

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, March 7, 2012
DDA Office, 150 S. Fifth Avenue, Ann Arbor, MI 48104

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: Mr. Guenzel called the meeting to order at 12:00 p.m.

1. ROLL CALL

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

Absent: Roger Hewitt

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

Audience: Art Low, Republic Parking System
Ted Williams, Falcon Innovations- Ann Arbor
Jaspreet Sawhney, Falcon Innovations- Ann Arbor
Dave Askins, *Ann Arbor Chronicle*
Andrew Selinger, Oxford Companies
Joe Miller, Oxford Companies
Josie Parker, Ann Arbor District Library
Prue Rosenthal, Ann Arbor District Library
Andrew Cluley, WEMU
Nancy Shore, getDowntown
Ray Detter, Downtown Area Citizens Advisory Committee
Joel Vergun, Dish Fish
Sabra Briere, City Council

2. AUDIENCE PARTICIPATION

Ted Williams said that Falcon Innovations was an Ann Arbor based company, and their light bars are revolutionary because they provide a full rectangle of light, maximizing coverage while still maintaining energy efficiency. Mr. Williams gave a presentation to show various applications, and said that he felt they could be attached to the bottom of the structural beams which would get light closer to the ground. He said he hoped to work with the DDA to improve lighting and lower energy costs in the parking facilities.

3. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council. Mr. Detter said that the CAC was pleased that the Planning Commission had rejected the zoning change request for the property located at 1320 S. University. Despite this rejection the developer submitted the proposal to City Council. CAC will continue their opposition, because they believe that this zoning change would weaken previous planning efforts.

Students from Skyline high school attended the meeting. CAC discussed the Connecting William Street Survey. The CAC is pleased that the project recognizes and is building on previous planning efforts.

Mr. Dettler reported that he recently toured the underground parking structure, and he congratulated the DDA, architects, consultants and construction crew for their work on this impressive structure. Though still under construction, he described the interior perspectives and design elements as "awesome". CAC members are encouraged that a plaza has been planned for the top of the facility. The full use of this site is important and will benefit the entire downtown area. The next CAC meeting will be April 3rd at 7pm.

4. COMMUNICATIONS FROM DDA MEMBERS

Mr. Hieftje said that the LED streetlights have the ability to be dimmed and asked Falcon Innovations representatives if their light bars had dimming capabilities. Mr. Sawhney responded that their products could be dimmed, and demonstrated using one of the light bars.

5. APPROVAL OF MINUTES

Ms. Gunn moved and Mr. Collins seconded approval of the February 1, 2012 meeting minutes.

A vote on the motion showed:

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

NAYS: none

ABSTAIN: Clark

Absent: Hewitt

The motion carried.

6.A. BRICKS & MONEY/ TRANSPORTATION COMMITTEE

Parking Report. Mr. Splitt said that compared to 2011, parking revenue in January was up 17% and the number of hourly patrons was up 5.5%. Some of the increase may be attributable to the milder-than-normal weather.

2012/13 DDA Budget. The resolution was moved by Mr. Splitt and seconded by Ms. Gunn.

RESOLUTION TO APPROVE THE DDA BUDGET FOR FISCAL YEAR 2012/2013

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 Bricks, Money and Transportation Committee has developed a detailed FY 2012/13 fiscal year budget for the DDA based on the DDA's most recent Ten-Year Plan;

Whereas, The Bricks, Money and Transportation Committee recommends approval of this DDA budget by the DDA;

RESOLVED, The DDA approves its FY 2012/13 fiscal year budget.

Mr. Splitt reviewed the proposed budget line-by-line. Project costs in 2012/12 will include funds to replace ADA ramps and funds for the new First & Washington structure. Other expenditures include sidewalk repairs, and the annual contribution toward the Court & Police Building. Two affordable housing grants are included, but they may not be paid out in the 2012/13 fiscal year. The parking revenue estimate anticipates the September rate increase, plus some usage of the new structure. Mr. Splitt explained that once again the DDA plans to spend more than it takes in for the 2012/13 fiscal year. This planned reduction of fund balances were anticipated during

financial planning for the parking structure. Total fund balances are estimated to be \$4 million by the end of fiscal year 2012/13.

