

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES**  
**Wednesday, February 1, 2012**  
**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 12:03 p.m.

**1. ROLL CALL**

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

Absent: Newcombe Clark, Robert Guenzel, Keith Orr

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

Audience: Dave Askins, *Ann Arbor Chronicle*  
Matt Barritt, resident  
John Bly, Warner Norcross and Judd, for the Urban Group  
Jim Carey, Lanning Advertising  
Andrew Cluley, WEMU  
Ray Detter, Downtown Area Citizens Advisory Committee  
Adrian Iraola, PAC  
Dan Ketelaar, Urban Group  
Jodi Lanning, Lanning Advertising  
Art Low, Republic Parking System  
Mat Naud, City of Ann Arbor  
Josie Parker, Ann Arbor District Library  
Nancy Shore, getDowntown

**2. AUDIENCE PARTICIPATION**

Jodi Lanning, Lanning Outdoor Advertising, proposed a public art collaboration between her firm, the City of Ann Arbor and the DDA. She spoke about the benefits of public art and said that she saw an opportunity to generate up to \$5,000/month from murals painted by local artists on the exteriors of public buildings, including parking structures, with her firm splitting the revenues 50/50 with the DDA, including a 5% set aside for art scholarships. If the DDA provided the space, she and her firm would oversee the installations and relationships with sponsors.

Matt Barritt said that as a frequent visitor to the downtown library he had enjoyed the “10 minute” spots for library patrons that were in the former Library Lot. He asked if there would be a 10 minute grace period in the new Library Lot structure or surface lot, and he asked why a grace period did not exist at the 5<sup>th</sup> & William surface lot. Mr. Barritt calculated that if he stayed 10 minutes his stay would cost him \$8 an hour, and he requested that the effective rate be the advertised rate and that a 10 minute grace period be reinstated at the 5<sup>th</sup> & William lot.

Dan Ketelaar of the Urban Group presented an overview of his proposed development at 618 S. Main Street, including 180-190 apartments and many amenities. The building will be Silver LEED certified and will include a rain garden and solar panels. Double the amount of required parking will be provided. He said the project has received support from the Old West Side Association. In order to link the project to the heart of the Main Street area, and to create a safe setting, streetscape and traffic calming would need to be installed, and Mr. Ketelaar said he is hoping that the DDA will be willing to aid in these efforts.

John Bly of Warner, Norcross and Judd spoke regarding the 618 S. Main project, saying that the site has an abandoned underground petroleum tank, and the site cleanup and streetscape improvements will be costly. In the past the DDA has provided grants to downtown projects, and Mr. Bly proposed that the developer pay the costs upfront for improvements, and then the DDA reimburse the developer from the TIF collected from the site because of the benefits the project will bring the community.

### **3. REPORTS FROM CITY BOARDS AND COMMISSIONS**

Downtown Area Citizens Advisory Council. Mr. Detter said that residents living on Forest Court and members of the N. Burns Park Neighborhood Association attended and expressed concern to the CAC about a proposed zoning change on S. U. from D2 to D1, which would enable the construction of a 15 story building. Mr. Detter said that he felt that D2 zoning exists to protect neighborhoods and explained that the CAC will speak in opposition of this request. He said that exceptions made for this property would undermine the work and planning that has been done.

Mr. Detter said that CAC members were briefed by Marsha Chamberlain about the creation of a “Master Plan” for the Public Art Commission throughout Ann Arbor. And Ms. Pollay presented a report on the important transportation initiatives being considered in downtown, the City, the County and eventually S.E. Michigan. The CAC maintains its strong support for transit.

The next CAC meeting will be March 6th at 7pm.

### **4. GETDOWNTOWN UPDATE**

Nancy Shore shared the findings of a 2011 survey which assessed downtown commuting patterns and the overall awareness of the getDowntown Program by downtown employers and employees. Ms. Shore said that 260 employers and 279 employees took the survey, enough to provide a representational sample. Some key survey findings include:

- \* 70% of employers surveyed believe it is either very or somewhat important to provide a choice of transportation options to attract high quality workers and customers.
- \* More than 70% of employers and employees are aware of the getDowntown program and the services they provide.
- \* 57% of employers who participate in the go!pass program rated the program as highly beneficial to their employees. For many employers, it is the only benefit they offer.
- \* Many employees reported that the go!pass was the encouragement they needed to take the bus for the first time or more often than they would otherwise.

Ms. Shore explained that there is an important commuting distance of 4 miles or more where transit use precipitously declines and commuters much more often report driving to work alone. This may be due to the good bus service within city limits and a possible need to improve service outside of Ann Arbor.

Ms. Shore thanked the DDA Board for their continued support of the go!pass and the getDowntown Program.

<b>5. COMMUNICATIONS FROM DDA MEMBERS</b>
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None

<b>6. APPROVAL OF MINUTES</b>
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Mr. Split moved and Ms. Smith seconded approval of the January 4, 2012 meeting minutes.

