Presentation about the Ann Arbor Downtown Development Authority activities (Pages 18-38)

Ann Arbor Downtown Development Authority Meeting Agenda
Wednesday, June 7, 2023  12:10 pm

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

2. Approval of the Board Meeting Agenda

3. Public Comment  (4 people maximum, 3 minutes each)
   1.
   2.
   3.
   4.

4. Reports from City Boards and Commissions

5. Executive Director Report

6. DDA Members Communications

7. Approval of May Minutes (Pages 2-12)

8. Subcommittee Reports
   A. Finance Committee – M. Bartelme
      · Resolution to Adopt the DDA Budget for Fiscal Year 2024 (Pages 13-14)
      · Resolution to Adopt an Amendment to the Fiscal Year 2023 Budget (Pages 15-17)
      · Next Committee meeting:  Thursday, August 31 at 9 am
   B. Affordable Housing/Economic Development Committee – T. Kinley
      · Partner Updates
      · Next meeting:  Wednesday, June 14 at 9 am
   C. Operations Committee – T. Kinley
      · Parking System Updates
      · Next Committee meeting:  Wednesday, June 28 at 11 am
   D. Capital Improvements Committee – A. Dieck
      · Project Updates
      · Next meeting:  Wednesday, June 21 at 11 am
   E. Executive Committee –T. Kinley
      · Executive Director Search-Debrief and Options Presentation (Pages 39-48)
      · DDA Committee Structure Discussion
      · Next Committee meeting:  Wednesday, July 12 at 11:30 am

9. New Business

10. Public Comment (3 minutes each)

11. Adjournment
ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, May 3, 2023

Place: DDA Office, 150 S. Fifth Ave., Suite 301, Ann Arbor, MI 48104
Time: 12:05 pm

ROLL CALL

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

Absent: Steven Brummer, Milton Dohoney, Jonathan Massey

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

Others: Chris Taylor/PCI, Peter Honeyman/DACAC, Lilliane Webb/GetDowntown

Public: Ed Vielmetti/Resident, Carolyn Arcure/Resident

APPROVAL OF BOARD MEETING AGENDA

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

A vote on the motion showed:

Ayes: Bartelme, Dieck, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn

Nays: None

Absent: Brummer, Dohoney, Massey

The motion was approved.

PUBLIC COMMENT

Mr. Vielmetti commented on the need for increased solid waste management and general maintenance of alleys. He is interested in knowing who/where to report concerns. Mrs. Arcure commented that she and her husband regularly clean up the alley by the building they own. They see it as a communal responsibility and wish others would contribute to the maintenance as well.

REPORTS FROM CITY BOARDS AND COMMISSIONS

None.

EXECUTIVE DIRECTOR REPORT

Ms. Thomson reported that the DDA received the Outstanding Infrastructure Award from the League of Michigan Bicyclists. Ms. Thomson attended the award ceremony in Lansing. The DDA was nominated by Human Electric Hybrids in Kerrytown. The draft of the People-Friendly Streets outcomes report was shared with the Board. The final version will be posted on the DDA website, shared with the Board, City Council, and other public boards and commissions.
DDA MEMBER COMMUNICATIONS

None.

APPROVAL OF MINUTES

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

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

SUBCOMMITTEE REPORTS—FINANCE COMMITTEE

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

RESOLUTION TO PUT FORWARD AN AMENDMENT TO THE FISCAL YEAR 2023 BUDGET

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

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

Whereas, The DDA did completed the budget creation process for FY23 and did adopt the FY23 budget in June of 2022 for its five funds, including the Parking Fund;

Whereas, The DDA does monitor its activities compared to budget on an on-going basis and at March 31 it became apparent that a deviation at June 30 could be anticipated in the Parking Fund due to an increase in parking activity/revenues and a resulting increase in certain expenditures which are directly related to revenue streams;

Whereas, The Michigan Uniform Budget Manual requires that a legislative body amend the budget as soon as a deviation is apparent and prior to the close of the budget year;

Whereas, The DDA’s Finance Committee has reviewed the budget analysis and proposed budget amendment and recommends that the DDA Board approve putting forward this FY23 amendment to City Council;

Whereas, Once City Council has approved the amendment, the amendment will be bought back to the DDA Board for final appropriation into the FY23 Budget in the same manner as the process for the adoption of the original budget;

