

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES

Wednesday, June 1, 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 12:03 p.m.

1. ROLL CALL

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

Absent: Newcombe Clark, Keith Orr

Staff Susan Pollay, Executive Director

Present: Joe Morehouse, Deputy Director
Julie Uden, Management Assistant

Audience: Dave Askins, *Ann Arbor Chronicle*
Mark Lyons, Republic Parking System
Ray Detter, Downtown Area CAC
Andrew Cluley, WEMU
Adrian Iraola, PAC/DDA
Nancy Shore, getDowntown
Peter Allen, Self

2. AUDIENCE PARTICIPATION

None.

3. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council (CAC): Mr. Detter reported that he had not attended the May DDA meeting because he was giving a downtown tour to 400 high school students to introduce them to the city's history. He also mentioned the annual downtown potluck on June 9th.

Mr. Detter said that the CAC supported the DDA and AATA in their efforts to improve transportation in the downtown. They also reaffirmed support to the Fuller Road Transit Station, but hoped for an improved design.

Mr. Detter commented that the CAC intends to strongly support broad planning for the area that includes the Library, the top of the underground parking structure, the Blake Transit Center, and the old YMCA site. He said those that were present were in unanimous agreement that the Library Lot site should be more than a park, including office, residential, and retail as well as a plaza--as green as possible-- that connects pedestrians to the existing Liberty Plaza Park on Liberty and Division.

Mr. Detter said the A2D2 process has been long and complicated. The years of work were rigorous, not without conflict, but everybody had their say. Recognition of the inter-connective importance of

transportation and parking, of increased density and improved design, and of private development and historic preservation in shaping the vitality and identity of our downtown has been a comprehensive learning experience for all of us. Mr. Detter stated A2D2 has reinforced their faith in careful planning. It replaced a confusing hodge-podge of a dozen zoning districts with two clearly defined areas of greater density in which distinctive character neighborhoods are identified and design guidelines are recommended. He said it was the final and essential part of the process and hopes the city follows it.

4. STATUS OF TASKFORCE EFFORTS WITH DDA MEMBERSHIP

Mutually Beneficial Committee: Mr. Hewitt reported that the committee met on May 25 to make final adjustments to the new parking agreement. The DDA held a special meeting May 27 to approve the final version and it went to City Council on May 31 where the contract was approved 11-0. The contract begins July 1, 2011, and will last for 11 years followed by an 11 year extension.

Mr. Hewitt thanked Ms. Pollay, as she had been invaluable in making sure the contract gives the DDA the tools it needs to manage its parking system. He said the contract language is much clearer than it was previously, which will prevent future misunderstandings. Mr. Hewitt also thanked Mr. Morehouse as he had been repeatedly asked to run different sets of numbers, so that the DDA could assess the necessary data to make its decisions.

Ms. Lowenstein said a big advantage of the contract is greater stability and certainty. She said the DDA didn't want to give up as much money as the contract calls for, but that the DDA will move on and will be better for it. She thanked Mr. Hewitt for his hard work and Mr. Hieftje for steering the discussion at the City Council meeting the night before. Mr. Hewitt thanked Ms. Lowenstein for her help communicating with City Council.

Mr. Collins said the process of contract negotiations was long and we should ask: "did we do right by the voters, taxpayers, and citizens?" Mr. Collins said he appreciated some of the dialogue about the parking contract generated by City Council; he may not have appreciated it immediately when he heard it, but he came to appreciate it, and he likewise hoped City Council appreciated the DDA's efforts and dialogue. Mr. Collins noted that both the DDA board and the City Council had unanimously approved the parking contract, an important point not to be missed.

Mr. Hieftje mentioned that the council had also passed another resolution to waive TIF repayment from the DDA.

Mr. Hewitt stated that during the May 31st City Council meeting a question had been raised regarding a \$1 million DDA payment to the City and he presented a \$1 million check to Mr. Hieftje.

5. MINUTES

Ms. Gunn moved and Mr. Hewitt seconded approval of the DDA May 2, 2011 Regular Board Meeting minutes and the May 20, 2011 Special Board Meeting minutes.

A vote on the motion to approve the minutes showed:

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

NAYS: None

Absent: Clark, Orr

The motion carried.

