

**Ann Arbor Downtown Development Authority Informational Meeting
Wednesday, January 6, 2021 at 12:00 pm**

Place: Virtual Meeting: Zoom link: <https://us02web.zoom.us/j/86438434027>
Phone: 877-853-5257 Meeting ID: 864 3843 4027 Passcode: 493208

Time: 12:00 Noon

1. ROLL CALL

Present: Micah Bartelme, Tom Crawford, Alex Dieck, Bob Guenzel, Ji Hye Kim, Tyler Kinley, Marie Klopf, Jessica A.S. Letaw, Molly McFarland, Darren McKinnon, Rishi Narayan

Absent: None

Staff: Maura Thomson, Interim Executive Director/Communications Manager
Susan Pollay, Executive Director
Sara McCallum, Deputy Director
Jada Hahlbrock, Parking Services Manager
Amber Miller, Capital Projects Manager
Kelley Graves, Management Assistant

Others: Mike McKiness/RPS; Chris Simmons/TheRide, Steve Kaplan/CAC, Alan Haber

Public: Members of the public were on the Zoom meeting but did not identify themselves.

2. APPROVAL OF BOARD MEETING AGENDA

Mr. Bartelme moved and Ms. Klopf seconded the motion to approve the meeting agenda.

A consent vote on the motion showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: None

The motion was approved.

3. AUDIENCE PARTICIPATION

Mr. Haber provided an update on the fir tree the Community Commons Initiating Committee planted last month near the Library Lane elevator. The group has established a website where the community may share opinions, feedback and ideas.

4. REPORTS FROM CITY BOARDS AND COMMISSIONS

Mr. Kaplan said that Mr. Haber attended the meeting, sharing information on the Community Commons Initiating Committee's activities. The CAC members expressed interest in learning more

as specific plans are developed and recommended the Commons Initiating Committee reach out to the AADL.

5. DDA MEMBER COMMUNICATIONS

None.

6. EXECUTIVE DIRECTOR REPORT

Ms. Thomson announced that Mr. Jonathan Massey has been appointed by the Mayor and City Council to fill the DDA Board vacancy. Mr. Massey is a downtown resident and UM Professor and Dean of the A. Alfred Taubman College of Architecture and Urban Planning. Mr. Massey will be joining as of the February Board meeting.

Ms. Thomson shared that the First Street Bikeway was named to a Top 10 list of projects for 2020. She thanked the board for its leadership in supporting and approving the People-Friendly Streets Projects, Phase 1 & 2. She thanked Amber Miller for her continued commitment to collaboration with City staff and the community and, her dedication to excellence in the design and implementation of projects, such as the bikeway, that benefit the whole community.

GetDowntown is collaborating with the area associations for a virtual Conquer The Cold program this year. Participants may collect badges and prizes for shopping trips, carryout food orders, etc.

The Swisher 2020 Year-end Vacancy report has been released. Staff will forward a copy to the Board.

7. APPROVAL OF MINUTES

Mr. McKinnon moved and Mr. Guenzel seconded a motion to approve the December minutes.

A consent vote on the motion showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopff, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: None

The motion was approved.

8A. SUBCOMMITTEE REPORTS – CAPITAL IMPROVEMENTS

Downtown Pilot Project Report: Ms. McFarland provided a summary of the Committee’s discussion of the pilot project report. The project measurably improved safety, access, and non-motorized use with 73-81% of respondents who used a specific pilot project reporting that it improved their experience biking and walking downtown. Bicycle traffic increased dramatically at all pilot locations. During a 3-day collection period, over 4,649 bicycle trips were recorded at 13 different locations. The temporary street changes reduced speed at nearly all pilot locations by 1-6 mph; reducing the likelihood of a severe/fatal crash. The key lessons learned included recognizing

temporary measures are not as effective as permanent implementations and the use of construction barrels and cones can be confusing and not intuitive. It was noted while the pilots slowed traffic, several locations needed to be reduced further to fall within the safe and legal speed limit. Community engagement needs to be broadened with a focus on a shared understanding of community values. Polarization within community dialogue was a challenge noted. Project goals were met with an increase in physical distancing and COVID-19 safety, reinforcement of DDA core values for street projects and gaining insights that will inform future design/projects.