RESOLVED, The DDA Board accepts the recommendation of its Finance Committee and authorizes DDA staff to put forward the following amendment for the FY23 Budget to the Ann Arbor City Council for their approval:
## Ann Arbor DDA FY23 Budget Amendment

<table>
<thead>
<tr>
<th>231 Parking Fund</th>
<th>Original Budget</th>
<th>Proposed Amendment</th>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>17,994,100</td>
<td>3,578,400</td>
<td>21,572,500</td>
</tr>
<tr>
<td>Expenditure</td>
<td>19,944,567</td>
<td>806,100</td>
<td>20,750,667</td>
</tr>
<tr>
<td>Net Rev (Exp)</td>
<td>(1,950,467)</td>
<td>2,772,300</td>
<td>821,833</td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
<td>10,378,325</td>
<td>10,378,325</td>
<td>10,378,325</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>8,427,858</td>
<td>11,200,158</td>
<td></td>
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</tbody>
</table>

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

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

**RESOLUTION TO APPROVE INTERAGENCY AGREEMENT FOR COLLABORATIVE TECHNOLOGY AND SERVICES**

Whereas, The DDA finds it expedient and cost effective to contract out its information technology services;

Whereas, City of Ann Arbor does provide IT services by contract for various agencies and uses a standard chargeback system for fairly allocating the cost of service amongst its various internal service centers as well as the agencies it contracts with;

Whereas, DDA staff and City staff have worked together to determine the DDA’s specific needs for IT services, hardware, and software;

Whereas, The City has presented an agreement which our legal team has reviewed and found adequate to the purpose;

Whereas, the Agreement shall commence on July 1, 2023 and be effective for five years, and includes a provision for automatic renewals from year to year going forward;

Whereas, The Agreement provides for an estimated one-time migration fee of $28,328.78;

Whereas, The agreement provides for annual invoicing at an estimated cost of $86,425 for FY24, and $90,574 for FY25, subject to an annual recalculation for future years as well as adjustments for changes in service;

Whereas, The FY24 and FY25 budget were drafted to include capacity for these costs allocated equally between the General TIF and Parking Funds;

Whereas, The Finance Committee has reviewed the draft Agreement and recommends that the DDA Board adopt the Resolution to Approve Interagency Agreement for Collaborative Technology and Services;
RESOLVED, The DDA Board approves the Interagency Agreement for Collaborative Technology and Services between the DDA and the City of Ann Arbor and authorizes the Executive Director to finalize details regarding insurance provisions and execute the Agreement;

RESOLVED, The DDA Board authorizes the Executive Director to administratively evaluate the efficacy of this arrangement on an annual basis and approve the associated expenditures as long as the Agreement is in place and continues to meet the needs of the organization.

Mr. Bartelme reported that staff presented to the Committee an overview of the DDA’s post pandemic financial status and planning and project timelines for both the TIF and Parking systems. The City’s 3.5% cap on TIF significantly limits the capital activities the DDA is able to undertake. The TIF system will be leading an energy utility study and a circulation study. The City is updating its comprehensive plan and studying the benefits of trunkline ownership. These studies will set the downtown vision and identify related capital needs ahead of the DDA’s 2026 capital projects. With the TIF cap in place, investment in downtown will be limited moving forward.

The Parking system has suffered significant revenue losses. FY23 is the third year in which the DDA deferred necessary capital maintenance of the parking structures and fund balances are in decline. DDA staff are working on a curb management study, an updated 20-year capital maintenance plan, and a parking rate study. The studies will inform a plan for addressing the maintenance deferrals and help maintain adequate fund balance levels moving forward. For both TIF and the Parking system, staff is working to identify strategies and design processes to inform future Board decisions.

The next Finance Committee meeting is scheduled for Thursday, May 25 at 9:00 am.

**SUBCOMMITTEE REPORTS-OPERATIONS COMMITTEE**

Mr. McKinnon provided the Operations Committee report as Committee Chair Mr. Massey, who was unable to attend the board meeting.

