1. Roll Call
   Sava Lelcaj Farah, Bob Guenzel, Marie Klopf, Howard Lazarus, Joan Lowenstein, Darren McKinnon, Al McWilliams, John Mouat, Rishi Narayan, Keith Orr, John Splitt, Phil Weiss

2. Audience Participation (4 people maximum, 4 minutes each)
   1. Jeanne Reynolds
   2.
   3.
   4.

3. Reports from City Boards and Commissions
   - Ray Detter, Downtown Area Citizens Advisory Council

4. DDA Members Communications

5. Executive Director Communications

6. Approval of Minutes: March meetings

7. Subcommittee Reports
   a. Operations Committee – J. Splitt, K. Orr
      - Presentation on Parking Operator RFP Process and Recommendations
      - Resolution to Select Republic Parking as Manager of the DDA’s Parking System
      - Monthly parking & transportation report
      - 4th & William Improvements Project – status
      - Epark installations – status
      - Circulator feasibility study - status
      - Next Committee meeting: Wednesday, April 26 at 11am

   b. Finance Committee – M. Klopf
      - Preparing for June retreat to discuss parking
      - Next Committee meeting: Tuesday, April 25 at 1pm

   c. Capital Improvements Committee – J. Mouat
      - South University improvements project - status
      - Fifth/Detroit improvements project – status
      - Huron Street improvements project - status
• Next meeting: Wednesday, April 19 at 11am

d. Partnerships/Economic Development Committee – J. Lowenstein & A. McWilliams
  • Partner updates
  • Next Committee meeting:  Wednesday, April 12 at 9am

e. Executive Committee – R. Narayan, A. McWilliams, M. Klopf, P. Weiss
  • Next Committee meeting:  Wednesday, May 3 at 11am

8. New Business

9. Other Audience Participation (4 minutes each)

10. Adjournment
1. **ROLL CALL**

**Present:** Bob Guenzel, Marie Klopf, Sava Lelcaj-Farah, Joan Lowenstein, Darren McKinnon, John Mouat, Rishi Narayan, Keith Orr, John Splitt, Phil Weiss

**Absent:** Howard Lazarus, Al McWilliams

**Staff:** Susan Pollay, Executive Director  
Joseph Morehouse, Deputy Director  
Amber Miller, Capital & Private Projects Manager  
Jada Hahlbrock, Manager of Parking Services  
Patti Wheeler, Management Assistant  
Liz Rolla, Project Manager

**Audience:** Ray Detter, Downtown Citizens Advisory Council  
Maura Thomson, MSAA  
David Orfield, Republic Parking Services  
Karen Farmer, KDA/Kerrytown Shops  
Kelly Schwartz, Get Downtown  
Donald Salberg  
Peter Nagaivney  
Ali Ramlawi  
Ethel Potts  
Tyke Eccleston  
Lori Sipes  
Sean Havera  
Alan Haber  
Amy Kuras  
Sarah DeWitt  
Doug Aikenhead  
Mike Baker  
Derek Delacourt

2. **AUDIENCE PARTICIPATION**

Ms. Farmer stated her support of the Farmer’s Market grant request. She also requested the DDA consider adding additional parking in the Kerrytown area. She thanked DDA staff for their work on the 5th & Detroit project.
Mr. Haber said the campaign for a community commons on the Library lot is still vibrant. He also stated his belief that the City is in violation by denying the petition he had circulated, and they would likely be taken to court.

Ms. Thomson asked the DDA deny the City’s CORE Spaces parking permit request. She stated that many Main Street businesses rely on those parking spaces.

Mr. Lipson expressed his opposition to the CORE Spaces parking permit request, citing the Nelson/Nygaard study. He requested the DDA deny the request.

3. **REPORTS FROM CITY BOARDS AND COMMISSIONS**

**Downtown Area Citizens Advisory Council.** Mr. Detter said the group provided feedback on the 5th & Detroit design. The group also updated each about the Allen Creek Greenway, the Lower Town proposal and the Jefferson Street proposal. He said that Alan Haber spoke to the group about his desire for a park on Library Lane. Mr. Detter said the CAC listened but conveyed to Mr. Haber the CAC position, which supports a 12,000 plaza and a mixed use building that provides connectivity to nearby assets like Blake Transit Center and Liberty Plaza.

4. **DDA MEMBERS COMMUNICATIONS**

None.

5. **EXECUTIVE DIRECTOR COMMUNICATIONS**

Ms. Pollay reminded the public that the DDA website (a2dd.org) has valuable project updates and other helpful information.

6. **APPROVAL OF MINUTES**

Mr. Guenzel moved and Ms. Lowenstein supported approval of the February 2017 DDA meeting minutes.

A vote on the resolution showed:

**AYES:** Guenzel, Lelcaj-Farah, Lowenstein, Klopf, McKinnon Mouat, Narayan, Orr, Splitt, Weiss

**NAYS:** none

**ABSENT:** Lazarus, McWilliams

The resolution passed.

7. A. **SUBCOMMITTEE REPORTS - OPERATIONS COMMITTEE**

Mr. Splitt moved and Mr. Mouat supported the following resolution.
RESOLUTION TO SUPPORT CITY APPROVAL OF PARKING REQUIREMENTS FOR CORE SPACES ON LIBRARY LANE

Whereas, The DDA Plan directs the DDA to construct parking facilities in support of its mission, and in 2008 City Council authorized the DDA to construct the underground Library Lane garage so that it would support the construction of a future building on this site;

Whereas, The Library Lane project included a garage designed with maximal bearing capacity, a new midblock street (Library Lane) to divide this over-large block with a pedestrian-friendly design, and a new midblock alley;

Whereas, The City hired CBRE to represent the property so that it could be sold, and an Offering Memorandum/RFP was released in early 2015 which produced nine responses;

Whereas, On January 19, 2016 City Council voted to approve CORE as the selected developer of the property, and authorized the City Administrator and City Attorney to begin negotiation process for the sale of the property;

Whereas, As part of this approval, City Council requested staff negotiate additional community benefits that had not been included in the RFP, including the goal to set aside 10% of the residences as workforce housing, a higher level of LEED certifiable design, and improved pedestrian connectivity;

Whereas, A Core Spaces representative met with the Operations Committee at its February 2017 meeting to review the parking required for this project, noting that the request was based on a study commissioned from a national parking consultant; this request is as follows:

1. 196 - 24-hour equivalent parking permits will be leased in the City-owned Library Lane Structure located beneath the proposed development. The 196 permits are calculated as 196 permits for 24 hours per day for each year. Therefore, if Core Spaces elects to designate the use of off-peak permits (currently 15 hours), the remaining 9 hours will be available for additional permits.

2. 85 – 24-hour equivalent parking permits will be leased at the City-owned Fourth and William Structure. (All parking permits in the Fourth and William Structure may be replaced by the City with permits in another structure in the same parking district if the Fourth and William Parking Structure is not in use.)

3. 80 off-peak parking permits will be leased at the City-owned Fourth and William Structure.

Core Spaces will lease the required parking permits in accordance with the Downtown Development Authority’s current standard monthly permit rate, and in addition will pay any surcharge related to multi-space contracts.
• Annual increases in the monthly rate shall be consistent with the Downtown Development Authority established standard monthly permit rates, and in no event shall rates increase more in any given year than the average increase in all garages located in the same parking district.

• Core Spaces shall notify the City and the Downtown Development Authority of its specific parking requirements no less than 60 days prior to the start date of the parking lease. Thereafter, Core Spaces shall notify the City and the Downtown Development Authority of its parking requirements for the following calendar year no less than 60 days prior to the end of each calendar year. The number of leased permits may be decreased in any given year. However, the number of parking permits available in the following year shall not increase to more than the number of permits leased in the prior year with the only exception being during the first three years when the total leased permits can fluctuate upward and downward by a maximum number of 50 permits. The total number of leased parking permits will never exceed the totals above.

• Core Spaces may elect, at its sole discretion, to release a portion of the 196 parking permits at the Library Lane Structure so these permits may be used to accommodate other needs unrelated to the development. In that event, the number of parking permits released shall still be provided in the Fourth and William Structure.

• Core Spaces shall be permitted to sublease parking permits to its residential tenants, hotel operator (including guest parking) and other entities that operate within the property including, but not limited to, office tenants and retail tenants, including employees of above, as well as for visitor and customer use. Core Spaces will have complete and sole discretion as to the rate it charges its sub-lessee (rental rate charged to sublessee can be more than or less than the rate that Core Spaces pays to the Downtown Development Authority).

