

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, June 6, 2007**

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

1. ROLL CALL

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

Absent: Fred Beal, Jennifer Hall

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

Audience: Mike Bergren, City of Ann Arbor, Field Services
Tony Bisesi, Republic Parking System
Terry Blackmore, Washtenaw Area Transportation Study
Michael Cicchella, Northfield Township Supervisor/North South Rail
Ray Detter, Downtown Area Citizens Advisory Council
Jill Hamon, 16 Hands
Adrian Iraola, Washtenaw Engineering
Frank Nagy, Republic Parking
Ann Neuenschwander, Hands-on-Museum
Ethel Potts, Citizen
Wendy Rampson, City of Ann Arbor, Systems Planning
Chris White, AATA

2. AUDIENCE PARTICIPATION

Mr. Cicchella provided a presentation on the proposed north/south commuter rail project, including financial details and who the coalition of municipalities are involved in the project. He said that US-23 suffers from a great deal of congestion and commuter numbers are increasing, and this plus the increasing cost of gasoline make it clear that there is merit in the idea of a commuter rail. He said that the group has applied for \$1 million in federal funds and is seeking guarantees of passenger fares from local businesses, government and the University of Michigan. The group will need \$1 million for infrastructure and operating expenses. The U/M has agreed to pay the fare for its employees. Several communities have agreed to provide funds for the service i.e., Northfield (\$10,000 for 3 years), Great Lakes Rail (\$200,000), and Washtenaw County (\$150,000). He said that the group is asking for \$1.8 million for the first year from the City of Ann Arbor including its DDA. He said that he would make a presentation to City Council at their next meeting. Ms. Smith referred the issue to ROC and Mr. Cicchella was invited to the June 18 meeting.

Mr. Detter reported that their meeting the night before included a discussion of the possible reuse of the City's maintenance facility at 415 W. Washington Street. The group also discussed the status of A2D2 and its various initiatives, as CAC members attended nearly all A2D2 meetings and have demonstrated their commitment to being a part of the public process. Mr. Detter invited everyone to the annual Downtown Party/Potluck, Wednesday, June 13 at 120 and 126 N. Division, sponsored by the Old Fourth Ward Association and the North Central Property Owners Association.

3. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Splitt seconded approval of the May 2, 2007 DDA meeting minutes.

A vote on the motion showed:

AYES: Aldrich, Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Smith, Splitt
NAYES: None
Absent: Beal, Hall
The motion carried.

4. STATUS OF CITY TASKFORCE EFFORTS

Percent for Art Taskforce: Mr. Collins reported that there was nothing new to report.

Allen Creek Greenway Taskforce: Ms. Smith said that since the Taskforce had completed its work this item could be removed from future DDA agendas.

A2D2: Mr. Hewitt said that City Council would hold a work session on June 11 to hear final reports and would vote on a slate of recommendations on June 18. Several Board members requested a copy of the map of current zoning and the proposed zoning changes.

5. PARTNERSHIPS COMMITTEE

Additional Parking Options Report for City Council: The Committee reviewed the completed matrix with Council Members Lowenstein and Teall who thought that the report would meet Council's request. They indicated that although Council had said it would provide direction to the DDA by June 18th this seems unlikely given the large amount of information they will consider for A2D2 by June 18th. A copy of the report for additional parking options was also provided to City Administrator Fraser, who found it very helpful in the efforts to plan the new court/police building.

City Court/Police Facility Update: Council members Lowenstein and Teall reported on the project status, including the approval of funds for Quinn Evans for the planning and design of the building.

415 W. Washington: Council members Lowenstein and Teall said that the building would be vacated in mid-July when staff moves operations to the City's new maintenance facility in Pittsfield Township. An RFP is being drafted and will be released later this summer to elicit proposals for the property. Ms. Smith noted that the property is in the DDA boundaries and there is a potential for a DDA/City partnership depending on what is proposed for the site. Several DDA members said that they did not want the property to remain vacant or become blighted.

LED Lights: Ms. Smith said that City Council created a new downtown lighting assessment district to recover some of its electricity costs because downtown is "over lit" when compared with many neighborhoods. As part of this action, Council also created a "Lighting Bank" to provide funds to retrofit lights with more energy efficient LEDs. Committee members expressed strong DDA support for new energy saving technologies and also expressed concern for the new assessment, as it adds to the cost of doing business downtown. The following resolution was moved by Ms. Gunn and seconded by Mr. Hieftje:

RESOLUTION TO FUND A DOWNTOWN STREETLIGHT RETROFIT PROGRAM TO REDUCE CITY ENERGY COSTS AND SUPPORT THE CITY'S NEW ENERGY TECHNOLOGY INITIATIVE

Whereas, The City of Ann Arbor has set forward an important goal to support new energy initiatives;