Mr. McKinnon moved and Mr. Michelon seconded the following resolution:

**RESOLUTION TO PROVIDE A GRANT TO FUND THE GO!PASS AND THE GETDOWNTOWN PROGRAM FOR FY 2024**

Whereas, The getDowntown program was co-created by the DDA in 1999 and remains a partnership between the DDA, AAATA and the City of Ann Arbor to provide transportation assistance to downtown employers, including the distribution of the DDA’s go!Pass;

Whereas, In support of its mission and mobility initiatives the DDA has provided funding for go!Passes and the getDowntown Program since 2001;

Whereas, The DDA Operations Committee recommends approval of the funding request for FY24 for the getDowntown program, go!Pass, and other transportation programs as follows:
<table>
<thead>
<tr>
<th>Program or Service</th>
<th>FY24 Request</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>getDowntown Promotion and Marketing (not to exceed amt)</td>
<td>$75,000</td>
<td>Transportation demand management (TDM) marketing including media campaigns and outreach support for the 2 annual commuter challenges and go!pass renewal.</td>
</tr>
<tr>
<td>Fixed-Route Fares (go!pass) (not to exceed amt)</td>
<td>$498,914</td>
<td>Transit incentive for employees that increases bus use and frees up parking for other users.</td>
</tr>
<tr>
<td>Non-Fixed Route Discounts</td>
<td>$32,000</td>
<td>Includes discounts for NightRide discount and other flexroute services.</td>
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<tr>
<td>TOTAL</td>
<td>$605,914</td>
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Whereas, The DDA is charged only for actual usage of the go!Pass and getDowntown Program, and the amounts shown above are not-to-exceed amounts for these services, while the DDA grant for non-fixed route discounts is a flat amount;

RESOLVED, The DDA Board approves a grant to fund transportation services and programs provided by AAATA, not to exceed $605,914.00, with funds coming from the DDA’s Fiscal Year 2024 Parking Operations Fund.

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

Mr. McKinnon moved and Mr. Michelon seconded the following resolution:

RESOLUTION APPROVING A PARKING ACCOUNTS RECEIVABLE COLLECTION POLICY

Whereas, The DDA is responsible for establishing policies regarding the parking system;

Whereas, The DDA wishes to formalize the process under which the parking operator bills and collects parking revenue and handles past due accounts;

Whereas, DDA staff drafted a policy that outlines process as well as roles and responsibilities, and this policy aligns with parking industry best practice;

Whereas, Authorization to manage the Parking Accounts Receivable Collection Policy is granted to the
Parking Manager who shall act in accordance with this policy and other applicable written procedures and internal controls as needed;
Whereas, The Operations Committee has reviewed this policy and recommends approval;

RESOLVED, The DDA Board approves the Parking Accounts Receivable Collection Policy.

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

The resolution was approved.

The Committee received the quarterly revenue report, which is included in the board packet.

Mr. McKinnon reported the parking structure fencing project will begin in June. The RFP for the Parking system restoration work for FY24 will be released in May. The contract will come to the Committee in June and the Board in July.

The next Operations Committee meeting is scheduled for Wednesday, May 24 at 11:00 am.

SUBCOMMITTEE REPORTS-CAPITAL IMPROVEMENTS COMMITTEE

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

RESOLUTION TO APPROVE AN AGREEMENT WITH WADE TRIM ASSOCIATES, INC. FOR ENGINEERING AND AS-NEEDED SERVICES

Whereas, Implementing DDA initiatives requires professional services, including civil engineering, transportation engineering, and as-needed support;

Whereas, Wade Trim was selected by the City of Ann Arbor through a competitive RFP process (RFP 22-17) to provide general engineering services;

Whereas, Wade Trim Associates familiarity with the DDA and City projects and processes will provide efficiency and consistency for the DDA’s engineering-related services;

Whereas, DDA staff recommends Wade Trim Associates, Inc. to provide engineering and as-needed services beginning in May 2023;

Whereas, The required funds for the services are available in the approved budget and this is supported by the Capital Improvements Committee;

Resolved, The DDA Board approves a Professional Services Agreement with Wade Trim Associates, Inc. in the amount of $150,000 for Engineering and As-needed Services; and

Resolved, The DDA Board authorizes the DDA Executive Director to execute the Agreement with a not-to-exceed amount of $150,000 to be paid from the General/TIF Fund (248).
A vote on the resolution showed:

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

The Committee received an overview of the Fourth Avenue project, 2021 concept plan and remaining schedule. A public engagement session with patrons was held at the BTC. The remainder of the design process will inform the final layout and project elements.

Ms. Dieck provided an update on the State Street project. Overall the project is on schedule. The contractor’s goal is to have the remaining concrete work complete by Art Fair.