• The agreement will be for a 20-year term with two 20-year renewal terms.

Whereas, The Operations Committee recommends that the DDA approve a resolution communicating that the DDA can implement this request if City Council resolves to approve the project;

Whereas, The Operations also recommends that the DDA put forward to the City slight modifications for its consideration as follows:

• That the proposed parking district be clarified to be Library Lane, Fourth & William, and Fourth & Washington

• That the section allowing Core Spaces at its sole discretion to exchange a portion of parking permits from the Library Lane to the Fourth & William garage be clarified to lessen the impact of this potential change. This may include noting that this is subject to availability, limiting the number of potential permits that can be moved and required notification.
· That Core Spaces be asked to include in all of its leases associated with this project language that clearly notes that unauthorized subletting of parking permits to individuals or businesses not located on this site will not be allowed, and will make these permits subject to cancellation.

· The contract should allow Core Spaces to permanently reduce at any time the overall number of parking permits up to the amount required for zoning.

· That the agreement will be for a 20-year term with two 15-year renewal terms, for a total of 50 years, which would make this similar to the term offered in another city parking contract.

Resolved, The DDA can and will work to enact the parking portion of the City Council decision about this project.

Mr. McKinnon made a motion to table discussion of this resolution until after the board considered a proposed Long Term Parking Contract Policy. This motion failed for lack of a second.

The board returned to a discussion of the resolution as proposed.

Mr. Orr proposed an amendment to alter the recommended terms from one 20-year term with two 15-year renewals to one 20-year term with one 15-year renewal and one 10-year renewal. Mr. Mouat seconded.

A vote on the amendment showed:
AYES: McKinnon, Orr
NAYS: Guenzel, Lelcaj-Farah, Lowenstein, Klopf, Mouat, Narayan, Splitt, Weiss
ABSENT: Lazarus, McWilliams
The amendment failed.

The board returned to a discussion of the resolution as proposed.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Lowenstein, Klopf, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: McKinnon
ABSENT: Lazarus, McWilliams
The resolution passed.

Mr. Splitt moved and Mr. Mouat supported the following resolution:

RESOLUTION TO APPROVE A GRANT FOR THE FARMERS MARKET PARKING LOT
Whereas, The DDA Development Plan sets forward that the DDA will work to meet its mission by supporting other organizations working in the downtown area through grants;

Whereas, The Public Market Advisory Commission, a Parks & Recreation Service Unit at the City, is pursuing the construction of a new market structure which is intended to expand vendor stall capacity, improve the experience for all users, and increase the amount of activity in the Market and nearby Kerrytown commercial area, particularly in the cold weather months;

Whereas, The DDA provided a $175,000 grant to this project in February 2016 because it met the DDA’s mission and values to strengthen downtown, spark increased economic activity within the Kerrytown neighborhood, cultivate a memorable sense of place, and enhance walkability along N. Fourth Avenue.

Whereas, In addition to the DDA’s grant, the project is supported by multiple funding sources including developer contributions, the Farmers Market Fund balance, and the Parks and Recreation Maintenance and Capital Improvements Millage;

Whereas, In 2016 the project was bid, and all bids came in significantly over budget;

Whereas, City staff worked to reduce project costs, but additional funding will be needed to advance the project;

Whereas, The DDA was asked to consider providing a second grant ($200,000) to cover project costs associated with parking lot renovations and storm water management improvements;

Whereas, The Operations Committee reviewed this request, and recommends DDA approval of this second grant for the project because improving storm water management is a component of the DDA’s sustainability goals, Farmers Market parking lot renovations may help commercial vehicle loading/unloading, and regardless of this project the DDA anticipates funding some repairs and improvements to the lot;

RESOLVED, The DDA approves a second grant to the Farmers Market Building project in the amount of $200,000 from its Parking Maintenance funds to cover project costs associated with parking lot renovations and storm water management.

Mr. Delacourt answered questions about the project. Mr. Narayan noted that, although the project was worthwhile, if approved, this and other grants impact the DDA’s ability to construct additional parking. Ms. Lelcaj-Farah stated her support for this project.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Lowenstein, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, McWilliams
The resolution passed.

Mr. Splitt moved and Mr. Orr supported the following resolution:

RESOLUTION TO APPROVE PARKING AGREEMENT AMENDMENT ONE

Whereas, In 1992 the DDA entered into an agreement with the City to operate and maintain the public parking system for the benefit of the public, and this agreement was renewed in 2002, amended in 2005, and a new Parking Agreement approved in 2011;

Whereas, The City and DDA have begun discussion of possible adjustments to the Parking Agreement, but acknowledge that more time is needed to develop the details behind these changes to ensure their successful implementation;

Whereas, At its February 1, 2017 meeting, the DDA board approved a two-year increase in the percentage of parking revenues received by the City in FY2018 and FY 2019 from 17% to 20%;

Whereas, The City Attorney determined that a parking contract amendment is necessary for the DDA to provide the City with a two-year increase in the percentage of parking revenues received by the City;

Whereas, The Operations Committee has reviewed the proposed parking contract amendment and recommends approval by the DDA;

Resolved, The DDA approves Parking Agreement Amendment One;

Resolved, The DDA Executive Director is authorized to negotiate and execute this parking contract amendment on behalf of the DDA following consultation with the DDA Attorney.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams
The resolution passed.

Mr. Splitt moved and Mr. Mouat supported the following resolution:

RESOLUTION TO APPROVE A CONTRACT WITH THE UNIVERSAL SIGN COMPANY FOR NEW SIGNAGE AT ANN & ASHLEY ($84,209)
Whereas, The DDA has managed the public parking system since 1992 in support of its mission;

Whereas, The DDA’s engineer’s, Carl Walker Inc., has provided the DDA with a complete plan for the replacement of the internal signage at the Ann & Ashley Parking Structure;

Whereas, The bid package for the manufacture and installation of the signage needed was given to 6 sign companies with 3 submitting bids;

Whereas, This project was included in the FY 2016/17 parking facility repair resolution with a total project budget of $850,000;

Whereas, Carl Walker, Inc. has reviewed the bids and recommends acceptance of Universal Sign Inc. as the low bidder with a not to exceed contract of $84,209;

Whereas, The Operations Committee recommends DDA approval of the Universal Sign Incorporated bid;

RESOLVED, The DDA selects Universal Sign Inc. for the Ann & Ashley sign replacement project and authorizes the Executive Director after DDA attorney review to sign a contract with Universal Sign, Inc. in the amount of $84,209.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams

The resolution passed.

Mr. Splitt moved and Ms. Klopf supported the following resolution:

RESOLUTION TO APPROVE A DDA LONG-TERM PARKING PERMIT POLICY

Whereas, The DDA mission is to strengthen the downtown and encourage new private investment;

Whereas, Thoughtful management of the parking system is an important tool to meet this mission;

Whereas, The DDA has traditionally resisted requests for parking contracts except in rare instances where providing contracted parking spaces supports the construction of a new downtown development or enables the sale of City-owned property;
Whereas, To guide how to respond to requests for long-term parking contracts in alignment with our mission, the DDA Operations Committee has developed a recommended Policy for DDA approval;

RESOLVED, The DDA approves the attached DDA Long Term Parking Permit Policy.

Mr. McKinnon said that a policy would help developers know what to expect as they shaped the financials of their deals. Ms. Miller responded to questions about parking requirements under City zoning.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams
The resolution passed.