Whereas, With its 2007/08 budget City Council established a "Lighting Bank" fund inside the City's existing Energy Fund (fund # 0002) to be used to pay for lighting retrofits for the downtown globe lights, replacing them with more energy efficient LED lights;

Whereas, With its 2007/08 budget City Council also established a downtown lighting assessment district for downtown property owners to generate additional General Fund funds to address higher lighting costs in the downtown;

Whereas, The cost savings to the City is \$107.00/year in energy and maintenance costs for each globe street light that is retrofit to LED;

Whereas, There are 1,400 globe lights in the DDA area and the cost to retrofit each light is \$450.00 for a total cost of \$630,000;

Whereas, The DDA strongly supports the City's new energy technology goals;

Whereas, The DDA is concerned about the new lighting district assessment on downtown property owners as this added cost is generally passed along to business tenants in the form of rent, adding to the cost of doing business in the downtown;

Whereas, The DDA/City Partnerships Committee recommends that the DDA fund the cost to retrofit all globe streetlights in the DDA District;

Whereas, DDA approval of this Committee recommendation would provide the necessary funds so that a downtown special assessment would not be necessary;

RESOLVED, The DDA approves a grant to the City's Energy Fund in the amount of \$630,000 to the City of Ann Arbor to be used to retrofit all downtown globe streetlights with more energy efficient LED fixtures.

RESOLVED, In providing this grant the DDA respectfully asks City Council to consider dissolving the downtown lighting assessment district given the energy cost reduction the City will see from this retrofit project.

RESOLVED, The distribution of this grant will be coordinated with the City's retrofit program which is anticipated to take two to three years to implement.

Mr. Boren asked if the DDA grant would lead to the elimination of the special assessment; Mr. Bergren said no, but the amount would be decreased. Mr. Hieftje said that he would propose to Council that the assessment not go into effect this year; but it is not clear what Council may do in future years. Because of estimated extended delivery time of possibly two years for the LED lights, Ms. Gunn accepted a friendly amendment to the last Resolved as follows:

“The distribution of the total grant of \$630,000 will be coordinated with the City's retrofit program and paid over a period of two to three years.”

Mr. DeVarti asked Mr. Hieftje if the DDA would capture any of the money if the City did implement the assessment in the downtown. Mr. Hieftje responded that he didn't think that would be a possibility.

A vote on the amended motion showed:

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

NAYES: Aldrich

Absent: Beal, Hall

The motion carried.

6. OPERATIONS COMMITTEE

Financial Statements: Mr. Hewitt reported that the TIF maintenance reserve, and Housing income fund are all projected to be above budget due to higher than anticipated interest income; TIF capital expenses are below budget due to many alley repair costs and Sculpture Plaza repair costs largely appearing in the next fiscal year due to project scheduling, and parking income is 17% above budget due to an increase in the number of hourly patrons. Mr. Hewitt announced that it would not be necessary to do an amendment to

adjust the budget for this fiscal year. **The May 2007 financial reports were moved by Ms. Smith seconded by Mr. Collins and unanimously approved.**

Mr. Collins asked staff to research why there has been this increase in the number of hourly patrons, including figuring out who they are and why they are coming downtown.

Ms. Smith asked Mr. Hieftje for clarification on the City Council budget amendment that directed \$1.6 million dollars out of the DDA's 003 fund. Mr. Hieftje stated that the resolution was presented at the last minute during the Council meeting so there was no time to notify the DDA, but that he thought that many Council members would like to have more opportunity to learn about DDA projects before the DDA takes action so they can provide feedback. Ms. Greff said that she appreciated this insight and would work with staff to provide Council with more information so they can provide input into DDA projects.

Mr. Hewitt moved and Ms. Gunn supported the following resolution:

RESOLUTION TO PURCHASE EQUIPMENT TO ACCEPT CREDIT CARDS AT ALL PARKING FACILITIES (\$100,000)

Whereas, The DDA through Republic Parking have had a pilot program to accept credit cards at the Maynard parking structure since April 1, 2007;

Whereas, The public feedback has been positive, and two months later more than 25% of all hourly transactions at Maynard are being paid for with credit cards;

Whereas, With the option of credit cards being used for payment, our contractor can discontinue offering our customers the option of paying by check greatly reducing their workload;

Whereas, The DDA has received a bid from our parking equipment dealer, Traffic and Safety Systems, in the amount of \$97,150 plus the cost of installing telephone lines to enable our current cashiering equipment to accept credit card payments;

Whereas, The Operations Committee has reviewed and approved of this project at their last committee meeting;

RESOLVED, The DDA resolves to purchase from Traffic and Safety Systems, Inc. equipment, to enable our parking facility cashiering equipment to accept credit card payment at all exit booths.

Mr. Hewitt stated that the pilot project at the Maynard structure has been successful and approximately 25% of all transactions at that location are paid by credit card. Mr. Boren proposed and Mr. Hewitt accepted a friendly amendment to add the amount to the last Resolved clause.