The Committee received an overview of planned work. Staff reached out to Traverse City and Grand Rapids to understand their work focus and structure. Ms. Dieck noted the much smaller staff size compared to district size of the Ann Arbor DDA compared to the other two cities. The Committee received a preview report which will be shared at a future board meeting.

The next Capital Improvements Committee meeting is scheduled for Wednesday, May 17 at 11:00 am.

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<thead>
<tr>
<th>SUBCOMMITTEE REPORTS–AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT COMMITTEE</th>
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<tr>
<td>The April Affordable Housing/Economic Development Committee was cancelled.</td>
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<td>The next Affordable Housing/Economic Development Committee meeting is scheduled for Wednesday, May 10 at 9:00 am with Partners.</td>
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<th>SUBCOMMITTEE REPORTS–EXECUTIVE COMMITTEE</th>
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<td>The Committee reviewed the board meeting agenda.</td>
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**Executive Director Search:** Mr. Kinley said the Committee discussed the Executive Director search and is looking at three paths forward-hiring an outside search firm, utilizing City HR, or hiring someone directly. Mr. Kinley started drafting a timeline chart of last Executive Director search. He turned it over to staff to formalize it, adding in key elements and provide cost estimates for the three hiring options. The Committee requested that staff provide their recommendation. It is anticipated that the timeline will be provided to the Board in June for discussion and a decision will be made in July about which option the Board supports and how the process will move forward (i.e., advisory group comprised of board and staff members, the full board, etc.).

**DDA Meeting Format Change:** The Committee discussed staff’s proposed change in meeting format consolidating CIC, Ops, and Finance Committees to a once-a-month work session. Executive Committee would remain a standing committee. The work session format would alleviate the amount of time board members would need to spend at committee meetings and provide an opportunity for all board members to receive more detailed information ahead of board meetings. It was noted this format would be in-line with other City boards and commissions. There was consensus to have staff formalize what this meeting format would look like for further discussion at the June board meeting with a proposed decision at the July annual meeting.
The next Executive Committee meeting is scheduled for Wednesday, June 7 at 11:30 am.

<table>
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<tr>
<th>NEW BUSINESS</th>
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<td>None.</td>
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<tr>
<th>PUBLIC COMMENT</th>
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<td>None.</td>
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<tr>
<th>ADJOURNMENT</th>
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<tr>
<td>Mr. Bartelme moved and Mr. McKinnon seconded the motion to adjourn.</td>
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A vote on the motion showed:
Ayes: Bartelme, Dieck, Kinley, Letaw, McKinnon, Michelon, Nichols, Vaughn
Nays: None
Absent: Brummer, Dohoney, Massey
The motion was approved.

The meeting adjourned at 12:55 pm.

Respectfully submitted,
Kelley A. Graves, Board Secretary
The Committee reviewed the board meeting agenda.

**Executive Director Search:** Mr. Kinley said he and Mr. Bartelme discussed the Executive Director search with Ms. Thomson and Ms. McCallum, looking at three paths forward—hiring an outside search firm, utilizing City HR, or hiring someone directly. Mr. Kinley provided staff with a draft timeline of the last Executive Director search. Staff will incorporate additional process detail and provide an analysis of the three hiring options. The Committee requested that staff provide their recommendation. It is anticipated that this information will be provided to the Board in June for discussion and make decision in July about which option the Board supports and how the process will move forward.

**DDA Meeting Format Change:** The Committee discussed staff’s proposed change in committee meeting structure to a work session format. All committee work, other than Executive Committee, would be incorporated into a monthly work session. The Executive Committee would remain a standing committee. The work session format would maximize time and efficiency for Board members and staff. It was noted this format would be in-line with other City boards and commissions. There was consensus to bring the recommendation to the Board for consideration. Questions were asked and answered.

**Public Comment:** Mr. Honeyman said he hopes there will be a way for the Affordable Housing/Economic Development Committee partners to continue to share information.

**Adjournment:** There being no other business, the meeting adjourned at 11:55 am.

Respectfully submitted,
Kelley A. Graves, Board Secretary
AADL: Mr. Neiburger said the Scio Township Planning Commission approved the interior renovation plans for the AADL warehouse. The plan goes to its Board in June. Once renovations are complete, the warehouse will house office space, archives, and be the new materials processing location. The Library Journal Design Institute selected the downtown AADL for its design challenge. Architects will have three weeks to develop site plans and renderings for a model consisting of a 100,000 square foot library and 400,000 square feet for affordable housing.

