

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, January 2, 2008**

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: DDA Chair Roger Hewitt called the meeting to order at 12:05 p.m.

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| 1. ROLL CALL |
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Present: Gary Boren, Russ Collins, Rene Greff, Leah Gunn, Roger Hewitt, John Mouat, Sandi Smith, John Splitt

Absent: Dave DeVarti, Jennifer Hall, John Hieftje, Joan Lowenstein

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant
Lindsay-Jean Hard, Special Projects Manager

Audience: Tony Bisesi, Republic Parking System
Norm Cox, The Greenway Collaborative
Tom Crawford, City of Ann Arbor
Ron Dankert, Citizen
Ray Detter, Downtown Area Citizens Advisory Council
Mary Fales, City of Ann Arbor
Jon Frank, Village Green
Joan French, Downtown Area Citizens Advisory Council
Ray Fullerton, Downtown Area Citizens Advisory Council
Jennifer Hall, City of Ann Arbor
Adrian Iraola, Washentaw Engineering
Frank Nagy, Republic Parking Systems
Josie Parker, Ann Arbor District Library
Ethel Potts, Citizen
Nancy Short, getDowntown

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| 2. AUDIENCE PARTICIPATION |
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Ms. Hall presented a brief overview of the Washtenaw County Affordable Housing Needs Assessment. She thanked the DDA for its project sponsorship, and said that report will be a valuable community resource, especially for the taskforce working to develop recommendations for sustainable funding for supportive housing. The Needs Assessment is available at: <http://www/housing/ewashtenaw.org>

Mr. Detter reported that the CAC will continue to support the 1% for Art Ordinance; 415 West Washington as the future site of the Art Center in cooperation with the Arts Alliance and Greenway Conservancy; the A2D2 plan and processes; the emerging design of Ann Arbor City Apartments; keeping 100 units of low income housing on the old YMCA site until we see some clear and firm plans for it elsewhere; and the DDA and AADL cooperative efforts to develop a plan for underground parking at the S. Fifth Avenue lot while preserving historic buildings in the area. Also, the CAC will oppose the hotel proposed for Division and Washington, and it will encourage the City and McKinley Towne Centre to keep the alley open next to Tally Hall.

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| 3. MINUTES |
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Ms. Gunn moved and Mr. Mouat seconded approval of the December 5, 2007 DDA meeting minutes.

A vote on the motion to approve the minutes showed:

AYES: Boren, Collins, Greff, Gunn, Hewitt, Mouat, Smith, Splitt

NAYES: None

Absent: DeVarti, Hall, Hieftje, Lowenstein
The motion carried.

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| 4. STATUS OF CITY TASKFORCE EFFORTS |
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A2D2: Mr. Hewitt said that the A2D2 Steering Committee has not met since December, and they will prioritize their next steps at their upcoming meeting scheduled for later this month.

Washtenaw County Taskforce on Sustainable Revenue for Supportive Housing Services for Ending Homelessness in Washtenaw County: Ms. Smith will serve as DDA representative and will provide updates as they become available.

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| 5. OPERATIONS COMMITTEE |
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Mr. Hewitt said that the November and December financial statements will be in the February packet.

Ms. Gunn moved and Ms. Greff supported the following resolution:

RESOLUTION TO APPROVE THE FIRST & WASHINGTON PARKING STRUCTURE DESIGN AS PROPOSED BY VILLAGE GREEN COMPANIES

Whereas, The City of Ann Arbor approved the distribution of an RFP in January 2006 seeking high quality proposals for the purchase and redevelopment of the First & Washington site in order to 1) increase downtown residential density, 2) replace 120-200 public parking spaces on this site, 3) and maximize the financial return to the City for the sale of the land and the TIF capture by the DDA for the redevelopment of the site;

Whereas, In this RFP the DDA committed to pay for the construction of the public parking on this site, in the amount of *\$35,000/space* above ground and *\$45,000/space* below ground;

Whereas, In August 2006 the City of Ann Arbor approved the selection of Village Green Companies as purchaser and redeveloper of the City property at First & Washington;