Ashley Street Project Update: Ms. Dieck stated that the contractor estimates a March 15-July 15 construction timeline for the current scope. The team is investigating winter work to allow for a shorter construction season this spring and summer. Pre-pandemic, building owners strongly supported filling underground vaults, which shaped the project scope. Staff are reaching back out and understand that owners' circumstances may have changed due to the current environment. Adjustments to the project scope will be made as needed, should some building owners choose not to fill in their vaults at this time.

People-Friendly Streets Phase II: Public meetings will take place in early 2021.

The next Capital Improvements Committee meeting is scheduled for Wednesday, January 20 at 11 am.

8B. SUBCOMMITTEE REPORTS – OPERATIONS

Mr. McKinnon reported that the December Committee meeting was cancelled. The next Operations Committee meeting will be on Wednesday, January 27 at 11 am.

8C. SUBCOMMITTEE REPORTS - AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT

UM Discussion: Mike Rein, Director of Community Relations for UM spoke of the University's pandemic response to-date. UM maintained contact with Michigan Department of Health and Human Services (MDHHS), Washtenaw County Health Department and the City. In-person classes resumed in August with a planned semester end date of Thanksgiving and when there was an increase in COVID cases, UM shifted all but the Graduate and Health Services' classes to online for Winter term following MDHHS guidelines. UM plans to resume in-person classes in Fall 2021. All but a few construction projects have been placed on-hold due to the pandemic. UM has plans for future development of student residence halls on the former Fingerle Lumber lot and renovation of the Northwood housing area. The Committee asked how to more actively involve UM students and faculty in DDA project related public engagement. Mr. Rein noted existing collaboration and communication with DDA staff but will provide student government and council contacts to the DDA for public engagement outreach opportunities. Mr. Rein will attend next week's AH/ED Committee meeting to share this update with our Partners.

The next Affordable Housing/Economic Development Committee meeting is scheduled for Wednesday, January 13 at 9:00 am (with Partners).

8D. SUBCOMMITTEE REPORTS – FINANCE

Ms. Klopf reported the December Committee meeting was cancelled. The next Finance Committee meeting is scheduled for Thursday, January 28 at 9am at which time the first draft of the FY 2022 budget will be presented.

8E. SUBCOMMITTEE REPORTS- EXECUTIVE COMMITTEE

Ms. Letaw moved and Mr. McKinnon seconded the following resolution:

RESOLUTION APPROVING THE SELECTION OF GovHR USA LLC TO CONDUCT SEARCH FOR THE NEXT DDA EXECUTIVE DIRECTOR

Whereas, DDA Bylaws set forward that the DDA Executive Committee may make recommendations to the Board and shall perform such other duties as specified by the Board;

Whereas, In September 2020 the DDA Board authorized its Executive Committee, with such board and staff input as may be useful, to carry out tasks relating to this selection process;

Whereas, The Executive Committee oversaw the distribution of an RFP soliciting proposals from executive search firms interested in assisting the DDA with its search, reviewed the eight responses and interviewed four firms;

Whereas, After contacting references, and after much consideration, the Executive Committee recommends the DDA approve the selection of GovHR USA LLC at a fee equal to \$24,500 to manage the search process for the next DDA Executive Director;

RESOLVED, The DDA approves the selection of GovHR USA LLC at a fee equal to \$24,500 to assist the DDA with its search process for the next DDA Executive Director.

RESOLVED, The DDA Chair and Interim Executive Director are authorized to sign documents associated with this approval, including a detailed scope of work.

A consent vote on the resolution showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: None

The resolution was approved.

