

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, September 5, 2007**

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

Absent: Dave DeVarti, John Mouat

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

Audience: Rob Aldrich, MAVD
Michael Appel, Avalon Housing
Jason Bing, Recycle Ann Arbor
Tony Bisesi, Republic Parking System
Chuck Bultman, Charles Bultman Architect
Wendy Carty-Saxon, Avalon Housing
Lynda Cole, Art & Design Junto
Jill Damon, 16 Hands Gallery
Ray Detter, Downtown Area Citizens Advisory Council
Paul Hickman, Art & Design Junto/ Paul M. Hickman Inc.
Adrian Iraola, Washtenaw Engineering
WAP John, Grafaktri
Frank Nagy, Republic Parking System
Kurt Parfitt, Local Designers Freelance
Ethel Potts, Citizen
Alice Ralph, A2D2
Ellie Serras, MSA
Nancy Shore, getDowntown Program
Leslie Sobel, Citizen/ Art & Design Junto

2.	CHAIRMAN'S COMMENTS
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Welcome to new DDA members. Mr. Hewitt introduced Ms. Lowenstein and said that he was very pleased that she had joined the DDA. Ms. Lowenstein said that she was excited to be a part of the DDA as she has worked in the downtown since 1986.

Resolutions of Thanks. Ms. Gunn moved and Ms. Smith seconded the following resolutions:

RESOLUTION TO THANK ROB ALDRICH

Whereas, Rob Aldrich has served with distinction on the DDA board since 1999, including serving as Chair in 2001/2002;

Whereas, Rob Aldrich participated extensively in many important DDA projects including intensive negotiations to help the city sell and redevelop the First and Washington site; the establishment of the DDA benchmark project, strengthening the framework of the DDA Ten Year Plan, and providing skilled oversight over DDA finances and budget as part of the DDA Operations Committee for many years;

Whereas, Rob Aldrich also shared his extensive knowledge of finance and development with the City on such projects as the proposed court/police facility, and in so doing, shared valuable recommendations for

ways the City could curtail its construction costs and enliven the presence of this building in the downtown with quality design and by providing for adjacent retail and other uses;

Whereas, Rob Aldrich will be remembered by DDA members for years to come for adding the invaluable “big ass parking structure” to the DDA vernacular;

Whereas, Rob Aldrich will also be remembered for his commitment to the DDA, his passion for the downtown, his positive energy, clear values, and marvelously infectious sense of humor;

RESOLVED, The Ann Arbor Downtown Development Authority, on behalf of the community, thanks Rob Aldrich for his great service and many contributions during his years on the DDA.

RESOLUTION TO THANK FRED BEAL

Whereas, Fred Beal has served with distinction on the DDA since 1999, including serving as Chair in 2004/05;

Whereas, Fred Beal brought to the DDA an encyclopedic knowledge of construction, City zoning, and development processes, and he gave generously of his expertise serving as Chair of the DDA Capital Improvements Committee throughout his tenure with the DDA;

Whereas, Fred Beal gave enormous amounts of time in addition to his committee work to assist DDA staff supervising DDA projects, which included overseeing the construction of the Forest parking structure, the additional floor to the Fourth & William parking structure, the development of a proposed parking structure on First & William, redesign of the State Street Area with two-way traffic and pedestrian improvements, and the comprehensive downtown alley repair program;

Whereas, Fred Beal brought a clear vision to the DDA of ways it could improve access to the downtown by countless future community members with such tools as more remote park and ride lots, providing bike lockers, regularly repairing downtown sidewalks, and developing plans to redesign Huron, Fifth and Division into “complete streets” that encourage pedestrian and bicycle travel and redevelopment, even while maintaining traffic capacity for automobiles;

Whereas, Fred Beal also generously gave the City countless hours serving on City taskforces as a representative of the DDA, including the Downtown Residential Taskforce and the Discovering Downtown Ann Arbor advisory committee to formulate new overlay zoning for the downtown;

Whereas, Fred Beal will be remembered by the DDA for his remarkable intelligence, creative insights, pragmatic wisdom, and passionate dedication to the DDA and downtown;

RESOLVED, The Ann Arbor Downtown Development Authority extends its great thanks to Fred Beal for his enormous contributions to the downtown, and indeed, to the community as a whole.

