

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, March 6, 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 12:05 p.m.

1. ROLL CALL

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

Absent: Newcombe Clark

Staff Susan Pollay, Executive Director

Present: Amber Miller, Planning & Research Specialist
Jada Hahlbrock, Management Assistant

Audience: Dave Askins, *Ann Arbor Chronicle*
Art Low, Republic Parking System
Claire Dykstra, Skyline High School
Aaron Seagraves, Ann Arbor Public Art Commission
John Kotarski, Ann Arbor Public Art Commission
Alan Haber
Angela Song, Skyline High School
Andrew Cluley, 89.1 WEMU
Ray Detter, Downtown Area CAC
Eli Neiburger, AADL
Ryan Stanton, AnnArbor.com
Nancy Shore, getDowntown

2. AUDIENCE PARTICIPATION

Brendan Cavendar, Colliers, said that he had been invited to attend to share information about the downtown real estate market. He said the State Street area is quickly becoming a technology hub, and there may soon be 1,400 tech workers in this area. Mr. Cavendar characterized the downtown real estate market as continuing to improve.

Claire Dykstra, Skyline High School, shared some information about the Air Ride, as she studied this for a class. She said that Air Ride is successful because of the work of the many partners involved.

Angela Song, Skyline High School, said that she had also researched Air Ride for a government and public policy class. She said that the amenities make for a nice ride experience to the airport.

Mr. Splitt arrives.

3. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council. Mr. Detter said the CAC supports the DDA's continuing leadership in the careful planning of downtown, and it supports the DDA having the necessary finances to do its work. The CAC applauds the DDA's commitment to a mix of downtown housing opportunities, and its willingness to give support to projects such as the Village Green's City Apartments and the development at 618 S. Main.

Mr. Detter said that CAC supported two important resolutions that came before City Council on Monday night: a resolution was passed to reconvene the Design Guidelines Taskforce, and a resolution to approve a D1 development moratorium was postponed. This moratorium was proposed in recognition that the zoning requirements sometimes conflict with goals in the Downtown & Central Area Plans and City ordinances. In 2009 City Council developed the D1/D2 zoning after considerable discussion, stating at various times that it would revisit the zoning and design guidelines and process after a year. The CAC feels now is the time.

Public Art Commission. Aaron Seagraves gave a presentation on the Detroit Institute of Arts "Inside Out" program, which will have several reproduction art pieces from the DIA collection installed in downtown from April to mid-May. Mr. Seagraves said that there are opportunities for community involvement, and shared examples of events and walking tours organized in other cities. He said that additionally, Ann Arbor residents can receive free admission to the DIA on April 20 and 21.

4.

COMMUNICATIONS FROM DDA MEMBERS

Mr. Hewitt updated the board on the Connector Study. He said that the study group is currently thinking about routes and modes, and further public outreach will occur in May. He said that at the most recent study meeting he learned that Ann Arbor is dense enough in both population and jobs to warrant expanded transit options.

Mr. Orr said that he wished to share the following statement:

"To paraphrase a City Council member, I am not here to vilify City Council, though it would be an easy task. Rather, I am concerned about the shot across the bow we witnessed at Monday's City Council Meeting. Those shots might be politically motivated, in the same sense as the ideologue-driven politics which has ground our federal government to a stop, or perhaps is a lack of understanding of the nature of the DDA.

While the relationship between the City Council and DDA is occasionally strained, this has more to do with the different nature of the entities and the culture of the organizations. On the whole, our relationship has been mutually beneficial, and more importantly, beneficial to the downtown and residents of Ann Arbor.

First, I would like to say how proud I am to be a part of the Ann Arbor Downtown Development Authority, serving as a volunteer on this board. I have been a downtown businessman for over 20 years, and a resident of this great city since 1976. My pride comes in the fact that we are doing something which very few other government entities is doing; focusing on infrastructure. We hear in the news about our crumbling infrastructure across the nation, but very few entities are doing anything about it. The reason is simple. An elected body is mainly concerned with

reelection. If there is an asset, they will take everything possible out of that asset, and spend as little money as possible in the upkeep of that asset. In fact, this is the reason the DDA is a de facto parking authority. City Council abdicated their responsibility to maintain the parking system they owned and operated. They still own the parking system, but now it is maintained and run in a manner the envy of most cities.