6. BRICKS AND MONEY COMMITTEE

Mr. Hewitt said the parking report for April 2011 contained nothing dramatic. The 5.5% increase in revenue compared to last year reflects a parking rate increase in the 6-7% range, and the number of hourly patrons is up slightly despite operating with 200 fewer parking spaces. Mr. Hewitt said that when 601 S. Forest and Zaragon II developments are completed there will be additional parking demand and the new underground garage will provide the DDA with flexibility.

Mr. Hewitt noted that the DDA is required by state law to amend its budget at the end of its fiscal year to reflect actual income and expenses. Mr. Hewitt then went through the proposed amended budget, item-by-item, pointing out where changes had been voted on by the DDA or where construction timing altered anticipated costs. Mr. Boren asked how comfortable Mr. Hewitt was that the discussion about the excess TIF capture had been resolved; Mr. Hewitt said that City staff, DDA staff, and the DDA's Attorney had analyzed the situation and felt comfortable that the correct numbers had been determined, but it was possible that one of the taxing authorities might ask the DDA to analyze figures further. Ms. Lowenstein said that checks would be sent to the taxing authorities by the end of this month. Mr. Collins asked Mr. Hewitt to confirm that the \$2 million reduction in parking fund expenses had been achieved primarily by reducing the amount of parking funds directed to the Parking Maintenance Fund; Mr. Hewitt affirmed this, but reiterated that critical maintenance would continue to be undertaken.

Mr. Mouat moved and Mr. Collins seconded the following resolution:

RESOLUTION TO APPROVE A REVISED DDA BUDGET FOR FISCAL YEAR 2010/11

Whereas, The DDA Board passed a FY 2010/11 budget for the DDA on March 3, 2010;

Whereas, The DDA has approved items not anticipated in its FY 2010/11 budget, thus necessitating a budget revision so that expenditures will not have exceeded the budget;

Whereas, The Operations Committee recommends approval of this budget revision by the DDA;

RESOLVED, The DDA approves this amendment to its FY 2010/11 budget.

A vote on the motion to approve the resolution showed:

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

NAYS: None

Absent: Clark, Orr

The motion carried.

Parking Operations: Mr. Hewitt said that Republic Parking was asked to generate data on car “hours” instead of just looking at the financial part of usage data as another way to measure parking demand.

Mr. Hewitt reported on the results of a parking survey conducted in April 2011: 147 customer responses were received (10% response rate which was considered good); 41% rated the parking system as excellent and 33% rated it very good. He said the Committee was pleased that responses were so positive, as typically everyone wants plenty of parking and they want it to be free.

Ms. Smith commented on the increased credit card charges made by parking customers resulting in additional costs in the revised budget; Mr. Hewitt said it reflected the fact that payment by credit card at the new on-street kiosks is being embraced by the public. Approximately 58% pay with credit card. Ms. Smith asked if zip code data could be obtained from credit card companies, or if that information could be required at the point of payment; Mr. Morehouse said he would look into it.

Ms. Smith asked that the DDA board to schedule an extended meeting at the end of the summer to look at the impact of the new parking agreement on the DDA’s Ten Year Plan and its priorities. Mr. Hewitt said the revised budget would be plugged into the Ten Year Plan. He noted that under the new contract, the DDA board would need to hold a joint working session with City Council in October.

Fifth & Division Improvements: Mr. Splitt reported that curbs are being re-aligned on Division, north of Huron. On the 100 and 200 blocks of S. Fifth a 12-inch water main is currently being installed by the city. He explained that the DDA will immediately follow this installation with its improvement project so the street would not have to be repaved, torn-up, and then repaved again.

Fifth Avenue Garage: Mr. Splitt said that in the east leg the walls are nearly complete. In the middle of the site, slabs are being formed, and on the western end, foundations will soon be poured. Mr. Splitt said that additional reinforcement to the earth retention system will be complete by the end of the week and dewatering will be discontinued in a couple of weeks.

7. ECONOMIC DEVELOPMENT/COMMUNICATION COMMITTEE
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Ms. Lowenstein said that representatives of the four downtown associations and the Main Street BIZ shared what was going on in their areas. She said they heard that business is still rebounding but businesses face greater financial burdens (e.g. the City’s new trash pickup fee). They are grateful to the DDA for help in navigating various city processes and assistance with projects, and they would like to see the DDA get involved in retail recruitment. The MSAA said that restaurants are trending in the right direction and traffic is up. They are very aware that retail business has completely changed, and businesses can’t rely on foot traffic alone and must have a web presence. SUAA is looking forward to the changes 601 S. Forest will bring, including the opportunity for a large retail anchor tenant, and they are exploring the potential for creating a BIZ of their own. Kerrytown Shops said that events have resulted in increased foot traffic from young professionals and families, and businesses are interested to stay open later on Wednesdays to match the extended Wednesday evening Farmers

Market. SSAA indicated that new residential development is expanding its youthful customer base and they are seeing many new retail shops. The Main Street BIZ has been very successful with its sidewalk sweeping and snow removal, and there are numerous inquiries about expanding the BIZ area.

