &amp; Project Design</td>
<td>67%</td>
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<tr>
<td>400 - Transit Plan Alignment &amp; Transit Priority Streets</td>
<td>67%</td>
</tr>
<tr>
<td>756 - Fifth &amp; Division Two-Way Restoration Feasibility Study</td>
<td>67%</td>
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<tr>
<td>390 - Event Street Feasibility Studies</td>
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<table>
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<th><strong>SUB-TOTAL</strong></th>
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</thead>
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<td><strong>Contingency 10%</strong></td>
<td><strong>$57,761</strong></td>
</tr>
</tbody>
</table>

| Project Total with contingency | **$635,374** | **$209,674** |

| **PROJECT TOTAL** | **$387,001** | **$190,012** |

| **Contingency 10%** | **$38,700** | **$19,061** |
January 11, 2023  
(Revised January 12, 2023)  
(Revised January 17, 2023)  

Ms. Amber Miller  
DDA Capital Projects & Planning Manager  
Ann Arbor Downtown Development Authority  
150 South Fifth Avenue  
Suite 301  
Ann Arbor, Michigan 48104  

Mr. Trevor Brydon  
Transportation Program Manager  
Public Services City of Ann Arbor  
301 East Huron Street  
PO Box 8647  
Ann Arbor, Michigan 48107-8647  

Re: Ann Arbor Downtown Area Circulation Study  

Dear Ms. Miller and Mr. Brydon,  

Ann Arbor’s downtown and adjoining areas are an invaluable part of the community’s fabric, culture, and economy, with recent years bringing unprecedented levels of change to this part of the City. A range of transportation infrastructure improvements have been implemented, which have improved the safety and comfort of the downtown for all people and travelers. The COVID-19 pandemic has shaken-up long established transportation patterns and informed how public rights-of-way can be better utilized to meet community needs. These changes provide growing opportunities to meet our values and community goals.  

SmithGroup and Wade Trim have been honored to be a part of this downtown area transformation through our work with the Ann Arbor Downtown Development Authority (DDA) and the City of Ann Arbor on the People Friendly Streets 2 (PFS2) project. We are pleased to provide you with the attached scope of work, which will build on the PFS2 effort and continue to support DDA and City staff in making strategic, value-based decisions to guide transportation improvements moving forward.  

A critical challenge in implementing transportation projects is the need to strategically balance the needs of a range of different modes of travel, adjacent business activity, property uses, and public infrastructure demands within a given street corridor, all while simultaneously considering network-wide transportation impacts. A further complication is the need to align and coordinate different sources of infrastructure funding, from active transportation and transit to road resurfacing, stormwater, and underground utilities. Across all of this is the importance of engaging stakeholders and the community to inform priorities, navigate tradeoffs, understand impacts, and align values.  

The Downtown Area Circulation (DAC) Study will provide a multi-modal transportation operational model, conceptual design studies and cost opinions, best practice reviews, stakeholder engagement, and technical recommendations for advancing a range of projects in a coordinated manner in the downtown area. These efforts include:  

- Detailed assessments of potential all ages and abilities bicycle connections – building on the Moving Together Transportation Plan and connecting to the completed downtown bikeway loop – from a feasibility, priority, and project coordination standpoint.  
- Investigation into the feasibility and desirability of restoring Fifth and Division to two-way traffic, including consideration of the Broadway Bridge and Division interchange.  
- Understanding and aligning desired transit priority street improvements from TheRide’s 2045 Long-Range Plan into downtown infrastructure planning efforts.
Exploring the feasibility and desirability of implementing future event street projects in key commercial areas, such as shared streets, pedestrian malls, and/or curbless street designs.

The DAC Study will enable these future opportunities to be understood in terms of how they overlap and impact one another and align with capital investments in public infrastructure. This study will provide actionable recommendations for how to best advance feasible and desired projects, while ensuring that public resources are aligned with project needs and public support.

Downtown Ann Arbor is a vibrant, thriving, and highly valued part of the community – and public space and transportation infrastructure is critical to its success. We are excited to deliver this scope, which builds on our prior work, supports you and your partners, and continues building this great legacy in the heart of our community.

Thank you kindly,

Oliver Kiley, PLA
Principal | Landscape Architect
ANN ARBOR DOWNTOWN AREA CIRCULATION STUDY

SCOPE OF SERVICES

STUDY PURPOSE

The Downtown Area Circulation (DAC) Study will build upon recent transportation planning efforts and completed street projects, with the goal to provide actionable, detailed recommendations to guide future downtown transportation and mobility projects in a coordinated manner that best align with community values.

Past transportation planning efforts have established community values and identified prospective transportation projects connecting to and through the Downtown:

- **People Friendly Street 2 Program (PFS2):** Planning work during the PFS2 process identified several potential future projects to explore from a feasibility and design standpoint. These included the possibility of restoring Fifth and Division to two-way traffic, improvements to North Main Street, bicycle connections to the downtown bicycle network, and potential transit priority streets. The DAC Study will build on the PFS2 work and assess the feasibility, benefits/costs, design direction, and stakeholder feedback for these potential projects.

- **Moving Together Toward Vision Zero Comprehensive Transportation Plan (Moving Together Transportation Plan):** This plan identified several priority corridors and intersections in the downtown, along with a network of proposed low-stress bicycle facilities. These opportunities will be similarly assessed for feasibility, benefits/costs, design direction, and stakeholder feedback, with recommendations provided for how potential projects should be advanced.

- **TheRide 2045 Long-Range Plan:** This plan identified system-wide strategies and opportunities for continued improvement to TheRide transit system. This included consideration of key priority transit service corridors into the downtown. The DAC Study will help identify potential infrastructure changes that would support TheRide’s long-term goals and ensure these can be feasibly aligned with other transportation needs into and through the downtown.

Recently built projects have made significant, transformative changes to the downtown’s transportation infrastructure. From the restoration of First and Ashley Street to two-way traffic and the South Main Street “road diet” to the completion of a protected bicycle infrastructure loop (William, Division, First, Catherine/Miller Streets), changes have focused on improving safety and comfort for all users, expanding mobility choices, and increasing the flexibility for how public rights-of-ways operate. These projects have established new transportation patterns and practices in downtown.

In consideration of recent plans and built work, the DAC Study will comprehensively assess prospective projects for all modes of travel (walking, cycling, transit, and automotive), assess the feasibility, operations, and design direction at a more detailed level, ensure value-alignment, and engage the community to understand preferences and set priorities based on values.

TASK OVERVIEW

The DAC Study is organized under the major tasks and areas of work described below. These tasks and associated deliverables are described in the Detailed Scope of Work section.

- **TASK 1. Project Coordination & Engagement:** This task will provide on-going coordination and alignment between the Ann Arbor Downtown Development Authority (DDA), City, and partner organizations over the course of the planning process. This includes engagement with a technical...
advisory committee and support for overall community and focused stakeholder engagement and communications.

Deliverable: Engagement and communication materials and facilitation. Summaries of key engagement activities and decision-making record.

- **TASK 2. Multi-Modal Operational Model:** This task will utilize recently collected and to-be-procured transportation data to build a downtown multi-modal traffic model for major portions of the downtown area. This model will reflect recent built projects and operational policies and will be used to support decision-making and feasibility assessments in other project tasks (below). Includes an assessment of signalization practices and will provide location-specific recommendations for safety and operational improvements (e.g., use of accessible pedestrian signals, bicycle signals, left-turn phasing – see detailed scope for more). Provides an overarching assessment of project alignment, compatibility, prioritization, and community input.
  