As my friend Howard Dean liked to say, "The problem with our government is that we keep trying to come up with two year solutions to problems which have five and ten year solutions. In the case of prisons they are 20 year solutions, and in the case of the environment they are 100 year solutions.

Our spending of public money is not only well-spent with a tangible benefit to the city, but often saves City Council enormous amounts of money. We pay nearly ½ million of the bond on the Judicial Building, and will do so for most of the rest of my lifetime. This was to benefit the City of Ann Arbor. As anyone who studies urban streetscapes will tell you, government buildings are usually counterproductive to enlivening a streetscape. City Council needed to replace courtrooms and police headquarters, and we came their rescue. Ann Arbor's streets were not ADA compliant. Complying with this federal law cost millions of dollars. The DDA undertook those improvements and saved the General Fund from having to pay for it. Our actions have improved parking infrastructure, public and alternative transportation infrastructure, energy efficiency of downtown buildings, residential infrastructure, and so much more.

City Council asked the DDA to examine and propose a plan for the development of several parcels of land on our near William Street, now appropriately labeled "Connecting William Street". Our job was not to create our own ideas but to consult experts and engage the public. We proceeded to do so in a variety of ways, including symposiums on Urban planning and Development, and a vigorous series of community meetings. If you accuse the resulting ideas of being stale, you are accusing the citizens of Ann Arbor of having stale ideas, not the DDA. We truly engaged the public by going out to the public, not expecting them to come to us.

I am proud to serve on this body which works collaboratively with each other, and with the businesses and residents of Downtown Ann Arbor. I am proud that we work on science-based policy. I know that many members of City Council appreciate the odd, but valuable symbiotic relationship between the DDA and City Council. I hope calmer heads prevail."

Mr. Guenzel said that in his short time on the DDA Board he has been impressed by the success of the DDA. He characterized it as success based on fiscal stability. He said that the well-managed parking system helps support the City financially as well as provides a great customer service experience to those in downtown. He sees no reason to fundamentally change the way TIF is calculated. He sees term limits as a bad idea and thinks a mix of old and new board members leads to the best result. Continuous improvement is ok, but a larger change in the DDA structure is unneeded. Mr. Guenzel also asked why the DDA Board members had not been approached or included in any recent discussions.

Mr. Collins reminded everyone that DDA Board members are volunteers. They live, work and own businesses downtown and really care about what happens. The board works hard to make prudent financial decisions. While parking management and infrastructure may seem boring to some, it is very detailed and important work. The committed volunteers should not be used as a political punching bag.

Ms. Smith said that the DDA has contributed \$3M towards affordable housing. A significant hit to the TIF revenue would result in those dollars no longer being available. TIF money that the DDA receives is put right back into the downtown. It contributes to the vitality downtown as well as the entire community. A short term gain for the City may mean long term losses for downtown. People need to be careful not to kill the goose that lays the golden egg.

Mr. Nassif said that as both a member of the DDA Board and a downtown resident he sees firsthand the commitment of the DDA to downtown. He said he has spent the last year learning about the board, and as a resident of downtown he can see the DDA's impact. Although the board takes its share of criticism, it continues to work for the betterment of downtown. He does not see any reason for changes to be made to the DDA.

Ms. Lowenstein said that she attended an AARP conference about aging communities. Ann Arbor is home to many baby boomers who are now beginning to retire, and certain aspects of livability are important to consider. Walkability and access to robust transit help to both retain and attract residents, young and old. Ms. Lowenstein was pleased to see that many of the efforts of the DDA contribute these aspects of livability. Investing in transit and infrastructure also helps to spark private investment in downtown residential units.