Mr. Hewitt said that he was very pleased to have served beside Mr. Aldrich and Mr. Beal. It was noted that Mr. Aldrich was in the audience, and after the resolution thanking him was read aloud, Mr. Aldrich received a standing ovation. Mr. Aldrich expressed his thanks at the opportunity to serve his community via his service on the DDA and wished everyone well.

A vote on the motions showed:

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

NAYES: None

Abstain: None

Absent: DeVarti, Mouat

The motion carried.

Mr. Mouat enters.

Mr. Hewitt welcomed Mr. Mouat to the board and Mr. Mouat said that he was looking forward to working with everyone. He said that he had just been appointed the night before, and thus was not yet fully up to speed, so he would abstain from voting on any resolutions considered by the DDA that day.

3. AUDIENCE PARTICIPATION

Mr. Appel thanked the DDA for considering a grant to Avalon Housing, and noted that he and Ms. Carty-Saxon would be available to answer any questions about their request.

Mr. Detter reported that the CAC is playing a part in A2D2 efforts because they believe we need to define the expectations of this community regarding downtown development through zoning, design review, parking strategies and planning processes. The current topic under discussion is where do we need more parking. Some CAC members were upset when City Council recently surprised everyone by telling the DDA that the best place for an above ground parking structure was east of Larcom, but concerns were allayed when the Council request was clarified to be merely a "feasibility study".

4. APPROVAL OF MINUTES

Mr. Splitt moved and Mr. Hieftje seconded approval of the July 11, 2007 DDA meeting minutes.

A vote on the motion showed:

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

NAYES: None

Abstain: Mouat

Absent: DeVarti

The motion carried.

Mr. Splitt moved and Ms. Hall seconded approval of the 2007 DDA Annual Meeting minutes.

A vote on the motion showed:

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

NAYES: None

Abstain: Mouat

Absent: DeVarti

The motion carried.

Mr. DeVarti enters.

5. STATUS OF CITY TASKFORCE EFFORTS

A2D2: Mr. Hewitt said that work continues to move forward in all areas. Historic district guidelines are under review by the State, new software has been purchased for the building department, and zoning recommendations and draft design guidelines will be brought before City Council in October.

6. PARTNERSHIPS

Avalon Grant Request. Ms. Smith said that Michael Appel & Wendy Carty-Saxon/Avalon, and Jennifer Hall/City Community Development Department had attended the last Committee meeting to provide information on Avalon's request to the DDA for a grant to support a project at 819 Third Street. The goal of this project is to target chronically homeless individuals referred by the Shelter Association or the PORT team, and extensive supportive services will be provided onsite. This project is part of Washtenaw County's coordinated Blue Print to End Homelessness. The building contains 6 units and rent will be set at 20% of AMI. Total project cost: \$971,325 (including purchase, rehab, soft costs); \$368,325 has been recommended by the City's Housing Policy Board and the County has approved \$25,000. The project is

located 2 blocks from the DDA District boundary, but many of its residents are individuals in need on downtown sidewalks, so supporting this project would benefit the downtown.

John Split moved and Leah Gunn supported the following resolution:

RESOLUTION PROVIDING AVALON HOUSING, INC. WITH A GRANT OF \$60,000

Whereas, The Ann Arbor Downtown Development Authority 2003 Renewal Plan makes a strong commitment to participating in projects which stimulate new, converted, or renovated housing;

Whereas, The DDA has received a request from Avalon Housing, Inc. to assist with the acquisition of a six-unit apartment building located at 819 Third Street, which is located two blocks from the DDA District boundary line;

Whereas, This project will target chronically homeless individuals referred by the Shelter Association of Washtenaw County or the PORT team, and is consistent with the local Continuum of Care plan and the Blueprint to End Homelessness;

Whereas, The total cost of the project is anticipated to be \$971,325, which will include \$482,500 for purchase and \$110,000 for rehabilitation;

Whereas, The sources of funds anticipated for this project include HOME Funds from the City of Ann Arbor (\$386,325), MSHDA (\$500,000), and Washtenaw County (\$25,000);

Whereas, The DDA has been asked to provide \$60,000 for this project;

Whereas, The DDA Partnerships Committee reviewed this request and recommend approval of this grant from the DDA's Housing Fund;

RESOLVED, The DDA will provide Avalon Housing, Inc. with a grant of \$60,000 from its Housing Fund to enable Avalon to purchase and rehabilitate a six unit building located at 819 Third Street, Ann Arbor, Michigan.