Whereas, In October 2007 the City of Ann Arbor and DDA voted to approve a parking agreement with Village Green Companies which set forward that the DDA would pay to construct all parking on this site and lease back to Village Green 73 monthly parking spaces in this structure for its residents;

Whereas, Village Green provided the DDA with a proposed parking structure design which was reviewed by the DDA Operations Committee at its December meeting;

Whereas, The proposed parking structure design would provide for approximately 241 parking spaces, at a cost to the DDA in the range of \$8,600,000 to \$9,600,000 which will ultimately be set by the number of parking spaces determined to be above grade or below grade;

Whereas, Approval of the parking structure design is needed before Village Green's site plan can be reviewed by the Planning Commission and City Council;

RESOLVED, The DDA approves the design of the public parking structure as proposed by Village Green.

Mr. Hewitt said that the First & Washington project now includes 146 apartments and 241 parking spaces. Several DDA committee meetings have been held with Village Green over the past year, including an Ops meeting in mid-December, where the proposed structure design was presented. DDA members have urged Village Green to maximize the number of parking spaces on this site by using a long-span structure design and building into the water table; instead Village Green developed a design that uses more columns and is pushed nearly all above grade, which in turn has altered their

construction method from wood to steel. The number of columns in the structure unfortunately has also led to more constricted drive lanes and a great number of compact car parking spaces. Village Green has not yet provided the number of spaces above or below grade, so the final cost is also not yet clear.

Mr. Bisesi reported that his staff at Republic Parking had analyzed drive lane widths in the DDA and UM structures, and presented a report on their findings. Mr. Bisesi was thanked for this research.

Ms. Smith said that she has concerns that the narrow drive lanes proposed by Village Green will require one-way traffic in the structure, as well as potential traffic jams exiting the structure. Ms. Gunn said that one-way may not be an ideal solution but the site is a difficult one and this solution would be feasible. Mr. Mouat said there is an inherent conflict within a public/private arrangement, as each side must pursue different goals. Ms. Smith proposed the following amendment, which was accepted as friendly:

RESOLVED, The DDA authorizes its Operations Committee to meet with the developer and approve the design of the public parking structure with a cost up to \$10 million with authorization until January 23, 2008.

A vote on the motion to approve the resolution as amended showed:

AYES: Boren, Collins, Greff, Gunn, Hewitt, Mouat, Smith, Splitt

NAYES: None

Absent: DeVarti, Hall, Hieftje, Lowenstein

The motion carried.

The Operations committee agreed to meet January 7 at 10AM, and again on January 16 at 9AM in hopes of bring this issue to conclusion in time to meet Village Green's goal to submit its site plan to the City by January 28th.

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| 6. PARTNERSHIPS COMMITTEE |
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S. Fifth Avenue Structure: Ms. Smith reminded everyone that a report is due to Council on January 11. A DDA/City Council Work Session has been scheduled for Monday evening January 14th so the DDA can share its recommendations. All DDA members are invited to attend. Partnerships met with Mike Ortlieb/Carl Walker Inc. & Josie Parker/AADL and discussed the opportunities to be gained by expanding the structure's footprint beyond the parking lot. Options include under S. Fifth Avenue, and the underground portions of adjacent private property. Possible vehicular and pedestrian entrances/exits were also explored. Mr. Cox/Greenway Collaborative provided an early concept of what Library Lane might look like. Ms. Parker said that 14 firms have accepted the invitation to be interviewed and it is hoped that the AADL board will make its selection by February.

Demo of the former YMCA – Ms. Smith presented the draft of the following resolution which will be presented to the DDA at its February meeting. She asked for comments and edits.