Ms. Gunn said that it is not wise to not mess with something that has been working. The DDA continuously invests in City infrastructure. The DDA has worked hard for many years to rebuild and repair City owned parking structures, and the parking system is now profitable and convenient to customers. The facilities are safe and in good repair. The DDA had been careful, prudent and beneficial to the City.

5. APPROVAL OF MINUTES

Mr. Collins moved and Mr. Hieftje seconded approval of the February 6, 2013 DDA meeting minutes.

A vote on the motion showed:

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

NAYS: none

ABSENT: Clark

The motion carried.

6. A. OPERATIONS COMMITTEE

Financial Statements. Mr. Hewitt reviewed the January 2013 parking report. He noted the additional information provided by Republic Parking with this month's report.

Mr. Hewitt moved and Ms. Lowenstein seconded the following resolution.

RESOLUTION TO APPROVE A 2012 YEAR-END MANAGEMENT FEE 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, and in acknowledgement of their exceptional efforts this year, especially the efforts of Art Low, Stephen Smith, Michael Bandy, Edward Wheeler and Judy Comstock, the Operations Committee recommends that the DDA provide RPS with a \$50,000 year-end management incentive;

RESOLVED, The DDA authorizes a 2012 year-end management incentive of \$50,000 for Republic Parking Systems.

Mr. Hewitt provided an overview of the work done by Republic Parking in 2012, noting the objective and subjective measurements used in considering the management fee. Ms. Gunn added that she has nothing but high praise for the work of Republic Parking and its front line staff.

A vote on the resolution showed:

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

NAYS: none

ABSENT: Clark

The resolution passed.

Mr. Mouat moved and Mr. Hieftje seconded the following resolution.

RESOLUTION PROVIDING FUNDING FOR THE GO!PASS, SUPPLEMENTAL DOWNTOWN TRANSIT SERVICE, AND THE GETDOWNTOWN PROGRAM FOR 2013/14

Whereas, The getDowntown program began in 1999 and remains a partnership between the DDA, AATA and the City of Ann Arbor to provide transportation assistance to downtown employers, including the distribution of the DDA's go!Pass;

Whereas, The DDA has provided funding for go!Passes and the getDowntown Program since 2001, and the number of downtown employers and employees participating in these programs has grown each year;

Whereas, The AATA Executive Director and the GetDowntown Director met with the DDA Operations Committee to review downtown impacts from existing transportation services and to

discuss increasing funding for newly expanded and enhanced downtown transportation service as follows:

Program or Service for Downtown Workers	2012/13 DDA Commitment	2013/14 Request	Request Purpose/Details
getDowntown	\$52,488	\$40,488	Operations, Outreach and Program Assistance.
Go!Pass	\$475,000	\$479,000	No change to cost/ride. Anticipate ridership will continue to grow.
NightRide discount for go!Pass users includes east of M-23	\$5,000	\$18,233	DDA subsidy covers part of the cost plus increased funds to meet expanded demand east of M-23
Route #4 Washtenaw enhanced service	\$14,000	\$56,363	Offsets a portion of the cost for increased service for go!Pass users coming east of M-23
Route #5 Packard enhanced service	\$0	\$16,578	Offsets a portion of the cost for increased service for go!Pass users coming east of M-23
TOTAL	\$553,488	\$610,662	

Whereas, The DDA is charged only for actual usage, thus the amounts shown above are maximum/not-to-exceed amounts;

Whereas, The DDA Development Plan sets forward that the DDA will support transportation programs in support of its mission, and the Operations Committee recommends approval of these grant dollars;

RESOLVED, The DDA approves funding for the transportation services and programs listed above, with funds coming from the DDA's (063) Parking Fund, and with this resolution amends its FY 2012/13 budget.

Mr. Mouat described the various elements that would be covered by the DDA grant. He noted that a request for Express Ride funding had been set aside for additional committee review and was not part of this resolution. A question was asked and answered regarding how the go!Pass benefits people who do not have a business downtown. Ms. Smith reminded everyone that the proposed DDA ordinance changes were intended to limit the scope of the work done and services provided by the DDA. Many board members expressed support of the DDA's involvement in transportation initiatives that benefit the downtown, and the getDowntown program in general.