Ms. Smith reported that Avalon will be coming back to the DDA in the near future with another grant request as they want to restructure their loan for 201 W. William – the first Avalon project. The request will likely be around \$90,000.

A vote on the motion showed:

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

NAYES: None

Abstain: Mouat

Absent: None

The motion carried.

Library Expansion. Ms. Smith said that Ms. Josie Parker attended the last meeting and shared information regarding the downtown library's expansion plans which include a replacement of much of the existing building with a new 3-4 story building that will face north instead of to Fifth Avenue, and will include more space for public meetings, performances, children's readings, etc. Their vision includes the City donating the "dogleg" of the adjacent S. 5th Avenue lot to become a new midblock street connecting Fifth and Division, so the Library will face "Library Lane" not a parking lot, as this would facilitate passenger drop off and short term parking. The Library will release an RFQ in the next few weeks so they can select an architect to design a building so a conversation can be begun with the community about a possible bond issuance in 2010 assuming voter approval. Ms. Smith moved and Mr. Collins supported the following resolution:

RESOLUTION OF SUPPORT FOR THE ANN ARBOR DISTRICT LIBRARY PLAN TO REDEVELOP ITS DOWNTOWN FACILITY

Whereas, The Ann Arbor District Library recently received a Twenty Year Feasibility Study of the Downtown Library which has been discussed in depth by the AADL Board;

Whereas, The AADL Library Director recently reported on the strategic plan being formulated by the AADL Board, that would recommit the Library to its downtown location, and demolish and replace the older portion of the downtown Library with an expanded building which would house more and larger meetings space and other beneficial public amenities, and have resolved to distribute an RFQ in the next few weeks to locate a design team to oversee this plan;

Whereas, This plan would also provide for valuable partnership opportunities between the AADL, the DDA, and the City;

Whereas, The AADL is an important anchor in downtown, with more than a million public visits annually;

RESOLVED, The DDA extends its great thanks to the Ann Arbor District Library for its commitment to downtown and its many contributions to our community.

RESOLVED, The DDA also extends its strong support for the strategic plan taking shape that will lead to a new downtown Library, and looks forward to partnering with the AADL to help make this new building a reality.

RESOLVED, The DDA will begin a more thorough analysis of the City's South Fifth Avenue parking lot to determine ways it can support the Library's vision, including an underground parking structure, a new mid-block street connecting Division and Fifth to facilitate access to the new Library building, as well as the potential for attractive public open space activated by retail and other commercial uses.

Mr. Hieftje proposed an amendment to acknowledge that this will be a long-term project. Ms. Smith accepted this as a friendly amendment. Ms. Hall said she wanted to thank the library board for its great vision, its willingness to think outside the box, and their commitment to downtown and the community.

A vote on the revised motion showed:

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

NAYES: None

Abstain: Mouat

Absent: None

The motion carried.

1st & Washington Parking Agreement. Ms. Smith reviewed the main points of the proposed parking agreement between the City/DDA and Village Green:

- Commits the DDA to pay for all the parking constructed on site. All spaces will be owned by the City. There may be 230-260 spaces, but a minimum of 205 is established because that was the number in the original Village Green proposal.
- Commits Village Green to pay a surcharge on top of a standard permit charge (\$125/month) + \$30/month surcharge for 73 permits with the surcharge increasing each year. Other residents will purchase an overnight permit at Ann Ashley.
- There will be a separate condominium agreement (e.g. common area responsibilities, etc.) and development agreement
- Once this is approved Village Green will develop its site plan which will detail long-span vs. short span construction, how deep into the water table, etc.