Mr. Splitt moved and Mr. Mouat supported the following resolution:

RESOLUTION TO APPROVE A PARKING CONTRACT WITH THE COLLEGIAN NORTH DEVELOPMENT

Whereas, The DDA mission is to strengthen the downtown area and attract new private investments, which includes managing the public parking system to accomplish this mission;

Whereas, Ann Arbor City zoning requires that downtown projects seeking premiums include parking and in 2012 City Council set forward a Contribution in Lieu Parking Policy that defines how projects can meet this requirement through a long-term parking contract;

Whereas, The developers of The Collegian North Project met with the Operations Committee to discuss their project’s zoning requirement for 50 parking spaces, and their request to the DDA that these spaces be accommodated using the City’s Contribution in Lieu framework;

Whereas, The Operations Committee discussed the request and determined that the project accomplishes the criteria set forward in the DDA’s Long Term Parking Permit Policy, particularly encouraging development to proceed without curb cuts on a Destination Commercial Street;

Whereas, the Committee also discussed the availability of spaces within the public parking system and received feedback from the Collegian North team that the project was not dependent on daytime parking permits, but would benefit from car share access and off-peak parking;
Whereas, The Operations Committee recommends approval of a 15-year agreement with The Collegian North Project that includes the following permit mix in the Forest Avenue Parking Structure:

<table>
<thead>
<tr>
<th>Monthly Permit Type</th>
<th>Permits Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Parking Permits</td>
<td>5</td>
</tr>
<tr>
<td>Car Share Parking Permits</td>
<td>3* (counts as 12 spaces, per City zoning)</td>
</tr>
<tr>
<td>Limited Overnight Parking Permits</td>
<td>33</td>
</tr>
</tbody>
</table>

*The developer will need to discuss details with a car share company as the building gets closer to a Certificate of Occupancy. If car share cannot be accommodated, 12 additional limited overnight permits will be issued.*

Resolved, the DDA approves the permit mix as recommended by its Operations Committee to enable The Collegian North to move forward with the site plan process;

Resolved, DDA Staff are encouraged to connect the Collegian North Development Team with Zipcar or Maven to address car share arrangements;

Resolved, the DDA Operations Committee Chairs and Executive Director are authorized to work with the DDA Attorney and City to execute a parking contract consistent with the provisions of this resolution and the City Contribution in Lieu Policy.

Mr. Havera answered questions about his project. Ms. Miller reported that City Planning staff had been consulted and they indicated that the arrangement would meet requirements.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams
ABSTAINED: Narayan
The resolution passed.

Mr. Splitt moved and Mr. McKinnon supported the following resolution:

RESOLUTION TO COMMUNICATE PARKING POLICY RECOMMENDATIONS TO CITY COUNCIL AND CITY PLANNING COMMISSION

Whereas, The DDA mission is to strengthen the downtown area and attract new private investments, and it operates the public parking system as a way to accomplish this mission;

Whereas, Ann Arbor City zoning requires that downtown projects seeking premiums include parking and in 2012 City Council set forward a Contribution in Lieu Parking Policy that defines
how projects can meet this requirement through a long-term parking contract or payment-in-lieu;

Whereas, At its February 2017 meeting, the Operations Committee discussed the current City parking requirements under zoning and its Contribution in Lieu Policy, noting that parking policies have a direct impact on how the community achieves its goals for sustainability, walkability, and affordability, for instance the impact that those requirements have on the prevalence of curb cuts, disruption of ground floor active uses, and higher unit rents to offset the cost of building parking;

Whereas, The Operations Committee recommends that the DDA put forward the attached recommendations to City Planning Commission and City Council for their consideration which are aimed at aligning with current best practices, including short-term changes to the Contribution in Lieu Policy and longer-term discussion of zoning updates:

RESOLVED, The DDA recommends City Council and City Planning Commission consider the attached changes to better align policy with best practices and community goals.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams
The resolution passed.

Circulator. Mr. Orr reported that the project team has a meeting with the consultants to confirm the scope of service. He said an update will be provided at the next meeting.

Monthly Parking & Transportation Report. Mr. Splitt said the February report was in the Board packet. He asked for questions; there were none.

Parking Operator RFP. Mr. Splitt said that four responses had been received. Walker Parking has been helpful as the DDA’s consultant through this process. Two firms were selected for interviews and staff will bring information back to the Committee.

4th & William Stair/Elevators. Mr. Splitt said elevator installation has been delayed again but the date of the elevator inspection is still in place.

Epark. Mr. Splitt said installations of new EPark machines has begun and is moving swiftly.

The next Operations Committee meeting will be March 22 at 11:00 am.
7. B. SUBCOMMITTEE REPORTS- FINANCE COMMITTEE

Ms. Klopf moved and Mr. Orr supported the following resolution:

RESOLUTION TO PUT FORWARD THE DDA BUDGET FOR FISCAL YEARS 2018 & 2019

Whereas, The DDA has developed a Ten-Year Financial Plan, including projected income and expenses for debt service, capital improvements projects and parking operations;

Whereas, The DDA Finance Committee has developed a budget for the 2018 & 2019 fiscal years for the DDA based on the DDA’s most recent Ten-Year Plan;

Whereas, The Finance Committee recommends approval of this DDA budget by the DDA;

RESOLVED, The DDA accepts the recommendation of its Finance Committee and puts these budgets forward to the City for approval.

Mr. Guenzel moved and Mr. Splitt supported the amendment to shift funds in the proposed budget to accommodate the earlier resolution granting the Farmer’s Market funds from earlier in the meeting.

A vote on the amendment showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams

Mr. Morehouse pointed to how this change would be reflected in the amended budget. Questions were asked and answered.

A vote on the resolution showed:
AYES: Guenzel, Lelcaj-Farah, Klopf, McKinnon, Mouat, Narayan, Orr, Splitt, Weiss
NAYS: None
ABSENT: Lazarus, Lowenstein, McWilliams
The resolution passed.

Monthly Expenses. Ms. Klopf said the committee reviewed the January expense registers.

Future Discussion. Ms. Klopf said that the Finance Committee recognizes that its efforts to plan are impacted by whether or not the DDA will construct additional parking. She said the Committee talked about this, and have asked staff to shape a set of questions to be explored to help the DDA make this decision. It was recommended that the DDA plan to hold a retreat this spring so the board could work together to make decisions about this question.
The next Finance Committee meeting will take place March 21 at 1:00 pm

7. C. SUBCOMMITTEE REPORTS- CAPITAL IMPROVEMENTS COMMITTEE

Mr. Mouat stated the Committee did not meet in February.

The next Partnerships Committee meeting will take place on March 15 at 11:00 am.

7. D. SUBCOMMITTEE REPORTS- PARTNERSHIPS Committee

Mr. Narayan stated the Committee did not meet in February.

The next Partnerships Committee meeting will be March 8 at 9:00 am.

7. E. SUBCOMMITTEE REPORTS – EXECUTIVE COMMITTEE

Mr. Narayan said the committee reviewed the agenda.

The next Executive Committee meeting will be April 5 at 11:00 a.m.

8. NEW BUSINESS

None.

9. OTHER AUDIENCE PARTICIPATION

Ali Ramlawi said that he is concerned that the proposed CORE Spaces project is too large and as such is taking away a great amount of parking. He said he has unrestricted access to the alley behind his building and he hopes to keep it that way. He also said that extending meter enforcement to 10pm is a bad idea, but he does supports extending to 8pm.

Mr. Detter corrected an error from his earlier address where he stated “could and will” when he meant “can and will.” He mentioned the Council work session on March 16th about the Library Lane proposal.

10. ADJOURNMENT

There being no other business, Mr. Splitt moved and Mr. Orr supported a motion to adjourn. Mr. Narayan declared the meeting adjourned at 1:46 pm.

Respectfully submitted,

Susan Pollay, Executive Director
ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY  
Executive Committee Meeting  
Wednesday, March 1, 2017

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104  
Time: 11:10 a.m.  
Present: Marie Klopf, Rishi Narayan, Susan Pollay (ex officio), Phil Weiss  
Absent: Al McWilliams  
Others: John Mouat

Committee actions and discussions

Agenda Review.  
The group reviewed the March DDA monthly meeting agenda, which included many resolutions and updates. It was noted that there were four speakers signed up to speak at the beginning of the meeting. There was particular interest to speak to the DDA about its resolution the Core Spaces parking request. It was noted that the City has scheduled a work session on March 16th to allow members of the public to provide comment on the Core Proposal for Library Lane.

There being no other business, the meeting adjourned at 11:45 a.m.  
Susan Pollay, Executive Director
Partner Updates

City. Mr. Krapohl said the City is in its budget season; another work session is scheduled for March 13. There will be a special work session focusing on the Library Lane proposal on March 16. Ms. Lumm said Council approved an interim contract with Recycle Ann Arbor.

City Planning. Ms. Gibb-Randall said there are no new downtown projects since the Committee last met. She reported that the Lower Town development is progressing.

Washtenaw County. Mr. Dill said the County is also in its budget season. They will end FY2016 with a modest surplus, and are moving to a one-year budget, rather than the current 4-year budget. Commissioners recently held a retreat, and there were no major changes in focus. Mr. Dill said he is talking with Mr. Lazarus and Ms. Pollay about infrastructure.

Library. Ms. Parker stated the Library is also working on its annual budget. She said the Westgate branch is open after a very successful expansion/renovation. The downtown library continues to be the most active location, and is a downtown hub. She said Library Lane is a huge help with this.

DDA. Ms. Miller shared the status of DDA projects, including the South University and Fifth/Detroit Improvement projects.