A vote on the resolution showed:

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

NAYS: none

ABSENT: Clark

The resolution passed.

Mr. Mouat said that the Bike House is still on schedule to open in April.

The next Operations Committee meeting will be March 27th at 11:00am.

6. B. PARTNERSHIPS/ ECONOMIC DEVELOPMENT COMMITTEE

Ms. Lowenstein moved and Ms. Smith seconded the following resolution.

RESOLUTION APPROVING A GRANT TO THE ANN ARBOR HOUSING COMMISSION TO REDEVELOP BAKER COMMONS

Whereas, The DDA created a Housing Fund with which it provides grants to meet its Development Plan goal to strengthen downtown by encouraging a diversity of downtown residences;
Whereas, The Director of the Ann Arbor Housing Commission (AAHC) met with the Partnerships Committee to request a grant in the amount of \$300,000 with which to redevelop Baker Commons at 106 Packard, as part of a comprehensive plan to redevelop all of the AAHC's properties;

Whereas, The goal of this redevelopment process is to help AAHC transition Baker Commons to a project-based voucher funding model, which will provide more stable funding and access to additional sources of revenues to address capital repair needs;

Whereas, The total development cost of all AAHC properties is estimated to be over \$25 million, and the total reinvestment in Baker Commons is estimated to be about \$3 million;

Whereas, Baker Commons tenants are regular users of downtown, and significant reinvestment in this building will add to the vitality of the downtown and ensure that this does not become a blighted building;

Whereas, The Partnerships Committee recommends approval of this grant;

RESOLVED, The DDA approves a \$300,000 grant to the Ann Arbor Housing Commission with funds to be taken from its Housing Fund (001) to Baker Commons to be redeveloped and thus made more financially self-supporting;

RESOLVED, The DDA hereby amends its FY 2012/13 budget as indicated by this resolution.

Ms. Lowenstein read the resolution. Ms. Gunn reminded board members that this would be an investment in City-owned property. Mr. Hieftje said that the DDA plays an important role in funding affordable housing projects, which is valued by this community.

Mr. Mouat explained that he would be abstaining in the vote because he is currently working with the Housing Commission on this redevelopment project.

A vote on the resolution showed:

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

NAYS: none

ABSENT: Clark

ABSTAIN: Mouat

The resolution passed.

Ms. Lowenstein said that the Planning Commission had voted to accept the Connecting William Street plan as a reference document. She cited this as an example of DDA work that is beneficial to the City.

Ms. Smith asked Mayor Hieftje for information on the City Council resolution to hire a broker to sell the Fifth & William lot. Mr. Hieftje said that while he appreciated the work to create the Connecting William Street plan, the fact that the City owes money on the lot has prompted him and others on City Council to consider ways to sell the lot more quickly. Concerns over future financing rates and land value compelled the approval of the recent City Council resolution.

The next Partnerships/Economic Development Committee meeting will take place March 13th at 9:00am.

7. OTHER DDA BUSINESS

None.

8. OTHER AUDIENCE PARTICIPATION

Nancy Shore from the getDowntown program thanked the DDA Board for its continued support of the getDowntown program including the popular go!Pass program that benefits so many downtown business owners and employees.

Odile Haber spoke about the DDA member comments earlier in the meeting, saying that big buildings and more parking are not a sustainable vision for downtown Ann Arbor.

Catherine Liu from Skyline High School shared an experience she had while taking the Air Ride service to the airport. She said she appreciated the Wi-Fi that was available, as well as the eco-friendly aspects of the service.

Brendan Cavendar said that the go!Pass is a selling feature he uses as he markets downtown. Transit and parking options are assets he uses to recruit businesses to locate downtown.

9. ADJOURNMENT

There being no other business, Mr. Guenzel moved and Mr. Mouat seconded a motion to adjourn. Ms. Gunn declared the meeting adjourned at 1:31 pm.

Respectfully submitted,
Susan Pollay, Executive Director