Ms. Letaw asked for a motion and a second on a resolution brought forward by the Executive Committee. **Ms. Klopf moved and Mr. Crawford seconded the following resolution:**

RESOLUTION TO DIRECT THE DISBURSEMENT OF ACCRUED INTEREST HELD IN ESCROW AGAINST THE 2001 MORTGAGE 100 S. FOURTH AVENUE BUILDING (COURTHOUSE SQUARE APARTMENTS)

Whereas, In 2000 the DDA received a request from First Centrum LLC for financial assistance to help them rehabilitate their 100 S. Fourth Ave building, including making roof repairs and replacing two elevators;

Whereas, The building had been a former hotel, and once renovated and renamed Courthouse Square Apartments, the building contained 116 affordable housing units for people over the age of 55, including some units at 50% and 60% AMI;

Whereas, In response to the request from First Centrum, in October 2000 the DDA provided \$100,000 to this project in the form of a 6% interest loan and in August 2001 a mortgage was filed (liber 4059) against the property as repayment assurance;

Whereas, in December 2013 Courthouse Square Acquisitions, LLC purchased the property and was assigned the mortgage and note by consent of the DDA;

Whereas, In December 2020 Courthouse Square Acquisitions requested that the DDA discharge this mortgage to allow a property closing to go through, and also asked the DDA to consider the waiver of the \$116,000 of interest that has accrued on the loan, either in whole or in part;

Whereas, As consideration for the DDA's agreement to discharge the Mortgage and enable Courthouse Acquisitions to proceed to closing, Courthouse Acquisitions did deposit \$216,000 into an escrow account held by Liberty Title Agency, Inc., prior to the date of closing, which represents the sum of the principal amount of \$100,000 and the interest accrued thru December 31, 2020 of \$116,000;

Whereas, \$100,000 of the escrowed funds, being the principal portion, was distributed to the DDA upon closing and the mortgage was thereupon discharged;

Whereas, The terms of the escrow agreement call for the disbursement of the remaining \$116,000, being the accrued interest portion, to be directed by the DDA Board;

Whereas, The Executive Committee recommends that the DDA Board direct Liberty Title Agency to disburse \$ xxxxxxxx of the accrued interest held in escrow to Courthouse Square Acquisitions, and to disburse any remaining funds to the Ann Arbor Downtown Development Authority.

Resolved, The DDA Board directs Liberty Title Agency to disburse \$xxxxx to Courthouse Square Acquisitions, and to disburse any remaining funds to the Ann Arbor Downtown Development Authority; and authorizes the DDA Executive Director to execute any necessary documentation.

Prior to the vote on the resolution, Mr. Bartelme and Ms. Dieck recused themselves. Questions were asked and answered regarding the resolution.

Mr. Narayan moved and Mr. Crawford seconded a motion to postpone a vote on the resolution and move it to the Finance Committee for further discussion. A voice consent vote showed a mix of votes. Ms. Letaw called for a roll call vote.

A roll call vote on the motion to postpone a vote on the resolution and move it to the Finance Committee for further discussion showed:

Ayes: Crawford, Guenzel, McFarland, McKinnon, Narayan

Nays: Kinley, Klopf, Letaw

Absent: Kim

Recused: Bartelme, Dieck

The motion was approved.

Ms. Letaw said the Committee also reviewed the agenda for today's meeting.

The next Executive Committee is scheduled for Wednesday, February 3 at 11:00 am.

9. NEW BUSINESS

None.

10. OTHER AUDIENCE PARTICIPATION

Mr. Honeyman raised questions regarding the Wickfield Properties resolution and hopes they will be addressed at the Finance Committee meeting.

Mr. Haber said that perhaps the accrued interest funds in the Wickfield Properties resolution could be used in some way for the Center of the City initiative.

11. ADJOURNMENT

Mr. McKinnon moved and Mr. Narayan seconded the motion to adjourn.

A consent vote on the motion showed:

Ayes: Bartelme, Crawford, Dieck, Guenzel, Kim, Kinley, Klopf, Letaw, McFarland, McKinnon, Narayan

Nays: None

Absent: None

The motion was approved.

The meeting adjourned at 12:55 pm.