Public Comment. Mr. Detter spoke of the CAC's support for development on the Library lot, but requests that whatever is built there have no negative impact on the downtown Library.

The next Partnerships Committee meeting is scheduled for April 12, 2017 at 9:00 am.

The meeting adjourned at 10:28 am.
Respectfully submitted, Susan Pollay, Executive Director
5th & Detroit. Mr. Doyle said there has been positive feedback regarding altering the intersection at Beakes/Fifth to help slow traffic heading south on Fifth. He presented information from meetings held with different stakeholders, including representatives of Community High School, the Old Fourth Ward, Citizens Advisory Council, Historic District Commission, Farmer’s Market staff, and the AAPS Traffic Safety Committee. Questions regarding design refinements and streetscape details were asked and answered. The next step will be to refine the design, hold a follow up meeting with businesses regarding loading/unloading, and to schedule a public meeting.

CIC Street Projects through 2025. Ms. Miller asked for direction on project timing for the DDA-supported projects, and to elicit feedback, she presented a series of scenarios that would work under the DDA’s available funding. There was a discussion about possible changes to project timing and potential coordination with the City. Questions were asked and answered. Based on the feedback from the Committee, DDA staff will bring back a refined scenario to the next committee meeting.

S. University. Ms. Rolla said DDA and City staff met with the project contractors, to discuss the project logistics. Coordination with the Collegian North project construction was also considered. She stated DDA staff will bring remaining details to City staff for approval.

Public Comment. Mr. Detter said CAC supports the emerging design for Fifth/Detroit, and appreciated the opportunity to give feedback. The remaining concern is that they CAC believes the DDA is missing an opportunity by not adding additional brick to 5th Ave between Kingsley and Detroit Street.

The meeting adjourned at 12:59 p.m.
Susan Pollay, Executive Director

Next Meeting: The Committee will meet Wednesday, April 19 at 11:00 am.
ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
Tuesday, March 21, 2017

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: 1:00 p.m.
Present: Marie Klopf, Joan Lowenstein, John Mouat, John Splitt, Phil Weiss
Absent: Bob Guenzel, Howard Lazarus, Sava Lelcaj-Farah, Darren McKinnon, Al McWilliams, Rishi Narayan, Keith Orr
Staff: Susan Pollay, Amber Miller, Betsy Lindsley, Jada Hahlbrock, Patricia Wheeler
Other: Tom Crawford/City of Ann Arbor
Public: Karen Farmer/KDA, Maura Thomson/MSAA

Financial Statements. The Committee reviewed the February expense registers. Questions were asked and answered.

Ten-Year Plan. Staff pointed to recent updates, as the Plan now includes the proposed FY18 and FY19 budgets and estimated timing and costs for upcoming capital improvements projects. Questions were asked and answered. The Committee will review the Plan again at the next meeting.

Discussion of New Parking. Potential questions to help shape the discussion about whether or not to add new parking, and/or where it might be located were presented to help prepare for the DDA’s retreat in June. New ideas for information to gather were shared, and it was suggested that experts be invited to speak on such topics as autonomous and connected vehicles. Staff will begin assembling information; it was requested that this information be provided in advance of the retreat if possible. Staff will send out a poll to determine the date and time of the retreat.

Proposed FY 2018 & 2019 Budgets. Staff reported that they made a presentation at the March 13 City Council budget work session, and answered questions. The City Administrator will present the city’s FY2018 & FY2019 budgets at the April 17th City Council meeting, and it is anticipated City Council will vote to approve its budgets on May 15th.

Public Comment. None

Next Meeting. The next meeting will take place on Tuesday, April 25 at 1:00 pm.

The meeting adjourned at 2:21 pm
Susan Pollay, Executive Director
Parking Operator RFP. Ms. Hahlbrock gave an overview of the RFP process, and presented information from the RFP responses, interviews with SP+ and Republic Parking, the proposed fees and other financial considerations, and feedback from client references. Questions were asked and answered. There were questions about evaluating operator staffing levels as this affects the DDA’s costs to operate the system; it was agreed that this topic will be brought back at an upcoming committee meeting for review. Ms. Hahlbrock stated that the Walker operational assessment and Dixon technology assessment completed earlier in the year were both very helpful in the RFP process. Distilling all the findings, Ms. Hahlbrock stated staff’s recommendation that Republic Parking be retained as the DDA’s parking operator. The committee discussed this recommendation and indicated support to move this recommendation to the board for approval at its April meeting.

TDM Review. Ms. Miller gave an overview of TDM and recommendations from the recent Nelson/Nygaard report. Questions were asked and answered. The author of the report, Tom Brown, has been asked to attend the April board meeting to give a presentation on the report. It was suggested to hold a public meeting to discuss the proposed changes to on-street parking.

Parking. The February Parking & Transportation report was reviewed. Mr. Mouat asked about the progress of the condominium association at 1st & Washington; Mr. Morehouse said that the City and building owner still haven’t completed the process. Mr. McKinnon had questions about how the parking permit waitlist was managed; Ms. Pollay suggested that this topic be brought back to the Committee for review at an upcoming committee meeting.

Transportation. Ms. Schwartz reported Go! Passes usage is still strong. She also said bike houses and locker rentals are up for renewal soon. She stated Chris Simmons was hired to run the Get Downtown program, and will begin work March 27. She said the Commuter Challenge will take place again in May, with pre-events happening on April 7 for Walk-to-Work Day.
Bike Share. No update was provided.

Circulator. Ms. Miller explained the project schedule for the Circulator Feasibility Study. She also discussed the details of the project scope.

4th & William. Mr. Splitt said the elevator inspection was delayed again, and is now scheduled for the end of the month.

E-Park. Mr. Morehouse said installations are going well, and should be completed in a few weeks.

Future Retreat to Discuss Parking. Ms. Pollay stated the Finance Committee took on the task to help frame the discussion about whether or not the DDA should add additional parking. A retreat will be held in June for a full board discussion.

Public Comment. None

Next Committee Meeting: The next meeting will take place on April 26 at 11:00 am.

The meeting adjourned at 1:34pm.
Susan Pollay, Executive Director
RESOLUTION TO SELECT REPUBLIC PARKING SYSTEM AS MANAGER OF THE DDA’S PARKING SYSTEM

Whereas, The DDA mission is to strengthen the downtown area and attract new private investments, and it has operated the public parking system since 1992 as a way to accomplish this mission;

Whereas, The DDA’s current parking system management contract expires June 30, 2017;

Whereas, With input from its consultant Walker Parking, the DDA released a Request for Proposals for Parking System Management in January 2017;

Whereas, Four companies responded to the RFP and upon review of these responses, the Operations Committee selected two of these companies for interviews;

Whereas, Information received at these interviews was presented to the Operations Committee, along with results of reference checks with current clients, the proposed management fees, as well as additional information provided by these firms;

Whereas, The Operations Committee reviewed all of this information, and recommends that Republic Parking System be selected to manage the DDA parking system;

Whereas, The annual fee proposed by Republic Parking System is $125,000 plus an annual incentive fee of a maximum $50,000;

Whereas, The parking system management contract between the DDA and its future parking operator was developed with input from the DDA Attorney and the DDA’s project consultant, Walker Parking, and this contract was distributed as an attachment to the RFP;

Whereas, Republic Parking System has not requested any changes to this contract;

RESOLVED, The DDA selects Republic Parking System to manage its parking system at an annual fee of $125,000 plus an annual incentive fee not-to-exceed $50,000;

RESOLVED, The DDA Executive Director and Operations Committee Co-Chairs are authorized to finalize and sign the parking system management contract with Republic Parking System effective July 1, 2017;
THIS AGREEMENT, to be effective as of July 1, 2017, between the Ann Arbor Downtown Development Authority, a Michigan Municipal Corporation, herein called (“the DDA”) and Republic Parking, hereinafter called ("Manager.").

WITNESSETH:

1. The DDA entered a contract with the City of Ann Arbor (the “City”), which expires in 2033, whereby the DDA manages the City-owned parking system.

2. The DDA hereby contracts with Manager under the terms, conditions, and provisions hereinafter set out for Manager to operate its parking system located in Ann Arbor, Michigan, known as the DDA System; hereinafter referred to as the "System".

3. The term of this Agreement shall commence on July 1, 2017 and shall continue in effect for a period of twelve (12) months from the said commencement date. At the expiration of the term, the Agreement shall automatically be renewed for up to four (4) additional one-year (1) terms unless the DDA hereto should elect to terminate the Agreement after giving no less than ninety (90) days written notice prior to the commencement of the applicable renewal period.