Mr. Collins agreed, saying that reducing fund balances was expected. Mr. Clark said that given the conservative estimates in the budget, mid-year the DDA may find that it is doing better than anticipated, and asked whether the DDA would use these funds on new projects. Mr. Splitt replied that if that situation arose, it would be wise to use those funds to reduce the amount taken out of the fund balances, rather than initiate new spending. However, that will be something that the committee will examine and discuss as the fiscal year progresses.

Mr. Hieftje asked if a growth in TIF revenue had been included in the budget; Mr. Morehouse responded that over a period of years, the DDA has seen an average growth in its TIF, and this multi-year average (2%) is anticipated in the DDA's Ten Year Plan and budget. Mr. Hieftje reiterated that the DDA planned to reduce its fund balances once again in 2012/13, but the DDA's fund balances would remain healthy.

A vote on the resolution showed:

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

NAYS: none

Absent: Hewitt

The resolution passed.

New Structure. Mr. Splitt reported that mechanical installation continues inside. The schedule shows Fifth Avenue open by Memorial Day, and the garage open in late June or early July. Mr. Clark asked if the garage was not ready by Art Fair, if the surface level could still be used for parking; Mr. Splitt said yes.

Transportation. Mr. Splitt made a motion to approve the resolution. Ms. Smith seconded the motion.

RESOLUTION TO APPROVE A PROJECT BUDGET FOR THE CONNECTING WILLIAM STREET PROJECT

Whereas, In April 2011 City Council voted to approve "Resolution Authorizing that the Ann Arbor DDA Develop an Implementation Plan to Redevelop Downtown City-Owned Parcels", which specified the parcels as the Library Lot, Old YMCA Lot, Palio Lot, Kline Lot, and the first floor of the Fourth & William structure;

Whereas, The DDA Partnerships/Economic Development Committee has been assigned management of this project, and has set forward a goal to develop this area to its full potential in a way that gives expression to community values and downtown planning, including the Downtown Plan, A2D2, and Design Guidelines;

Whereas, The Partnerships Committee has established a Leadership & Outreach Committee which has been acting as the Steering Committee for this project;

Whereas, A DDA grant request for this project submitted as part of a Washtenaw County Community Challenge Grant application to the Housing and Urban Development Department was accepted;

Whereas, Sources of funds for the Connecting William Street Project are anticipated to be as follows:

- \$65,000 Community Challenge grant
- \$20,000 Not-to-exceed DDA cash contribution
- \$15,000 DDA in-kind contribution
- \$100,000

Whereas, The Partnerships/Economic Development Committee anticipates using some of these funds to hire consultants to assist with this project;

RESOLVED, The DDA establishes a project budget for the Connecting William Street Project as \$100,000, which will include \$65,000 in grant funding, a maximum \$20,000 DDA cash contribution and \$15,000 DDA in-kind contribution.

RESOLVED, The DDA will revise its FY 11/12 budget to reflect the decisions made today.

RESOLVED, The DDA Partnerships/Economic Development Committee Chairs are authorized to negotiate and approve contracts relating to this project including a grant contract with the County and the selection of consultants as needed.

Mr. Mouat clarified that the Connecting William Street project is the planning project focused on five City-owned parcels. Ms. Lowenstein said that a survey for the project was released and has already received more than 1500 responses. Posters were created and distributed which included a QR code that link people to the survey. Ms. Lowenstein said that the passage of the resolution will allow the project to move into its next phase which includes working with a consultant and a land use economist.

Mr. Clark expressed concern over the possibility of consultants adjusting their proposed costs based on the funds made available in this resolution given that the DDA must act with diligence when spending grant dollars; Ms. Lowenstein agreed, and said that the Committee has been working closely with DDA staff to ensure that the DDA is a good steward of its grant money. Ms. Miller added that the \$100,000 budget was established when a proposal was submitted to HUD. This is a three year grant and the intent is not to spend the money all at once, but will set aside funds so an RFP can be distributed in the future if that is what is recommended. Mr. Clark asked if the consulting services contract had been signed; Ms. Miller said no. Mr. Clark asked if a friendly set of eyes looking at the draft contract would be appreciated, and if so, he'd like to take a look. Ms. Pollay said that yes, it would be helpful, and she would get him a copy to review and comment on.