  Deliverable: Multi-modal operational model for the downtown area and technical memo containing downtown street intersection control recommendations.

- **TASK 3. Active Transportation System Plan & Project Design:** This task will examine the feasibility of several previously identified connectors into and through the downtown, develop conceptual alignments and construction cost estimates, and engage relevant stakeholders. A system-wide active transportation plan (map graphic) for the downtown will be developed, with broad recommendations to support bicycle system wayfinding. Multi-modal impacts will be assessed using the operational model (Task 2) and focused community engagement efforts.
  
  Deliverable: Revised system plan (map graphic) and level of traffic stress analysis, feasibility assessments, and conceptual alignments, cross-sections, and cost opinions for up to six (6) bicycle infrastructure projects.

- **TASK 4. Transit Plan Alignment & Transit Priority Streets:** This task will engage TheRide staff and partners in assessing potential streets for transit priority, building off the 2045 Long-Range Plan. The task will identify the types of improvements that may be needed, their associated feasibility, and align priority improvements with other transportation infrastructure objectives.
  
  Deliverable: Technical memo providing recommended improvements and infrastructure needs to support transit priority street in the downtown area. Includes focused recommendations for up to six (6) candidate corridors.

- **TASK 5. Fifth & Division Two-Way Restoration Feasibility Study:** This task will utilize the multi-modal operational model (Task 2) to explore potential restoration of two-way traffic. This includes conceptual layout/cross-sections of the corridor, intersection treatments, and more detailed feasibility and design work at the Broadway Bridge “interchange” area. Includes focused community/stakeholder engagement efforts.
  
  Deliverable: Technical memo describing the feasibility, benefits/costs, value-alignment, design factors, cost considerations, and community feedback for restoring Fifth and Division to two-way traffic operations.

- **TASK 6. Event Feasibility Studies:** This task will assess the feasibility, design implications, and transportation operational impacts (building on Task 2) for up to four (4) special event street (e.g., pedestrian mall, shared street, or curbless street) concepts. This will include focused stakeholder engagement around each prospective project.
  
  Deliverable: Conceptual designs/layout for prospective projects and technical memos documenting the feasibility, value-alignment, benefits/costs, and stakeholder feedback.
DETAILED SCOPE OF WORK

The anticipated project duration, over the six (6) areas of work, is anticipated to be ten (10) months.

This scope of work will refer to the Consultant Team and the Project Team. The consultant team consists of SmithGroup (prime consultant) and Wade Trim (sub-consultant). The project team consists of the consultant team in addition to key staff from the DDA and City assigned to this project.

TASK 1. PROJECT COORDINATION & ENGAGEMENT

PURPOSE: This task covers critical coordination meetings among the project team members and key stakeholders with a role and responsibility in the operations of downtown streets, along with overall support for community and stakeholder engagement.

1.1 Project Team & Kick-off

- Establish a cohesive project team with key decision-makers for the process. This will include City transportation staff, DDA staff, TheRide staff, and the consultant team members.
- Ten (10) monthly 2-hour work session meetings, anticipated to be in-person to the extent feasible.
- Ten (10) monthly 1-hour coordination meetings, anticipated to be virtual, on the alternating bi-weeks.
- Meetings will be used to validate, align, and confirm operating values and goals for the decision-making process, review draft material, solicit feedback, coordinate engagement, and refine deliverables.

Establish Basis of Study: Consultant team will summarize into a presentation document recent outcomes of transportation planning and construction efforts relative to the Moving Together Transportation Plan and PFS2 outcomes and as a basis for how this project will build upon that work.

DELIVERABLES:
Meeting materials, tracking assignments and action items in shared task planning tool, coordination of schedule.

1.2 Technical Advisory Committee

- Formation of a technical advisory committee (TAC) consisting of key staff from the City Street Design Team, TheRide, Fire and Police, University of Michigan (U-M), Active Transportation advocates, and/or Washtenaw Area Transportation Study (WATS). DDA and City staff will be responsible for assembling this TAC, with the consultant team providing engagement and facilitation support.
- Three (3) while-group TAC meetings over the course of the project at key points in the process (e.g., value validation, reviewing concepts/options, and reviewing recommendations).
- Up to 12 sub-group meetings focused on specific topics/issues as needing during the course of the project. Meetings will be on an as-needed basis depending on the topic and specific task item being discussed.

DELIVERABLES:
Meeting materials and meeting notes/summaries.
1.3 Communication & Overall Engagement

- The project team will discuss, and the consultant team will subsequently draft, a community/stakeholder engagement plan describing the key anticipated decision-points across project tasks and what level of community input is needed for each. Stakeholder engagement is anticipated to be more necessary where input on shaping specific designs or prioritizing improvements may be called for. The City's public engagement toolkit can be utilized, with City staff support, in developing this plan and clarifying the right level of engagement.

- The project team will help develop overall community messaging and communication around this project and its intended outcomes. The consultant team will provide up to six (6) two-page equivalent web- and print-based “fact sheets” covering critical topics. These will be identified during the process.

- Consultant team will provide concise website content (images, brief narratives, etc.) for use on the City- and DDA- webpage over the course of the project.

- Consultant team will attend and present (if needed) at up to two (2) Transportation Commission meetings over the course of the project.

**DELIVERABLES:**
Engagement materials and collateral, summaries of public engagement activities.

**TASK 2. MULTI-MODAL OPERATIONAL MODEL**

**PURPOSE:** This task will build a multi-modal traffic operational model for portions of the downtown and central-city area to better understand current transportation patterns and provide guidance on several scenarios relative to potential street and intersection modifications, including:

- Active transportation projects and future low stress bicycle facilities (see Task 3)
- Transit priority street improvements (See Task 4)
- Restoring two-way traffic on Fifth and Division (See Task 5)
- Shared street and pedestrian malls (See Task 6)
- Intersection control changes, such as (a) the downtown No Turn On Red policy; (b) signal warrant analysis and conversions to stop-controlled intersection; (c) bicycle and pedestrian signal safety improvements; and, (d) vehicle signal safety improvements (See Tasks 2.2 – 2.5)

**2.1 Overarching Operational Model**

The consultant team will develop a Synchro model for the existing conditions including AM and PM peak periods to be utilized in the capacity and geometric analysis. Specific tasks include:

- Obtain traffic counts and/or conduct turning movement counts at major intersections and midblock crossings to include pedestrians, cyclists, vehicles, and heavy vehicles (see maps further below)
- Request signal timing permits from the City
- Field review and identify deficiencies
- Create existing condition Synchro models for AM and PM peak periods, volume balance, calibrate and validate models, and simulate results using SimTraffic
- Develop warrant analyses for intersections that may need review of appropriate traffic control
- Calculate vehicle and pedestrian clearance intervals
- Create proposed Synchro models based on the recommendations for AM and PM peak periods for potential future conditions (as informed by Tasks 2, 3, 4, and 5)
DELIVERABLES:
Multi-modal operational traffic model.

Please see the appendix of this scope for additional details on count locations and availability of existing traffic data from recent projects.

