

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, June 4, 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.

1. ROLL CALL

Present: Gary Boren, Russ Collins, Dave DeVarti, Rene Greff, Leah Gunn, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Sandi Smith, John Splitt

Absent: Jennifer Hall

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

Audience: Fran Alexander, Alexander Resources
Peter Allen, Peter Allen & Assoc.
Steven Bean, Berg & Associates
Tony Bisesi, Republic Parking
Ray Detter, Downtown Area Citizens Advisory Council
Adrian Iraola, Washtenaw Engineering
Brian Keefer, Spence Brothers
Connie Pulcipher, City of Ann Arbor
Don Reboya, Republic Parking
Nancy Shore, getDowntown Program
Jim Valenta, Midwestern Consulting

2. AUDIENCE PARTICIPATION

Mr. Detter said that the Downtown Area CAC: supports the Art Center concept for 415 W. Washington; supports the underground parking structure and encourages the DDA and the City to maximize parking while protecting the nearby historic buildings; is pleased that bonding has been approved for the city/courts building and looks forward to the design approval process and making sure there will be adequate public parking on site; and, will continue to be involved as the A2D2 design guidelines move forward. He extended an invitation from the CAC and the Old Fourth Ward Association to the Annual Downtown Potluck Party on June 12th in the homes and gardens of 120 and 126 North Division.

Mr. Bean, of Berg & Associates, reported that he recently attended a conference in Grand Rapids on climate change and is concerned about the plans to build a new large parking structure, as he learned a great deal about future impacts of peak oil. He cautioned the DDA to look closely at future trends as it works to build a large parking structure that may be obsolete in the near future.

3. MINUTES

Ms. Smith moved and Ms. Gunn seconded approval of the May 7, 2008 DDA meeting minutes.

A vote on the motion to approve the minutes showed:

AYES: Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYS: None

Absent: Hall

The motion carried.

4. STATUS OF CITY TASKFORCE EFFORTS

A2D2: Mr. Hewitt reported that as a result of feedback from recent public meetings various elements will be reexamined by the A2D2 Steering Committee. City Council has extended the deadline to September 2008 to allow them time to finalize the report.

Taskforce on Sustainable Revenue for Supportive Housing Services for Ending Homelessness: Ms. Smith said that a report will be issued within the next 45 days. In 2008/09 the city budgeted an additional \$250,000 for support services, and the County and other agencies, including the DDA, will also likely be asked to support this initiative. Mr. Hieftje said that this funding is included in the City budget for the next several years and he would not support a separate request to the DDA.

415 W. Washington Selection Committee. Mr. Mouat reported that the Selection Committee was scheduled to meet the next day and interviews were scheduled within the next two weeks.

AATA Retreat: Mr. Hewitt said that he participated in a recent AATA retreat and a large part of the agenda was dedicated to a discussion regarding Board Governance and committee structure based around the "*Meeting the Governing Challenge: Applying the High-Impact Governing Model in your Organization*," by Doug Eadie. Mr. Hewitt suggested that the DDA talk about its own committee structure at a future meeting.

5. CAPITAL IMPROVEMENTS COMMITTEE

S. 5th Ave. Structure: Ms. Alexander gave an overview of public and stakeholder comments received thus far. Key insights included requests for accessible and convenient parking for library patrons, as well as concerns about possible safety issues in an underground parking structure and comments that additional downtown parking isn't needed. To the latter point, Ms. Alexander asked that DDA members begin thinking about ways to respond to this on the DDA website and in the newspaper. Ms. Cooper outlined changes to the project design since the last DDA meeting, including stair locations and how a new alley may be created on top of the structure. Mr. Cole presented design concepts that incorporate feedback from committee meetings. Mr. DeVarti asked for the cost difference in building a structure above grade vs. below grade, as well as the added cost to anticipate a future structure that may or may not go on top of the structure. Ms. Pollay said that the design will be refined over the coming weeks and cost/space information can be provided once details are confirmed.

Former YMCA Building: Mr. Splitt said that demolition is complete and work to level the site is underway. It is anticipated that a new temporary surface lot may be operational by mid-July.

