

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES**  
**Wednesday, March 2, 2011**  
**DDA Offices, 150 S. Fifth Avenue, Ann Arbor, MI 48104**

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

**1. ROLL CALL**

Present: Gary Boren, Russ Collins, Bob Guenzel, Leah Gunn, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Keith Orr, Sandi Smith, John Splitt,

Absent: Newcombe Clark

Staff Present: Susan Pollay, Executive Director  
Joe Morehouse, Deputy Director  
Amber Miller, Planning & Research Specialist  
Julie Uden, Management Assistant

Audience: Mark Lyons, Republic Parking System  
Ryan Stanton, *Ann Arbor.com*  
Adrian Iraola, Park Avenue Consultants, Inc.  
Dave Askins, *Ann Arbor Chronicle*  
Ray Detter, Downtown Area Citizens Advisory Council  
Nancy Shore, *getDowntown*  
Taylor Hawkins, Self (Student)

**2. AUDIENCE PARTICIPATION**

None

**3. REPORTS FROM CITY BOARDS AND COMMISSIONS**

Downtown Area Citizens Advisory Council (CAC): Mr. Detter reported that the CAC was pleased with the latest plan for the Blake Transit Center which included a pedestrian walkway between Fourth and Fifth Avenues. AATA said that they want a LEED platinum certification for the building, and at this point they plan to have foundations designed to support future additional development on top. Mr. Detter commented the CAC would like to see that the Blake Transit Center become a real transit center, not just a bus station, that would support future transit connectivity based on AATA's Countywide Transit Master Plan.

Mr. Detter also reported on the City's Outreach/Panhandling Task Force. He said it had produced a slogan – "Have a heart, give smart", which promotes giving to agencies that support homeless individuals, rather than giving to the individuals themselves lest dollars be used to support substance abuse problems. The task force recommends providing information to downtown businesses on the City's panhandling regulations, and will ask City Council for a small ordinance change that would ban panhandling in front of the Library or in alleys in the State Street area.

**4. STATUS OF TASKFORCE EFFORTS WITH DDA MEMBERSHIP**

Library Lot RFP Advisory Committee: Mr. Splitt reported that the committee did not meet last month but it is scheduled to meet March 3<sup>rd</sup> at 9am in the 4<sup>th</sup> floor conference room of City Hall.

Mutually Beneficial Committee: Mr. Hewitt reported that the committee plans to meet Monday, March 7<sup>th</sup> at 8:30am in the DDA meeting room to discuss a draft parking agreement and parking area map.

<b>5. MINUTES</b>
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Mr. Hieftje moved and Mr. Mouat seconded approval of the February 2, 2011 DDA meeting minutes.

**A vote on the motion to approve the minutes showed:**

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

NAYS: None

Absent: Clark

The motion carried.

<b>6. BRICKS AND MONEY COMMITTEE</b>
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Financial Statements January 2011: Mr. Hewitt reported that parking revenues were down less than 1/2 % and the number of hourly patrons was down 4% compared to last year this time.

Republic Parking Management Fee: Mr. Hewitt introduced the resolution to authorize a 2010 year-end management incentive for Republic Parking. Mr. Hewitt explained that the majority of the parking operator's management fee is fixed, but every year the DDA must determine how much to provide out of the remaining \$50,000. Decisions are made based on measurable criteria using customer satisfaction surveys and cleanliness reports. Mr. Hewitt said he wanted to publicly congratulate Mark Lyons, Republic Parking manager, for keeping expenses under budget and for being so supportive and accommodating to several pilot programs.

Mr. Mouat asked if the new City/DDA parking agreement would have an effect on Republic Parking Systems operations. Mr. Hewitt responded that there would not be an impact. Mr. Orr asked how many customer service surveys had been completed; Mr. Morehouse said approximately 4,000. Mr. Boren observed that the number of unresponsive surveys had increased from the year before but noted that the number still showed the same level of satisfactory service. Mr. Collins commented on the backup information provided in the board packet that "highlighted" the new implementation of a \$5 prepay event parking as an example of Republic Parking's willingness to try new parking practices, saying that not everyone thinks it is a highlight (laughter).

**Mr. Hewitt moved and Ms. Gunn seconded the following resolution:**

**RESOLUTION TO AUTHORIZE A 2010 YEAR-END MANAGEMENT INCENTIVE FOR  
REPUBLIC PARKING FOR MANAGEMENT OF DDA PARKING FACILITIES**

Whereas, The DDA entered into a contract with Republic Parking Systems (RPS) beginning February 1, 2007 for management of the DDA's parking system;

Whereas, According to this contract, RPS's \$200,000 management fees are to be paid in two parts; the first \$150,000 is paid on a monthly basis with the remaining amount to be paid at the year-end as a management incentive based on quantifiable criteria;

Whereas, After reviewing RPS's performance, the Operations Committee recommends that the DDA provide RPS with a \$45,000 year-end management incentive out of a possible \$50,000 which is identical to what was approved by the DDA in 2009;

RESOLVED, The DDA authorizes a 2010 year-end management incentive of \$45,000 for Republic Parking Systems.