Respectfully submitted,
Maura Thomson, Interim Executive Director

AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES

Wednesday, January 13, 2021

Place: Virtual Meeting-Zoom link: <https://us02web.zoom.us/j/83987225234>
by phone 1-877-853-5257 (Meeting ID: 839 8722 5234 Password: 578081)

Time: 9:00 a.m.

Committee Present: Tyler Kinley, Darren McKinnon

Committee Absent: Micah Bartelme, Bob Guenzel

Other DDA Present: Jessica A.S. Letaw

Partners: Shannon Gibb-Randall/CPC; Ali Ramlawi, Linh Song/City Council;
Josie Parker/AADL, Matt Carpenter, Rich Chang/AAATA, Jennifer Hall/AAHC

Staff: Maura Thomson, Sara McCallum, Kelley Graves

Others: Mike Rein/UM

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Virtual Guidelines: Mr. Kinley read the guidelines for holding electronic meetings.

UM/Mike Rein: Mr. Rein, Director of Community Relations for UM attended to share the University's pandemic response and overview of UM activities overall. In response to an increase in cases and following MDHHS guidelines, UM shifted all but the Graduate and Health Services' classes to online for Winter term. Those remaining in residence halls, are being assigned one-person to a room. The Union and League buildings will be accessible for up to 12-hours at a time to students who register through the University's ResponsiBlue app. UM plans to resume in-person classes Fall 2021. Questions were asked and answered.

Mr. Rein stated plans for the former Fingerle lot are on hold. Future options of resident halls or extended athletic facilities are being considered for the site. Ms. Gibb-Randall stated that residential units are prohibited by State law in floodplain/floodway areas such as the Fingerle lot. Construction of the new UM hospital is on hold during this time. Questions were asked and answered regarding UM's plans to create greater density by replacing Northwood with a multi-level structure(s). Discussion included the importance of involving the City, residents, schools, library and businesses and consider connectivity, transportation options as plans move forward.

Partner Updates: Mr. Carpenter stated TheRide plans to restore full service in August. The AAATA will release its business plans in late February/early March for public feedback. The State budget remains a risk point but there is sense of optimism there will be more support under the new presidency. The RTA has not set a date yet to restart the Detroit-to-Ann Arbor service. AirRide remains suspended due to the ongoing reduction in air travel.

Ms. Parker thanked CM Linh Song for her four years of service on the Library Board. The vestibule service is available at all five locations. Lockers are available at all by the downtown location for material pick-up. Vestibule service has kept the Library at 64% of last year's full-services level. The

Library plans to have most regular services restored by the end of June. The wifi service has been boosted to allow patrons to use the Library's internet service in the surrounding at each location.

Ms. Thomson said First Street construction was substantially completed in 2020 with a few items to be finished this construction season. Mr. Kinley noted the First Street Bikeway was named one of the top 10 street projects for 2020. Preparations are being finalized for the Ashley Street project with plans to start construction earlier than usual as allowed and sequencing of work to minimize the impact on area businesses and residents. Initial public engagement for People-Friendly Streets-Phase 2 has begun with the State Street area businesses. More PFS-2 public engagement to commence in mid-February. Ms. Thomson reported the DDA Executive Committee has selected a search firm to assist in the process of hiring a new Executive Director.

Ms. Hall stated that the AAHC received HUD approval for the Lurie Terrace purchase. The closing is expected to take place in February. Current lower interest rates will reduce the funds required from the DDA. The AAHC, DDA and AAATA continue to work together on the 350 S. Fifth pre-entitlement. The report on the other four City-owned sites including a housing market analysis and parking study will be presented to Council in March. The Affordable Housing Millage was passed in November. The AAHC is looking at the first two years' budget impact. Public engagement and input on Council's goals will inform decisions on use of the funds. Questions were asked and answered.

CM Ramlawi said City budget preparation is underway. The updated flood plain ordinance and sign ordinance were approved by Council. The City, DDA and merchant associations are scheduled to meet again to discuss ways to continue supporting downtown businesses during this time. CM Ramlawi expressed appreciation for the DDA's generous support of the downtown this past year. A resolution for additional healthy streets pilots is coming to Council. The City has hired a new HR Director. CM Song said Council approved the 156-unit Lockwood development, which includes 40-50 lower income units. Council approved a water rate increase. Council and City staff held a working session to discuss sidewalk improvements for 2021-2022.