" ...in the amount of \$100,000."

A vote on the amended resolution showed:

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

NAYES: None

Absent: Beal, Hall

The motion carried.

7. RESEARCH AND OPPORTUNITY

Alternative Transportation: Mr. Boren announced that grants for the Link, getDowntown and go!pass are up for renewal and grant requests are expected at the next meeting.

DDA Website: Mr. Boren reported that the front page and the secondary pages have been constructed. The committee will be discussing content and its placement on the website at its next meeting.

Mr. Boren moved and Ms. Greff supported the following resolution:

RESOLUTION TO SPONSOR DOWNTOWN ASSOCIATION REPRESENTATIVES TO THE 2007 IDA ANNUAL CONFERENCE IN NYC:

Whereas, The Ann Arbor DDA Development Plan contains a component for the support and encouragement of downtown businesses and the DDA has worked to meet this goal through such strategies as partnering with the four downtown Area Associations;

Whereas, For the past six years the DDA has sponsored a representative from each downtown Area Association to the annual International Downtown Association to learn best practice information from downtown representatives from across the country and bring this information back for use in downtown Ann Arbor;

Whereas, The DDA Research and Opportunities Committee recommends that the DDA continue its IDA sponsorship in 2007, with the expectation that association representatives will work to create a new initiative, program, or promotional event as a result of what they've learned at this IDA conference;

RESOLVED, One representative from each Association will be invited as a sponsored guest of the DDA at the 53rd Annual International Downtown Association Conference to be held in New York City, September 14-18, 2007.

RESOLVED, The DDA sponsorship will consist of \$2,500 which will include the conference fee and most hotel and travel costs. Any remaining expenses are the responsibility of the Association;

RESOLVED, Each Association representative sponsored by the DDA will be required to report back to the DDA on the project or new initiative that will be pursued as a result of attending this IDA conference.

Mr. Boren explained that the grants are contingent on the association reps 1) announcing in advance the project they wish to pursue so their conference attendance has a focus, and 2) providing a report to the DDA following the conference to provide details on what actions are being taken/were taken to pursue the project they learned about at the conference.

Mr. Boren stated that the Downtown Citizens Advisory Council request did not make it into the resolution and proposed a friendly amendment and Ms. Greff supported the amendment as follows:

“RESOLVED, the DDA will provide conference fees in the amount of \$775 for a representative of the CAC.”

Mr. DeVarti proposed and Mr. Boren accepted a friendly amendment in the second resolved clause:

RESOLVED, The DDA sponsorship will consist of **reimbursement of actual receipts up to \$2,500 ...**

Ms. Gunn proposed, and Mr. Boren accepted, a friendly amendment for the third RESOLVED clause:

...IDA conference **and the subsequent progress/success of this initiative anytime before next year.**

Mr. Collins stated that he was in favor of the resolution as this is a valuable conference and Ann Arbor is the most represented city at IDA.

A vote on the amended resolution showed:

AYES: Aldrich, Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Smith, Splitt
NAYES: None
Absent: Beal, Hall
The motion carried.

Mr. Boren moved and Mr. Collins supported the following resolution:

RESOLUTION PROVIDING A GRANT TO THE HANDS ON MUSEUM (\$50,000)

Whereas, The 2003 DDA Renewal Plan set forward that the DDA would work to promote downtown as a place for families with children, by supporting programs serving families and children, including the Hands On Museum and others;

Whereas, The Hands On Museum attracts 207,000 people annually, with 60% coming from outside Washtenaw County, and this audience has been estimated to generate \$3.9 million in economic impact in Washtenaw County;

Whereas, The Hands on Museum will soon celebrate its 25th anniversary and as part of this celebration will undertake a \$250,000 renovation and enhancement of its facilities to create additional exhibit space which can accommodate more visitors;

Whereas, The Hands On Museum submitted a request for \$50,000 from the DDA for this project;

Whereas, This request was discussed at length by the DDA ROC Committee which resolved to put forward a recommendation for a \$50,000 in support of this facility improvement, citing the importance of the Hands On Museum to the vitality of downtown Ann Arbor;

RESOLVED, The DDA shall provide the Hands On Museum with a grant of \$50,000 to its Legacy Project to support the renovation of its facilities to create more exhibit space for its audience.

RESOLVED, This action is taken contingent on the DDA receiving considerable visibility for its grant, and DDA staff are directed to work with the Hands on Museum to determine the best means to accomplish this.

Mr. Boren said that the Museum is celebrating its 25th year with a "Legacy Project" that will create a new gallery and increase the space they have for programming and groups. The cost of this project is \$250,000; the DDA has been asked for a grant of \$50,000 to help the Museum accomplish this goal. The Committee thought that this was a very good use of DDA dollars as it will encourage more families to come downtown and DDA funds will be amply matched by other dollars.

