

**Ann Arbor Downtown Development Authority
Special Board Meeting Minutes
Friday, January 25, 2008**

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: DDA Chair Roger Hewitt called the meeting to order at 12:05 p.m.

1. ROLL CALL

Present: Leah Gunn, Roger Hewitt, Joan Lowenstein, Marcia Higgins (Mayor Pro-Tem), John Mouat, Sandi Smith, John Splitt

Absent: Gary Boren, Russ Collins, Rene Greff, Dave DeVarti, Jennifer Hall

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant
Lindsay-Jean Hard, Special Projects Manager

Audience: Tony Bisesi, Republic Parking System
Tom Crawford, City of Ann Arbor
Ray Detter, Downtown Area Citizens Advisory Council
Mary Fales, City of Ann Arbor
Jon Frank, Village Green
Mark Hodesh, Downtown Home & Garden
Adrian Iraola, Washentaw Engineering
Ethel Potts, Citizen
Alice Ralph, A2D2 Design Committee

2. AUDIENCE PARTICIPATION

Mr. Detter said the CAC supports the 1st & Washington/Village Green project due to its inclusion of several affordable housing units on site.

Mr. Hodesh, identified himself as perhaps the closest neighbor to this project site and spoke in favor of the Village Green proposal, saying that a couple hundred new parking spaces would be a positive thing but adding 150 new downtown residents would be even better.

3. FIRST & WASHINGTON PARKING STRUCTURE DESIGN APPROVAL
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Mr. Hewitt announced that this Special Meeting was called to take action on the parking structure design proposed by Village Green and the financial arrangement for these parking spaces. At the January DDA meeting the Operations Committee had been authorized to approve a design up to \$10 million. The Committee met three times in the past three weeks, including two meetings with Village Green, to discuss the project. It was ultimately decided that the full DDA should be asked to approve the project. He welcomed Ms. Higgins to the meeting as Mayor Pro Tem, filling the Mayor's seat in his absence. **Ms. Lowenstein moved and Ms. Higgins seconded the following resolution:**

**RESOLUTION TO APPROVE THE FIRST & WASHINGTON PARKING STRUCTURE DESIGN AND
PARKING AGREEMENT AMENDMENTS AS PROPOSED BY VILLAGE GREEN COMPANIES**

Whereas, In January 2006 the City of Ann Arbor approved an RFP seeking proposals for the purchase and redevelopment of First & Washington with the goal to 1) increase downtown residential density, 2) replace 120-200 public parking spaces, 3) and maximize the financial return to the City and DDA;

Whereas, In August 2006 the City approved the selection of Village Green Companies as the proposed developer and entered into an Option Agreement which required the negotiation and approval of among others, a Parking Agreement between the City, Village Green and the DDA;

Whereas, In October 2007 a Parking Agreement was approved by the City, DDA and Village Green for this project which provisions included permanent and flex parking for the residential portion of the site development, and the design and construction of a new parking structure on the site intended to have a 75-yr useful life to be managed by the DDA to which the DDA agreed to provide a per space contribution consistent with the terms of the RFP;

Whereas, In December 2007 Village Green provided the DDA with a proposed parking structure layout and requested amendments to the Parking Agreement to move its 73 "flex" parking permits to the First & Washington Structure, and to increase the amount paid by the DDA for 68 spaces partially below grade;

Whereas, At its January 2008 meeting the DDA authorized its Operations Committee to meet with the developer and approve a parking structure design with a DDA parking contribution cost not to exceed \$10 million, with this authorization extended until January 23, 2008;

Whereas, The Operations Committee met three times in January 2008 to discuss Village Green's requested changes to the Parking Agreement and its proposed parking structure design;

Whereas, The Parking Agreement signed by the City, DDA, and Village Green set forward that Village Green would design and construct the parking structure "for a minimum useful life of 75 years (i.e., number of years before first major structural repair required) with maximum protection against salt degradation," and Village Green has provided DDA with a list of durability elements that it proposes to include in the parking structure to meet this agreed-upon minimum 75 year useful life;