RESOLUTION TO DEMOLISH THE FORMER YMCA BUILDING AT 350 S. FIFTH AVENUE

Whereas, The City of Ann Arbor purchased the former YMCA property at 350 S. Fifth Avenue in December 2003 with the financial assistance of the DDA in recognition of the value the DDA and City Council placed in preserving the 100 units of housing on this site for very low income individuals in the downtown;

Whereas, The former YMCA building was closed in 2005, is no longer habitable, and has become an eyesore;

Whereas, On November 19, 2007 City Council approved R-07-566 requesting the DDA's assistance demolishing the building as soon as possible, potentially followed by the establishment of a temporary public parking lot;

Whereas, On December 3, 2007 City Council approved R-07-583 directing the City's Housing and Human Services Advisory Board (HHSAB) to prepare a written recommendation to Council before May 31, 2008, summarizing options and a preferred recommendation for the development of 100 units of affordable housing for low-income residents, including supportive services for these residents;

Whereas, The Partnerships Committee has discussed City Council's request that the DDA demolish the former YMCA building and it has determined that the advantages to this demolition include the potential to provide an area for construction staging and interim public parking to serve the area if an underground parking structure is constructed on the S. Fifth Avenue parking lot;

Whereas, Engineers have estimated that this demolition is estimated to cost approximately \$1.25 million, which includes costs for asbestos removal and utility relocation;

RESOLVED, The DDA approves the demolition of the former YMCA building as requested by City Council, including the expenditure of up to \$1.25 million, contingent upon the City approving the construction of a 500+ space underground parking structure on the S. Fifth Avenue parking lot and contingent upon the City approving a plan for the development of 100 units of affordable housing for low-income residents including supportive services for the residents of these units.

RESOLVED, Upon the future sale of the 350 S. Fifth Avenue site by the City, the DDA shall receive a reimbursement of its expenses for this demolition up to an amount mutually agreed upon by DDA and City Council.

RESOLVED, Following the completion of this demolition, the entire amount paid to date to enable the City to purchase the site out of the DDA's 001 Housing Fund shall be reimbursed to the DDA Housing Fund by the DDA's 003 TIF Fund, reflecting the shift in project goals for this site.

Ms. Smith said that in committee a concern had been raised about the potential loss of the former YMCA's SRO units, and to help DDA members become informed about this and other affordable housing issues a Special Partnerships Committee meeting will be held on January 9th with Mary Jo Callan/City Community Development Dept., Bob Guenzel/Washtenaw County, and Chuck Kiefer/Washtenaw Housing Alliance, for a free exchange of information about what's taking place and ideas for how DDA efforts can fit within the larger City-wide and County-wide affordable housing effort.

Zaragon Place: The developer attended the November meeting to request that the Partnerships Committee reconsider their request for a grant. There wasn't time at the December meeting to delve into this, so this request was set aside for the January meeting.

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| 7. CAPITAL IMPROVEMENTS COMMITTEE |
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S. Fifth Avenue structure: Mr. Splitt reported that the Committee has overseen Adrian's soil assessment work and it appears that it may be possible to construct at least 3 floors underground. Adrian has also calculated the amount of storm water that would need to be captured on site. The committee met with Mike Ortlieb/Carl Walker and Adrian to learn about how columns could be engineered to bear the weight of a future building or a plaza, and the estimated cost for these columns will be figured into the cost estimates provided to City Council. As with Partnerships, Capital Improvements Committee is also exploring initial design concepts so that the report can be completed in time to meet Council's deadline.

Former YMCA Building Demolition. Mr. Splitt said that Adrian has toured the site with asbestos removal companies to help him formulate an asbestos removal plan which must be approved by Michigan Dept. of Environmental Quality (MDEQ). He is also overseeing the writing of a demolition RFP, which would be available whenever the DDA has determined it wishes to go forward with the demolition.

1st & Washington alley: The city approved the permit and DTE and other utility work is underway.

8. R O C COMMITTEE

Wayfinding: Mr. Collins reported that the committee strongly supports the most recent Corbin sign concept which blended elements of the former design and elements of the concept recommended by the graphic arts community. This new concept will include modular panels, wrap around message panels, and a more contemporary arrow design which replaced the MDOT arrow used formerly. He said that ROC believes that the design is very attractive, and more important, very legible and usable by visitors. The committee is ready to move forward with the design and he asked DDA members to let them know if there are any last concerns or comments. The Committee is working with staff to share information about the preferred design with the professional graphic design community, the downtown associations, City Council, and the larger public through the DDA website and other means.