A vote on the resolution showed:

AYES: Aldrich, Boren, Collins, DeVarti, Greff, Gunn, Hewitt, Hieftje, Smith, Splitt
NAYES: None
Absent: Beal, Hall
The motion carried.

8. CAPITAL IMPROVEMENTS

Fourth & William Garage: The project is substantially completed. Deck coating has started and will continue through the end of June. Work on the north elevator continues, and it is anticipated it will be completed in two weeks. We are still on target for an end of June completion.

Ann & Ashley Addition: The consultant team presented schematic drawings for feedback showing how the additional floors could be designed to minimize visual impact. Drawings should be completed in August. A geotechnical evaluation was conducted and it indicates that less structural reinforcement is needed for

seismic compliance than initially estimated, which will translate into a significant construction savings of perhaps \$500,000.

Alley Repairs: Construction of the William/Liberty alley was completed and the alley at Liberty, Ashley, William and Main will be completed next week. Construction of the Maynard alley will start after Art Fair.

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

RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A PROJECT BUDGET OF \$1,860,000 FOR THE REPLACEMENT OF DOWNTOWN SIDEWALK RAMPS

Whereas, Ann Arbor DDA works to create a more pedestrian-friendly downtown that is safe for all downtown users;

Whereas, An assessment indicated that most of the 485 ramps contained within 248 corners in the DDA District are out of compliance with ADA specifications, and to replace them to meet these specifications would take approximately five construction seasons and approximately \$7,500.00 per corner, or a total project cost of \$1,860,000;

Whereas, This replacement cost per corner is estimated to be considerably higher than seen in many sections of the City due to the dense collection of underground electric cables, fiber optic lines, street and traffic light hand holes and manholes in the downtown;

Whereas, The DDA Capital Improvements Committee has discussed the need for this project and recommends moving forward immediately toward the replacement of downtown sidewalk ramps as needed;

RESOLVED, The DDA shall establish a project budget for a sidewalk ramp replacement project not to exceed \$1,850,000;

RESOLVED, The DDA Capital Improvements Committee is directed to frame a multi-year ramp replacement plan and move forward on this project;

Mr. Hieftje stated that ramp replacement projects are going on in cities across the country. Ms. Gunn said that specifications continue to evolve and this resolution would bring the downtown ramps into compliance with current specifications.

A vote on the resolution showed:

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

NAYES: None

Absent: Beal, Hall

The motion carried.

Ms. Greff moved and Mr. Aldrich supported the following resolution:

RESOLUTION AUTHORIZING SELECTION OF DOAN CONSTRUCTION AS CONTRACTOR FOR THE REPAIR AND IMPROVEMENT PROJECT IN SCULPTURE PLAZA

Whereas, In October 2005 the DDA determined that it would undertake repairs to Sculpture Plaza in partnership with the City's Parks Department and approved Resolution Authorizing A Repair and Improvement Project In Sculpture Plaza and established a project budget of \$350,000;

Whereas, Sculpture Plaza is one of the most active and best-loved areas of downtown, and the DDA began its work by holding a series of public meetings to elicit input into a repair plan for the Plaza;

Whereas, This repair plan was completed and presented to the City's Parks Advisory Committee in March 2007;

Whereas, Construction drawings were distributed and on May 16, 2007 three bids were received with Doan Construction providing the low bid at \$168,945;

Whereas, The DDA Capital Improvements Committee reviewed this bid and recommends approval of Doan Construction as contractor for the Sculpture Plaza Project;

Whereas, several project elements will not be included in Doan's contract, but will be included in the project budget including repairs to the sculpture which will be overseen by the City's Commission on Art in Public Places;

RESOLVED, The DDA approves the selection of Doan Construction as contractor to oversee repairs to Sculpture Plaza in 2007 with a contract in the amount of \$168,945;

RESOLVED, The DDA Capital Improvements Committee Chair and Executive Director are authorized to oversee and execute the contract with Doan Construction for this project.

A vote on the resolution showed:

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

NAYES: None

Absent: Beal, Hall

The motion carried.

9. OTHER DDA BUSINESS MATTERS

International Downtown Association Annual Conference: Ms. Smith reminded the Board that the DDA will sponsor up to six DDA members, and individuals interested in attending should let Ms. Lyke know.

July 4 Board Meeting: By consensus the Board decided to reschedule its July 4 meeting to July 11.

Annual Meeting: The Annual Meeting will immediately follow the July 11th Board meeting.

DDA Retreat: The retreat will be scheduled sometime during the month of October. Ms. Pollay will ask for availabilities and determine the optimal date for this retreat.

10. OTHER AUDIENCE PARTICIPATION

None.

11. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:55 P.M.

Respectfully submitted,
Susan Pollay, Executive Director