

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES**

**Wednesday, March 1, 2023**

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

Time: 12:10 pm

**ROLL CALL**

Present: Micah Bartelme, Steve Brummer, Alex Dieck, Milton Dohoney, Tyler Kinley, Thressa Nichols, Danielle Vaughn

Absent: Jessica A.S. Letaw, Jonathan Massey, Darren McKinnon, Mike Michelin

Staff: Maura Thomson, Interim Executive Director / 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

Others: Peter Honeyman/DACAC, Jennifer Hall, Heather Seyfarth/AAHC,  
Wendy Carty-Saxon/Avalon Housing

Public: Alan Haber/Resident

**APPROVAL OF BOARD MEETING AGENDA**

Mr. Kinley moved and Mr. Bartelme seconded the motion to approve the agenda.

**A vote on the motion showed:**

**Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn**

**Nays: None**

**Absent: Letaw, Massey, McKinnon, Michelin**

**The motion was approved.**

**PUBLIC COMMENT**

Mr. Haber spoke of the Center of the City. He said the DDA needs to remove parking on the Library Lot to allow for public activities. He said the DDA has not held any meetings to discuss the Center of the City.

**REPORTS FROM CITY BOARDS AND COMMISSIONS**

Mr. Honeyman reported that at last night's DACAC meeting, the group discussed the 415 W. Washington's PUD recently approved by the Planning Commission. There was general agreement about the need to focus on mitigating the soil contamination on the site. There was discussion about the other factors for consideration including building on a flood plain and historic district and legal issues. The group supports increasing the community's affordable housing inventory with the understanding the soil contamination and other issues need to be addressed. The DACAC discussed other topics as well, including the search for a new DDA Executive Director, the Main Street and State Street roadway projects, Avalon Housing's grant request for 121 Catherine, UM's proposed dormitory project, the proposed 19-story development on South University, and the consultant report to the Planning Commission on premiums.

**EXECUTIVE DIRECTOR REPORT**

Ms. Thomson said the DDA will be conducting a parking system rate analysis study. There were three bids received from the RFP. Fishbeck has been selected as the consultant to conduct the study. Work will begin in March. The Finance and Operations Committee will work together to develop recommendations for the Board once the study is complete.

The DDA team is scheduled for its first in-house DEI (Diversity, Equity, and Inclusion) training in April.

March is Youth Art Month. Downtown businesses and the Ann Arbor Public Schools have worked together to display school-aged children's artwork in storefront windows. The Main Street Area Association has a walking map available on their website (<https://mainstreetannarbor.org/youthartmonth>).

**DDA MEMBER COMMUNICATIONS**

Mr. Dohoney said the recent ice storm had a significant impact on Ann Arbor, with over 40% of the community experiencing multi-day power outages and 20 school closings. Internet service was disrupted for a time, impacting the City's ability to receive and disseminate key storm-related information. DTE engaged 303 crews outside the State to assist with restoring power to customers. Mr. Dohoney expressed appreciation for the City employees who volunteered at warming centers, including space at City Hall for employees and their immediate family members experiencing power outages. The City will be reaching out to the community, including the DDA, to discuss capacity and expectations, and develop a plan for managing future major emergencies.

**APPROVAL OF MINUTES**

Mr. Kinley moved and Mr. Dohoney seconded a motion to approve the February minutes.

**A vote on the motion showed:**

**Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn**

**Nays: None**

**Absent: Letaw, Massey, McKinnon, Michelin**

**The motion was approved.**

**SUBCOMMITTEE REPORTS-AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT COMMITTEE**

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

**RESOLUTION APPROVING A \$300,000 GRANT FOR AFFORDABLE HOUSING AT 121 CATHERINE**

Whereas, The DDA is a catalyst for strengthening economic vibrancy and quality of life in the downtown area, and to meet its mission, DDA has supported a multitude of downtown affordable housing projects through its Housing Fund;

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

Whereas, The City of Ann Arbor commissioned a feasibility analysis (updated May 2020) on the development of affordable housing for multiple city-owned properties, including the surface parking lot at