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

RESOLUTION OF SUPPORT FOR A PARKING CONTRACT BETWEEN THE CITY OF ANN ARBOR AND VILLAGE GREEN

Whereas, The City of Ann Arbor owns a parcel of land at the corner of First and Washington Streets and it issued RFP #621 for the sale and redevelopment of this property;

Whereas, The primary goals of the RFP were to:

- Increase downtown residential density and diversity
- Replace public parking spaces on this site
- Maximize the financial return to the City for the sale of the land
- Maximize TIF revenue to the Ann Arbor Downtown Development Authority (DDA) for the redevelopment of this site;

Whereas, Three proposals were received and Village Green Companies was determined by the City to be the appropriate developer of the residential units on this site;

Whereas, City and DDA staff have worked with Village Green representatives to prepare a proposed parking agreement between the City, DDA, and Village Green on this site which includes the following elements:

- Village Green will construct no fewer than 205 parking spaces on this site. The number may actually range between 230 and 260 parking spaces, and optimally may even exceed that number.
- Village Green will also provide for bicycle parking as required under code plus alternative transportation (i.e. Zip Car) parking as part of this development.
- The building will be a condominium and a condominium agreement will be arranged between the two parties with details providing for common area maintenance and use.
- The DD will pay for all parking spaces and the City will own all parking spaces which will be one unit of this condominium. The DDA will pay \$35,000 for each parking space determined to be entirely or in part located above the lowest area of the site as currently excavated, which is determined to be 809 feet. The DDA will pay \$45,000 for each parking space determined to be entirely located below 809 feet. A parking structure parking space is defined to include the floor, walls and ceiling of each space.
- Village Green will contract with the City for 73 parking spaces out of the total using a standard contract formula that requires them to pay the standard monthly permit fee (currently \$125/month) plus a monthly surcharge which is initially set at \$30/month. This monthly surcharge will increase annually by the rate of inflation. Village Green will also pay a deposit for each permit card issued.
- Village Green may also request additional "overnight/off-peak" monthly permits for its residents at another City-owned facility.

Whereas, The DDA/City Partnerships Committee recommends approval of this parking agreement;

RESOLVED, The DDA approves the recommendations as set forward by the DDA/City Partnerships Committee, subject to review and comment by the DDA Attorney, and recommends approval of this agreement by the City.

Ms. Pollay noted the changes made to the agreement following the committee meeting and said the resolved clause noted that the DDA Attorney had not yet reviewed the agreement. Ms. Hall thanked Ms. Pollay for making the changes and raised a concern to the board that they were entering into another parking contract when they knew the permit system needs to be re-examined. Ms. Greff shared her disappointment that 199 public parking spaces in the former parking structure were going to be replaced with only 130 public parking spaces, and stressed the need for more spaces in the Main Street area.

A vote on the motion showed:

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

NAYES: None

Abstain: Mouat

Absent: None
The motion carried.

Larcom Parking Structure Study: Ms. Smith noted that City Council members Teall and Lowenstein conveyed that the Council resolution directed the DDA to undertake a feasibility analysis, and there was no assumption that the DDA would be framing a recommendation for a new parking structure on the Larcom site. The report was due back to City Council by October 10th.

7. OPERATIONS

Financial Statements: Mr. Hewitt reported that the TIF maintenance reserve, and Housing income fund were above budget due to higher than anticipated interest income; TIF capital expenses are lower than budget due to project scheduling; and parking income is above budget due to an increase in the number of hourly patrons as well as 2 months with the increased monthly permit rate. The June 2007 financial reports were moved by Ms. Gunn, seconded by Ms. Hall and unanimously approved.

Temporary Parking Lot at 415 W. Washington: Mr. Hewitt said that staff thought approximately 150 spaces could be created at this location. Very few improvements would be made to the site to stress the short-term nature of this lot, but would include new lighting, recycled concrete as a walking surface, and the addition of a second entrance/exit off Liberty Street to lessen the vehicular impact in front of the YMCA. Mr. Hewitt said that there would be permit parking for \$40/month, and \$2 entries. Mr. Collins expressed a desire to maximize monthly permits over hourly parkers in order to not create a base of constituents that want the temporary lot to remain a parking lot; Ms. Pollay said that a blend of monthly permits and hourly parkers will help activate the site on weekends and evenings as well as during the work week, but that his concern was understood.

A2D2 Parking Strategies Implementation: Mr. Hewitt noted that the recent A2D2 parking strategies report generated a lengthy list of recommendations. Some will be relatively easy to implement and others which may be used as pilot projects or modified to meet Ann Arbor's needs.