Whereas, With assistance from its parking engineers the DDA has produced a series of parking studies for City Council this past year which included estimated total project costs to construct structured parking spaces, and the project costs proposed by Village Green are comparable to the estimates generated for other sites;

Whereas, The Operations Committee has determined that the parking structure design proposed by Village Green with the revisions required by the Operations Committee on January 16, 2008 and agreed to by Village Green is adequate for public parking;

Whereas, The Operations Committee discussed Village Green's proposal for amendment of the Parking Agreement to relocate the flex parking specifically to the new First and Washington Structure and increase the DDA's per space parking contribution for any parking space constructed partially underground;

RESOLVED, The DDA approves the 241-space parking structure design proposed by Village Green on January 16, 2008 as adequate for public parking subject to the following conditions:

- ❑ If the internal parking structure design and layout of January 16, 2008, is altered either by Village Green prior to or during the submission and review process, or as a result of requirements of the City Planning Commission and City Council approval process, Village Green agrees to meet with the DDA, or its designee the Operation Committee, and resolve any substantive operational and/or management issues resulting from these changes,
- ❑ DDA retains its interest in seeing the parking structure designed and constructed for a minimum useful 75 years with maximum protection against salt degradation, and if there is a disagreement between what Village Green proposes as the durability elements it will provide to attain this 75 year useful life and what the DDA believes may be necessary, the DDA requires that a third party licensed parking structure engineer agreeable to both parties be selected to provide an independent assessment as soon as details on construction design and materials is assembled by Village Green;

RESOLVED, The DDA approves the addition of an additional floor of parking as proposed by Village Green with approximately 68 parking spaces at the cost of \$45,000/car space with the provision noted above regarding durability elements for a parking structure with a total of approximately 309 spaces;

RESOLVED, If the additional floor proposed by Village Green is acceptable to City Planning Commission and City Council, and if this floor provides a minimum of 65 parking spaces, the DDA approves the request from Village Green to move its 73 "flex" overnight monthly permits to First & Washington;

RESOLVED, The DDA agrees to the following estimated costs proposed by Village Green for the parking structure, for a parking structure with 309 spaces:

26 completely below grade parking spaces X \$45,000 =	\$ 1,170,000
68 partially below grade parking spaces X \$35,000 =	\$ 2,380,000
147 parking spaces completely above grade X \$35,000 =	<u>\$ 5,145,000</u>
	\$ 8,695,000
68 parking spaces on a new floor X \$45,000 =	<u>\$ 3,060,000</u>
	\$11,755,000
Premium requested by Village Green for 68 spaces that are partially below grade X \$5,000 =	<u>\$ 340,000</u>
TOTAL ESTIMATED PROJECT COST AGREED TO BY THE DDA	\$12,095,000

and further approves the disbursement of funds to Village Green as the DDA parking contribution cost in accordance with the above estimate adjusted for the final actual per space count;

RESOLVED, The DDA accepts and agrees to contribute Village Green's cost of \$10,257.60 to provide glass in the public elevator lobby, and also encourages Village Green to provide a glass fronted elevator if feasible to add to patron comfort and safety in the parking structure and submit for consideration to the DDA for DDA approval and contribution of the cost of this upgrade;

RESOLVED, The DDA recommends that the City be requested to consider modification of the Parking Agreement so that monthly parking permits are provided directly by the DDA to Village Green tenants, with Village Green providing the necessary administrative role.

Ms. Lowenstein made several punctuation changes, i.e., changing semi-colons to periods and periods to semi-colons. These changes were noted and changed.

Mr. DeVarti enters.

Ms. Smith acknowledged the time and effort of all the various committees regarding this project. She asked if it were known what the DDA would get in exchange for paying \$340,000 more for the spaces as shown in the resolution. Mr. Crawford said that there wasn't anything specific given in exchange by Village Green for this increase in cost, but that the overall project cost per space appears consistent with estimates seen for other downtown parking sites.