Ms. Lowenstein said that the Committee's first project will be the production of a DDA annual report, which will describe DDA projects and their impact on the downtown, as well as giving a picture of the current state of the downtown.

8. PARTNERSHIPS COMMITTEE

Energy Saving Grant Program: Ms. Smith said that the Committee is weighing choices for the program next year, and the committee will spend time at its next meeting reviewing recommendations from its Energy Engineer, Dave Konkle.

Downtown Redevelopment: Mr. Collins reported that Cresson Slotten, Systems Planning Unit Manager, spoke about the city's water and sewer system, and the Committee gained a lot of interesting insight into downtown infrastructure. Mr. Slotten said that when many pipes were laid water and sanitary demands were less intense as downtown consisted of storefronts and owner-occupied upstairs apartments. Modern fire suppression systems and taller buildings place much greater demands. When existing infrastructure reaches the end of its useful life the City replaces it and needs are identified and prioritized through the CIP process. When development creates greater demand than is available in existing capacity, the developers must pay to increase water or sanitary main pipe sizes. With DDA projects, like the underground structure, the DDA is paying to upgrade the system. Mr. Slotten asked the committee for feedback regarding system updates – how can the system meet capacity needs in the future without deterring development and/or creating an inequitable burden on developers or rate payers. Mr. Collins described the problem that is faced when a developer is “first in” and needs to bear the entire cost of installing a new water main, to which subsequent developers get free access. That really doesn't seem fair.

Ms. Smith said that Doug Kelbaugh and Kit McCullough attended the meeting and shared their thoughts on a public process for the future use of city-owned downtown parcels. They want to develop a 5-year vision and a 25-year vision. They said there should be an effort to bring in stakeholder groups that haven't been tapped before. Ms. Smith said that local developer Peter Allen has also taken time to talk with business owners on the Library block. The Committee will receive proposals from these individuals at their next committee meeting which will spell out more fully the planning and consulting services they want to provide the DDA.

9. TRANSPORTATION COMMITTEE

Mr. Mouat reported that Erica Briggs, Washtenaw Bicycling and Walking Coalition (WBWC), updated the committee on the status of their project; educating the public on the changes to the City's crosswalk ordinance. The DDA provided WBWC with a grant, and Ms. Briggs said that their first step was to get baseline data, and then observe behaviors. Their project may lead to targeted

enforcement, community wide education, and recommendations for engineering changes after surveying community members to measure the impact of their efforts.

Mr. Mouat discussed the findings from the Committee walk around, and with input from the City it was determined that the Committee would undertake a few small projects this year including: 1) railroad crossing improvements at William and Huron Streets, 2) minor sidewalk repairs on the 100-300 blocks of S. Main, and 3) crosswalk enhancements, especially count-down signals, at State & Liberty. Mr. Mouat said the Committee is proposing a partnership with the City, asking that the City complement the DDA's effort with a count-down signal installation at 5th & Huron.

Mr. Mouat reported on the status of the vegetable-shaped bicycle hoops that will be installed at the Farmers Market in late summer.

He said the next meeting of the transportation committee will focus on the getDowntown program and asked Nancy Shore to give a brief outline of what is to come. Ms. Shore said she would report on success of the go!pass program, the results of the annual Commuter Challenge, and where the getDowntown program may be eventually housed.

10. OTHER DDA BUSINESS MATTERS

None.

11. OTHER AUDIENCE PARTICIPATION

Peter Allen said that he would speak about some of the feedback he had heard from stakeholders of the Library block at the Partnerships Committee meeting next week. He described the need to connect the four corners of Ann Arbor which he said included the Allen Creek Greenway, the Riverfront, the Fuller Road Station and the University of Michigan Campus.

12. ADJOURNMENT

There being no other business, Mr. Hewitt moved and Mr. Collins seconded the motion to adjourn. Ms. Lowenstein declared the meeting adjourned at 1:05 p.m.

Respectfully submitted,
Susan Pollay, Executive Director