Link Update: Mr. Collins said that AATA had shared information about evening Link use that was drawn from a two-day survey conducted in November. Interesting findings included that Tuesday night 7-8pm had heavier ridership than Friday night at the same time, more than 85% of the evening riders were students, and 55% of riders used the Link three or more times per week after 6 PM. There has not been a significant increase in ridership since evening service was inaugurated two months ago, but the Committee will continue to track this.

Mr. Collins moved and Ms. Smith seconded the following resolution that had been postponed at the December 2007 meeting for additional review:

RESOLUTION TO CREATE A DDA ONE PERCENT FOR THE ARTS SET ASIDE PROGRAM FROM FUTURE DDA CAPITAL IMPROVEMENTS PROJECT BUDGETS

Whereas, At their November 5, 2007 meeting City Council voted unanimously to add a new section to the City code whereby all capital improvement projects funded wholly or partly by the City will include funds for public art equal to one percent of the project construction costs, to a maximum of \$250,000 per project;

Whereas, The Ann Arbor DDA's 2003 Renewal Plan includes a provision that that the DDA would work to ensure that walking remains the primary mode of transportation in downtown, and that it would promote pedestrian enjoyment by encouraging an active street life, including the installation of public art;

Whereas, The Ann Arbor DDA wishes to support the City in its effort to improve the aesthetic quality of public spaces, as well as the walkability and unique identity of downtown by encouraging the installation of public art;

Whereas, The DDA ROC Committee recommends the following elements of a DDA one percent set aside program for public art in downtown Ann Arbor:

- The DDA shall set aside one percent of its expenditures for a capital improvement project paid for out of its TIF 003 and/or Parking 063 funds for public art up to a maximum of \$250,000 per project;
- Capital improvement projects are defined as DDA construction projects that are intended to create a permanent improvement, such as the installation of a new streetscape, or construction of a new parking structure. They do not include projects that are primarily for the purpose of ordinary maintenance and repair, including parking lot resurfacings, deck coating, upgrading equipment, or repairing concrete sidewalks.
- If the DDA receives matching funds for a project from a source such as the State or the City, the DDA commitment of funds for public art shall be equal to one percent of the DDA's portion of the project.
- The DDA shall parallel the City and exclude elements in its project budget when calculating its one percent set aside, including an exclusion for capital improvements costs that are below-

grade storm water detention facilities, the acquisition of real property, soil remediation, demolition, the issuance of debt, permits and administrative fees, fixtures, equipment and furnishings, and contingencies.

- The DDA shall assign responsibility for management of these DDA funds to its ROC committee, who shall work with representatives of the Ann Arbor Public Art Commission to determine where it will install a piece of public art and how this work will be commissioned, and ultimately maintained.
- The DDA shall reserve 30% of its funds set aside for public art to an interest-bearing DDA public art maintenance fund to be used solely for the purpose of maintaining the public art commissioned by DDA capital improvement project budgets.
- All artwork acquired by the DDA as a result of this program shall become the property of the City of Ann Arbor.

RESOLVED, The DDA shall approve the creation of a DDA One Percent For the Arts Set Aside Program from DDA capital improvements projects as recommended by its ROC Committee.

Mr. Collins said that ROC considered the comments made at the December meeting and after additional discussion, felt comfortable recommending the resolution as presented last month.

A vote on the motion to approve the resolution showed:

AYES: Boren, Collins, Greff, Gunn, Hewitt, Mouat, Smith, Splitt

NAYES: None

Absent: DeVarti, Hall, Hieftje, Lowenstein

The motion carried.

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| 9. OTHER DDA BUSINESS MATTERS |
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None.

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| 10. OTHER AUDIENCE PARTICIPATION |
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None.

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| 11. ADJOURNMENT |
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As there was no further discussion Ms. Gunn moved and Ms. Smith seconded adjournment of the meeting at 1:30 PM.

A vote on the motion to approve the resolution showed:

AYES: Boren, Collins, Greff, Gunn, Hewitt, Mouat, Smith, Splitt

NAYES: None

Absent: DeVarti, Hall, Hieftje, Lowenstein

The motion carried.

Respectfully submitted,
Susan Pollay, Executive Director