2.2 Intersection Controls: Warrant Studies for Signal Removal (MDOT Warrant Spreadsheets)
- Traffic signal warrant analysis will be conducted by the consultant team at selected intersections in accordance with the Michigan Manual on Uniform Traffic Control Devices, which includes evaluation of pedestrian volume warrants.
- This scope will include allowances for up to five (5) intersection warrant analyses, based on locations that may benefit operationally in removing signalization and operating as an all-way stop. Twelve (12) hour counts will be taken to evaluate the signal warrants. Potential intersections may include:
  - Liberty Street and 4th Avenue
  - Liberty Street and 5th Avenue
  - Liberty Street and Division Street
  - Liberty Street and Thompson Street
  - Washington Street
- Other potential intersections identified during the process can be assessed on an as-needed basis.

DELIVERABLES:
Technical memo describing the results of the warrant analysis and recommendations for where signal removal/modifications should be implemented.

2.3 Downtown “No Turn On Red” Policy
A No Turn on Red policy for downtown intersections has been advanced in the City. This task will support implementation of this policy to improve pedestrian safety as part of the operational model.
- At intersections impacted by the policy, the No Turn on Red parameter will be implemented at study intersections in the traffic models to evaluate delay and queuing impacts on traffic to restricting turns.

DELIVERABLES:
Integration of No Turn on Red controls into the operational model (Task 2.1).

2.4 Bicycle & Pedestrian Signal Improvements
This task will assess a range of opportunities for improving the safety of traffic operations through modification to bicycle and pedestrian signals. The consultant team will review and provide a consideration of best practices that can be used across the topics below, in consideration of their application in the downtown area:
- **Bicycle signals**: Bicycle operations will be evaluated and implemented where appropriate. These will include the Bicycle Use Ped Signal approach, review of policies and established bicycle operations guidance.
- **Exclusive pedestrian/bicycle phasing**: Investigate the best suited intersections, for example those with light vehicle turning movement volumes, and short crossing distances, etc. A list has already been developed by the City of potential locations. Potential locations will be evaluated at a high level based on pedestrian volumes and crash data, and additional locations may be recommended based on criteria to be coordinated with the project team.
Accessible Pedestrian signal (APS) use: Evaluate current APS locations and preferred practices and methods for use of APS signals in the downtown environment and how that relates to existing pedestrian signal practices, in an effort to reinforce the implementation effort.

Pedestrian overlaps with LPIs: Where applicable, the overlap portion of the pedestrian phase (buffer interval) will be analyzed with the LPI to make more efficient use of existing cycle length or reduce cycle length. According to Federal Highway Administration (FHWA) research, this has been found to improve pedestrian progression.

DELIVERABLES:
Technical memo(s) documenting best practices for treatments and recommended application within the downtown area as part of signal operational updates and/or future capital projects.

2.5 Vehicle Signal Safety Improvements
In this task, the consultant team (with input from DDA and City staff) will examine intersections, based on the traffic operational model, and assess whether signal changes may be warrened to further improve multi-modal safety and comfort.

- **Shorter cycle lengths:** Wherever feasible, the study will review the impacts to pedestrian and vehicle delays in shortening the signal cycles. In general, this method has been found to reduce pedestrian delay, improve pedestrian compliance, and reduce vehicle speeding, etc. The criteria will consider elements of the downtown network, as well as pedestrians, cyclists, and transit user impacts for cycle length selection. Any special triggers requiring lengthening the cycle length (such as transit signal priority) will also be considered.

- **Protected only left-turns or lagging lefts:** This scenario will be evaluated as it has been found to reduce pedestrian/bicycle conflicts with vehicles, and the suitability will focus on intersections with existing left-turn phasing.

- **Leading through intervals at intersections with turn lanes:** This method allows for a longer protected interval for pedestrians/cyclists than might be possible with LPIs.

DELIVERABLES:
Technical memo(s) documenting best practices for treatments and recommended application within the downtown area as part of signal operational updates and/or future capital projects.

2.6 Overarching Value Assessment, Priorities, & Community Alignment
This task will enable the project team to determine if any of the proposed future projects (Tasks 3 through 6) or operational changes (Tasks 2.2 through 2.5) are infeasible or in conflict with one another. Only those project opportunities that are feasible will be refined for further discussion and consideration. Opportunities that pose conflicts with other opportunities will be revised and prioritized (relative to those other opportunities) based on an assessment of values and community/stakeholder engagement feedback.

- **Update Values Matrix:** The consultant team will update a values matrix, describing how each assessed future project aligns with established values or can be modified to meet those values.

- **Area-Wide Community Engagement:** If any future opportunities are determined to be in conflict, the consultant team will engage the public with DDA and City staff to better understand specific community priorities, in consideration of values, to inform recommended next steps and which projects or project elements should be advanced towards implementation.

DELIVERABLES:
Presentation-format document describing value assessments, community priority findings and engagement summaries, and overarching recommendations for project coordination.
TASK 3. ACTIVE TRANSPORTATION SYSTEM PLAN & PROJECT DESIGN

PURPOSE: Provide a detailed update to the active transportation recommendations from the Moving Together Transportation Plan adopted in 2021 and the 2022 Downtown Street Framework Plan (from the Street Design Manual) into an aligned active transportation framework. This task will also provide concept-level alignments, layout plans, and cost opinions for key connector projects.

3.1 Revised “Level of Traffic Stress/Comfort”
The consultant team will provide a revised Level of Traffic Stress (LTS) map for the downtown area and determine where gaps in all ages and abilities (low stress) network remain given recent project work. This analysis will fine tune the LTS to downtown area unique conditions. This analysis will help navigate design trade-offs that will need to be made to accommodate low stress bicycle infrastructure and alignment with other capital project needs and opportunities.

DELIVERABLES:
Updated GIS map layer depicting the LTS analysis and a detailed workflow which can be utilized to update the layer in the future.

3.2 Bicycle Connector Concept Studies
Up to six (6) specific bicycle connector projects will be assessed by the consultant team to determine potential alignments, layouts, feasibility, and as a basis for soliciting stakeholder feedback. These projects are anticipated to include a combination of the following:

- **First Street Bikeway to Berm Tunnel Connector**: Potential connection along Kingsley Condo’s along the Treeline Trail route, through 721 N. Main, and to/through Wheeler Park to connect to the Berm Tunnel.
- **Broadway Bridge & Division Connector**: This would consider connections from the Division Street Bikeways to the Broadway Bridge and to the Berm Tunnel. Would evaluate extension of the Division Street separated bikeway as a one-way versus two-facility. This effort will align closely with Task 5.3 in consideration of the “Broadway Interchange” area.
- **Fifth Avenue & Berm Tunnel Connector**: This potential route would consider bicycle access from Fifth Avenue to the Berm Tunnel and would be coordinated in consideration of Task 5 (Fifth and Division two-way restoration study).
- **Catherine/Ann Street Connector**: Evaluate extension of the Miller/Catherine Bikeway east to the U-M medical campus on Catherine and/or Ann Street.
- **Miller Street to West Park Connector**: Assess the continuation of the Miller Street separated bikeway to Chapin Street and to the shared use trails in West Park. Considers an extension of a separated bikeway on Miller west to Newport Road.
- **Washington Street Bike Boulevard**: This item will explore potential bicycle boulevard treatments along Washington Street from the residential area from the west and into the downtown.
- **South Main Street**: Explore feasibility of improvements as a lower stress bicycle facility.

These concept studies will not be based on a detailed engineering survey, but will utilize available ariel imagery, GIS property and roadway information, and field site visits appropriate to a concept-level study.