8. RESEARCH AND OPPORTUNITY

DDA annual retreat. Mr. Collins said that Fran Alexander will facilitate the retreat again this year. The agenda will include a discussion about prioritizing projects/work plan, and a 4 hour retreat isn't sufficient time to strategically reorganize who the DDA is and what it does. Mr. Collins assigned all DDA members a pre-session homework – find one “cool” and interesting project that was done by another downtown and bring that idea to the retreat for the rest of us to think about.

DDA website. Mr. Collins said that final comments about text and content are very welcome. Please direct them to Susan or Lindsay. The site will go live in early September.

North/south commuter rail survey. Mr. Collins said that that more than 3,100 surveys were sent to monthly parking permit holders to elicit their perception of the proposed north/south commuter rail project. As of late August 640 surveys were returned. He asked Ms. Hard to outline the results which she did. There was general interest in the project, lots of positive comments, and many respondents were supportive even though their home zip codes made it clear that the train wouldn't address their specific commuting needs.

9. CAPITAL IMPROVEMENTS

Larcom Parking Structure study. Mr. Splitt said that the Council resolution asking the DDA to produce a report about a possible structure on the Larcom site is due on October 10, 2007. The committee met with Mike Ortlieb/Carl Walker Inc. (parking engineer) and Ken Clein/Quinn Evans (architect) to sort out what additional information the City might want that it doesn't already have.

Fourth & William addition status. Minor punch list items are being completed.

Ann Ashley addition. Construction drawings have been completed, so if they are needed in the future, they are ready to go.

Sidewalk ramp repairs. Work has already started, and it is hoped that several dozen will be completed by the end of summer.

Alley repairs. Work is underway in the Maynard alley. It is unlikely that the property owners of the walkway beside the State Theater will provide the easement necessary for the DDA to undertake repairs this season.

Sculpture Plaza. The sculpture is in Detroit being repaired. Otherwise, the project is complete.

Wayfinding. There was a meeting the day before to confirm the sign design. Questions should be referred to Ms. Pollay, as it is hoped that the DDA will vote on the design at the next DDA meeting. Also, Ms. Pollay has been authorized to determine the destination list with the help of Mary Kerr/A2Convention & Visitors Bureau and the MDOT sign request with the help of Mary Kerr and Sue Gott/UM Planner.

Maintenance. The Operations Committee has asked Capital Improvements Committee to spend time at the next meeting defining what projects should be paid for out of the DDA TIF Maintenance Fund versus those paid for out of the general TIF Fund. This will be discussed at the next meeting.

Huron/Fifth/Division. After several meetings with DDA, City, and WATS staff, MDOT has agreed to reduce its traffic growth projections in the downtown to a more moderate level. Its confirmation of traffic expectations now makes it possible for the DDA to pursue approvals of these two plans by MDOT and the City. Ms. Pollay noted that this was important, as MDOT has initially predicted traffic growth at a high level (2%), which would have had a large impact on projects around the City, making it more car-centric.

8. OTHER DDA BUSINESS MATTERS

DDA Annual Retreat: The retreat is scheduled for October 16, 2007 at 12noon. More details will be provided as they become available.

9. OTHER AUDIENCE PARTICIPATION
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Ms. Shore introduced herself to the board as the new get Downtown coordinator. She said that getDowntown and AATA are promoting the expanded Link hours with a contest for downtown employees, as this will help get the word out.

Mr. John said that he felt that the DDA's wayfinding process fell incredibly short since local designers like himself were not given a chance to bid on the project. Further, the signs must express the brand of Ann Arbor, and he didn't believe the proposed design did this.

Mr. Hickman said that he was representing Art & Design Junto and introduced their group as a resource for future projects. He said that he was disappointed they had not connected with the DDA on the wayfinding project. He said that Junto Nomads is working with the Main Street Area Association and downtown property owners to create temporary art installations in the vacant storefronts. They have a funding issue, as all their work to-date has been done with sweat equity.

Ms. Damon said that she was concerned about the wayfinding project process and wondered why local artists were not included. She questioned why it was necessary to go to Traverse City to come up with a design that was mediocre. Ms. Damon suggested looking at all possible local options first, postponing the process until a slogan for Ann Arbor is created, and getting more input from the community.

11. ADJOURNMENT

As there was no further discussion the meeting was adjourned at 1:35 P.M.

Respectfully submitted,
Susan Pollay, Executive Director