4. The System shall be operated by Manager as a municipal System and shall be used for no other purpose without prior written approval of DDA. Manager shall manage, operate, and promote the use of the System in accordance with all laws and governmental regulations.

5. Manager agrees to set aside the necessary parking spaces to protect any previous or future commitments made by the DDA or the City, and Manager agrees to honor any allocations of parking space that the DDA deems necessary. Manager agrees to operate the System in a manner consistent with satisfying, as efficiently as possible, the operating requests, and expectations of the DDA.

6. Manager shall provide the DDA with an annual budget (the “Budget”), no later than six (6) months prior to the beginning of the fiscal year; defined as July 1st through June 30th. The Budget and any significant changes shall be approved by the DDA.

7. This Agreement shall not be assigned nor subcontracted by Manager in whole or in part without the prior written consent of the DDA.
I. **Relationship and Management Fee**

A. The Manager shall operate the System at the direction of the DDA.

B. The “System” shall include all off-street parking structures and surface parking lots, as well as all on-street parking spaces, curb space, and related signage within the DDA parking area identified in Schedule D, attached herewith.

C. The Manager shall be reimbursed for all direct operating expenses, as established in the approved Budget. Schedule A (attached herewith) provides a list of acceptable operating expenses.

D. The Manager shall be eligible for an annual base management fee equal to $125,000.00 (one hundred twenty-five thousand).

   (1) For each month, commencing with the date of this Agreement, the Manager shall be paid the monthly portion of the base management fee equal to $10,416.67 per month.

In addition to the base management fee, Manager shall be eligible for an annual Performance Based Incentive Fee of up to $50,000.00 (fifty thousand). The Performance Based Incentive Fee shall be predicated upon, but not limited to the Manager’s performance in the following areas:

   i. Level of customer satisfaction, as measured by a survey sampling of System end-users.

   ii. Increase in the net operating income compared to a target level set jointly by the Manager and DDA.

   iii. Cleanliness and maintenance of the System, as measured by the DDA.

   iv. Reduction and control of “Dead Tickets” by the Manager.

   v. Completion of Special tasks or initiatives set jointly by the DDA and/or the Manager.

   vi. General satisfaction of the Manager’s performance.

   The Performance Based Incentive Fee shall be paid at the end of each contract year, and the award of a Performance Based fee shall be made at the sole discretion of the DDA.

E. In performing its responsibilities pursuant to this Agreement, it is understood and agreed that Manager is acting as an independent contractor, and the Manager is not a partner, joint-venture partner, or employee of the DDA or the City of Ann Arbor. It is expressly agreed that Manager will not for any purpose be deemed an agent, ostensible or apparent agent, or servant of the DDA. Manager agrees to take such
action as may be reasonably requested by the DDA or the City of Ann Arbor to inform the public, patrons of the System, and others utilizing the services of Manager of such fact. Manager acknowledges and agrees that neither it, nor its employees or agents have any right, power or authority to incur and will not incur any financial obligation, legal obligation or liability, or other obligation on behalf of, or binding upon the DDA or the City of Ann Arbor. Nothing herein shall diminish the right of Manager to receive reimbursement from DDA for the direct Operating Expenses set forth in this Contract, but DDA shall have no obligation to any third party, directly or otherwise, to pay for Operating Expenses.

F. The DDA and Manager agree that during the term of this Agreement all personnel employed by Manager to operate the System shall be solely the employees of Manager and shall have no contractual relationship with the DDA.

G. Manager shall be responsible for payment of income taxes, unemployment taxes, and payroll related taxes, if any, for all such employees.

H. Manager shall have full responsibility for hiring, firing and managing its employees and/or agents. However, should the DDA request the removal of any non-union personnel for any reason, Manager shall remove such employee as soon as possible, but in any event no more than three (3) working days from the DDA's request, and replace such employee with another qualified employee. In addition, the DDA agrees during the term of this Agreement that it shall not enter into any negotiations, communications, or other actions which have as their intended consequence to induce any such person employed by Manager to enter the employ of the DDA in any capacity whatsoever.

I. Manager shall comply with all applicable federal, state, and local laws and regulations. The Manager shall procure and keep in force all permits and licenses required by such laws and regulations. These laws and regulations include, but are not necessarily limited to; the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, Fair Labor Standards Act, Family and Medical Leave Act, unemployment compensation laws and regulations, and workers’ compensation laws and regulations.

II. **Revenue**

A. "Gross Revenue" shall include all revenue received by Manager related to the operation of the System. Included in “Gross Revenue” shall be all revenue sources including, but not limited to vending machine receipts, irregular payments for special events, and any other sources that may occur from time to time throughout the term of the contract.

B. Manager covenants that it will collect or cause to be collected all the Revenue
due the DDA from the operation and use of the System.

C. All receipts collected by the Manager shall be deposited by the Manager in a bank account designated by the DDA. The DDA will provide the Manager with deposit slips and re-order forms, and Manager shall be responsible for making deposits in a timely manner.

D. In the event of a loss or theft of funds, the Manager shall immediately notify the DDA. The amount of theft or loss shall be paid to the DDA by the Manager within 30 days.

E. The Manager will account for all permit parking income on an accrual basis. All permit receipts will be remitted to an Ann Arbor address and deposited into the DDA’s bank account. The Manager will follow the collection policy of the DDA and twice per year the Manager will present to the DDA a list of uncollectible permit accounts for approval to be written off.

F. The Manager will submit for DDA approval, all revenue and cash handling procedures. The Manager will strive to maximize revenues, but not at the expense of customer service or facility maintenance.

G. In addition to the routine audits/reviews performed by the Manager’s local staff, the Manager shall have the following audits/reviews performed by personnel not involved with the System on a routine basis; the findings of which, shall be provided to the DDA.

1. Perform a financial audit of the System after any change in General Manager or Administrative Manager/Controller that would entail comparison of the daily revenue reports to the monthly operating reports and the bank statement for the month in question.
2. Perform a bi-annual comparison of the permit cards with access to the System, to the monthly billings for the same period, and review accounts receivable, aging and any billing adjustments.
3. Bi-annually, compare five randomly selected daily revenue reports to the tickets pulled during that day.
4. Compare the revenues and collections of all the automated pay stations on a bi-annual basis.
5. Compare monthly ticket reports to the tickets issued for the month on a quarterly basis.

III. Operating Expenses

A. The DDA will reimburse only for those direct operating expenses that have been previously approved by the DDA through the budget process, or approved after
the budget process is completed.

B. "Operating Expenses" shall include all ordinary direct operating expenses incurred by the Manager for the operation of the System covered by this contract and included in Schedule A. Operating Expenses shall not include those items of a capital cost nature as included in Schedule B.

C. Manager agrees that it will keep complete and accurate record of all receipts and disbursements pertaining to the operation of the System.

D. The DDA will advance the Manager $450,000.00 at the beginning of this contract to be used to pay for the operating costs incurred managing the System. Any portions of said advance remaining at the expiration of this contract, including renewal periods, if any, shall be returned to the DDA within 60 days.

E. For the purchase of any goods or services up to $5,000.00 annually from the same vendor, the Manager shall verify he/she has obtained oral bids from three independent sources for such items. For the purchase of any goods or services expected to be in excess of $5,000.00 annually from the same vendor, the Manager shall verify it has obtained written bids from three independent sources for such items. If the Manager elects to select the vendor that is not the lowest bidder, a written request shall be made to the DDA for approval. All bids over $36,000.00 per annual service contract must be pre-approved by the DDA. For reimbursement, all expenses that are not purchased specifically for the System, or are invoiced by the Manager, shall contain a copy of the original supplier’s invoice. If the goods or service is for multiple contracts there shall also contain the written method of allocation. The DDA reserves the right to refuse group-purchased items through the Manager, such as group health insurance, and have those goods or services purchased specifically for the DDA’s operations.

F. On or before the fifteenth day of each month, Manager shall, render to the DDA a complete and accurate accounting of all receipts and reimbursable disbursements for the preceding month. Any receipt or disbursement item that cannot be easily attributed to a facility will be allocated by number of parking spaces in the facilities involved or other mutually agreed upon arrangement.

G. The Manager will use the accrual method of accounting for reporting to the DDA. All reports will be delivered electronically in Excel and Adobe PDF format. The Manager's books and records relating to the System shall be kept at the local office of the Manager and shall be available for inspection, audit, and copying at all reasonable times by DDA or its duly authorized representatives. Vouchers, receipts, or other records shall support disbursements for all direct operating expenses. Such reports will be in a form mutually agreed upon by the DDA and Manager. The DDA reserves the right to modify all reports furnished by the Manager.
(1) After the completion of a calendar month operations the DDA will initiate an expense wire transfer of the following amount: i) the amount of the approved reimbursable expenses, and ii) the monthly portion due for the base Management Fee.