DELIVERABLES:
For each specific project listed above, a conceptual layout will be developed utilizing a combination of GIS data (right-of-way boundaries and curb line data), aerial imagery, and site visits. These concept
plans will depict recommended facilities, intersection controls, and high-level conceptual cost opinions. These concepts will be used to support-decision making and provide a clear recommendation on right-of-way space trade-offs that may be needed for implementation.

3.3 Quick-Build/Vision Zero Alignment
In this task, the project team will review the City's on-going Vision Zero implementation work and the Moving Together Transportation Plan projects to identify potential areas of focus for further improvement. This will include identifying additional locations where “paint and post” projects may be utilized to achieve quick physical changes - such as adding vertical separation to existing buffered or conventional lanes, painted bump outs, and other treatments.

**DELIVERABLES:**
Technical memo documenting recommended locations and potential treatment measures in alignment with the Vision Zero Implementation effort.

3.4 Plan Alignment & Recommendations
The consultant team will prepare a unified set of recommendations and priorities for advancing bicycle infrastructure and other safety and operational improvements that can be used to update the Moving Together Transportation Plan and the Downtown Street Design Manual Framework plan accordingly. These recommendations will consider right-of-way impacts of any desired transit street improvements (see Task 4 below). Routes and street typologies will be updated based on feasibility, value-alignment, and community engagement findings.

**DELIVERABLES:**
Technical memo and revised plan/map graphics of the downtown area bicycle infrastructure network that aligns with values and priorities (Task 2.6) and can be used to update the Moving Together Transportation Plan and the Downtown Street Design Manual Framework plan.

3.5 Stakeholder & Community Engagement for Active Transportation
This task provides capacity for the consultant team to engage stakeholders on a project-by-project (Task 3.2) basis to identify and respond to issues and concerns affecting project design and implementation, to keep nearby residents and businesses informed of the design direction, and to solicit input as appropriate. Anticipated to inform needed plan refinements (Task 3.4) and overall bicycle connectivity priorities into and within the downtown. Methods to be identified in Task 1.3.

**DELIVERABLES:**
Engagement materials and summaries of engagement activities and results.

3.6 Bicycle Wayfinding Recommendations
The consultant team will review best practices and case studies for downtown bicycle wayfinding systems and provide high-level recommendations for what type of wayfinding systems may be beneficial for Ann Arbor. This will include a consideration of how such systems might be adapted to local conditions. This may include identification of key destinations, districts, and corridors where wayfinding infrastructure should be aligned.

**DELIVERABLES:**
Technical memo documenting best practices and consideration for implementation into the downtown area.
TASK 4. TRANSIT PLAN ALIGNMENT & TRANSIT PRIORITY STREETS

PURPOSE: The Ride completed their 2045 Transit Master Plan in 2022. This task will engage The Ride staff in understanding potential right-of-way impacts of future transit projects and how these impacts will be balanced alongside other demands and needs within the right-of-way. The overall aim is to align plans and establish a preferred direction for resolving potential conflicts and right-of-way limitations. Specific tasks include:

4.1 Transit Priority Street Assessments
- The project team will engage with The Ride and U-M staff to understand future transit needs/opportunities and refine corridors and concepts for how enhanced transit service might be accommodated into/through the central-city area.
- The project team will assess the impacts to multi-modal transportation operations utilizing the operational model (Task 2.1) for where transit priority improvements may call for modifications to the roadway allocation or intersection operations.
- The consultant team will facilitate a half-day work session with the project team and The Ride staff to review 2025 Long-Range Plan recommendations and discuss implementation approaches to be considered in the downtown area.

DELIVERABLES:
Technical memo and supporting graphics identifying potential transit priority streets, implementation considerations, and outcomes from the work session.

4.2 Specific Transit Corridor Investigations
- The consultant team will evaluate the need for transit signal prioritization and transit-only lanes along up to five (5) corridors. Candidate corridors may include:
  - Fourth Avenue
  - Fifth/Division/Broadway
  - Huron Street
  - Observatory/Huron/Washtenaw Avenue
  - Miller
  - Packard
  - State
- This task will provide recommendations for what priority specific priority transit improvements may be warranted and should be accounted for in capital project scopes. Where desired transit improvements are concurrent with low stress bicycle facility improvements, methods of resolving conflicts can be proposed.

DELIVERABLES:
Conceptual drawings/graphics/plans showing type and extent of recommended transit improvements and operational considerations.

TASK 5. FIFTH & DIVISION TWO-WAY RESTORATION FEASIBILITY STUDY

PURPOSE: Fifth Avenue between Beakes Street and Madison Street, and Division Street between Detroit Street/Carey Street and Hill Street, is a one-way street pair and a candidate for two-way restoration. This task will evaluate the feasibility, benefits, and costs association with restoring Fifth and Division back to a two-way traffic pattern. Areas of work include:
5.1 Operational and Safety Assessment of Two-Way Restoration
The consultant team will assess the impacts of changing the travel direction from one-way to two-way streets on Fifth Avenue and Division from a safety and traffic operational standpoint, utilizing the overall Central City Operational Model (Task 2) as a baseline.

- With the current emphasis on the Complete Streets Policy and Vision Zero objectives, where the street is designed for all users, vehicles, pedestrians, cyclists, etc., one-way streets have been found to increase driving time and distance, leading to increasing vehicle speeds, and forcing motorists and cyclists to use other routes to achieve their travel desires.
- Utilizing traffic modeling and origin-destination estimating, options for converting traffic to a uniform flow will be assessed. Directional traffic flow of the one- and two-way mixed roadway system will be analyzed, and criteria will be evaluated for the one-way streets and the roadway network will be modeled for traffic operations analysis.

**DELIVERABLES:**
Technical memo (traffic report) assessing the feasibility, operations, and safety impacts of two-way restoration along the corridor.

5.2 Conceptual Design
The consultant team will prepare typical cross-sections and conceptual intersection layouts that describe potential changes needed to the roadway to support restoration of two-way traffic operations. This evaluation will also include evaluating the impacts and potential design alternatives to operations at the intersection of Main/Kingsley/Beakes Streets.

**DELIVERABLES:**
Typical cross-section, conceptual plans identifying potential geometric changes to the corridor (intersection changes, lane adjustments, etc.) needed for the two-way restoration.

5.3 Broadway Interchange Focus Area
The consultant team will assess the reconfiguration of the complex intersection(s) of Beakes Street, Broadway Street, Detroit Street, Division Street, and Carey Street to facilitate the restoration of two-way traffic to Fifth Avenue and Division Street, building off prior studies where applicable. This is anticipated to include a consideration of geometric layouts and design alternatives for this interchange, given the multiple converging roadways and elevation complexities. This will include a detailed multi-modal operational study for the interchange.

**DELIVERABLES:**
Conceptual layout plan identifying the limits and scope of impact for reconfiguring the interchange, along with a technical findings memo of operational considerations.

5.4 Stakeholder & Community Engagement for Fifth & Division Study
If two-way restoration appears feasible from an operational standpoint, this task provides capacity for the consultant team to engage identified, relevant stakeholders (residents, businesses, travelers) in understanding issues and concerns and soliciting feedback on design approaches and how localized needs, access, and service can be met through the conceptual design. Specifics methods of engagement to be identified in Task 1.3.