Ms. Gibb-Randall said Planning approved the Near North condo development on Main. The parking lot across from the YMCA, across Huron and a 35-unit student housing development on S. Main have been approved. Planning has also approved the storage facility on Stadium. The City is engaging with UM and the Ann Arbor Racially Restrictive Covenant Mapping Project to change the restrictive conveyance of deed ordinance.

Public Comment: None.

The next Affordable Housing/Economic Development Committee meeting (DDA only) is scheduled for February 10 at 9 am.

The meeting adjourned at 11 am.

Respectfully submitted,
Maura Thomson, Interim Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
CAPITAL IMPROVEMENTS COMMITTEE MEETING MINUTES
Wednesday, January 20, 2021**

Place: Virtual Meeting: <https://us02web.zoom.us/j/84376148617> or by Phone: 1-877-853-5257 Meeting ID: 843 7614 8617 Passcode: 098847

Time: 11:00 am

Committee Present: Alex Dieck, Tyler Kinley, Jessica A.S. Letaw, Molly McFarland, Darren McKinnon

Committee Absent: Micah Bartelme

Other DDA Present: None

Staff: Maura Thomson, Amber Miller, Liz Rolla, Jada Hahlbrock, Sara McCallum, Kelley Graves

Others Present: Oliver Kiley/SmithGroup, Chris Wall/Wade Trim

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Virtual Meeting Guidelines: Ms. McFarland outlined the guidelines for electronic meetings.

DDA Bylaws: In response to questions raised at the last board meeting about board members abstaining from discussion/vote, Ms. Letaw read the section of the DDA Bylaws pertaining to conflict of interest. DDA staff is drafting clarifying language to the DDA Bylaws for review by the DDA attorney and then presented to Executive Committee and the Board.

Ashley Street Project: Ms. Miller and Mr. Kiley provided an overview of the project timeline, scope, and potential scope additions. Ms. Miller said that the projected timeline is February-May and will be influenced by the project scope agreed to today and staff discussions with businesses in the area. The core project commitments include bond limitations, contractual obligations, cost, restoring two-way function to ensure safety and access and, adhering to the CIP.

The total project bond for First/Ashley/William/Huron is \$18M to be used by February 6, 2022; three years from date of issuance. Ms. Miller said there is \$2-2.5M remaining that the bond agreement allows for/anticipates may be spent on like projects (bikeway/pedestrian/streetscape). DDA, City and SmithGroup staff thoroughly reviewed the project scope and vetted potential additions. It has been determined that some of the vaults cannot be closed. The scope was revised to reflect this change.

The watermain upsizing between Huron and Washington would add to the timeline and would cause significant disruption. The streetlighting and tree planting on the west side between Huron and Washington would add to the timeline and a long-term solution for the limited drive-approaches has not been identified. Staff recommends removing these projects from the scope.

In addition to the previously approved basic project scope, staff recommends the including the bumpout and streetscape improvements (SW Liberty Corner) and bump-out, street lighting and tree planting on the east side between Washington and Huron. Questions were asked and answered. The committee agreed to have the project team move forward with the additions to the project scope.

People Friendly Streets Phase 2: Public outreach to begin in February. Mr. Kiley shared plans for a multi-level approach to the public engagement process in the ongoing virtual environment. He noted this will

Capital Improvements Committee Meeting

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be an opportunity to broadly share with the public the DDA's clarified value statements and the analyses completed during the pandemic. There will be two rounds of 3-day focus groups and priority voting with breakout sessions for groups by area of interest. Ms. Thomson said the well-established social media and one-on-one outreach to businesses and individuals will be utilized. Ms. Miller said the team is also reaching out to local organizations to find ways to engage individuals who wish to participate but do not have access to technology.

Public Comment: None.

The meeting adjourned at 11:44 am.

