

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, April 3, 2013
DDA Office, 150 S. Fifth Avenue, Ann Arbor, MI 48104

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104

Time: Ms. Gunn called the meeting to order at 12:04 p.m.

1. ROLL CALL

Present: Russ Collins, Robert Guenzel, Leah Gunn, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Keith Orr, John Splitt

Arriving late: Nader Nassif

Absent: Newcombe Clark, Sandi Smith

Staff: Susan Pollay, Executive Director

Present: Joseph Morehouse, Deputy Director
Amber Miller, Planning & Research Specialist
Jada Hahlbrock, Management Assistant

Audience: Dave Askins, *Ann Arbor Chronicle*
Stephen Smith, Republic Parking System
Alan Haber
Andrew Cluley, 89.1 WEMU
Ray Detter, Downtown Area CAC
Eli Neiburger, AADL

2. AUDIENCE PARTICIPATION

Alan Haber said that his group continues to gather information in hopes of creating a temporary artificial skating rink atop the Library Lane lot, and they will present their update at the April Partnerships Committee meeting.

3. UPDATE REGARDING PROPOSED CITY COUNCIL ORDINANCE

Ms. Pollay reported that City Council approved proposed DDA ordinance changes at first reading. These changes have three components: 1) board membership restrictions, 2) work plan restrictions, and 3) TIF definition. Ms. Pollay said that the ordinance second reading and public hearing will take place on Monday, April 15th.

Mr. Nassif arrives.

Mr. Hewitt said that he felt it unfortunate that this action was being taken without involving the DDA, and he questioned its purpose. As DDA Treasurer he had taken the time to understand the methodology behind the proposed TIF calculation, but he and the City CFO used the same language, and arrived at two different sets of numbers. If the new language isn't clear, clearly the purported goal to provide enhanced clarity isn't being met. He said that when and if financial changes are made, the DDA should anticipate revisiting the DDA's budget and spending priorities.

Mr. Hieftje said that in recent years the DDA made a commitment to help fund the Police and Court Building construction and renegotiated the parking agreement to benefit the City, and these decisions were made in good faith that the City would not then pull the rug out from under them.

Mr. Collins said that 30 years ago when the DDA was created, the City captured \$1.5M annually in downtown taxes and their parking system lost money; today the City captures \$4.1M annually in downtown taxes plus they receive \$3.1M from parking, plus \$500,000 in a grant for the Police and Court building. Mr. Orr added that the DDA also helps the City by taking care of projects that the City would otherwise have to do, such as curb ramps and street lights.

Mr. Guenzel stressed that long term fiscal stability is very important. The deliberations over funding caps and methods of calculation put that stability at risk. As for the governance issue Mr. Guenzel said that most successful boards and commissions have a mix of old and new members. Part of the DDA mission includes long term planning, so it is important to have members that have a history with the organization and can help see plans through. City Council and the Mayor can choose not to approve a nomination if they wish, but there should not be term limits.

Ms. Lowenstein said that ordinance changes require more thought and deliberation than do resolutions. With this issue, the math is very complicated and the changes rely on calculations that few understand. Previous Councils only considered a cap on tax capture in order to protect school funds; that is no longer an issue.

Mr. Mouat shared that he felt the elected officials on the DDA Board are an asset to those who are not as familiar with the inner workings of local government. He said he had never seen any of these elected officials push an agenda, or use their inside knowledge to sway others.

Mr. Orr said that while there have sometimes been disagreements between the City and the DDA, generally the relationship has been very good.

4. REPORTS FROM CITY BOARDS AND COMMISSIONS
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Downtown Area Citizens Advisory Council. Mr. Detter said members of the CAC were bewildered by what seemed to some to be an irrational negative attack upon the DDA by certain members of City Council. The CAC values vision, leadership, and strategic planning in shaping the future of downtown. They believe that only the DDA is uniquely equipped with the creative focus and the economic tools necessary for the strategic planning that makes long term community goals achievable for the downtown.

Mr. Detter said that the CAC strongly supports the review of A2D2 zoning, and the review of the design guidelines and design review process. They share the view that the Varsity and the proposed 413 E. Huron project are massive, unfriendly structures that conflict with City Master Plans, and it is important to reexamine and improve downtown zoning and design guideline processes.

5. COMMUNICATIONS FROM DDA MEMBERS

Mr. Hieftje said the Planning Commission was asked to review zoning and report back by October. Their review will focus on specific areas of downtown as well as premiums for residential projects.

6. APPROVAL OF MINUTES

Mr. Mouat moved and Mr. Guenzel seconded approval of the March 6, 2013 meeting minutes.

A vote on the motion showed:

AYES: Collins, Guenzel, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Nassif, Orr, Split

NAYS: none

ABSENT: Clark, Smith

ABSTAIN: none

The motion carried.

7. A. OPERATIONS COMMITTEE

Financial Statements. Mr. Hewitt reviewed the February 2013 parking report.

Transportation. Mr. Mouat said that the Bike House will have an official opening during Bike to Work Week in May. Mr. Hewitt said that he is serving on a planning group examining locations for a downtown commuter rail station, and he will report back as information becomes available.

The next Operations Committee meeting will be April 26th at 10:00am.

7. B. PARTNERSHIPS/ ECONOMIC DEVELOPMENT COMMITTEE

Ms. Lowenstein said the Committee talked with Alan Haber and Stewart Gordon regarding their request for a DDA grant for an artificial skating rink. The committee had many questions and concerns that Mr. Haber and Mr. Gordon said they will follow up on.

The next Partnerships/Economic Development Committee meeting will be April 10th at 9:00am.

8. OTHER DDA BUSINESS

None.

9. OTHER AUDIENCE PARTICIPATION

Thomas Partridge asked the DDA to affirm its commitment to transportation and affordable housing options for seniors. He said that he believes the boundary of the DDA should be expanded to include all of Ann Arbor.

10. ADJOURNMENT

There being no other business, Mr. Hewitt moved and Ms. Lowenstein seconded a motion to adjourn. Ms. Gunn declared the meeting adjourned at 1:03 pm.

Respectfully submitted,
Susan Pollay, Executive Director