Curb Ramps: Mr. Splitt reported that work will continue for the rest of the construction season.

Sidewalk Repairs: Mr. Splitt reported that a repair list was compiled for the State Street and Main Street areas and maintenance work has begun and will be complete by Art Fair. A separate list for items in the S.U. and Kerrytown areas will also be compiled and addressed.

6. PARTNERSHIPS COMMITTEE

S. Fifth Avenue Structure: Ms. Smith said that the committee is also helping to develop the project design at each monthly meeting.

Zaragon Place: Ms. Smith reported that after much discussion, the committee opted to deny the request for 100 monthly parking permits in the Forest Street Structure.

"Take Back the Tap": The committee was asked to frame a DDA statement of support for the Food & Water Watch campaign encouraging restaurants to pledge not to serve bottled water. It was decided not to develop a formal statement.

Ms. Smith moved and Mr. Collins seconded the following resolution:

**RESOLUTION AUTHORIZING APPROVAL OF THE FINAL CONSENT DECREE/RELEASE
OF CLAIMS REGARDING SIDEWALK CURB RAMPS**

Whereas, On August 27, 2004, Plaintiffs filed a class action complaint against the City of Ann Arbor making certain allegations and on November 29, 2005 filed an amended complaint adding the Ann Arbor Downtown Development Authority as a defendant, alleging that the City and DDA had constructed curb ramps within the public right-of-way from 1992 to the date of the complaint that did not comply with the requirements of Title II of the ADA and Section 504. Although the City and the DDA denied and deny any violations of ADA or Section 504, after further preliminary settlement discussions and agreement between and among the Named Plaintiffs, City and DDA, in 2005, the Court entered a First Amended Consent Decree and Partial Settlement in this case.

Whereas, The Parties have complied with and completed the obligations in the First Consent Decree and Partial Settlement, as amended, imposed on each through the date of this Settlement Agreement.

Whereas, The Parties wish to resolve this lawsuit without trial and have engaged in significant settlement negotiations that have resulted in an agreed resolution of the lawsuit and a proposed Release and Settlement Agreement has been set forward that would include the following:

- The City and DDA commit to bring into compliance by the end of 2013 all non-compliant corners in the Downtown District, unless precluded by technical infeasibility that were installed by the City or DDA from 1992 forward.
- The City and DDA will use the current MDOT standards for curb ramps, and will work together if these standards change.
- All future City and DDA RFPs will require compliance with ADA standards.
- By the end of 2013, all non-compliant corners installed by the City or DDA since 1992 within the Downtown District will be replaced or made compliant according to the following schedule: a cumulative total of 16.67% corners by the end of 2008; 33.33% by the end of year 2009; 50% by the end of year 2010; 66.67% by the end of year 2011; 83.33% by the end of year 2012; and 100% of corners will be brought into compliance by the end of 2013.

Whereas, Downtown locations present particular challenges due to underground utilities, sidewalk vaults, and historic buildings. As a result, a section of this agreement discusses how the parties will address corners where it appears that it is technically infeasible to bring a corner into strict compliance with applicable technical specifications.

Whereas, The Ann Arbor DDA Attorney, Executive Director, and Project Manager have been intricately involved in the development of the proposed Release and Settlement Agreement;

RESOLVED, The Ann Arbor Downtown Development Authority approves the proposed Release and Settlement Agreement and authorizes its Executive Director to act as signatory for the agency.

Mr. Mouat asked for clarification for the whereas clause regarding 1992; Ms. Lowenstein explained that the class action complaint involved sidewalk corners built from 1992 onward by the City or DDA.

A vote on the resolution showed:

AYES: Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith,

Splitt
NAYS: None
Absent: Hall
The motion carried.

