

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, December 3, 2008**

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

1. ROLL CALL

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

Absent: Gary Boren

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant

Audience: Peter Allen, Citizen
Dave Askins, Ann Arbor Chronicle
Ray Detter, Downtown Area Citizens Advisory Council (CAC)
Jon Frank, Village Green
Adrian Iraola, Washtenaw Engineering
Debra Power, Power Marketing
Nancy Shore, getDowntown Program
Maura Thomson, Main Street Area Association
Edward Vielmetti, Edward.Vielmetti@gmail.com

2. AUDIENCE PARTICIPATION

Ms. Power presented an overview of the Ann Arbor Art Fairs 2008 Intercept Survey which was sponsored by the Art Fairs, Convention & Visitors Bureau, DDA, AATA, Arts Alliance and MSAA. The results revealed that the typical attendee is female, age 50 to 64; she will spend one day at the fairs and will not be staying overnight. She planned to spend approximately \$300 on art and will spend about \$115 shopping in local retail stores. Of the visitors surveyed 91% drove to the Art Fairs and parked in one of the structures; 2.4% took an AATA bus and 1.8% arrived by charter bus. A complete copy of the survey will be provided upon request.

Mr. Boren enters.

Mr. Vielmetti stated that he rides the LINK regularly, and he felt that signage needed to be improved, as riders have no idea of when the next bus will arrive. He suggested the schedule be made larger and show letters not text, and that the DDA make its grant for the LINK contingent upon signage improvements. Because Mr. Vielmetti had very specific comments, DDA members asked that these suggestions be provided to them in writing. They also recommended that he speak directly to the AATA board at one of its monthly meetings, as they oversee LINK operations including signage.

Mr. Detter said that the CAC discussed topics that are likely to remain important in 2009. He said CAC supports the Village Green project and the Art Center's proposal for 415 W. Washington. The Public Art Task Force is exploring water elements as part of the art for the Police/Courts Building. Although AADL has postponed its plans for a new library, CAC members expressed their continued support for a new Library and the nearby underground parking structure. He said that the CAC reaffirmed its commitment to increased residential density downtown but not those projects that ignore the Central Area Plan and threaten the historic residential neighborhoods. CAC encouraged City Council and Planning Commission to take the necessary time to get the A2D2 zoning changes right.

3. STATUS OF CITY TASKFORCE EFFORTS WITH DDA MEMBERSHIP

A2D2 Steering Committee: Mr. Hewitt said that Wendy Rampson is doing an excellent job meeting with people to elicit input on recommended text, and these input sessions will continue for a couple months, with City Council considering action early next year.

415 W. Washington: Mr. Mouat reported that the Selection Committee is in the process of refining its final recommendations. The City is interested in a project that will benefit the neighborhood and the larger community with a public greenway link, historic property preservation, storm water improvements, and a positive financial return. None of the three applicants meets the city's goals 100% so the Committee is looking at alternative ways to meet those goals.

4. MINUTES

Mr. Hewitt moved and Ms. Gunn seconded approval of the November 5, 2008 DDA meeting minutes. Ms. Hall asked for a revision to the Operations section, "*The Board agreed that the committee would clarify the functionality of the reserve funds and how those funds would be used.*"

A vote on the motion to approve the minutes as edited showed:

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

NAYS: None

Absent: None

The motion carried.

Mr. Hewitt moved and Ms. Lowenstein seconded approval of the October 29, 2008 Annual Retreat Minutes.

A vote on the motion to approve the minutes showed:

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

NAYS: None

Absent: None

The motion carried.

5. PARTNERSHIPS COMMITTEE

Committee business: Mr. Collins said it was decided that the committee created by merging the ROC and Partnerships Committee would be named "Partnerships", and Mr. Collins and Ms. Smith would serve as co-chairs.

Possible grant request: Mr. Collins said that Mr. Shaffran and Ms. Serras presented preliminary ideas to create a Business Improvement District (BID) for 3 blocks of Main Street that would provide services such as sidewalk snow removal. If the idea seems viable after more research, they may come to the DDA for a grant so they can hire a consultant to help them through the process of approval.

Audio/Videotaping DDA meetings: Ms. Smith said that the committee reviewed a proposal to audio stream the Board meeting with an archive audio copy kept on the website. The committee also discussed the possibility of moving DDA meetings to the Washtenaw County Commissioner Chambers, as that site has cameras, but decided against this option. For the next meeting staff has been asked to explore what it would take to set up cameras in the DDA conference room and/or to work with CTN on this.

DDA Energy Saving Grant Program: Mr. Collins said that Phase I is going well. There are some grant funds left after Phase I and the committee will work with Mr. Konkle to select a few businesses to go forward with Phase II so the DDA will know what to expect/how much to budget in 2008/09.