Respectfully submitted,
Maura Thomson, Interim Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
OPERATIONS COMMITTEE MEETING MINUTES
Wednesday, January 27, 2021**

Place: Virtual meeting—Zoom link: <https://us02web.zoom.us/j/87273855074>
Phone: 1-877-853-5257 (Meeting ID: 872 7385 5074 Passcode: 175794)

Time: 11 am

Committee Present: Tyler Kinley, Darren McKinnon

Committee Absent: Robert Guenzel

Other DDA Present: Jessica A.S. Letaw

Staff: Jada Hahlbrock, Sara McCallum, Maura Thomson, Kelley Graves

Other Attendees: Mike McKiness/RPS, Chris Simmons/GetDowntown

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Virtual Meeting Guidelines: Mr. McKinnon outlined meeting details for everyone attending.

DDA Bylaws: In response to questions raised at the last board meeting about board members abstaining from discussion/vote, Ms. Letaw read the section of the DDA Bylaws pertaining to conflict of interest. DDA staff is drafting clarifying language to the DDA Bylaws for review by the DDA attorney and then presented to Executive Committee and the Board.

Parking System Financials: Ms. McCallum presented the parking system financials for December 2020. She commented that current revenue levels for on-street parking are on track with projections. There was a slight drop in hourly, which is typical during the winter months. Permit fee revenue was reduced, as anticipated due to permits being turned in and many businesses continuing to work remotely.

FY22 Budget Process: Ms. McCallum shared the draft FY22 and FY23 budgets. Questions were asked and answered regarding the difference between the budgeted revenue and the projected revenue and, the impact on the DDA's fund balance. Ms. McCallum stated that per State statute, DDA's are not allowed to overspend on expenditures nor submit a budget with a negative fund balance. Staff is mindful of having to closely monitor expenses and make recommendations as needed for reducing expenditures to maintain a solid fund balance. Ms. McCallum spoke with the City's CFO and he agrees with budgeting revenue at normal/pre-pandemic levels to provide the most flexibility throughout the year. Ms. Hahlbrock stated that the CIP and 20-year plan were considered in the budget figures. She said that capital and repair projects will be identified over the next few months and brought to the Committee for consideration within the guidelines of being fiscally conservative. It was agreed that the board will need a thorough explanation to understand the approach to the FY22 budget and the plan for monitoring actual revenues and expenditures.

Ms. McCallum will share the Committee's concerns and comments at tomorrow's Finance Committee. She stated that staff will continue work on the budget in February, bringing the final budget back to Finance Committee at the end of the month. It will be brought to the March Board for approval. From there, the budget will be submitted to the City. It will go through the City's budget process and once approved, will be brought back to the DDA Board in June for final adoption.

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Forest Structure Deterrent Fencing Resolution: Ms. Hahlbrock stated that five vendors participated in the pre-bid meeting and two vendors submitted bids to install deterrent fencing at the Forest structure on the three levels below the rooftop. WGI vetted the two vendors and recommends the selection of Future Fence. Their bid was not the lowest of the two bids at \$87k; however, WGI thinks the bid submitted by Future Fence best meets the bid specifications. Ms. Hahlbrock stated the DDA met with UM regarding sharing the cost of installing the additional deterrent fencing as Forest is jointly owned by the City and UM. UM stated it supports the project but, is not able to provide financial assistance. Questions were asked answered. The committee agreed to bring the resolution to the board.

Parking System Related Engineering Services Resolution: Ms. Hahlbrock presented a resolution for a contract with WGI for engineering services for FY22 structures repairs and project administration. She said work is underway with WGI on the DDA's 20-year parking system maintenance, restoration, and engineering services plan. The committee agreed to bring the resolution to the board.

Parking Equipment Installation: The TIBA equipment installations continue. RPS staff are being trained on the equipment. REEF, RPS's parent corporation, is exploring integrating the parking operation billing system with the TIBA equipment.

Restoration Work: The 4th & Washington stairwell renovation is near completion. Maintenance work at Forest will begin in April. The Ann Ashley elevator repairs will begin next month.