H. The Manager will submit to the DDA a draft annual budget (the “Budget”) six months prior to the beginning of the DDA’s fiscal year with supporting documentation for any non-routine or large expenses. The DDA may request additional supporting documentation. The DDA may request changes be made to the Budget. The final draft Budget will be incorporated into the DDA’s budget. Changes made to the DDA’s budget during the approval process that impact line items used to fund parking operations will necessitate a change in the Budget. The Budget may be changed prior to or during the budget year by the DDA.

IV. Operations

A. Manager agrees to operate the System in a high-quality and efficient manner following industry standard best practices.

B. Manager agrees to operate the facilities on DDA determined days and hours of operation. For all other hours, Manager shall ensure the System shall be open for business or available free of charge on an unattended basis. The days and hours the system is not operational will be determined by the DDA upon conference with Manager. At this time, free parking is provided to the public on Sundays and holidays. The Manager shall regularly recommend to the DDA suggested changes to the operating hours of any facility to generate a greater net profit or to benefit the community goals of economic vitality and vibrancy.

C. Manager shall employ honest, competent, and courteous personnel who are adequately trained and capable of performing the duties assigned to them in accordance with this Agreement. Manager shall provide adequate staffing levels needed to afford acceptable levels of customer service. This may include, but not be limited to additional staff needed to accommodate special events and/or other special circumstances. All staff shall present themselves in a professional manner, maintain good hygiene, and wear neat and clean uniforms. Manager shall utilize nameplates on the exterior of all parking booths to clearly identify the cashier on duty (when applicable).

D. Manager shall provide appropriate job skills and customer service training to all employees on an on-going basis throughout the term of the Agreement.

E. Manager agrees that the fees charged for parking in the System shall be set by the
DDA. The Manager will be given thirty (30) days written notice of any changes.

F. Manager shall ensure at least quarterly visits to Ann Arbor by a Regional Manager employed by the Manager. The purpose of the quarterly visits shall be to meet with the DDA to discuss operations and maintain client satisfaction.

G. Manager shall provide monthly a series of reports compiled into one electronic PDF report. The required reports listed in Schedule C are subject to change and shall be made available in their original file format, upon request by the DDA.

H. During the initial six (6) months of operation, the Manager shall develop a Policies and Procedures Operating Manual for the System and submit the Manual to the DDA for final review, comment, and approval. The approved Manual shall be used in the operation of the System and for ongoing training of staff. The Manager shall annually amend the Manual to address new operating conditions and/or operating methodologies associated with the System.

I. During the initial six (6) months of operation, the Manager shall develop and submit to the DDA an Inventory of System equipment and components. The Inventory shall include equipment and components in excess of $5,000.00 per item (or group of associated items) with a product lifespan greater than twelve months. The Inventory shall be kept current and submitted to the DDA annually in January and at time of contract expiration.

J. Manager shall promptly notify the DDA of any issues that impact System operation or customer service, including but not limited to, equipment malfunction or outage and personnel issues. Examples include entrance lanes, exit lanes, or an elevator out of service. Reporting shall include details on expected duration of impact. Manager shall also notify DDA when the issue has been resolved.

K. Manager shall notify DDA promptly of any unusual condition or situation which develops in the course of Manager’s management of the System, such as, but not limited to, theft, impropriety, fire, flood, breakage and casualty, damage to property or injury to persons.

L. During design, planning and construction processes, the DDA may ask Manager to provide expertise and advise on how to achieve maximum operational efficiencies.

V. **Facility Maintenance**

A. Manager agrees to keep the System clean, presentable, attractive, and in a safe and sanitary condition throughout the term of the Agreement.
B. Manager shall not permit anything thereon that violates any insurance provisions contained in the Agreement.

C. Manager shall perform (as a minimum) all housekeeping and preventive maintenance functions as outlined and detailed in the latest edition of the National Parking Association Parking Facility Maintenance Manual.

D. Manager shall implement a maintenance plan to address both daily and seasonal maintenance tasks such as general maintenance, landscaping, sweeping, power washing, and snow removal throughout the System.

E. Manager shall be responsible for the daily and ongoing maintenance requirements of all mechanical systems including but not limited to the elevators, generators, fire suppression, and storm water systems.

F. Manager shall be responsible for actively managing all warranties and bringing to DDA attention when warranties end.

G. The Manager and DDA shall conduct at least one annual walk-through of the System and create a maintenance and repair list for the year. Time and date of the annual walk-through shall be determined by the DDA.

H. Manager and DDA shall notify each other of any structural, mechanical, electrical, or other installations, or alterations to the System required by statutes or regulations pertaining to air quality, environmental protection, provisions for persons with disabilities or other similar governmental requirements in writing. DDA may request the Manager to make such installations or alterations with either its own staff or by a third-party contractor under their supervision. Any costs associated with such installations or alterations shall be considered a direct reimbursable operating expense.

I. DDA shall be responsible for all major repairs (over $10,000.00) to the System. All minor repairs (under $10,000.00) including, but not limited to electrical, plumbing, pavement repair, painting of the exterior of a structure, replacement of lighting fixtures, window and glass repairs, repairs to the walls and floors, and maintenance of ventilation systems, elevators and signs shall be either completed by the Manager or a third-party contractor under the Manager's supervision, the cost of which shall be considered as a reimbursable operating expense.

J. Manager shall use reasonable diligence in the care and protection of the System during the term of the Agreement, and shall surrender said premises at the termination of the Agreement in as good condition as received; ordinary wear and tear accepted.
K. During design, planning and construction processes, the DDA may ask Manager to provide expertise and advice on how to achieve maximum maintenance effectiveness and extend the durability of parking facility and equipment.

VI. Information Technology

A. Manager shall employ an in-house IT team with the technical competency and experience to create and maintain both effective and user-friendly customer and client facing IT applications, including but not limited to web-based payment and request systems, a System website, mobile payment applications, and other parking solutions.

B. Manager shall perform routine and preventative maintenance on all parking and information technology equipment with a goal of keeping all equipment up and running effectively.

C. Manager shall have the staff, capability, and capacity to recommend, procure, and implement new technologies to the System as requested. As new technologies are considered or added to the System, the Manager shall provide the DDA with project planning details that include cost estimates, timelines, and schedule for implementation.

D. Manager shall abide by data ownership and access, PCI compliance and system security requirements as outlined in Schedule E. DDA shall retain all rights and access to the parking data generated from the System.

VII. Insurance

The Manager, and any of their subcontractors, shall not commence work under this Agreement until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire term of the Agreement. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to the DDA. The requirements below should not be interpreted to limit the liability of the Manager. All deductibles and self-insured retentions are the responsibility of the Manager.

Premiums with respect to such policies required to be carried by the Manager shall be paid by Manager and shall constitute a reimbursable operating expense upon the submission of the original invoice and written evidence of how it was allocated to the System. Such policies shall be subject to the approval of DDA for adequacy, form and protection. If the insurance coverage provided by the Manager is deemed to have been canceled or not in
force by the DDA, the DDA reserves the right to obtain coverage and cease reimbursement to the Manager for its insurance cost. Manager is responsible for maintaining all risk property insurance for the System and equipment contained therein naming both DDA, City of Ann Arbor and Manager as insured.

Manager shall carry liability insurance in such amounts as shown below, pay all the premiums thereon when due and to cause such insurance to name the DDA, City of Ann Arbor (and the University of Michigan for all polices pertaining to the Forest Avenue parking structure) as additional insured thereunder:

**Worker’s Compensation Insurance**, including Employers’ Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Workers' Compensation Policy Limits: 
- Coverage A - Statutory
- Coverage B - $ 100,000

DDA acknowledges that all insurance coverage except Workers Compensation is subject to a deductible amount not to exceed one thousand dollars ($1,000.00) and that the payment of the deductible amount(s) will be considered as a reimbursable direct operating expense of the System. Any losses not covered by the above insurance shall constitute expenses of DDA provided that such loss did not arise in whole or in part by the negligence or willful misconduct of Manager, its agents or employees.

**Commercial General Liability Insurance**, on an “Occurrence Basis” with limits of liability not less than $3,000,000 per occurrence, and $10,000,000 in aggregate.

$1,000,000 combined single limit (which shall include coverage for each occurrence for bodily injury and dishonest acts of Manager’s employees and agents and property damage).