**DELIVERABLES:**
Engagement materials (graphics, plans, images) and summaries of engagement activities and resulting feedback/input.
TASK 6. EVENT STREET FEASIBILITY STUDIES

PURPOSE: A number of streets have been identified as potential candidates for conversion to curbless/festival streets, shared-streets, or full pedestrian malls (collectively referred to as “Event Streets”). The PFS2 process identified possible streets, and recommended not moving these ideas forward, however a comprehensive study was not undertaken at that time. This task will assess candidate event streets for their feasibility of being converted into one of these special streets types, potential design direction, and evaluate associated benefits/costs, operational, routing implications, and stakeholder receptivity.

6.1 Event Street Concepts
The project team will identify different event street candidates, and the consultant team will evaluate different approaches for implementing these events street candidates, including a consideration of level of reconstruction that may be needed, programmatic needs/opportunities, and cost considerations. Up to four (4) candidate streets will be explored during this task. Candidates may include:
- Destination Commercial Streets such as Washington, Liberty, South University, and Main Street
- Institutional/Campus Streets such as North University

The consultant team will provide a review of applicable case studies and best practices relative to implementing event streets to help inform recommendations for moving forward.

DELIVERABLES:
Conceptual drawings and/or cross-sections of potential event street design opportunities. Narrative text describing best practices and recommendations for how to implement and/or program the event streets will be provided.

6.2 Event Street Operational Analysis
The consult team will use the multi-modal operational model developed in Task 2.1 to evaluate different concepts for converting streets into event streets, considering impacts to closing streets permanently or partially to vehicle traffic and the implications for re-routing traffic to adjacent roadways.

DELIVERABLES:
Technical memo describing the transportation and operational impacts of potential event streets and the feasibility of and associated recommendations for whether to advance implementation of a specific event street.

6.3 Stakeholder & Community Engagement for Special Streets
This task provides capacity for the consultant team to engage stakeholders to determine issues and concerns relative to implementing feasible event streets – with a focus on proximate business and residents. The intent is to share design and feasibility considerations, understand issues and opportunities, and provide feedback on potential event street design concepts. Specific methods of engagement to be identified in Task 1.3.

DELIVERABLES:
Engagement materials (graphics, plans, images) and summaries of engagement activities and resulting feedback/input.
APPENDIX
MULTIMODAL TRANSPORTATION COUNT LOCATIONS

To develop the transportation models, traffic counts will be used. Over the past few years, many traffic counts have already been conducted for various evaluations throughout the downtown area. Shown as red points in Figure 1 below are the counts taken between 2017 and 2022 for peak periods. Recognizing that some counts may be outdated due to global changes in traffic patterns over the COVID pandemic, only more recent counts will be used for the purposes of this study. Shown in Figure 2 are counts taken within the past two years.

Figure 1. Intersection Turning Movement Count Locations 2017-2022 (Wade Trim/Quality Counts)
To support the study and for use in determining post-pandemic traffic patterns, additional counts will be taken at key study intersections, as shown in Figure 3. In addition, the same locations are shown in the Google Map link below as well as listed on the following pages. The subconsultant, Quality Counts, will collect traffic counts at necessary locations. Peak period manual turning movement counts will be collected on a typical weekday during the school year, and will include pedestrians, bicycles, passenger vehicles, and trucks for the time periods of 7:00 a.m. to 9:00 a.m. and 2:00 p.m. to 6:00 p.m.
Figure 3. Additional Proposed Count Locations for Ann Arbor Central City Circulation Study

*Google Map for Proposed Count Locations:  
https://www.google.com/maps/d/viewer?mid=1gZ6LRZSbVz_i6peszXcBCm8TS-AudQ0&ll=42.27781662294454%2C-83.74761890206909&z=15

**Fifth Ave & Division Ave Study**  
17 intersections (two locations included in Liberty St list)
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - S. Division & E. Hoover Ave
  - S. Division & E. Madison/Packard
  - S. Division & E. Jefferson
  - N. Division & E. Ann St
  - N. Division & Lawrence St
  - N. Division & E. Kingsley St
  - N. Division & Detroit St/Carey St
  - S. 5th Ave & E. Madison St
  - S. 5th Ave & Packard St
  - S. 5th Ave & E. Liberty
  - S. 5th Ave & E. Washington St
  - N./S. 5th Ave & E. Huron St
  - N. 5th Ave & Ann St
  - N. 5th Ave & Beakes St
  - N. 5th Ave & Kingsley St
  - N. 5th Ave & Summit St
  - N. Division Ave & Carey St
Miller Ave – Catherine St
5 intersections
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - Catherine St & Zina Pitcher Pl
  - Catherine St & N. 4th Ave
  - Catherine St & Glen Ave
  - Miller Ave & 7th St
  - Miller Ave & Newport Rd

Washington St
5 intersections
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - E. Washington St & Main St
  - E. Washington St & S. 4th Ave
  - E. Washington St & Ped Xing E of S. Division St
  - E. Washington St & S. Thayer St
  - E. Washington St & Fletcher St

Fourth Ave
9 intersections (one included in Liberty St list)
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - S. 4th Ave & E. Madison St
  - S. 4th Ave & E. Packard St
  - S. 4th Ave & E. Liberty St
  - N./S. 4th Ave & E. Huron St
  - N. 4th Ave & E. Ann St
  - N. 4th Ave & E. Kingsley St
  - N. 4th Ave & E. Beakes St
  - N. 4th Ave & E. Summit St
  - N. 4th Ave & Depot St

Transit
12 intersections
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - W. Huron St & Chapin St
  - E. Huron St & Fletcher St
  - E. Huron St & Glen Ave
  - E. Huron St & Zina Pitcher Pl
  - Washtenaw Ave & Palmer Ave
  - Washtenaw Ave & Geddes Ave
  - Washtenaw Ave & S. Forest Ave/Observatory St
  - Washtenaw Ave & S. University Ave
  - Observatory St & Geddes Ave
  - Observatory St & Washington Heights
  - Observatory St & E. Medical Center Dr
  - Observatory St & E. Ann St
Liberty
4 intersections
- 12-hr count peak daytime period for signal warrants
  - Liberty St & 4th Ave
  - Liberty St & 5th Ave
  - Liberty St & Division St
  - Liberty St & Thompson St
4 intersections
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - Liberty St & 1st St
  - Liberty St & Ashley St
  - Liberty St & Main St
  - Liberty St & State St

Other Intersections to Fill Gaps in the Network
10 Intersections
- Peak hours 7:00-9:00 a.m. & 2:00-6:00 p.m.
  - S. University Ave & S. Forest Ave
  - N. Main St & W/E Huron St
  - N. Main St & W/E Ann St
  - N. Main St & Miller Ave/Catherine St
  - N. Main St & Kingsley St/Beakes St
  - N. Main St & Felch St
  - N. Main St & Summit St
  - N. Main St & Depot St
  - N. 5th Ave & Depot St
  - N. Division St / E. Summit St & Beakes St / Broadway St
## ANN ARBOR DOWNTOWN AREA CIRCULATION STUDY
### FEE SUMMARY

<table>
<thead>
<tr>
<th>TASKS</th>
<th>ESTIMATED HOURS</th>
<th>LABOR FEE</th>
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Memorandum

To: DDA Capital Improvements Committee
From: Amber Miller, Capital Projects Manager, AICP
Date: January 13, 2023
Re: South Main Street Cost Share Agreement with City of Ann Arbor

Background & Scope:
The City and DDA coordinate infrastructure improvements through the Capital Improvement Plan (CIP) process. The South Main Street Project addresses deteriorated water infrastructure and road conditions as well as select bump outs and crosswalks to meet ADA compliance. In coordination, it is an ideal time to replace irrigation services, meter pits, and irrigation connections.