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

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

NAYS: Hieftje

Absent: Clark

The motion carried.

Budget 2011/12 & 2012/13: Mr. Hewitt introduced the resolution to approve the DDA budget, noting that the DDA regularly updates its Ten Year Plan, and the budget takes shape from this Plan. Mr. Hewitt explained the information provided in the budget noting that it does not incorporate the full amount in the proposed City/DDA parking agreement, with a footnote highlighting the amount still under question. Mr. Guenzel asked for clarification on the City payments that were in the budget; Mr. Hewitt said that they are \$800,000 for the City street funds and \$175,000 from revenues generated at two parking lots. The street fund transfer is required under the existing parking agreement and the parking lot revenue transfer comes from DDA resolutions providing these dollars to the City.

Mr. Hieftje stated that if the new parking agreement were signed would a budget amendment be put forward to update the DDA budget; Mr. Hewitt said yes.

Mr. Collins commented that if the DDA parking funds to the city were increased to the amount called out in the draft parking agreement the parking fund would still show a positive net balance, and historically parking revenues have been conservatively budgeted. Mr. Collins asked to have the budget footnote clarified to show the total amount that would be paid to city from the draft agreement, not just the adjustment.

Mr. Hieftje reflected back to a statement made by Mr. Collins a year or so ago that the DDA was at the "passing of the pig in the python" moment.

Ms. Lowenstein noted that the DDA's annual \$2 million transfer from its parking fund to its parking maintenance fund would be reduced in order to maintain the parking fund balances. But despite the reduction fund transfer, no critical maintenance issues would be deferred only noncritical items.

Mr. Guenzel stated that as the newest member of the DDA he appreciated the hard work that went into preparing the budget, as well as the clarity of the presentation. He said that he felt others could also look at the budget and see that there was a projected reduction in DDA fund balance due to expenses projected to exceed revenues, but the supporting materials made this clear there was no danger to DDA finances.

Mr. Hewitt offered up thanks to Mr. Morehouse for his time and efforts.

**Mr. Hewitt moved and Ms. Gunn seconded the following resolution:**

**RESOLUTION TO APPROVE THE DDA BUDGET FOR FISCAL YEAR  
2011/12 AND 2012/13**

Whereas, The DDA has developed a Ten-Year Financial Plan, including projected income and expenses for debt service, capital improvements projects and parking operations;

Whereas, The DDA Operations Committee has developed a detailed 2011/12 and 2012/13 fiscal year budget for the DDA based on the DDA's most recent Ten-Year Plan;

Whereas, The Operations Committee recommends approval of these DDA budgets by the DDA;

RESOLVED, The DDA approves its FY 2011/12 and 2012/13 fiscal year budgets.

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

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

NAYS: None

Absent: Clark

The motion carried.

S. Fifth Avenue Underground Structure: Mr. Splitt reported that a very large concrete pour – perhaps one of the largest in Ann Arbor history – took place the last weekend in February. 5,670 cubic yards of concrete were poured during an uninterrupted 37 hours using approximately 30 trucks for a total of 570 trips to the site. Mr. Splitt commented that it was quite boring, meaning everything went as planned and none of the backup plans needed to be activated. He said dewatering continues with anticipated hopes that the pumps can be turned off by mid-April.

Mr. Boren asked if the project was on schedule and Mr. Splitt replied that the overall project is on schedule.

Mr. Mouat commented it is important to note that the unknowns are almost over and that is a great threshold to cross. He continued that usually it's a significant milestone when the foundation is complete and a building emerges above the ground, although the underground parking structure won't reach an "above ground" point, it is now at about at this same stage of construction.

Mr. Hewitt stated that he was impressed with scale of the project and how well it has been orchestrated.

Ms. Gunn thanked Mr. Splitt for all of his time and efforts on this project.

Fifth & Division Improvements: Mr. Splitt reported that the new lights on Fifth Avenue had been connected and are now in service.

<b>7. ECONOMIC DEVELOPMENT/COMMUNICATION COMMITTEE</b>
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Ms. Lowenstein reported that Jennifer Owens, director of business development at Ann Arbor Spark, and Mary Kerr, president and CEO of the Ann Arbor Area Convention and Visitors Bureau (CVB), came to speak with the Committee.

Spark focuses on a finite set of emerging technologies or industry sectors such as advanced automotive manufacturing and materials, life sciences, and printing/publishing. Ms. Owens said that what businesses liked about downtown were things such as the vibrancy, "walkability", restaurant mix and special events, and that it was safe for late night employees. When asked what they don't like she said that some were concerned about the retail space vacancy but clearly their biggest concern is the perceived lack of parking. She said it is nice to have free bus passes but the great majority of employees want or need parking.