Small business support: Ms. Smith said that the committee is exploring the potential to create a pilot partnership between the DDA, Chamber, and MI Small Business/Tech Development Center to provide individualized support to small business owners. The committee is also exploring the idea of creating a list of services to host on our website.

Village Green DDA/City/Village Green parking Agreement: Ms. Smith moved the following resolution, which was seconded by Ms. Gunn as follows:

RESOLUTION TO AMEND THE CITY/DDA/VILLAGE GREEN PARKING AGREEMENT TO SHOW A MAXIMUM OF 251 PARKING SPACES AT A MAXIMUM OF \$9.4 MILLION

Whereas, At a Special DDA meeting in January 2008 the DDA voted to approve a 241-space parking structure design proposed by Village Green for public parking at a total cost of \$9,035,000;

Whereas, In November 2008 Village Green asked that the DDA agree to modify the City/DDA/Village Green Parking Agreement and payment for parking spaces as follows:

- Maintain the base consideration of \$9,035,000 for the 241 parking spaces previously agreed to by the DDA, but move the cap in the parking agreement from these totals to a maximum of \$9,435,000 for 251 parking spaces.
- Use the same costs as previously agreed upon to determine the final cost to the DDA (\$35,000/car space for parking completely above grade, \$40,000/car space if partially below grade, and \$45,000/car space if completely below grade) and with each new car parking space built with the same minimum 75-year useful life construction standard as previously agreed to.
- Any potential increase in the number of parking spaces would be made without materially modifying the exterior appearance of the building approved as part of the site plan by the Planning Commission in October 2008.

Whereas, The DDA Partnerships Committee reviewed this set of recommended amendments at its November meeting and recommends that the DDA accept this proposal;

RESOLVED, The DDA approves an amendment to the City/DDA/Village Green Parking Agreement to incorporate the elements as recommended by its Partnerships Committee as shown above.

RESOLVED, The DDA asserts its interest in acquiring full-size car parking spaces only (not compact), and will retain its right to review and approve any additional parking spaces as well as the new parking structure layout and design.

Ms. Smith said that the Committee developed the resolution in response to Village Green letter asking for an expanded cap in the number of car spaces to be paid for by the DDA, with the DDA to retain a right to review and approve any additional car spaces beyond the 241 approved earlier this year. Mr. Hewitt stated that the DDA has a fiduciary responsibility to understand fully what it will pay for with public funds, and since the DDA hasn't seen the revised site plan approved earlier this month, he felt keenly that the DDA must retain its right to approve any parking spaces it will eventually purchase. Ms. Gunn said that the DDA has been working on this for a very long time and continues to be very responsive to all the requests made by Village Green. This resolution responds directly to the Village Green letter, providing what they need, yet allowing the DDA to retain the right to approve the design of any new parking spaces.

A vote on the motion to approve the resolution showed:

AYES: Boren, Collins, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt
NAYS: None
Absent: None

The motion carried.

6. CAPITAL IMPROVEMENTS COMMITTEE

5th & Division Phase I: Mr. Splitt said that Beckett & Raeder continues to work on construction drawings, and it is anticipated plans will be submitted to MDOT by December 15th. At that time construction drawings will also be submitted for review by City staff.

S. 5th Avenue Parking Structure: Mr. Iraola has been meeting with representatives of the Federal Building in an effort to determine the best way to enable them to maintain access for prisoner drop off/judge parking during construction. He is also overseeing excavations inside the parking lot to locate exactly where utilities are located underground. Several borings in the lot were completed over the holiday and borings along 5th Avenue are scheduled to begin today.

2008/09 Projects: The Committee has been compiling a list of projects for next year that includes the repair of a public alley behind the former homeless shelter on Huron and continuing with curb ramp replacements. We will also take on the oversight of the wayfinding bid process, sign fabrication and installation once the project receives its approval by MDOT & the City. Carl Walker, Inc., was commissioned to produce updated parking structure assessments, and we should see their reports later this month. This information will be used to update the DDA's 10-Year Plan, as well as to plan any necessary parking structure repairs in 2009.

7. TRANSPORTATION COMMITTEE

Mr. Mouat said that the committee held its first meeting, and the group discussed broad, general transportation issues. The committee will invite a speaker to each monthly meeting to help build a shared knowledge base. Nancy Shore is scheduled as speaker at the next meeting.