A vote on the resolution showed:

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

NAYS: none

Absent: Hewitt

The resolution passed.

The next Bricks & Money/ Transportation committee meeting will be on Wednesday, March 28th at 11:00am.

6. B. PARTNERSHIPS/ ECONOMIC DEVELOPMENT COMMITTEE

Ms. Smith said that the next meeting of the Connecting William Street Leadership and Outreach Committee would take place on Monday, March 26, at 2:30. The next Partnerships/ Economic Development committee meeting will take place March 14th at 9am.

7. OTHER DDA BUSINESS

Mr. Hieftje said that the Downtown Marketing Taskforce is intending to re-launch efforts at addressing panhandling, including encouraging people to donate to the agencies that serve the homeless and low income community, rather than give money directly to panhandlers. He invites anyone interested in this conversation to attend the meetings, which are generally held on the first Tuesday of every month at 10:15am at the DDA office.

Mr. Hieftje also reported on a public meeting held by the Police in response to recent home invasions, which was well attended. Mr. Hieftje said that while this recent activity seems to represent an increase, it is important to remember that the number of incidences in 2010 and 2011 were relatively low. He said that he remains confident in the work of the police department. He also said that in 42% of the incidents, doors are unlocked. It may seem commonsense but it is important to always lock your doors.

Mr. Hieftje said that the Festifools and FoolMoon events were coming up, and he said that he hoped the DDA would be willing to waive some or all of the meter bag installation fee for the Sunday event as well as the meter bag fees for the Friday event. The event is innovative, fun and a great event for downtown. Mr. Orr agreed that this event is very creative and involves people of all ages, and suggested that the DDA waive fees in exchange for a puppet in honor of the DDA in the parade. Ms. Smith cautioned against waiving fees in light of the many other requests that may follow. She said that the City had supported this and other events using its Community Event Fund. Mr. Clark said that in these situations one often hears "you're not doing enough", and "why not me", and that the DDA is not in a position to choose one event over another without a policy in place. Ms. Gunn made a motion that the DDA waive the Sunday fees in exchange for a meter bag puppet; Mr. Hieftje seconded the motion. He then asked everyone to consider taking it even further and waiving the Friday meter bag fees, as well, saying that the event is still getting established, and these costs caught them by surprise. Mr. Clark suggested that the amount under discussion falls under the purview of the DDA director, and if Ms. Pollay saw a sponsorship opportunity and felt it appropriate she could make the decision.

Ms. Pollay agreed that separate from this particular event, a DDA meter bag fee waiver policy is important so staff could implement correctly. She said that staff would pull information together and bring ideas to the Bricks/Money/Transportation committee for input and discussion.

Mr. Guenzel reminded everyone that there was a motion on the table to waive fees in exchange for a puppet in the parade. Mr. Orr said that it will be important to ask what the DDA gets in exchange for waiving fees, similar to other sponsors. Mr. Mouat said that while there isn't clear policy, and the option to have Ms. Pollay use her discretion as regards this event, he didn't support the board voting to waive fees thus setting a precedent in a piece-meal fashion. Ms. Gunn said that she withdrew her motion. Mr. Guenzel said that the policy discussion will continue in committee and Ms. Pollay had some direction to work with for the time being.

8. OTHER AUDIENCE PARTICIPATION
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Joel Vergun, Dish Fish, explained that his company is dedicated to creating partnerships between local businesses and community organizations, and they have created a fundraising coupon and community currency to encourage local buying and charitable giving. Dish Fish dollars could benefit downtown and provide good exposure for the DDA. Mr. Vergun said that he would like to present his business plan in more detail, perhaps at a DDA committee meeting.

9. ADJOURNMENT

There being no other business, Mr. Splitt moved and Ms. Lowenstein seconded a motion to adjourn. Mr. Guenzel declared the meeting adjourned at 12:55 pm.

Respectfully submitted,
Susan Pollay, Executive Director