Transportation: Mr. Simmons said the Conquer the Cold-Pandemic Edition challenge (conquerthecold.org) runs through the end of January. GetDowntown partnered with the Show Your Love A2 campaign this year in support of downtown businesses. Feedback is important and will help inform the approach for the May Commuter Challenge.

Public Comment: Mr. Oxner said he agrees with the suggestion of considering a reduction in the FY22 revenue budget and the importance of making not only the DDA Board but City Council aware of the projected revenues in light of the uncertainties due to the ongoing pandemic impacts.

Next Meeting: The next Operations Committee meeting is scheduled for Wednesday, February 24 at 11 am.

The meeting adjourned at 12:20 pm.

Respectfully submitted by,

Maura Thomson, Interim Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
Thursday, January 28, 2021**

Place: Virtual Meeting--Zoom Link: <https://us02web.zoom.us/j/82139088969>
by Phone: 1-877-853-5257 (Meeting ID: 821 3908 8969 Password: 635545)

Time: 9:00 am

Committee Present: Marie Klopf, Rishi Narayan

Committee Absent: Bob Guenzel

Other Board Present: Jessica A.S. Letaw, Darren McKinnon

Staff: Maura Thomson, Sara McCallum, Jada Hahlbrock, Kelley Graves
Other Attendees: None

Public: Members of the public were on the Zoom meeting but did not identify themselves.

Virtual Meeting Guidelines: Ms. Klopf outlined meeting details for everyone attending.

DDA Bylaws: In response to questions raised at the last board meeting about board members abstaining from discussion/vote, Ms. Letaw read the section of the DDA Bylaws pertaining to conflict of interest. DDA staff is drafting clarifying language to the DDA Bylaws for review by the DDA attorney and then presented to Executive Committee and the Board.

Courthouse Square Resolution: The Board voted in January to postpone this resolution and directed staff to bring the resolution to the Finance Committee for further review. Ms. Thomson provided the history of two loans, one being forgivable and the other interest bearing, made 20 years ago to First Centrum, Courthouse Square building owners at the time. Wickfield Properties purchased the property from First Centrum in 2014 subsequently assuming both liabilities. Terms for the forgivable loan were met, the remaining loan, \$100,000, remained outstanding. The resolution brought forward to the Committee today states Wickfield's request that the DDA waive all or part of the interest accrued on the loan. The accrued interest is being held in escrow, pending the decision by the DDA board.

Ms. McCallum reviewed additional information staff was able to obtain after the January board meeting. Upon further review of the mortgage document staff discovered the simple interest model used to determine the accrued interest held in escrow was incorrect. The mortgage called for compound interest, creating a variance of \$92,725 in additional interest due to the DDA from Wickfield properties. Staff also determined the loan was funded from the Housing Fund and was incorrectly booked as an expense back in 2001.

Questions were asked and answered. There was agreement to bring the resolution to the board, directing the disbursement of the \$116,000 in accrued interest to the DDA. The additional \$92,275 will be discussed by the Finance Committee in February.

Expense Registers: The Committee approved the November and December 2020 expense registers.

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
Executive Committee Meeting
Wednesday, January 6, 2021

Place: Virtual Meeting: Zoom link: <https://us02web.zoom.us/j/82703178625>
Phone: 877-853-5257 Meeting ID: 827 0317 8625 Passcode: 491623

Time: 11:00 am

Present: Tyler Kinley, Marie Klopf, Jessica A.S. Letaw, Darren McKinnon, Maura Thomson (ex officio)

Absent: None

Others: Jerry Lax/DDA Attorney

Staff: Maura Thomson, Sara McCallum, Kelley Graves

Public: None

Courthouse Square Resolution: Ms. Thomson provided the history of two loans made in 1999 and 2001 to First Centrum, Courthouse Square building owners at the time, resulting in two mortgages held by the DDA. In Nov. 2020, a request was made by Wickfield, the subsequent owner of Courthouse Square, to release both mortgages for the sale of the property to occur on Dec. 17, 2020. The terms of one mortgage had been met and was released. The terms of the second mortgage had not been met. To accommodate the closing date, an escrow agreement was established. The principal was wired to the DDA upon closing on Dec. 17, 2020. The interest funds remain in escrow and are to be distributed as determined by the DDA board. The resolution brought forward to the Committee today asks the DDA board to determine the distribution of these funds. Questions were asked and answered. The committee agreed to recommend the board distribute the full amount of interest to the DDA.