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

RESOLUTION TO INCREASE THE ANN ARBOR DDA DOWNTOWN ZIPCAR SPONSORSHIP TO INSTALL A FOURTH ZIPCAR IN DOWNTOWN ANN ARBOR IN FY 2008/09 (\$18,000)

Whereas, The DDA has been a committed supporter and funder of many alternative transportation programs, including go!passes, the getDowntown program, Nightride Shuttle, and the LINK;

Whereas, Zipcar is a growing company that provides hourly car rental services to universities and downtowns throughout the nation, and the 10 Zipcars sponsored by the University of Michigan are well used by UM students, faculty, staff and Ann Arbor residents;

Whereas, In May 2008 the DDA approved a request from the getDowntown program to provide \$64,000 to establish a downtown Zipcar program, with the DDA grant providing the following:

1. Zipcar Sponsorship: \$54,000. Up to \$1,500/month in guaranteed revenue to Zipcar. As patrons pay to use the Zipcars, the actual amount paid by the DDA at the end of each month will be reduced accordingly.
2. Zipcar Marketing and Promotion \$10,000. getDowntown and the DDA will work closely with Zipcar to implement this effort.

Whereas, After many discussions with Zipcar about best practices in other similar communities, DDA and getDowntown staff recommend that the DDA extend its sponsorship to a fourth Zipcar, so that two pods of two Zipcars each can be established in the downtown, thus increasing the sense of user confidence about car availability;

Whereas, The cost to add a fourth Zipcar would be a maximum of \$1,500/month or a maximum of \$18,000 for the year, with the actual cost to the DDA reduced as patrons pay to use this Zipcar;

Whereas, The DDA Transportation Committee has reviewed this request and recommends that the DDA Zipcar sponsorship be increased from \$64,000 to \$82,000, with the understanding that the actual cost may be far less depending on patron use of the vehicles;

RESOLVED, The DDA approves an expansion of its Zipcar sponsorship to \$82,000 so that four Zipcars can be located in downtown Ann Arbor in fiscal year 2008/09;

RESOLVED, The DDA shall make available four very public parking spaces for these Zipcars so they are readily available and visible to the public;

RESOLVED, The DDA requests data as it becomes available about the use and users of these Zipcars.

Ms. Gunn asked where the Zipcars would be parked; Ms. Shore said they are tentatively slated to be placed at the 4th/Catherine and Palio parking lots. Mr. Mouat said that the committee wants the Zipcars to be placed in highly visible locations. Mr. Boren said that as the vehicles are used the actual amount paid by the DDA is reduced accordingly. Ms. Shore said that U/M has 10 Zipcars and the usage is approximately 60%. Ms. Pollay said that the Zipcar contract between the Chamber of Commerce and the DDA should be finalized by the middle of December.

A vote on the motion to approve the resolution showed:

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

NAYS: None

Absent: None

The motion carried.

Mr. Mouat moved and Mr. Hewitt seconded the following motion.

RESOLUTION TO PROVIDE AN ADDITIONAL GRANT TO SUPPORT THE ANN ARBOR CONNECTOR ALTERNATIVES ANALYSIS STUDY (\$110,000)

Whereas, In July 2008 the DDA approved a resolution providing \$50,000 to support the Ann Arbor Connector Feasibility Study as part of a partnership including the AATA, UM and City of Ann Arbor;

Whereas, This feasibility study will look at implementing the Connector as proposed in the City of Ann Arbor's Model for Mobility, that would connect sections of Ann Arbor particularly those areas between two future commuter rail stations;

Whereas, The initial estimated cost for this study was \$250,000, with commitments received as follows:

AATA	\$100,000
City of Ann Arbor	\$ 50,000
A2 DDA	\$ 50,000
University of Michigan	<u>\$ 50,000</u>
Alternatives Analysis Study Total Phase I	\$250,000

Whereas, An RFP was distributed for this study and the lowest responsible response was provided by URS at a total cost of \$640,000;

Whereas, AATA, UM and City of Ann Arbor have agreed to increase their financial commitment to this study and the DDA is likewise asked to increase its proportionate share as follows:

AATA	\$160,000
City of Ann Arbor	\$160,000

A2 DDA	\$160,000
University of Michigan	<u>\$160,000</u>
Alternatives Analysis Study Total Phase I & II	\$640,000

Whereas The Transportation Committee recommends DDA approval of an additional \$110,000 for this study, for a total of \$160,000 with the request that this study address issues such as the following:

- What is the estimated number and type of downtown workers/residents who will use this future Connector? What is the estimated percentage use by downtown workers/visitors, UM faculty/staff/students, other users?
- Why would a downtown worker use this Connector rather than a single occupancy vehicle and/or the existing bus system?
- What is the optimal course through the downtown portion of its route to maximize its attractiveness to downtown users and transit connections?
- What are the various transportation modes the Connector could use in addition to a trolley?

RESOLVED, The DDA will provide \$160,000 to support the Downtown Connector phase I feasibility study in partnership with the AATA, UM, and City of Ann Arbor;

RESOLVED, That this resolution amends the FY 08/09 budget for this expenditure with the funds coming from the 063 Parking Fund, "Other Grants line item".