The irrigation connections were first installed by the City of Ann Arbor in the 1960’s. In recent decades, downtown irrigation systems have been removed with watermain replacement projects due to lack of dedicated maintenance funding. To support neighborhood landscape care and sidewalk cleaning, the DDA began taking over the restoration and maintenance of irrigation systems with the recent State Street Project. DDA staff recommends doing the same with the Main Street Project. The scope includes upgrading the irrigation services from the water meter pits to the irrigation connections in all the tree planters on South Main Street, between Huron and William Street. These upgrades will also improve irrigation maintenance and winterization.

Cost Share Breakdown:
The cost share agreement reflects each partner’s scope of work (see table, below). In addition, a standard 10% contingency, 10% design, and 20% construction and testing related services allocation is included in the cost share.

<table>
<thead>
<tr>
<th>EXHIBIT B</th>
</tr>
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<tbody>
<tr>
<td>SOUTH MAIN STREET WATERMAIN AND RESURFACING PROJECT</td>
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<tr>
<th>Construction Contract Work Item Categories</th>
<th>DDA Share %</th>
<th>City Share %</th>
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Other Construction Related Services:

| Design                                    | 10%         | $ 6,500       | $ 565,800                       | $ 574,300                     |
| Construction Engineering & Inspection     | 15%         | $ 12,800      | $ 848,700                       | $ 861,500                     |
| Material Testing                          | 5%          | $ 4,200       | $ 282,900                       | $ 287,100                     |
| CONSTRUCTION AS-BID TOTAL                 |             | $ 119,000     | $ 7,921,000                     | $ 8,040,000                   |

CONSTRUCTION BUDGET TOTAL

$ 119,000 $ 7,921,000 $ 8,040,000

*Project-wide costs including General Conditions, Maintenance of Traffic, and incentives are included by percentage in each of these work item categories.
1. A portion of sanitary sewer costs will be covered by the Ann Arbor Housing Commission for a new private service lead.
**Next Steps:**
The City will have the contractual relationship with the Contractor, and the DDA will reimburse the City for its portion of the construction costs. This same cost-share mechanism has been used on similar City/DDA projects with positive results, including the State Street, 5th & Detroit, South University, William Street, and First and Ashley Street Improvements.

Staff anticipate the agreement will be before City Council in late January or early February 2023.

**Action Recommended:** DDA staff recommend:
Approval of the South Main Street construction cost-share agreement with the City of Ann Arbor.
RESOLUTION TO APPROVE A SOUTH MAIN STREET CONSTRUCTION COST SHARING AGREEMENT WITH THE CITY

Whereas, The DDA’s Development Plan highlighted identity, infrastructure, business encouragement, and sustainability principles;

Whereas, The City led the design phase for the South Main Street utility project and determined that the water system is undersized, in poor condition and in need of replacement, as are the connected public irrigation services;

Whereas, The City of Ann Arbor led the construction RFP process and received response on December 20, 2022 and Bailey Excavating, Inc. of Jackson, MI, was the recommended contractor;

Whereas, The City of Ann Arbor will oversee the primary construction portion of the project with a total budget of $8,040,000, including contingency, design, construction inspection, and material testing, with approximately $119,000 of the cost attributable to the DDA’s work;

Whereas, to begin construction, the City and DDA have drafted the attached cost-sharing agreement;

Whereas, This aligns with the approved FY23 and FY24 CIP and is supported by the Capital Improvements Committee;

Resolved, The DDA Board authorizes the Interim Executive Director to sign the cost-sharing agreement with the city.
AGREEMENT BETWEEN THE CITY OF ANN ARBOR AND THE DOWNTOWN
DEVELOPMENT AUTHORITY OF THE CITY OF ANN ARBOR REGARDING
RESPONSIBILITIES AND COST ALLOCATION FOR
THE S. MAIN STREET WATER MAIN REPLACEMENT AND RESURFACING PROJECT

This Agreement (“Agreement”) is made and entered into this _________ date of
________________, 2023, by and between the City of Ann Arbor, a Michigan municipal
corporation with its principal offices at 301 E. Huron Street, Ann Arbor, Michigan 48104 (“City”),
and the Downtown Development Authority of the City of Ann Arbor, a public corporation
organized and existing pursuant to the authority of Act 197, Public Acts of Michigan, 1975, MCL
125.1651 et seq. with its principal offices at 150 South Fifth Avenue, Suite 301, Ann Arbor,
Michigan 48104 (“DDA”), for the purpose of fixing the rights and obligations of the parties relative
to the construction of the S. Main Street Water Main Replacement and Resurfacing Project (the
“Project”). Relevant details and the scope of the Project are set forth in Exhibit A.

Whereas, the City and the DDA have expressed interest in working cooperatively on the S. Main
Street Water Main Replacement and Resurfacing Project;

Whereas, the City and the DDA have agreed that the City should award a contract to Bailey
Excavating, Inc. hereinafter referred to as “Contractor,” to perform construction work for the
Project;

Whereas, the DDA will be responsible for funding a portion of the Project as established in Exhibit
B; and

Whereas, the City and the DDA have reached an understanding with each other regarding their
respective responsibilities for the payment of the construction costs for the Project, and desire to
enter into this Agreement to memorialize that understanding.

Therefore, in consideration of the premises and of the mutual undertakings of the parties and in
conformity with applicable law, the City and the DDA agree:

1. The City and the DDA shall undertake and complete the construction phase of the Project
in accordance with the terms of this Agreement. Exhibit A to this describes generally the scope
of the construction phase of the Project. Exhibit B to this Agreement lists the work items for the
construction phase, with the allocation of costs between the City and the DDA for each. As set
forth in Exhibit B, the estimated total dollar amount for the work the Contractor will perform, plus
testing and engineering oversight work related to the Contractor’s work, is Five Million, Seven
Hundred Forty-Two Thousand, Seven Hundred Ten, 73/100 Dollars ($5,742,710.73), of which the
estimated total dollar amount of the DDA’s share is One Hundred Nineteen Thousand, 00/100
Dollars ($119,000.00).
2. The City will enter into a contract with the Contractor for the Project. The City will administer the contract and related work necessary for the completion of the Project. In its contract with the Contractor, the City must require that the Contractor indemnify the DDA for any claims or lawsuits by third parties arising from the Contractor’s work, and must require the Contractor to cover the DDA as additionally insured on its general liability policy.

3. The DDA is responsible for funding its identified share of each work item of the Project as defined in Exhibit B.

4. For payment of the Project costs, the City will contract directly with the Contractor, and finance the complete cost of the construction, including the DDA’s share of the costs. The DDA will reimburse the City for the DDA’s share of amounts paid by the City according to the allocation of costs for each cost category in Exhibit B.

5. As the City pays for construction services and incurs costs on the Project, the City will invoice the DDA at a frequency no more than monthly. The DDA shall reimburse the City for the DDA’s share of incurred costs within 30 days of receipt of an invoice from the City.

6. Notwithstanding the DDA’s funding of a share of the Project, the parties agree that responsibility for management of the Project, including all aspects of the contract with the Contractor, rests with the City.