Mr. Mouat made a motion and Mr. Splitt seconded the motion to eliminate the 2nd resolve which would add the additional floor for a combined 309 parking spaces.

Ms. Lowenstein accepted the motion as friendly. It was noted that the third and fourth resolved clauses would change as a result of this amendment. Mr. Splitt stated his concern that 30% of the parking spaces would be compact spaces, thus the DDA payment per space would produce less actual parking square footage. Ms. Smith stated she was not comfortable eliminating the extra floor without a vote, as the DDA and City have very

few opportunities to add downtown public parking, and to the extent possible, every opportunity should be maximized. She asked if the DDA could vote on this proposed amendment. Ms. Gunn said that she didn't favor adding the extra level of parking and Mr. Mouat said that he opposed the extra floor because it added more frontage for parking which wasn't pedestrian friendly no matter how attractively it might be designed. Ms. Lowenstein said she was comfortable with voting on the motion.

A vote to delete the second resolved clause which would add an additional floor of parking showed:

AYES: DeVarti, Gunn, Hewitt, Higgins (Hieftje), Lowenstein, Mouat, Splitt

NAYES: Smith

Absent: Boren, Collins, Greff, Hall

The motion carried.

Mr. DeVarti asked for clarification regarding the 73 overnight "flex" permits that were to be allowed at First & Washington if the extra floor had been added. Mr. Crawford explained that Village Green's lender has required a 1-to-1 parking space to apartment ratio on site. With 146 apartments, 73 monthly permits have already been provided and 73 overnight permits would complete the requirement. Ms. Gunn proposed an amendment in the 3rd Resolve which Ms. Lowenstein accepted as friendly:

~~RESOLVED, If the additional floor proposed by Village Green is acceptable to City Planning Commission and City Council, and if this floor provides a minimum of 65 parking spaces, the DDA approves the request from Village Green to move its 73 "flex" overnight monthly permits to First & Washington;~~

Ms. Gunn proposed an amendment in the final Resolved that was also accepted as friendly by Ms. Lowenstein as follows:

~~RESOLVED, The DDA recommends that the City be requested to consider~~ desires to finance this project with tax free bonds, and it recommends that the city consider ~~as~~ modification of the Parking Agreement so that monthly parking permits are provided directly by the DDA to Village Green tenants, with Village Green providing the necessary administrative role.

The amended resolution is as follows:

RESOLUTION TO APPROVE THE FIRST & WASHINGTON PARKING STRUCTURE DESIGN AND PARKING AGREEMENT AMENDMENTS AS PROPOSED BY VILLAGE GREEN COMPANIES

Whereas, In January 2006 the City of Ann Arbor approved an RFP seeking proposals for the purchase and redevelopment of First & Washington with the goal to 1) increase downtown residential density, 2) replace 120-200 public parking spaces, 3) and maximize the financial return to the City and DDA;

Whereas, In August 2006 the City approved the selection of Village Green Companies as the proposed developer and entered into an Option Agreement which required the negotiation and approval of among others, a Parking Agreement between the City, Village Green and the DDA;

Whereas, In October 2007 a Parking Agreement was approved by the City, DDA and Village Green for this project which provisions included permanent and flex parking for the residential portion of the site development, and the design and construction of a new parking structure on the site intended to have a 75-yr useful life to be managed by the DDA to which the DDA agreed to provide a per space contribution consistent with the terms of the RFP;

Whereas, In December 2007 Village Green provided the DDA with a proposed parking structure layout and requested amendments to the Parking Agreement to move its 73 "flex" parking permits to the First & Washington Structure, and to increase the amount paid by the DDA for 68 spaces partially below grade;