Ms. Smith moved and Mr. Mouat seconded the following resolution:

**RESOLUTION TO SPONSOR DDA, CITY COUNCIL, AND DOWNTOWN ASSOCIATION
REPRESENTATIVES TO THE 2008 IDA ANNUAL CONFERENCE**

Whereas, The International Downtown Association annual conference provides an important opportunity to learn about best practices and innovative downtown programs from around the country and the world;

Whereas, This year the IDA Annual Conference will take place in Calgary, Alberta, September 11-14, 2008;

Whereas, The DDA Partnerships Committee recommends that the DDA sponsor up to six DDA members, five City Council members, and one each from the four downtown area associations and the downtown residents group to attend the 2008 IDA conference in Calgary, Alberta, with reimbursements being made according to the DDA travel policy (attached);

RESOLVED, The DDA will sponsor up to six DDA members, five City Council members, and one each from the four downtown area associations and the downtown residents group to attend the 2008 IDA conference in Calgary, Alberta, with reimbursements being made according to the DDA travel policy.

Ms. Smith said that Partnerships discussed the idea of adding a resolved clause requiring a follow up meeting and reports from the recipients of the sponsorship. Mr. DeVarti stated that he didn't feel a report was necessary. He said that information gathered by attending the IDA sessions and workshops provided tremendous value to future discussions and public meetings. He said that he would vote in favor of this resolution based on that merit.

A vote on the resolution showed:

AYES: Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYS: None

Absent: Hall

The motion carried.

Ms. Smith announced that Mr. Mouat had volunteered to provide a "LEEDs 101" overview session on June 18th and all were invited. She thanked Mr. Mouat for making time to help his colleagues learn more about this important issue.

7. RESEARCH AND OPPORTUNITY COMMITTEE

Wayfinding. Mr. Collins said that when Corbin was selected in December 2006 a wayfinding project budget of \$500K was approved. After 18 months of public meetings and design work, the job is now ready to go out to bid. Corbin estimates the full system will cost \$1.5 million to manufacture and install. ROC discussed the possibility of approving the project in phases rather than in its entirety, however, it recommends moving forward with the whole project. Mr. Collins moved and Ms. Greff seconded the following resolution:

RESOLUTION AUTHORIZING A \$1,650,000 PROJECT BUDGET FOR THE IMPLEMENTATION OF A WAYFINDING PROGRAM FOR DOWNTOWN ANN ARBOR

Whereas, The DDA 2003 Renewal Plan reaffirmed the DDA mission and set forward key strategies the DDA could follow to meet this mission, including projects that showcased downtown's unique identity and fostered improved downtown accessibility through enhanced transportation options;

Whereas, In December 2006 the DDA selected Corbin Design as its consultant to help develop a wayfinding system for downtown, and established a budget of \$500,000 for this project;

Whereas, In this resolution the DDA affirmed that this project budget would change as the project took shape;

Whereas, Over the past eighteen months Corbin Design developed a multi-faceted and multi-tiered wayfinding signage system for downtown Ann Arbor, which will provide directional assistance for a wide variety of users;

Whereas, Corbin has estimated that this signage system will cost approximately \$1.5 million to manufacture and install;

Whereas, The DDA Research and Opportunities Committee believes it is essential to implement the project in its entirety, rather than in stages, and as such, recommends increasing the DDA wayfinding project budget to \$1,650,000, which includes a ten percent contingency figure;

RESOLVED, The DDA increases its project budget for its downtown wayfinding project to \$1,650,000;

RESOLVED, The DDA Research and Opportunities Committee Chair and Executive Director are authorized to oversee and execute continued work on the project including review of the Bid Document for fabricators/installer; and

RESOLVED, The DDA will be provided an opportunity to approve a contract with a sign fabricator once the project has been put out to bid.

Ms. Gunn said that she supports the project but is concerned that the cost is so high; she asked if the project could be scaled back. Mr. Collins acknowledged the "sticker shock", but the committee decided that a wayfinding system would not be worth doing if we didn't do it completely. He said that the committee would do what it could to decrease costs during the bid process. Mr. DeVarti asked if the project could be bonded over 5 years as a way to save costs; Mr. Morehouse said that it would not make a significant difference. Mr. Mouat asked if the signs could be added a few at a time; Mr. Collins said that the Committee had also discussed phasing the project, but ultimately resolved to go forward in its entirety. Mr. DeVarti stated his support for the project. Mr. Hieftje said that although he was surprised at the cost, he wanted to know how soon the DDA could get this done.