Mary Kerr reported that the CVB has a \$2 million annual budget and approximately 150 meetings took place in 2010 which resulted in \$14.6Million in direct spending, or a 16-to-1 return on

investment for CVB's efforts plus the value of articles about Ann Arbor. She said that during a three week period in August, three training programs for the plumbers, pipefitters, and electricians brings \$12.5 million to the community. Ms. Kerr explained that the CVB has a marketing plan which is updated every three years and their website annually gets 320,000 unique visitors, with the biggest number coming from the city's website (a2gov.org). She said many stories about Ann Arbor are published through the work the CVB does with travel writers. Ms. Kerr said she does not hear that parking is a barrier for visitors or group meetings.

Ms. Lowenstein said the committee asked for ideas where the DDA could assist SPARK and the CVB. Their ideas included: 1) create a location on the DDA website for commercial listings of office spaces of 1,000-2,000sf, 2) help reduce the time it takes to develop in Ann Arbor, 3) host a round table with the larger downtown companies to understand their parking needs and perceptions thus creating a comprehensive parking/transportation guide for SPARK & employers to use as a tool, 4) sponsor a hotel shuttle since everyone wants to be downtown but nearly all hotel rooms are at the highway edges.

Ms. Lowenstein said the Committee learned that the AACVB and SPARK have well-developed marketing plans and websites with extensive content. Both have done a great deal to brand Ann Arbor. Therefore, there was no need – and unrealistic – for the DDA to attempt to become the single place to get information about downtown. The Committee will focus its efforts on sharing information with SPARK and the AACVB, and they will share information with us in return.

<b>8. TRANSPORTATION COMMITTEE</b>
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Mr. Mouat said the Committee pulled out a number of immediate and low-cost projects from the DDA's Parking and Transportation Demand Management Strategies Report, including communication and bicycle/pedestrian-improvement projects, for implementation this year.

Mr. Mouat said that Michael Benham/AATA, presented information from their work developing a County-wide transit plan, and the Committee was given an opportunity to cast votes on how much transit should be created in the next 30 years. Options were descriptively named "Lifeline Plus", "Accessible County", and "Smart Growth", and after much discussion about the connections between transportation and economic development, including talent attraction, there was a strong consensus to urge AATA to develop its Smart Growth plan.

Mr. Hieftje commented that he was hearing overwhelming success for the Smart Growth scenario. He said the Connector Study would soon be completed which would create a transportation connection from Plymouth Road through the various UM campuses to Briarwood area. All transportation modes were being explored, including a gondola where the vehicles would be suspended from cables strung between towers similar to the ride at Cedar Point.

<b>9. PARTNERSHIPS COMMITTEE</b>
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Energy Saving Grant Program: Mr. Collins acknowledged the announcement of the City Administrator's departure at the end of April, and said that he had appreciated the ability to work with Mr. Fraser.

Mr. Collins reported that all DDA Energy Saving Grant Program funds have either been expended or are fully obligated. By every measure the Program has been a tremendous success. Mr. Collins pointed to an Ann Arbor Energy Commission resolution acknowledging the effort and success of this Program; Ms. Smith said that the resolution also encouraged the program's continuation.

Given that funds are limited this year, Mr. Collins said the committee suggested that the DDA's Housing Fund transfers cease for the next two year which would free up funds for the Energy Grant Program. The next step would be a decision about how to allocate dollars between Phase I and Phase II, and Mr. Konkle will be asked for a recommendation.

Mr. Hieftje said that he sits on the Energy Commission and said that he felt the City's PACE program may cover any gap not addressed by the DDA's program. Ms. Lowenstein pointed out that PACE is designed for larger buildings and the DDA's program complements this by helping the smaller business owner make energy saving improvements to their building space. Mr. Orr said that Dave Konkle does a good job communicating with downtown businesses about the energy saving options available to them.

Downtown Lot Redevelopment: Ms. Smith reported that Wendy Rampson had updated the committee on A2D2 design guidelines, and had recommended that the DDA consider working within a framework of "character areas"; this would enable the development of a lot redevelopment plan in which the lots are placed in a context. Ms. Smith commented that the committee will go through an exercise for the character area around the former YMCA and Library lots at their next meeting.

Ms. Smith said Amy Kuras, City Parks Planner, will attend the next committee meeting to give an overview of what the Parks PROS Plan proposes for the downtown. Mr. Collins commented on the importance to separate the urban from the suburban in downtown Ann Arbor. He noted the uses are much different in nature. Mr. Hieftje noted that the recent revision to the PROS plan included University of Michigan property and highlighted that these are open spaces the city does not have to take care of.

<b>10. OTHER DDA BUSINESS MATTERS</b>
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Mr. Hieftje said that Roger Fraser will bring much experience to the state treasurer's office and the City has a strong organization in place so people will not notice changes after his departure.

<b>11. OTHER AUDIENCE PARTICIPATION</b>
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None.

<b>12. ADJOURNMENT</b>
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There being no other business, Mr. Mouat moved and Mr. Hewitt seconded the motion to adjourn. Ms. Lowenstein declared the meeting adjourned at 1:22 p.m.

Respectfully submitted,  
Susan Pollay, Executive Director