Whereas, At its January 2008 meeting the DDA authorized its Operations Committee to meet with the developer and approve a parking structure design with a DDA parking contribution cost not to exceed \$10 million, with this authorization extended until January 23, 2008;

Whereas, The Operations Committee met three times in January 2008 to discuss Village Green's requested changes to the Parking Agreement and its proposed parking structure design;

Whereas, The Parking Agreement signed by the City, DDA, and Village Green set forward that Village Green would design and construct the parking structure "for a minimum useful life of 75 years (i.e., number of years before first major structural repair required) with maximum protection against salt degradation," and Village Green has provided DDA with a list of durability elements that it proposes to include in the parking structure to meet this agreed-upon minimum 75 year useful life;

Whereas, With assistance from its parking engineers the DDA has produced a series of parking studies for City Council this past year which included estimated total project costs to construct structured parking spaces, and the project costs proposed by Village Green are comparable to the estimates generated for other sites;

Whereas, The Operations Committee has determined that the parking structure design proposed by Village Green with the revisions required by the Operations Committee on January 16, 2008 and agreed to by Village Green is adequate for public parking;

Whereas, The Operations Committee discussed Village Green's proposal for amendment of the Parking Agreement to relocate the flex parking specifically to the new First and Washington Structure and increase the DDA's per space parking contribution for any parking space constructed partially underground;

RESOLVED, The DDA approves the 241-space parking structure design proposed by Village Green on January 16, 2008 as adequate for public parking subject to the following conditions:

- If the internal parking structure design and layout of January 16, 2008, is altered either by Village Green prior to or during the submission and review process, or as a result of requirements of the City Planning Commission and City Council approval process, Village Green agrees to meet with the DDA, or its designee the Operation Committee, and resolve any substantive operational and/or management issues resulting from these changes,
- DDA retains its interest in seeing the parking structure designed and constructed for a minimum useful 75 years with maximum protection against salt degradation, and if there is a disagreement between what Village Green proposes as the durability elements it will provide to attain this 75 year useful life and what the DDA believes may be necessary, the DDA requires that a third party licensed parking structure engineer agreeable to both parties be selected to provide an independent assessment as soon as details on construction design and materials is assembled by Village Green;

RESOLVED, The DDA approves the request from Village Green to move its 73 "flex" overnight monthly permits to First & Washington;

RESOLVED, The DDA agrees to the following estimated costs proposed by Village Green for the parking structure, for a parking structure with 241 spaces:

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	\$8,695,000
Premium requested by Village Green for 68 spaces that are partially below grade X \$5,000 =	<u>\$ 340,000</u>

TOTAL ESTIMATED PROJECT COST AGREED TO BY THE DDA \$9,035,000

and further approves the disbursement of funds to Village Green as the DDA parking contribution cost in accordance with the above estimate adjusted for the final actual per space count;

RESOLVED, The DDA accepts and agrees to contribute Village Green's cost of \$10,257.60 to provide glass in the public elevator lobby, and also encourages Village Green to provide a glass fronted elevator if feasible to add to patron comfort and safety in the parking structure and submit for consideration to the DDA for DDA approval and contribution of the cost of this upgrade;

RESOLVED, The DDA desires to finance this project with tax free bonds, and it recommends that the City consider modification of the Parking Agreement so that monthly parking permits are provided directly by the DDA to Village Green tenants, with Village Green providing the necessary administrative role.

A vote on the motion to approve the resolution as amended showed:

AYES: DeVarti, Gunn, Hewitt, Higgins, Lowenstein, Mouat, Smith, Splitt

NAYES: None

Absent: Boren, Collins, Greff, Hall

The motion carried.

9. OTHER DDA BUSINESS MATTERS

None.

10. OTHER AUDIENCE PARTICIPATION

None.

11. ADJOURNMENT

As there was no further discussion Ms. Gunn moved and Ms. Lowenstein seconded adjournment of the meeting at 1:30 PM.

Respectfully submitted,
Susan Pollay, Executive Director