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121 Catherine (northwest corner of 4<sup>th</sup> and Catherine) and this property was ranked high priority in that study;

Whereas, The City and the Ann Arbor Housing Commission (AAHC) selected Avalon as a co-developer for the site and a development team has been formed including the AAHC's affiliated entity the Ann Arbor Housing Development Corporation (AAHDC), and redevelopment plans for the property are being prepared, and site plan approval is being considered;

Whereas, The plans include an approximately 64,000 square foot building to include 63 residential units at or below 60% Area Median Income (AMI), half of which are planned for at or below 30% AMI;

Whereas, Post pandemic cost estimates are approximately \$8 million above previous cost estimates creating the need for additional funding sources;

Whereas, Avalon has submitted a request for a \$300,000 grant from the DDA's Housing Fund in FY24 budget to help meet these funding needs;

Whereas, The request calls for the funds to be distributed to Avalon or an affiliated legal entity that may be created for development of this project, and that the distribution be made at the closing/start of construction which is planned for April 2024;

Whereas, The AHED Committee has reviewed this request and the availability of funds and recommends approval of this request;

RESOLVED, The DDA Board approves a grant of \$300,000 from its Housing Fund to the Avalon Housing or an affiliated legal entity that will be created in future for the development of affordable housing at 121 Catherine Street;

RESOLVED, The DDA Board directs staff to coordinate the timing of this payment with Avalon at closing or start of construction as best suits their needs.

**A vote on the resolution showed:**

**Ayes:** Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn

**Nays:** None

**Absent:** Letaw, Massey, McKinnon, Michelin

**The resolution was approved.**

The next Affordable Housing/Economic Development Committee meeting is scheduled for Wednesday, March 8 at 9 am.

**SUBCOMMITTEE REPORTS-EXECUTIVE COMMITTEE**

Mr. Kinley moved and Mr. Bartelme seconded the following resolution:

**RESOLUTION APPROVING A \$350,000 GRANT TO SUPPORT STREETScape RESTORATION  
AT 121 E. CATHERINE**

Whereas, The DDA is a catalyst for strengthening economic vibrancy and quality of life in the downtown area;

Whereas, streetscape restoration in the amount of \$350,000 was included in the DDA's FY23 Capital Improvement Plan as part of the Miller/Catherine Bikeway and Infrastructure Project;

Whereas, The Miller/Catherine Bikeway and Infrastructure project includes watermain replacement and support for streetscape restoration for the Ann Arbor Housing Commission (AAHC) project at 121 E. Catherine;

Whereas, The watermain replacement was completed in October 2022;

Whereas, It has been determined that it would be more beneficial to structure the streetscape support as a grant, in support of the AAHC application for low-income housing tax credits, rather than as part of the DDA's capital improvement work on the Miller/Catherine Bikeway and Infrastructure project;

Whereas, The LIHTC application, for those tax credits, is due in April 2023 and all funding sources must be confirmed to ensure a competitive application;

Whereas, A grant request has subsequently been received from the AAHC for \$350,000 to support streetscape restoration at 121 E. Catherine Street as a part of their development of affordable housing at that site;

Whereas, The DDA's FY25 budget is being developed with capacity for this expenditure;

Whereas, After review the Executive Committee recommends approval to the Board;

RESOLVED, The DDA Board approves a grant of \$350,000 from its FY25 TIF Fund Budget to the Ann Arbor Housing Development Corporation, the AAHC's 501c3, or affiliated legal entity that may be created for development of affordable housing at 121 E. Catherine, for the purpose of supporting streetscape restoration at this site;

RESOLVED, The DDA Board authorizes the Deputy Director to release payment at the appropriate time in the construction process.

**A vote on the resolution showed:**

**Ayes:** Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn

**Nays:** None

**Absent:** Letaw, Massey, McKinnon, Michelin

**The resolution was approved.**

The next Executive Committee meeting is scheduled for Wednesday, April 5 at 11:30 am.