AAATA: Mr. Carpenter said the AAATA’s work with the AAHC, City, and DDA continues on the 4th Avenue project. Plans are underway to build a staffed terminal in downtown Ypsilanti. Senator Debbie Dingell has pledged $7M and Senator Gary Peters $300K towards the project. Plans for battery/electric and hydrogen buses are moving forward with a possible implementation in 2025-2026. The D2A2 service continues to grow. The RTA’s grant funding for D2A2 is available through 2024 though it may be impacted by the current debt ceiling issue being debated at the federal level.

Planning Commission: Ms. Gibbs-Randall said the site plans for 415 W. Washington and the 121 E. Catherine project were approved. The Energy Commission has expressed its concerns about the 415 W. Washington site due its location in the floodplain/floodway area. The City is undertaking revising its Comprehensive Plan consolidating the current 16 individual documents into one document. Discussion continue community-wide about affordable housing, density, and development and how best to meet needs including the City’s A2 Zero goals and move to electrification for new developments. The Planning Commission is refining the trans-corridor zoning.

DDA: Ms. Thomson said the DDA was awarded the Outstanding Infrastructure award by the League of Michigan Bicyclists. The DDA has completed a COVID Impact and Recovery Report and Project Outcomes Report. Both reports will be available on the DDA website (www.a2dda.org). The Covid report will be shared with the DDA Board, City Council, and other boards and commissions. Ms. Thomson said the survey regarding the 4th Avenue Transit Improvement Project design is open until May 15th. She shared the QR code to the survey with the Committee. Phase II of the State Street project is on schedule to-date. The concrete work is projected to be done by Art Fair. The electrical cabinet was due to be worked on May 15th. DTE sent notification of a delay, which could impact the project schedule. City Transportation completed
the signal adjustments on May 5th which should alleviate some of the reported delays and congestion concerns. Work on the downtown public restroom pilot continue a workgroup comprised of City staff, DDA staff, the four neighborhood associations, the AADL, the Commission on Disabilities, and the Delonis Center will begin meeting to review the criteria for placement. A product (Throne) offered by a small start-up company out of Washington, DC has been selected for the pilot. Questions were asked and answered.

The DDA will be hosting a bike to work station at the Blank Slate Plaza from 7-10 am on May 19th as part of Bike-To-Work Day. The DDA is underway with updating its 20-year parking system maintenance plan, a curb management study, and a parking rate study. The project to install additional fencing at the parking structures on the remaining levels below rooftop is expected to begin in June. The DDA worked with Washtenaw Community Health to create posters and magnets with crisis helpline information that have been placed in all of the parking structures and is available to others upon request.

Mr. Kinley said the DDA Board is considering consolidating its individual CIC, Ops, and Finance Committees into a once-a-month work session. The work session format would alleviate the amount of time board members would need to spend at committee meetings and provide an opportunity for all board members to receive more detailed information ahead of board meetings. The Board will discuss this further at its next board meeting. He told the Committee attendees today to look for further communication about the future status of the Affordable Housing/Economic Development Committee.

Public Comment: Ms. Arcure addressed Ms. Gibbs-Randall’s question at Planning Commission about the status of the Downtown Area Citizens Advisory Council, stating the DACAC is still active. She said there is need to continue discussions on density versus development. A reporter from the Michigan Daily said it is important to be mindful of the student perspective in terms affordable housing developments.

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

The meeting adjourned at 10:25 am

Respectfully submitted,
Kelley A. Graves, Board Secretary
TO: DDA Board  
FROM: Sara McCallum, Deputy Director  
ITEM: Resolution to Adopt the FY24 Budget  
MEETING DATE: June 7, 12:00 PM

In March, the DDA Board put forward the proposed FY24 and FY25 budgets for City Council’s consideration. City process calls for development of multi-year budgets, although it can only adopt one fiscal year at a time by law. FY24 is the 1st year of the two-year budget cycle.

Staff presented the DDA budget to City Council by video which was posted to YouTube in March. The FY24 budget was approved by City Council on May 15 as required by Public Act 57 of 2018. The final step in the DDA’s budget process is the adoption of the budget by the DDA Board.