Mr. Mouat said that the committee asked for more information and subsequently received a copy of the URS scope of services. Mr. Hewitt noted that the committee was concerned about the level of commitment requested of the DDA, given that most of the study area is outside the DDA. Mr. Eli Cooper, Transportation Program Manager for the City, was in attendance to answer questions.

Mr. Mouat moved and Mr. Hieftje seconded the motion to table the resolution.

Mr. Hieftje said he supported the motion to table the resolution and asked if URS had had success with rail projects; Mr. Cooper said that the Detroit/Woodward study had recently been completed and would likely lead to a successful rail project. Mr. Cooper said that technically this study is Phase 1A and 1B, and will look at potential ridership demand centers and necessary land use changes to support the connector creation, including possible property acquisition. It is anticipated that Phase I will take approximately 1 to 1½ years. Phase II will cost approximately \$1.5 - \$3 million, will likely take 3-5 years, and will need to be funded locally, as a sign of local commitment to elicit Federal funds for the connector itself.

Ms. Hall proposed a friendly amendment to **add Phase I A & B** to the first resolve clause and it was accepted by Mr. Mouat and Mr. Hewitt as friendly. She stated that she was not in favor of the motion to table the resolution but instead would like to move forward with the resolution.

Ms. Smith said that she has reservations as the primary beneficiary of the study appears to be the U/M since the study will assess a possible connection between the E. Medical Campus, North Campus, Medical Campus, Central Campus, and Athletic Campus. Although she very much appreciated the partnership between the City, AATA, DDA, and UM on this project, she noted that the money from the DDA, City and AATA is provided by taxpayers and their proportionate share doesn't seem fair. Mr. Hieftje agreed, noting that taxpayers would be paying three quarters of the cost of this study, and he would like to see the U/M providing at least half of the study cost. He said he would bring that request to the U/M Executive Committee when he meets with them next week. Ms. Greff noted that the DDA is being asked to fund one quarter of the study cost, and she emphasized the importance of the bullet points recommended by the committee. Mr. Cooper said that in general the URS scope covers the information requested by the DDA. Mr. Boren said that the study should benefit each partner of the study and Mr. Cooper said that information generated by the study would be shared by all. Mr. Collins said that he

would like to see a clause added to the resolution that makes clear that funding for this study does not establish an expectation about how costs for Phase II will be apportioned.

A vote on the motion to table the resolution showed:

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

NAYS: Hall

Absent: None

The motion carried.

8. OPERATIONS COMMITTEE

Audit: Mr. Hewitt announced that the DDA received a clean audit for 2007/08 by the CPA firm of Abraham & Gaffney, which is the same firm used by the City of Ann Arbor. He stated that Mr. Morehouse had implemented all the internal control suggestions included in the FY 06/07 audit report. He offered congratulations to Mr. Morehouse on the successful audit.

Parking Income Statement 2007/08: Mr. Hewitt noted that the parking income statement indicates that the system is operating at capacity and the demand for parking remains strong.

Demand Management: Mr. Hewitt reported that a test project has been organized that will collect and bill parking structure usage by a small group of users to check the accuracy and reliability of the system. The 25 pay-by-space machines have been ordered and should arrive by April. A new valet parking service is scheduled to begin at the Maynard structure. Progress continues in the effort to change the merchant validation system from stamps to encoded tickets and the new system is scheduled to begin in January. Staff were asked to share information about the Maynard valet program with the community.

9. OTHER DDA BUSINESS MATTERS

Mr. Hieftje announced that City Council had extended the financing for the former Y site, and at the next Council work session possible locations for the replacement of the 100 former SRO units will be shared.

10. OTHER AUDIENCE PARTICIPATION

Mr. Frank, of Village Green, said that he was pleased to announce that City Council unanimously approved the First & Washington site plan. He stated that the resolution passed today by the DDA is disheartening as it indicates that Village Green had not been communicating as well with the DDA as it had with others. It had been his assumption that the deal made in January would be extended to whatever new spaces were gained through redesign of the structure, and today's resolution conflicted with this, as the DDA indicated that it would accept only full sized parking spaces. He said that he thought the DDA was not being responsive. Ms. Greff stated that she wanted it to be clearly noted that although there was disagreement, the DDA Board has been and continues to be very supportive of the project in all its actions. She said that they were very happy to review plans and then determine which parking spaces it could pay for. Mr. Frank said that he needed the DDA to approve the expansion of their funding cap today. Board members said that the parking structure design needed to be examined before they could approve additional funding for new parking spaces.

11. ADJOURNMENT

As there was no further discussion Ms. Gunn moved and Mr. Splitt seconded adjournment of the meeting at 1:50 PM.

Respectfully submitted,
Susan Pollay, Executive Director