A vote on the resolution showed:

AYES: Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYS: None

Absent: Hall

The motion carried.

Mr. Collins moved and Ms. Greff seconded the following resolution:

RESOLUTION TO CREATE A “DOWNTOWN ENERGY SAVING” GRANT PROGRAM

Whereas, The DDA has as its mission to undertake public investments that have the greatest impact in strengthening the downtown area and attracting new private investments, and as a strategy to meet this goal, it determined that it would use sustainability principles to ensure downtown’s viability;

Whereas, The DDA has determined that it will provide grants as a mechanism to help it achieve its mission, and in 2006 approved revised grant guidelines to support valuable community initiatives that directly benefit the downtown and met a DDA goal set forward in its 2003 Renewal Plan;

Whereas, The Mayor sponsored a Council resolution in April 2006 which set forward a goal of 20% renewable energy by 2015 for the Ann Arbor community, and City Council followed this in July 2007 with the approval of “Resolution Adopting Environmental Action Plan Principles and Environmental Action Plan Goals”, which set forward principles such as “City government is an important partner with residents and businesses in our community with regard to our environmental goals.”

Whereas, The ROC Committee has determined that of the \$250,000 set aside in the DDA FY 2008/09 for grants it would be effective to assemble a \$200,000 grant subset which would have as its purpose the enhancement of downtown environmental and economic sustainability, and this grant program would include the following:

Phase I. Energy audit of a downtown building by a contractor recommended by the City Energy Commission and consultation to determine the most feasible and economically beneficial improvements that could be made to reduce energy use and costs. Estimated cost for this phase is approximately \$2,500 - \$4,000 each. A qualified energy audit must be completed before a downtown business or building owner would be eligible for Phase II of this grant program.

Phase II. Installation of energy-saving measures including replacement of heating and cooling equipment and controls, installation of energy-efficient windows with caulking, renewable energy systems such as solar panels or geo thermal systems, or other project elements selected to reduce energy use and costs; with project costs to be shared equally by the business/building owner and the DDA up to \$20,000 each.

Whereas, These recommendations will be considered as guidelines and not as fixed rules requiring DDA staff action in support of or in opposition to any specific proposal. This program is not in any way an entitlement to agencies, individuals, or organizations, nor as a give away program;

RESOLVED, The DDA authorizes a grant program based on the recommendations set forward by its ROC Committee set forward above;

RESOLVED, The DDA will announce this program to downtown business and building owners and set an initial application deadline of October 1, 2008 to enable the ROC committee to review applications.

RESOLVED, This Downtown Energy Savings grant program shall expire on July 1, 2009, to enable the DDA ROC Committee to review its impact and benefit, and make a recommendation to the DDA about its continuance or modification.

Mr. Collins said that the intent of the energy grants were to encourage downtown sustainability and to help business owners take the first step to reduce energy use and costs. Mr. Hieftje stated his support for the program, and **proposed the following amendment to the first Whereas clause, and Ms. Greff accepted the proposed amendment as friendly:**

Whereas, **As part of the Mayor's Green Energy Challenge**, the Mayor sponsored and **City Council** supported a Council resolution in April 2006 which set forward a goal of 20% renewable energy by 2015 for the Ann Arbor community, **and 30% in city operations by 2010**, and City Council followed this in July 2007 with the approval of "Resolution Adopting Environmental Action Plan Principles and Environmental Action Plan Goals," which set forward principles such as "City government is an important partner with residents and businesses in our community with regard to our environmental goals."

Ms. Smith explained that this grant program will expire July 1, 2009 which will give the DDA time to review its impact and make changes should it decide to continue the grant. Mr. Mouat asked for clarification that the full cost of the energy audit would be covered by the DDA; Mr. Collins said yes.

A vote on the amended resolution showed:

AYES: Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYS: None

Absent: Hall

The motion carried.

Downtown Liquor Licenses: Mr. Collins said that ROC has been attempting to understand the nuances of the new Licenses, but were not ready yet to frame an official statement. City staff reported that it isn't possible to limit the number of licenses, but City Council could vote to establish priorities. ROC will continue to work on developing a statement for consideration by the full DDA. Staff were asked to get a copy of the Grand Rapids' Downtown Liquor License policies and to let the DDA know when the Liquor License Committee will be meeting.