**DDA Board Budget Adoption** – The Resolution to Adopt the FY24 Budget is presented for the Board’s consideration.

ACTION REQUESTED:
Consider approving the Resolution to Adopt the FY24 Budget.
RESOLUTION TO ADOPT THE DDA BUDGET
FOR FISCAL YEAR 2024

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 FY23-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 which 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. and DDA staff did present the Budget to City Council by video which was posted to YouTube in March and the Ann Arbor City Council did approve the DDA’s FY24 Budget on May 15;

RESOLVED, That any unspent DDA Grants included in the FY 2023 budget may be carried forward without regard to fiscal year;

RESOLVED, That any unspent capital funds included in the FY 2023 budget may be carried forward without regard to the fiscal year;

RESOLVED, That the Executive Director be authorized to reallocate budgeted amounts within funds;

RESOLVED, That the DDA Board adopts the following revenue and expenditure appropriations by fund as its Fiscal Year 2023 Budget:

<table>
<thead>
<tr>
<th>Ann Arbor DDA FY24 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Expenditure</td>
</tr>
<tr>
<td>Net Rev (Exp)</td>
</tr>
<tr>
<td>Beginning Fund Balance (projected)</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
</tr>
</tbody>
</table>
Presented for your consideration is an FY23 budget amendment for the Parking Fund.

In May the DDA Board approved putting forward to City Council a budget amendment for the Parking fund. The amendment was necessary due to parking revenues coming in higher than budgeted causing certain expenditures to exceed budget as well – the City 20% payment and credit card fees. Both items are directly affected by revenue levels. This was discussed as a possibility when the original FY23 Budget was adopted. It is good news for the Parking System.

The Michigan Uniform Budget Manual requires that government units amend their budgets when it becomes apparent that expenditures are likely to exceed their budget limits. Amendments must be adopted within the fiscal year (by June 30, 2023).

City Council approved the budget amendment, as presented, on June 5. The final step required is adoption by the DDA Board. The amendment affects the Parking Fund only. The net affect is an increase to fund balance of $2.8 million.

Attached for your review is City Council File #23-0794 Resolution to Amend the FY23 Downtown Development Authority Parking Fund Budget (the resolution passed by City Council), and the Resolution to Adopt an Amendment to the FY23 Budget (the resolution for final adoption by the DDA Board).

**ACTION REQUESTED:**

Approve the *Resolution to Adopt an Amendment to the FY23 Budget.*
RESOLUTION TO ADOPT AN AMENDMENT TO
THE FISCAL YEAR 2023 BUDGET

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, Before the budget may be adopted by the board, the statute requires that it be approved by the governing body of the municipality before final adoption by the DDA Board;

Whereas, The DDA did completed the budget creation process for FY23 and did adopt the FY23 budget in June of 2022 for its four funds, including the Parking Fund;

Whereas, The DDA does monitor its activities compared to budget on an on-going basis and it has became apparent that a deviation at June 30 could be anticipated in the Parking Fund due to an increase in parking activity/revenues and a resulting increase in certain expenditures which are directly related to revenue streams;

Whereas, The Michigan Uniform Budget Manual requires that a legislative body amend the budget as soon as a deviation is apparent and prior to the close of the budget year;

Whereas, The DDA Board did authorize the proposed amendment to be put forward to City Council, and on June 5 City Council did approve the amendment as presented;

Whereas, The final step established is for the DDA Board to adopt the amendment to the FY23 Budget;

RESOLVED, The DDA Board approves the following appropriation as an amendment to its FY23 Budget and authorizes its Accounting Director to take the steps necessary to implement this amendment to the DDA Parking Fund:

<table>
<thead>
<tr>
<th>Ann Arbor DDA FY22 Budget Amendment</th>
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<tbody>
<tr>
<td>231 Parking Fund</td>
</tr>
<tr>
<td>Revenue</td>
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<tr>
<td>Expenditure</td>
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<tr>
<td>Net Rev (Exp)</td>
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<tr>
<td>Beginning Fund Balance</td>
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<tr>
<td>Ending Fund Balance</td>
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</table>
Resolution to Amend the FY23 Downtown Development Authority Parking Fund Budget (8 Votes Required)
The FY23 DDA Parking Fund Budget was compiled in December 2020, during a time of uncertainty related to the pandemic and the parking system’s recovery timeline. Due to this uncertainty, the DDA Board intentionally set the budget conservatively, anticipating that if the system recovered faster than expected, a budget amendment might be necessary. An analysis at the 3rd quarter projects that FY23 parking revenues may come in as much as $3,578,400 over original projections.