**SUBCOMMITTEE REPORTS-FINANCE COMMITTEE**

Mr. Bartelme said last week's Finance Committee was cancelled due to the inclement weather.

DDA FY24 and FY25 Budgets: Ms. McCallum presented the proposed DDA FY24 and FY25 budgets. Questions were asked and answered.

Mr. Bartelme moved and Mr. Brummer seconded the following resolution:

**RESOLUTION TO PUT FORWARD THE FY24 and FY25 DDA BUDGETS**

Whereas, PA 57 of 2018 requires that the Director of the Authority will prepare and submit for the approval of the DDA Board a budget for the operation of the Authority for the ensuing fiscal year;

Whereas, The statute also requires that the budget be prepared in the manner and contain the information required of municipal departments;

Whereas, The DDA has submitted its FY24-FY29 capital improvement items for inclusion in the City of Ann Arbor's Capital Improvement Plan and that Plan has been approved by the Planning Commission for inclusion in the FY24 Budget;

Whereas, The DDA's Finance Committee has reviewed the DDA's updated Ten-Year Plan which includes long range capital improvements, debt service, parking operations, and details the financial assumptions that have gone into that Plan;

Whereas, Before the budget may be adopted by the board, the statute requires that it be approved by the governing body of the municipality;

Whereas, DDA staff are scheduled to submit a recorded Zoom presentation of the DDA Budget to the City in March online publication;

Whereas, The Finance Committee upon completing this review recommends the DDA Board approve putting forward the FY24 Budget to City Council;

RESOLVED, The DDA Board accepts the recommendation of its Finance Committee and authorizes DDA staff to put forward the FY24 and FY25 Budgets to City staff for inclusion in the City's Budget Document and consideration by City Council at the public hearings scheduled in May.

Prior to the vote, Mr. Bartelme said the section in the final RESOLVED referencing a recommendation from the Finance Committee needs to be removed because of the cancellation of the Finance Committee last week.

Mr. Bartelme moved and Mr. Brummer seconded the motion to amend the resolution, removing from the last RESOLVED, the wording, '...accepts the recommendation of its Finance Committee and...'.

**A vote on motion to amend the resolution showed:**

**Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn**

**Nays: None**

**Absent: Letaw, Massey, McKinnon, Michelin**

**The motion was approved.**

**A vote on the amended resolution showed:**

**Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn**

**Nays: None**

**Absent: Letaw, Massey, McKinnon, Michelin**

**The resolution was approved.**

The next Finance Committee meeting is scheduled for Thursday, April 27 at 9 am.

**SUBCOMMITTEE REPORTS—OPERATIONS COMMITTEE**

Mr. Kinley said the February Committee meeting was cancelled last week due to the inclement weather. At the March meeting, the Committee will hear updates on current fencing activities, including results from the bid process for the lower level fencing. Engineers from Fishbeck will attend and help the Committee understand options for roof level fencing.

Also at the March Committee meeting, a staff member from Walker Consultants will attend and provide an update on the curb management study.

The next Operations Committee meeting is scheduled for Wednesday, March 22 at 11:00 am.

**SUBCOMMITTEE REPORTS-CAPITAL IMPROVEMENTS COMMITTEE**

Ms. Dieck said the Committee did not meet in February due to a lack of agenda items.

She reported that Phase 2 of the State Street construction project from North University to Huron started this week with traffic control and pavement removal.

The March Committee meeting has been cancelled due to a lack of agenda items. The next Capital Improvements Committee meeting is scheduled for Wednesday, April 19 at 11:00 am.

**NEW BUSINESS**

None.

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

Mr. Kinley moved and Ms. Nichols seconded the motion to adjourn.

**A vote on the motion showed:**

**Ayes: Bartelme, Brummer, Dieck, Dohoney, Kinley, Nichols, Vaughn**

**Nays: None**

**Absent: Letaw, Massey, McKinnon, Michelin**

**The motion was approved.**

The meeting adjourned at 1:10 p.m.

Respectfully submitted, Kelley A. Graves, Board Secretary