5th & Division Conceptual Improvement Plan: Mr. Collins said that the 5th & Division plan went to City Council at the June 2nd meeting and was tabled one month to July 7th to enable Council members time to consider a traffic impact analysis.

Downtown Infrastructure: Mr. Collins announced that ROC was assigned this topic at the retreat and has decided to wait until something specific emerges that needs attention.

Other: Mr. Collins reported that ROC empowered the DDA Executive Director to respond to two outstanding requests. She has contacted Spark and informed them that the DDA will increase its annual dues from \$1,000 to \$10,000/year. She has also used her discretion to provide a \$7,500 grant to the School for the Performing Arts to help pay for exterior improvements for their new location on S. Main Street near S. Main Market.

8. OPERATIONS COMMITTEE

Financials: Mr. Hewitt said that the DDA's going TIF income is 7% above budget and expenses are 20% over budget due to the LED light grant that was not budgeted. Parking income is 6% over budget; operating expenses approximately 3% over budget; and maintenance expenses are 18% over budget due to project timing. Housing income is 51% over budget due to the decision to reimburse the Housing Fund for its prior year's outlays for the former YMCA building by the TIF fund; Housing expenses are 67% over budget due to an unanticipated grant to Avalon Housing. **The April 2008 financial reports were moved by Ms. Gunn, seconded by Mr. Mouat and unanimously approved.**

Ms. Gunn moved and Mr. Mouat seconded the following resolution:

RESOLUTION TO APPROVE THE REVISED DDA BUDGET FOR FISCAL YEAR 2007/2008

Whereas, The DDA Board passed a FY 2007/08 budget for the DDA on March 7, 2007;

Whereas, The DDA Board has approved items not anticipated in its FY 2007/08 budget, thus necessitating a budget revision so that expenditures will not have exceeded the budget;

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

RESOLVED, The DDA approves this amendment to its FY 2007/08 budget.

Mr. DeVarti asked if the DDA would have to pay any unfunded liabilities for retiree health care and if so, how much. He stated he would like to have a better sense of where the DDA will need to be by 2015 with regard to this item. Mr. Morehouse said that he will locate information to address this question.

A vote on the resolution showed:

AYES: Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Smith, Splitt

NAYS: None

Absent: Hall

The motion carried.

Transportation Demand Implementation Plan: Mr. Hewitt reported that staff has taken the following actions since the last meeting: 1. the new accounts receivable software was installed and will be operational next week; 2. completed the parking facilities vacancy data on the DDA website; beta testing is in process for the mobile internet users and will go live by mid-June; 3. the RFP for pay stations was distributed and responses are due June 27th; and 4. staff will be testing the transfer of parking data over the internet in June and will report results at the next Operations meeting. It is anticipated internet transfers will provide more accurate data when billing for AVI card usage.

Financial Models/follow up from retreat discussions: Mr. Hewitt explained the two financial models prepared by staff that estimates DDA fund balances if TIF is used to pay for the new structure's down payment at increased project budgets of \$40M or \$50M, and parking rates are increased gradually over the next many years.

10. OTHER DDA BUSINESS MATTERS

Mr. Hieftje announced: that the solar panels and educational signs are being installed at the Farmers' Market; the City received an award for being one of the Most Walkable City in America; and as LED technology moves forward new uses are becoming possible, e.g. street lights can be turned down after 3am, lights can flash when emergency vehicles approach, etc. He said that the Planning Commission approved the 25-story, gold LEEDs University Village (601 Forest) project last night.

11. OTHER AUDIENCE PARTICIPATION

Mr. Detter announced a special presentation by Donovan Rypekma at the Michigan Union, Pendleton Room, on June 11. Mr. Rypekma is the author of, *The Economics of Historic Preservation*.

12. ADJOURNMENT

As there was no further discussion Mr. Splitt moved and Ms. Smith seconded adjournment of the meeting at 2:05 PM.

Respectfully submitted,
Susan Pollay, Executive Director