Certain parking expenditures (including the City 20% payment) correlate directly to revenue levels. Those expenditures are anticipated to come in as much as $806,100 over original projections.

While this is good news for the parking system and the City, State budgeting guidelines do require that the DDA make a budget amendment to expenditures to allow the organization to meet its commitments to the City and others.

Budget/Fiscal Impact: This amendment represents a net increase of $2,772,300 to the fund balance of the DDA Parking Fund.

Whereas, An amendment to the Downtown Development Authority’s FY23 Parking Fund Budget is requested to increase DDA Parking Fund Revenues by $3,578,400; and to increase DDA Parking Fund Expenditures by $806,100 for the purpose of allowing the organization to meet its commitments to the City and other organizations;

RESOLVED, That City Council appropriate $3,578,400 in revenue to the FY23 DDA Parking Fund budget and appropriate $806,100 in expenditures to the FY23 DDA Parking Fund budget, with the source of revenue being parking revenue received; and

RESOLVED, That the City Administrator be authorized to submit this action to the Downtown Development Authority so that it may finalize and adopt this amendment to its FY23 Parking Fund Budget as required by PA57 of 2018.
DDA – Two Systems

Capital Investments & Placemaking

MISSION: To undertake public improvements that have the greatest impact in strengthening the downtown area and attracting new private investments.

Parking & Transportation
Capital Investments & Placemaking – TIF System
Capital Investments & Placemaking
Advancing Community Goals
State Street Project

- DDA / City partnership
- Curbless design
- Lighting & amenities
- Sidewalk & streetscape
- Watermain & stormsewer
- Street resurfacing
- Bikeway connection
Fourth Ave. Transit Street Improvements

• City / AAATA / DDA / AAHC

• Improve operations at Blake

• Improve safety and experience for BTC users and all pedestrians

• Utility work to support AAHC project at 350 S. Fifth

• Anticipated construction 2026
Annual Maintenance

• Holiday lights

• Pavers

• Tree grates

• Benches

• Bike parking

• Irrigation
Public Restroom Pilot

- Work group – project goals and criteria
- Explore options for placement based on goals, criteria, & infrastructure
- Installation anticipated 2024
Studies Underway

- Public Art Program & Process
- Seasonal Street Closure Barricade Study
Studies Coming Soon

DOWNTOWN CIRCULATION STUDY

ENERGY UTILITY STUDY
Grant Opportunities

On the Path to 100% Clean Electricity

RAP 2.0
Revitalization and Placemaking Program
Reports & Data Collection

- COVID-19 Impact and Recovery Report
- Project Outcomes Report
- Eco-Counters – Permanent bike counters along Ann Arbor Bikeway
Parking & Transportation
Planning & Analysis

20-YEAR MAINTENANCE & RESTORATION PLAN

PARKING RATE STUDY

CURBSIDE MANAGEMENT STUDY
Fencing & Signage

We’re here TO HELP.

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WASHTENAW COUNTY COMMUNITY MENTAL HEALTH

OR TEXT OR DIAL 988
NATIONAL SUICIDE AND CRISIS LIFELINE
Annual Maintenance

- Sealcoating
- Concrete removal & replacement
- Traffic coatings
- Joint sealants
- Painting
Events

Bicycle Film Festival

Bike To Work Day

Safety Event at Delonis
Project Recognition

Conceptor Award in Engineering

Outstanding Infrastructure Award
Thank you!!!!

Sign up for the DDA Newsletter
www.a2dda.org
EXECUTIVE DIRECTOR SEARCH
Many factors in the previous hiring process were outside of the DDA Board’s control. The selected search firm did not perform as expected and the pandemic and local politics created unforeseen challenges. The factors within the Board’s control need to be strengthened for a successful recruitment process.

Committee structure and organizational misconceptions have been identified as key areas of impact.