7. The parties understand and agree that the dollar amounts in Exhibit B are based on bid prices and that the actual costs may differ. However, the percentages for cost allocation between the City and the DDA for each work item identified in Exhibit B are agreed to between the parties and cannot be changed except by Amendment to this Agreement. The DDA’s obligation to fund its share of the Project includes the obligation to fund change orders authorized in writing prior to the work being performed for any work item of the Project that the DDA is funding in whole or in part. All change orders that relate to a work item whose cost is covered in whole or in part by the DDA must be approved by the DDA prior to the work being done. The DDA’s approval shall not be unreasonably withheld, and the DDA shall respond promptly to requests for approval. The parties agree that any change order that affects one or more work items of the Project will be paid by the City and the DDA in proportion to the percentages identified in Exhibit B for the work item(s), including both increases and decreases in Project costs.

8. In the event a claim is brought against the DDA and/or the City by the Contractor, or a subcontractor, vendor or supplier for the construction phase of the S. Main Street Water Main Replacement and Resurfacing Project and arising out of the construction or related work on the Project, costs incurred by the City in defending or resolving such claims shall be considered Project costs and will be funded in the same manner and proportion as the work to which the claim pertains. Any change order that results from a claim shall be funded as provided in Paragraph 7.

9. Each of the persons signing this Agreement represents and warrants that he or she has authority to sign this Agreement on behalf of the DDA or the City of Ann Arbor, respectively.
CITY OF ANN ARBOR, a Michigan municipal corporation

By: _________________________________
   Christopher Taylor, Mayor
   Executive Director

By: _________________________________
   Jacqueline Beaudry, City Clerk

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY, a public corporation

By: _________________________________
   Maura Thomson, DDA Interim Executive Director

By: _________________________________
   __________, DDA Secretary

Approved as to substance:

_____________________________________
   Milton Dohoney Jr., Interim City Administrator

_____________________________________
   Brian Steglitz, Public Services Area Administrator

Approved as to form:

_____________________________________
   Atleen Kaur, City Attorney
EXHIBIT A
Scope of the S. Main Street Water Main Replacement and Resurfacing Project

As detailed in the work items listed in Exhibit B, and as shown on the attached map, the S. Main Street Water Main Replacement and Resurfacing Project will reconstruct South Main Street from E. William Street to E. Huron Street, includes the following elements and (funding sources):

- Replacement of water main and related appurtenances (Water Supply System Funds)
- Selected stormwater system improvements (Stormwater Funds)
- Road resurfacing, intermittent curb replacements, selected bump-out additions, sidewalk and ramp replacements, and APS-ready pedestrian signal improvements (Street, Bridge, and Sidewalk Millage Funds)
- Sanitary sewer extension and repairs (Sanitary Sewer Funds)
- Sanitary service to connect 353 South Main Street Project (AAHC Funds)
- Irrigation meter pits and related improvements (DDA Funds)

Additional services associated with the Project include field inspection of all elements and operations related to construction; surveying services for field layout; and testing services for quality assurance of all construction items.
Project Vicinity

- Curbed bump-out
- APS ready quadrant

ADA ramps which were not originally compliant will be brought up to compliance

New crosswalk markings at all intersections

- Curbed bump-out
- APS ready quadrant

14 total new irrigation connections (one for each set of planters)

- Curbed bump-outs to line up with William cycle track
- APS ready quadrant
EXHIBIT B
Estimated Costs and Cost Allocations

Attached as Exhibit B are the cost summary for the construction phase work items to be performed by the Contractor, the funding responsibilities of the DDA and the City for each of those work items, and the funding responsibilities of the DDA and the City for each of the other work items that are part of the S. Main Street Water Main Replacement and Resurfacing Project, including engineering and testing costs.
RESOLUTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH FISHBECK FOR ENGINEERING SERVICES AND PROJECT ADMINISTRATION FOR FY24 PARKING STRUCTURE REPAIRS

Whereas, The DDA has managed public parking in pursuit of its mission since 1992;

Whereas, Annually the DDA undertakes necessary repairs to keep the facilities in good condition;

Whereas, Development and administration of annual maintenance and restoration work requires the work of engineers with expertise in parking structures;

Whereas, In December 2021, following a Request for Proposal process, the DDA Board selected Fishbeck to perform this work on an as needed basis;

Whereas, Fishbeck’s cost proposal to develop and oversee the FY24 parking structure repair work is $119,900.00;

Whereas, The Operations Committee recommends accepting the proposal and approving a Professional Services Agreement with Fishbeck for this work;

RESOLVED, The DDA Board approves a professional services agreement with Fishbeck for $119,900.00 for engineering services and project administration related to the FY24 parking structure repairs as outlined in their proposal, with funds coming from the FY23 and FY24 Parking CIP fund.

RESOLVED, The DDA Board authorizes the DDA Executive Director to execute the Professional Services Agreement.
January 19, 2023

Jada Hahlbrock  
Manager of Parking Services  
Ann Arbor Downtown Development Authority  
150 South Fifth Avenue, Suite 301  
Ann Arbor, MI 48104

Proposal for Professional Engineering and Parking Consulting Services  
Professional Service Agreement Task – Restoration 2023  
Design and Construction Administration

Dear Ms. Hahlbrock:

Fishbeck is pleased to provide this proposal for professional engineering and parking consulting services to implement the fiscal year (FY) 2024 parking structure repairs.

Statement of Understanding

The DDA has requested a proposal to provide professional services to implement FY 2024 parking structure repairs based on the 20-year maintenance and repair plan. The probable construction costs in the 20-year plan for FY 2024 is $3,219,600.

We understand that the construction budget for FY 2024 is $3,000,000, and that lighting improvements and Liberty Square stair tower repairs may be included in this budget. Fishbeck will prioritize the work based on repairs identified in the 20-year plan, and our review of current conditions to align with the available construction budget. We will develop a recommended repair work scope for review with the DDA.

A separate proposal will be provided for a Parking Facility Lighting Evaluation. The results of this evaluation will assist in the development of a potential lighting improvement scope of work and construction budget. Any allocated fund for a lighting improvement project will be removed from the $3M restoration construction budget. A separate proposal will then be provided for design and construction administration services related to a lighting improvement project.

Scope of Services

We propose to provide our professional services in five tasks, with the following breakdown of services.

Task 1 – Design Development

1. Conduct an introductory meeting (project kick-off) with the DDA to review the project objectives, including scope, deliverables, and schedule.

2. Prioritize repairs identified in the 20-year repair and maintenance plan to align with the project budget.

3. Review the recommended repair and improvement work scopes with the DDA, including potential lighting improvements and Liberty Square stair tower repairs.
4. Perform a site visit to locate deterioration and confirm the scope of repair work with field conditions. This visit will be coordinated and conducted in combination with the DDA and/or PCI personnel.

Task 2 – Construction Documents

1. Finalize project items with the DDA, including project schedule, scope, and budget.
2. Conduct owner review meetings and design progress meetings with DDA, as necessary.
3. Review specific project requirements for construction control, phasing, and safety with the DDA and PCI. We will review requirements or concerns that will affect construction, such as noise restrictions, dust/fume controls, required construction signage, barricades, construction safety, etc.
4. Provide plan drawings and repair details. Plans will show locations of all repair items for every level being repaired. The documents will include construction phasing, schedule requirements, and parking space impacts related to this project.
5. Provide front end and technical specifications required to complete this work. The specifications will incorporate the DDA’s most current agreement forms (contract), bond forms, general conditions, and supplementary conditions. Bid Form will itemize work items and quantities for each structure.
6. Review the bid package with the DDA and PCI before issuing to contractors.