**Umbrella Excess Coverage**, excess liability insurance limit of $10,000,000 (Umbrella Form) over the insurance required herein.

Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included; (E) Deletion of all Explosion, Collapse, and Underground (XCU) Exclusions, if applicable.

**Automobile Liability**, including Michigan No-Fault Coverages, with limits of liability not less than $3,000,000 per occurrence combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

**Crime**, crime insurance coverage of not less than $ 10,000 covering acts of fraud,
mysterious disappearance, and theft of money, check alteration and forgery, computer fraud, and burglary, etc., and including third-party crime endorsement for DDA property.

**Additional Insured.** Commercial General Liability and Automobile Liability, as described above, shall include an endorsement stating the following shall be **Additional Insureds:** The Manager, all elected and appointed officials, all employees and volunteers, agents, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed by naming the Member as additional insured, coverage afforded is considered to be primary and any other insurance the Member may have in effect shall be considered secondary and/or excess.

In the event of work performed by third parties within the System, either on behalf of DDA or Manager, such third parties will provide insurance coverage in the forms and amounts shown above, or other coverage as the DDA may reasonably require, naming both DDA, City of Ann Arbor, and Manager as additional insureds.

**Cancellation Notice:** Certificates evidencing all insurance coverage listed above shall be furnished by the Manager to DDA and such certificates shall contain an endorsement requiring the insurance carrier to provide at least thirty (30) days written notice in the event of cancellation or material change. Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: Ann Arbor Downtown Development Authority 150 South Fifth Ave., Suite 301 Ann Arbor MI 48104.

**VIII. Indemnification**

Manager shall defend, indemnify, and hold DDA, City of Ann Arbor, and as related to the Forest Avenue parking structure, the University of Michigan harmless from and against all actions, costs, claims, losses, expenses, and/or damages, sustained by DDA attributable to the recklessness, carelessness, intentional wrong doing or negligence of Manager or any of its agents, servants, or employees from any cause, including, without limitation by specification, property damage and/or injury or death to any person or persons.

It is agreed that any actions, costs, claims, losses, expenses, and/or damages resulting from design or structural faults or defects shall not be the responsibility of Manager.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, neither the DDA nor Manager shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other property or any resulting loss of income, or losses under workers’ compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees, if, and to the extent that, any such loss or damage is covered by insurance which is maintained by either party, and such insurance does not prohibit the foregoing waiver of subrogation.
X. **Health and Safety**

Manager agrees that Manager has been retained by the DDA for reasons which include Manager’s expertise regarding the safety and health hazards associated with the System and services to be performed by the Manager. Manager agrees that it has and will have sole responsibility for the health, safety and welfare of its employees and all other persons performing services for the System. At all times while performing services, Manager will also comply with all applicable health, safety, security and environmental procedures, policies, and guidelines of the DDA.

XI. **Penalties and Termination**

A. In the event Manager shall fail to abide to this Agreement fully and faithfully, DDA shall have the right to forthwith terminate the Agreement immediately, regain immediate possession of the System, and hold Manager liable for any damages resulting to DDA.

B. The DDA may cancel this agreement if the City cancels its management contract with the DDA.

C. If it shall become impossible on account of Force Majeure for Manager or DDA to fulfill its obligations under the Agreement, such party shall be excused from the performance of said obligation for the period that said performance is impossible. The term "Force Majeure" as used in this paragraph shall include: 1) fire, earthquake, flood, tornados, acts of God, strike or other labor disturbance beyond the reasonable control of Manager, riot or civil commotion, failure of power, law or regulation which prohibits performance, court order, insurrections, war or any other matter or situation of a like nature (including hostility, with or without formal declaration of war. 2) Any law regulation or order of any government authority prohibiting the performance of the obligations set forth in this Agreement.

D. If the Manager fails to perform any of the requirements of the Agreement, the DDA has at its discretion the right to make monetary deductions from the Manager's base management fee. The following are monetary deductions applicable to breaches, but shall not be deemed an exclusive list of the monetary deductions the DDA may impose.

<table>
<thead>
<tr>
<th>Infraction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to maintain facility hours of operations</td>
<td>$5,000.00/incident</td>
</tr>
<tr>
<td>Failure to follow DDA’s Collection Policy</td>
<td>$1,000.00/incident</td>
</tr>
<tr>
<td>Failure to correct a situation pointed out by DDA staff or Contractor in a reasonable period</td>
<td>$1,000.00/ incident</td>
</tr>
<tr>
<td>Failure to follow NPA, Parking Garage Maintenance Manual Guidelines, such as:</td>
<td></td>
</tr>
</tbody>
</table>
Failure to properly wash down all structures bi-annually;
Use of non-approved chemicals for de-icing within the structures;
Use of non-rubber blade snow plow on a Neoguarded surfaces; and
Failure to winterize water supply lines in a structure $2,000.00/incident

Enacting fines upon the Manager does not prevent the DDA from holding the Manager financially liable for any lost revenues or increased operating expenses due to their negligence.

XII. Other

A. DDA shall have the right to enter and inspect any facility, or part of a System facility at all times throughout the term of the Agreement. Manager shall provide an all access key to the DDA to allow access 24/7.

B. It is understood and agreed that this Agreement shall be binding upon and inure to the benefits of the heirs, personal representatives, successors and assigns of the parties. The previous sentence notwithstanding, no assignment of or subcontracting under this Agreement or the rights and obligations of Manager shall be valid without the prior written consent of DDA and any attempt to assign or subcontract without such prior written consent shall be void.

C. Notwithstanding all provisions of this Agreement, it is mutually understood between the parties hereto, that this Agreement shall not in any way be construed to be a lease but is merely a recitation of contract provisions.

D. If any section of this Agreement is found unlawful or illegal or becomes so, the remainder of the contracted terms shall remain in full force and effect.

E. The terms of this Agreement shall be modified only by a written addendum signed by both the DDA and Manager.

F. DDA has the right to temporarily shut down part or all of the System for repair at its sole discretion. In this case all fees and contractual obligations shall remain fully intact.

G. DDA has the right to add or remove spaces, facilities or services, to the System in a permanent way, at its sole discretion. In this case all fees and contractual obligations for any deletions or additions to the System shall be mutually negotiated.

XIII. Notification

A. Notice to both the DDA and Manager shall be sent using overnight courier service;
signature required for delivery, or by certified mail, return receipt requested; to the following addresses:

To DDA:
Ann Arbor DDA
150 S. Fifth Avenue, Suite 301
Ann Arbor, MI  48104

To Manager:

_____________________________
_____________________________
_____________________________

This Agreement shall be construed and governed according to the laws of the State of Michigan, without giving effect to its conflict of laws provision. Any suit, action, or proceeding with respect to this Agreement, shall be brought in the Courts of the State of Michigan, or in the United States courts located in the State of Michigan and the parties hereby submit to the jurisdiction of such courts for the purpose of any such suit, action, or proceeding.

IN WITNESS WHEREOF, DDA has caused this instrument to be executed in its corporate name by its duly authorized officer and Manager has hereunto set his hand the day and date written.

ATTEST: ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY

BY:_____________________________ Chair, DDA
DATE: __________________________

BY:_____________________________ Executive Director, DDA
DATE: __________________________

ATTEST: XXXXXXX
BY:_____________________________
DATE: __________________________

BY:_____________________________
DATE: __________________________
SCHEDULE "A"
Operating Expenses – Manager (subject to addition and/or deletion)

1. Reasonable and allowable direct cost of the wages for all personnel assigned to the System (subject to the City’s Living Wage ordinance) which shall include payroll taxes, reasonable fringe benefits, such as workers' compensation insurance at the State mandatory rate for parking attendants, unemployment insurance, social security, hospital, and sickness insurance.

2. Reasonable and allowable business telephone expenses for staff assigned to the System.

3. Reasonable and allowable costs for licenses and permits necessary to operate the System.

4. Reasonable and allowable costs for employee recruitment ads.

5. The itemized direct cost of Insurance to the extent required of Manager in this Agreement.

6. Reasonable and allowable costs for sundry items such as uniforms, tickets, and janitorial supplies for the System.

7. Reasonable and allowable data processing expenses related solely to the processing of financial transactions and revenue and expense data for the System to be paid to the Manager with the monthly cost reimbursement.

8. Reasonable and allowable costs for normal maintenance and repairs to the System including snow removal, repainting of stall markings, replacement or repair of signs, revenue control equipment, light bulb replacement, painting and cleaning.