Staff involvement improves the process due to their familiarity with the work and culture of organization.
Standard Hiring Timeline: 12 Months

Most Recent DDA Hiring Process: 42 Months
### VACANCY & TRANSITION PHASE

**JAN 20 – JAN 21 (13 MONTHS)**

*Executive Director retired & DDA Board selected process approach*

Consider organizational impacts in process design and selection. Staff involvement in the work group, rather than a Board-only Committee, can help ensure organizational understanding and improve trust, collaboration, and general organizational health.

<table>
<thead>
<tr>
<th>Year</th>
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**JAN 20:** Executive Director (ED) announced retirement

**AUG 20:** DDA Board authorized the Executive Committee (EC) to lead search process

**DEC 20:** Interim ED began & EC interviewed search firms

**JAN 21:** ED retired & DDA Board approved search firm contract
DEBRIEF: TIMELINE

RECRUITMENT & HIRING PHASE

FEB 21 – JAN 22 (12 MONTHS)

External search firm led recruitment

Establish clear organization and job position needs; a combination of organizational misconceptions and the use of an external search firm resulted in a misrepresentation of the Executive Director role. Involving staff will provide ground-level perspective on organizational culture, candidate fit, and daily operational needs. Organizational inclusivity improves understanding for both Board and staff.

APR 21: Search firm posted ED job opening
OCT 21: EC selected 2nd candidate slate & conducted first round interviews
JUNE 21: EC selected candidate slate; candidates opted out
NOV 21: Board conducted second round interviews & hiring vote
AUG 21: EC authorized ED job to be reposted
DEC 21 - JAN 22: Contract approval
Board Chair negotiated ED Contract; City Council approved candidate; Contract finalized

2020 Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec
2021 Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec
2022 Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec
2023 Jan Feb Mar Apr May Jun
### ONBOARDING & EVALUATION PHASE

**FEB 22 – DEC 22 (11 MONTHS)**

*DDA Board led onboarding and evaluation*

Ensure stability with a successful onboarding process. Committing adequate attention and resources will support a successful transition. Staff can support an orientation process and help inform clear objectives and focus areas. Recognize that considerable staff time will shift to onboarding and new hire support, particularly for management staff that report directly to the Executive Director.

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| 2020 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2021 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2022 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2023 | Jan | Feb | Mar | Apr | May | Jun |

**APR 22:** Interim ED overlap ended

**JUL 22:** Staff and Board Chair supported ED, Board conducted & discussed 6M evaluation

**OCT 22:** Rehmann (external consultant) conducted evaluation

**DEC 22:** Board reviewed Rehmann eval, ED & Board mutually separated
EXECUTIVE SUMMARY

Executive Director & DDA Board mutually separated

TRANSITION PHASE
DEC 22 – PRESENT (6 MONTHS)

Consider organizational impacts in process design and selection. Staff involvement in the work group, rather than a Board-only Committee, can help ensure organizational understanding and improve trust, collaboration, and general organizational health.
Hiring a consultant firm that specializes in management or executive level recruitment. Provides access to large networks. Requires additional time to select a search firm that suits the position and organization, especially given the narrow focus of a DDA vs. other public sector positions.

Utilizing City Human Resources to lead the search and recruitment process. They begin with knowledge of DDA and City needs and have been used successfully with positive results.

Appointing someone to the position without conducting another recruitment cycle. Most appropriate for an internal candidate. This process may include an interview and application process with the internal candidate.
PROCESS OPTIONS

The length of the hiring process will depend on the process selected. The Search Firm option includes added time to select that firm. All options include statutory and process requirements:

1. DDA Board action to select a candidate
2. City Council confirmation of candidate
3. Finalizing an employment contract
### PROCESS OPTIONS

<table>
<thead>
<tr>
<th>PROS</th>
<th>City HR</th>
<th>Direct Appointment</th>
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</table>
| • Has led to successful hiring for some positions  
  • Can have broad reach when performed effectively | • Has led to successful hiring for some positions  
  • May have more familiarity with organizational and position needs  
  • No added cost | • Allows for continued forward momentum and continuity  
  • An internal candidate exists with nearly two years of experience in the position  
  • No added cost  
  • No onboarding |
| • Can alienate internal candidates  
  • Can lead to a misunderstanding of position and organizational needs due to the external nature of a search firm  
  • Cost & time  
  • Less control over process | • Any extended process will expend organizational time and attention and detract from continued forward momentum  
  • Time | • Would typically lack process; in our case the DDA Board has conducted two search rounds and public interviews without a successful hire |