**A vote on the motion showed:**

AYES: Collins, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Nassif, Smith, Splitt

NAYS: none

Absent: Clark, Guenzel, Orr

**The motion carried.**

<b>7. A. BRICKS &amp; MONEY/TRANSPORTATION COMMITTEE</b>
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December Financials. Mr. Hewitt provided an update on FY 2012 second quarter financial reports. TIF and Parking expenses are within 5% of budgeted amount, and variances can be attributed to timing. Parking maintenance has been scaled back; the aggressive maintenance work completed in the past several years has allowed for a little breathing room now. The Housing fund will likely end the year ahead of budget because the grant to Avalon Housing is not expected to be paid out this fiscal year. Mr. Hewitt said that December 2011 parking revenues were up 9% against 2010, which is well in excess of the parking rate increase. Six month totals are also up over last year. This is an indicator that overall the downtown is holding its own despite the impact of the Michigan economy.

Ms. Lowenstein asked Mr. Hewitt if he would address the concerns raised by the speaker during public commentary about parking near the library. Mr. Hewitt said that a grace period will be included at the new Library lot structure and surface lot to allow for book drop off/pick up. He added that new equipment has been selected; patrons in the structure will have the option to pay using a pay-on-foot station or with a cashier; the spaces atop Library Lane will be part of the E-Park system. Ms. Gunn reminded everyone that there are spaces on E. William adjacent to the Library that provide 10 minute free parking for library patrons such as the earlier speaker who wish only to pick up or drop off books.

Republic Parking. Mr. Hewitt moved and Mr. Mouat seconded the following resolution. Mr. Hewitt said that the Committee had reviewed the results of inspections and customer surveys conducted in 2011, and were pleased with Republic Parking's performance in 2011, and appreciated their cost-cutting measures and continued efforts in various DDA projects and planning.

**RESOLUTION TO APPROVE A 2011 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, the Operations Committee recommends that the DDA provide RPS with a \$45,000 year-end management incentive out of a possible \$50,000 which is identical to what was approved by the DDA in 2010;

RESOLVED, The DDA authorizes a 2011 year-end management incentive of \$45,000 for Republic Parking Systems.

**A vote on the resolution showed:**

AYES: Collins, Gunn, Hewitt, Hieftje, Lowenstein, Mouat, Nassif, Smith, Splitt

NAYS: none

Absent: Clark, Guenzel, Orr

**The resolution passed.**

Underground Structure. Mr. Splitt reported the project is in "winter mode", with most work taking place within the structure. Mechanical and elevator installations are progressing. The goal is to begin horizontal waterproofing sometime between March 15<sup>th</sup> and April 15<sup>th</sup>. Mr. Hewitt noted that he was able to tour the facility recently and was very impressed. The architectural details are remarkable, including natural light that fills the stairwells to the bottom floor.

Transportation. Mr. Mouat said that Committee members had seen Ms. Shore's presentation at their meeting and asked Nancy to present to the full DDA. He said that he felt the survey demonstrates that Ann Arbor is becoming more urban and that the work of getDowntown and the DDA to offer attractive transportation options is important. The survey will help as planning for the Connecting William Street project progresses, and it can also help inform decisions about the future of county wide transit.

**The next Bricks & Money/ Transportation committee meeting will be on Wednesday, February 29<sup>th</sup> at 11:00am.**

**7. B. PARTNERSHIPS/ ECONOMIC DEVELOPMENT COMMITTEE**

Economic Development. Ms. Lowenstein reported that at their January committee meeting members heard from Swisher Commercial representatives regarding their 2011 vacancy report. Downtown commercial vacancy rates have decreased by over 2.5% in 2011 and Swisher saw a 40% increase in lease dollar volume, possibly meaning that businesses are feeling more confident about the economy and are more willing to commit to longer leases. Ms. Lowenstein said that Swisher confirmed what the DDA had been hearing from others, that there are not enough large floor plate properties available for the large

companies that would otherwise want to relocate to or remain downtown. Ms. Lowenstein said that Ann Arbor was recently ranked number 7 on a US News and World Report list of the Best Cities to Find a Job.

Ms. Lowenstein said that during the meeting Ms. Smith shared her knowledge of downtown residential sales and rentals. Residential sale prices are rebounding from a low point in 2009, and there is a demand for lofts and conversion type units by young professionals and empty-nesters wanting an urban lifestyle.

Ms. Lowenstein said that Ms. Miller presented recent SEMGOC data and forecasts for Washtenaw County through 2040. They predict that Washtenaw County's economic situation will recover slowly, while downtown Ann Arbor will likely see its economic situation recover more quickly.

Connecting William Street. Ms. Lowenstein shared that LOC members have finalized a name for the project. Committee members and DDA staff are creating social media elements such as webinars that will be used to engage the public. A survey is being fine-tuned and is expected to be released to the public in late February.

Village Green. Ms. Lowenstein said that a groundbreaking ceremony for the Village Green City Apartments development occurred on January 26<sup>th</sup>.

**The Partnerships/ Economic Development committee meeting scheduled for Wednesday, February 8<sup>th</sup> at 9am has been cancelled. The next meeting will take place March 14<sup>th</sup> at 9am.**

<b>8. OTHER DDA BUSINESS</b>
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None

<b>9. OTHER AUDIENCE PARTICIPATION</b>
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None

<b>10. ADJOURNMENT</b>
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There being no other business, Mr. Hewitt moved and Mr. Collins seconded a motion to adjourn. Ms. Gunn declared the meeting adjourned at 1:04 pm.

Respectfully submitted,  
Susan Pollay, Executive Director