9. Reasonable and allowable legal or audit charges directly attributable to the operation of the System other than those performed by the staff of DDA or Manager except to the extent covered below, if approved in advance by the DDA.

10. Reasonable and allowable costs of special audits as required by DDA to be performed from time to time by Manager's staff auditor for the mutual benefit of DDA and Manager; provided, however, that the time and manner of the taking of the audit are approved in writing by DDA in advance. Special audit costs qualifying as Operating Expenses shall be limited to a mutually agreed upon per diem rate and the actual out-of-pocket expenses of the auditor during the period of an approved special audit.

11. The cost of the insurance deductible amounts as agreed upon. A copy of all claims will be forwarded to DDA. The DDA shall approve the settlement of any claim over the limit of the policies.

Any changes to the costs listed above shall be approved by the DDA prior to being incurred.

**SCHEDULE "B"**  
**Operating Expenses - DDA (subject to addition and/or deletion)**

1. Real and personal property taxes of DDA's properties leased for parking facilities.

2. All claims, expenses and/or damages arising from, or caused by structural or design deficiencies or by improper work or supervision during construction including without limitation, settlement, collapse or inadequacy of structure or equipment, and all repairs related thereto.

3. Debt service with respect to land, building and equipment for parking facilities.

4. Costs of legal and auditing fees of DDA.

5. Salaries and wages of all DDA employees, and costs incurred by DDA in the supervision of the Manager.

6. Costs for maintaining elevators, sprinkler and ventilation systems over $10,000.

7. System utility expenses including gas, electricity, and water.

8. Capital expenditures, improvements, alterations, additions and all new equipment, including all architectural and engineering fees in connection therewith.
SCHEDULE "C"
Monthly Report Content
(Subject to Change)

Off Street Summary
Off Street Revenue Report
Off Street Bank Reconciliation
Stamp Sales Report
Ticket Summary
Permit Activity Report
Payroll Labor Distribution
Valet Report
Check Register
Payables Copies
Remote Monitoring
Special Projects Report
On Street Summary
On Street Bank Reconciliation
On Street A/R Aging Summary
Meters In System
Meter Monthly Revenue Report
Meter Cash Card Revenue;
ePark Revenue
Meter Revenue by Lot
Free Meter Bag Report.
General Ledger For Each Parking Facility
Management Summary For Each Parking Facility
Accounts by Rate Code For Each Parking Facility
Aged Balances For Each Parking Facility
(insert parking system map here- Schedule D)
All the direct and indirect costs of the labor, equipment, and other materials necessary for performing the functions as set forth in this document and in keeping with industry standards shall be included in the annual budgeting process.

Data Ownership
DDA shall retain all rights and access to the parking data generated from the Parking System. It is the intent of the DDA to continue to use the data after the contract is terminated. The Manager agrees that the DDA will own the data and must agree to provide data upon termination of the contract to the DDA in a readable electronic form agreed upon by both parties.

Manager shall be responsible for data retention and security compliance issues.

Back-up Files
The Manager will ensure all parking system data is backed up daily to ensure any data loss due to system or equipment failure or data breaches is minimal.

Document Storage and Retrieval
The Manager shall store all documents relating to operations for a minimum of five (5) years. Stored documents must be capable of being retrieved within 48 hours. Documents shall be stored in the Ann Arbor area.

Upon request, Manager shall explain in detail the system they intend to use store documents and how the system shall ensure that documents are retained in usable condition at all times and not misfiled or misplaced.

PCI Certification
Upon request, Manager must be able to provide documentation that System equipment is PCI compliant and meeting payment card security requirements for Visa, MasterCard, American Express, and Discover, including, but not limited to PCI DSS (Payment Card Industry Data Security Standards), PA DSS (Payment Application Data Security Standards) and PABP (Payment Application Best Practices) requirements and other requirements as they are adopted by Visa, MasterCard, American Express and Discover.

Security
Security includes the protection of physical items such as records, files, communications networks, cash, checks and citations. Security shall also include guarding non-physical items such as the
confidentiality of data, prevention of abuse, and limiting access to only personnel with proper authorization.

The Manager shall fully cooperate with regular audits by DDA staff and implement internal audits that shall be performed to review control policies and procedures, both physical and non-physical security, and provide any sample testing that shall be provided to ensure security. The results of internal audits performed by the Manager shall be reported quarterly to the DDA.

Upon request, Manager shall describe the physical and non-physical security measures that will be in place.
Parking & Transportation Report March 2017

Parking Operations

Special Events in March
3/12 Shamrocks & Shenanigans 5K
3/15 & 3/21 A2SO Student Concerts
3/17 Arbor Brewing Beer Garden
3/21-26 Ann Arbor Film Festival
3/26 Ann Arbor Marathon

Special Event Meter Bag Fee Waivers in March
3/12 Shamrocks & Shenanigans 5K $320 (plus use of S. Ashley lot on Sunday)
3/15 & 3/21 A2SO Student Concerts $400
3/21-26 Ann Arbor Film Festival (15 permit passes at Liberty Square for 1 week)

Meters
E-park installation continues. March work will include the installation of 50 more e-park machines. Machines are being installed and made operational as weather permits. As pay station locations are selected RPS staff considers the length of the block and other right of way considerations (obstructions from light poles, electrical poles, street signs, surface conditions, bike racks, etc.). Input from adjacent businesses is also considered, as they have valuable day-to-day insights to offer. Meter staff have also been preparing for the many upcoming downtown events including Art Fair.

City/DDA Parking Enforcement Committee
The committee met on March 16th. Representatives from the downtown churches within the art fair area attended the meeting and discussion continued about how to manage parking for their parishioners on the Sunday of Art Fair. Their main concern was easy access for their parishioners with or without vouchers, which needs to be balanced against the need to control access.

The next meeting will take place on April 27th, 2017.

Tally Hall Condominium Meeting
The condominium association has agreed to create seven premium permits in the parking spaces in the alley next to the building on the west side. Republic Parking will be administering the rental of these permits.

First & Washington Condominium Meeting
The building owner and the City have not yet been able to set a meeting date and time, so the condominium has still not been created.

Parking System Maintenance
All stairwells were washed, and elevators mopped out during the early spring weather. The 415 W. Washington lot was also regraded. RPS maintenance department staff was used for the installation of the E-park machines and space markers.
Parking Equipment

Work was done on the equipment at the 415 W Washington lot to perform necessary system updates and maintenance. The equipment will no longer accept cash, however credit card and e-park cards will be accepted. The change was communicated to parkers with signage and the YMCA was notified and provided details to share with their parkers. All the parking structures had all their emergency phones replaced.

Elevators

There were 5 elevator service calls during the month. They were distributed as follows:
- 4-4th & William Alley Elevator (to be modernized FY18)
- 1-4th & Washington

Parking Construction

Fourth & William Stair/Elevator Improvement Project

Elevator inspection was rescheduled to March 22. Remaining project tasks that are weather related, and punch list items will be completed later this spring.

Transportation

getDowntown Overall Outreach

- Sending out Commuter Connection E-News to 3,705 subscribers on 3/16/16 & go!pass Coordinator Bulletin to 458 subscribers on 3/6/16.

Go!pass Outreach

- Renewal orders received to date: 403
- New orders for 2016-2017 received to date: 37
- Add on orders received to date: 91

New go!pass companies for March- 0

2015-2016 - Go!pass sales as of March 16, 2016: 6,123 passes distributed to 444 organizations (Google = 500 passes)
2016-2017 – Go!pass sales as of March 16, 2017: 5,855 passes ordered by 442 organizations

Quarterly Ridership - will be reported in April

Bike Parking

Renewal requests have been sent out. Current rentals expire on 3/31/17

- Bike Locker Rentals as of 3/16: 15 rentals of 19 available lockers (79%)
- Maynard Bike House Rentals as of 3/16: 12 rentals of 28 spaces (43%)
- Ann Ashley Bike House Rentals as of 3/16: 35 rentals of 27 spaces (126%)

Staffing

- Business Services Program Manager hired. Chris Simmons will start on 3/27/17
Commuter Challenge 2017
Promotion of the 2017 Commuter Challenge (happening May 2017) will begin at the end of March. The Commuter Challenge site is at http://commuteandwin.org The getDowntown program will be conducting events and outreach to downtown Ann Arbor businesses to encourage employees to use alternative transportation at least once during the month of May.

Kelly has met with Mayor Taylor to promote the event and will meet with Administrator Lazarus next week. Kelly has also sent an email to Administrator Dill to help promote the event with County employees.