

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL MEETING MINUTES
Friday, May 27, 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: Russ Collins, Bob Guenzel, Leah Gunn, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Keith Orr, Sandi Smith, John Splitt

Absent: Newcombe Clark, Gary Boren

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

Audience: Dave Askins, Ann Arbor Chronicle
Mark Lyons, Republic Parking System
Sabra Briere, City Council
Steve Kunselman, City Council
Andrew Cluley, WEMU
Adrian Iraola, Park Avenue Consultants
Ray Detter, Downtown Area CAC

WELCOME AND SPECIAL MEETING PURPOSE:

Ms. Lowenstein welcomed everyone and asked for verification that the meeting had been properly noticed due to special date. Mr. Morehouse verified that it had been sent over to the city clerk for posting, placed on Legistar as well as being posted in the DDA office. Ms. Lowenstein noted that the board's agenda included just one item. She reviewed the recent history for those that were unaware and reminded the board that they had approved the parking contract with the city but it was contingent on accepting a provision to underwrite the DDA's fund balance to prevent the balance from getting too low. She stated that the Mutually Beneficial Committees had met and drafted a revision to the contract that would achieve that underwriting.

RESOLUTION TO AMEND THE PARKING AGREEMENT:

Ms. Lowenstein asked for someone to move the resolution to open it for discussion.

Ms. Gunn moved the resolution to amend the parking agreement and add an amendment saying that be it further resolved that the attached Section 9b, Periodic Consultation as attached is also approved Mr. Hewitt seconded the following resolution:

RESOLUTION TO AMEND PARKING AGREEMENT

Whereas, The DDA Board approved a Parking Agreement with the City of Ann Arbor on May 20, 2011; and

Whereas, That approval was contingent on DDA acceptance of a provision whereby the City would underwrite a significant drop in the DDA fund balance;

Resolved, That the attached amendment to the Parking Agreement, as approved by the Mutually Beneficial Committees, is hereby approved.

Ms. Lowenstein opened table for discussion.

Mr. Guenzel asked Mr. Hewitt to go over both suggested amendments to the Parking Agreement.

Mr. Hewitt said that the first amendment addresses backstopping and fund balance. He explained the fund balance as the combined fund balance of parking maintenance and TIF, not including the housing fund. He said the amendment stipulates that if that combined fund balance falls below \$1 million as confirmed by the annual audit, then the DDA may defer payments to the city up to \$1 million in a given year, to a combined total of \$2 million. Mr. Hewitt noted that the clause applies just for the first five years of the agreement and would make up the deferred payments to the city when the fund balance got above \$4 million.

Mr. Orr clarified that the ability to defer payments applies only to the first five years of the contract, but repayment continues for the duration of the contract. Mr. Hewitt and Ms. Lowenstein confirmed that was correct.

Mr. Guenzel asked Hewitt to elaborate on the part of the clause that limits DDA actions.

Mr. Hewitt explained that the DDA has some amount of discretionary spending in the 10-year plan set aside as grants and projects. He stated that the discretionary spending is currently scaled back and those figures came about during the retreat. Mr. Hewitt said some of the discretionary spending includes support for the go pass program and consultants on the redevelopment of downtown city-owned surface parking lots.

Mr. Collins said energy grants are also included in the discretionary spending. He also stated that the clause limiting DDA action is meant to ensure that no rogue streetscape improvements are undertaken.

Ms. Smith noted that currently there is \$400,000 designated for discretionary spending that is not for specific projects.

Mr. Guenzel pointed out that additional projects could be undertaken with city council permission.

Mr. Hewitt explained that the second amendment for discussion was related to the amendment made to the contract on May 20, 2011 that added city council to the set of entities (located in section 2k of the parking agreement) with which the DDA would consult before enacting any parking rate changes. Mr.

Hewitt explained that the additional language essentially says the DDA will be required during the working sessions to inform the City Council of information and feedback on all parking rates we have put into effect the past year and to discuss any rate increases or changes we propose in the coming year.

Mr. Orr said for all intent and purposes the working session is basically a vehicle for satisfying the provision that requires consultation that was made to amended 2k.

Mr. Hewitt confirmed that was the case and it is in the contract so that the city council and public are well-informed about what the DDA intends to do with parking rates and what the rationale is for any changes and would welcome any input

Mr. Collins said that this is an additional kind of discussion the DDA would have with the public. This does not limit nor does it change the DDA's practice of holding public meetings when it comes to parking system changes.

Mr. Hewitt stated that this contract makes things more transparent to everyone involved compared to the current contract.

Ms. Smith said it appeared that they had finally reached a consensus and thanked Mr. Hewitt, Mr. Collins and Mr. Boren for their work on the parking agreement.

Ms. Lowenstein commented that Christopher Taylor of the city council, had been very helpful in drafting language and such and the DDA is appreciative of him as well.

Ms. Lowenstein asked if there were any more discussion, as there was not, she asked Mr. Morehouse to do roll call vote.

A roll call vote on the amendment showed:

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

NAYS: None

Absent: Boren, Clark,

The amendment was approved.

Ms. Lowenstein stated that these amendments will be incorporated in to the agreement that the DDA will present to the City Council on Tuesday, May 31, 2011.

ADJOURNMENT:

There being no other business, Ms. Gunn moved and Mr. Hewitt seconded the motion to adjourn. Ms. Lowenstein declared the meeting adjourned at 12:23 p.m.

Respectfully submitted,
Joe Morehouse, Deputy Director