Task 3 – Bidding

1. Fishbeck will provide electronic PDF format files of bid documents to the DDA.
2. Assist in identifying qualified contractors/bidders.
3. Distribute electronic PDF format files of bid documents to potential bidders.
4. Schedule, attend, and chair a pre-bid conference.
5. Be available to respond to contractors’ questions, and if necessary, issue project addenda.
6. Evaluate and tabulate contractor bids.
7. Provide value engineering if required to meet budgeting constraints.
8. Provide comments and recommendations for the award of the contract.

Task 4 – Construction Administration (Office)

1. Conduct a pre-construction meeting with representatives of the contractor, DDA, and PCI to review the construction phase, including staging, phasing, schedules, closures, parking space impacts, etc.
2. Conduct biweekly progress meetings with representatives of the contractor, DDA, and parking operator to coordinate work schedule and maintain project communication by providing meeting minutes.
3. Review contractor submittals, procedural submittals, shop drawings, etc.
4. Review contractor’s pay applications. Verify repair quantities for each work item.
5. Answer contractor’s questions and resolve unforeseen field conditions that arise. Prepare additional details, supplemental instructions, bulletins, and construction change directives, as necessary. Prepare change orders, as necessary, to document changes in the work based on field conditions.
6. Track construction costs and provide updated final cost projections to the DDA.
7. Prepare, distribute, and update punch list for construction contract.
8. Collect warranties, review the final pay application, and perform related project closeout activity.
9. Provide record set drawings upon project completion. Record set drawings will be based on the as-built drawings submitted by the Contractor at the end of the project.

10. General construction administrative services.

**Task 5 – Construction Observation (Field)**

1. Schedule and attend any site meetings that are required.

2. Provide weekly site visits to review construction with respect to general conformance to the Contract Documents. We will assist in observing and recording the restoration work progress and verify that, in general, the work complies with the intent of the plans and specifications. For each site visit, a report will be prepared and submitted.

3. Perform final inspection with the DDA or parking operator representatives and the contractor.

**Schedule**

Our proposal is based on the anticipated project schedule as shown below.

<table>
<thead>
<tr>
<th>Task/Event</th>
<th>Anticipated Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Development</td>
<td>February 2, 2023 through March 3, 2023</td>
</tr>
<tr>
<td>Construction Documents</td>
<td>March 6, 2023 through May 5, 2023</td>
</tr>
<tr>
<td>Bidding</td>
<td>May 9, 2023 through May 25, 2023</td>
</tr>
<tr>
<td>Operations Committee</td>
<td>May 31, 2023</td>
</tr>
<tr>
<td>Board Meeting</td>
<td>June 7, 2023</td>
</tr>
<tr>
<td>Contract</td>
<td>June 8, 2023 through June 16, 2023</td>
</tr>
<tr>
<td>Construction</td>
<td>July 3, 2023 through October 27, 2023 and April 15, 2024</td>
</tr>
</tbody>
</table>

We anticipate a construction schedule of 28 weeks based on limited phasing areas and workable hours; work will be phased over two construction seasons (summer/fall 2023 and spring 2024).
Professional Services Fees

We propose to provide the outlined scope of services on an hourly fee basis, plus reimbursable expenses. The following table summarizes our proposed not-to-exceed fees and anticipated expenses:

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Fishbeck Fees</th>
<th>Estimated Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Design Development</td>
<td>$12,000</td>
<td>$500</td>
</tr>
<tr>
<td>2</td>
<td>Construction Documents</td>
<td>$26,000</td>
<td>$150</td>
</tr>
<tr>
<td>3</td>
<td>Bidding</td>
<td>$3,500</td>
<td>$150</td>
</tr>
<tr>
<td>4</td>
<td>Construction Administration (Office)</td>
<td>$35,400</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Construction Observation (Field)</td>
<td>$38,000</td>
<td>$4,200</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$114,900</strong></td>
<td><strong>$5,000</strong></td>
</tr>
</tbody>
</table>

Authorization

Attached is our Professional Services Agreement. If you concur with our scope of services, please sign in the space provided and return the executed contract to the attention of Elyse Goudzwaard (egoudzwaardfishbeck.com). This proposal is made subject to the Professional Services Agreement for Professional Engineering and Parking Consulting Services for Parking Facilities for the Ann Arbor Downtown Development Authority dated December 14, 2021. Invoices will be submitted every four weeks and payment is due upon receipt.

If you have any questions or require additional information, please contact me at 269.365.4770 or jthomson@fishbeck.com.

Sincerely,

Justin Thomson, P.Eng.
Project Manager – Parking and Restoration

By email
Attachments
Copy: Josh Rozeboom – Fishbeck
Professional Services Agreement

PROJECT NAME: Ann Arbor DDA/Parking Structures Restoration 2023
FISHBECK CONTACT: Justin Thomson, P.Eng.
CLIENT: Ann Arbor Downtown Development Authority
CLIENT CONTACT: Jada Hahlbrock
ADDRESS: 150 South Fifth Avenue, Suite 301, Ann Arbor, MI 48104

Client hereby requests and authorizes Fishbeck to perform the following:

SCOPE OF SERVICES: Engineering and Parking Consulting Services for the Design Development, Construction Documents, Bidding, Construction Administration, and Construction Observation Tasks

AGREEMENT. The Agreement consists of this page and the documents that are checked:
☒ PSA for Professional Engineering and Parking Consulting Services for Parking Facilities for the Ann Arbor DDA Dated December 14, 2021
☒ Proposal dated January 19, 2023, attached
☐ Other:

METHOD OF COMPENSATION:
☒ Hourly Billing Rates plus Reimbursable Expenses
☐ Other:

Budget for Above Scope of Services: Not-to-exceed One Hundred Nineteen Thousand Nine Hundred Dollars ($119,900)

ADDITIONAL PROVISIONS (IF ANY): The above budget includes anticipated reimbursable expenses.

APPROVED FOR: Ann Arbor Downtown Development Authority
BY: ________________________________
TITLE: ________________________________
DATE: ________________________________

ACCEPTED FOR: Fishbeck
BY: ________________________________
TITLE: Vice President
DATE: January 19, 2023
FY19 thru FY23 Parking Revenues

- FY19 Actual $22.8M
- FY20 Actual $19.5M
- FY21 Actual $12.2M
- FY22 Actual $17.7M
- FY23 Budget $17.8M
- FY23 YTD $10.1M (57%)
FY19 thru FY23 Parking Revenues at 12/31

- FY19 Actual: $11.3M
- FY20 Actual: $12.3M
- FY21 Actual: $6.1M
- FY22 Actual: $9.1M
- FY23 Budget: $10.1M
- FY23 Actual: $8.8M

114% of budget
FY19 thru FY23 Parking Revenue Loss

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
<th>Revenue Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>21,170,806</td>
<td>22,787,369</td>
<td>(1,616,563)</td>
</tr>
<tr>
<td>FY20</td>
<td>24,444,640</td>
<td>19,542,891</td>
<td>4,901,749</td>
</tr>
<tr>
<td>FY21</td>
<td>25,006,593</td>
<td>12,208,427</td>
<td>12,798,166</td>
</tr>
<tr>
<td>FY22</td>
<td>27,101,900</td>
<td>17,731,302</td>
<td>9,370,598</td>
</tr>
<tr>
<td>FY23</td>
<td>27,656,900</td>
<td>20,000,000</td>
<td>7,656,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Total Revenue Loss</strong> 33,110,850</td>
</tr>
</tbody>
</table>