Search Firm Resolution: Ms. Thomson stated she reached out to GovHR as directed by the Committee to negotiate the contract. GovHR was able to adjust the contract and reduce the fee to \$24,500. References were checked. The committee agreed to bring the resolution to the Board to hire GovHR for the new DDA Executive Director search.

DDA Office Lease Resolution: As directed by the Committee, Ms. Thomson negotiated a one-year lease with the building manager at a rate of \$29/sq. ft. It is understood that the current rate of \$21/sq. ft that the DDA has been paying was below market rate. Questions were asked and answered. The Committee directed Ms. Thomson to reach back out to the building manager to see if they would consider a reduced rate between \$25-\$27/sq. ft.

Agenda Review: The Committee reviewed the January board meeting agenda.

Executive Director Discussion: A request was made for the committee to have a closed session. OMA requires specific criteria to be met to have a closed session. The committee discussed and determined a closed session was not warranted. DDA staff, Ms. Thomson and Ms. McCallum,

were asked to step out of the meeting during this discussion. Ms. Graves remained to record minutes and any members of the public in attendance remained. Ms. Klopf stated that she had spoken with Ms. Thomson about her interest in applying for the Executive Director position and that she would consider it and let the Board know. Ms. Klopf said that if Ms. Thomson decides to apply, the Committee will need to look at perhaps having Ms. McCallum take the lead as the liaison between the search firm and the Committee. Ms. Letaw also stated that Mr. Fournier had previously offered his assistance.

Other Business: The Committee also discussed retirement gift ideas for Ms. Pollay.

Public Comment: None.

Adjournment: There being no other business, the meeting adjourned at 11:53 am.

Respectfully submitted,
Maura Thomson, Interim Executive Director

Financial Statements-2Q: Ms. McCallum provided an overview of the second quarter financial statements. Questions were asked and answered.

FY22 and FY23 Draft Budgets: Ms. McCallum presented the first draft of the FY22 and FY23 budgets. She also shared the Parking System financial report for December 2020. She noted that the Operations Committee expressed concern regarding budgeting revenues at regular/pre-pandemic levels based on the ongoing uncertainties regarding the pandemic. The committee discussed State guidelines for budgeting – that units may not overspend in expenses and may not submit a budget with a negative fund balance. It was suggested that the budgeted revenues be reduced as much as allowed without causing a deficit fund balance. The Committee decided to hold a special meeting to further discuss the draft budgets.

Other Business: The 2020 1099's were sent out last week. Ms. McCallum stated that the DDA's A/P person, Betsy Lindsley, gave notice that she will be leaving at the end of March. Staff will be considering options for handling the A/P responsibilities.

Public Comment: Mr. Honeyman appreciated that the issue with Wickfield Properties/Courthouse Square Apartments loan interest was researched further. He expressed concern about the parking budget and the impact on the DDA's fund balance.

Next Meeting: The next regular Finance Committee meeting is scheduled for Thursday, February 24 at 9:00 am.

The meeting adjourned at 10:26 am.

Respectfully submitted by,

Maura Thomson, Interim Executive Director

Parking & Transportation Report January 2021

Parking

Annual Restoration & Maintenance

The stair replacement project at 4th & Washington has had a few delays but should be complete by the end of January. RAM Construction Services will return in spring to begin the work planned for the Forest structure.

Parking Equipment

Installation of the new TIBA parking equipment continued in January with installation at Forest. Next in line is Maynard. Remaining locations include Library Lane and Ann Ashley. As the equipment is installed RPS maintenance staff is installing new guardrails to protect equipment. With each installation RPS operations staff updates signage and provides cashier training on the equipment.

Elevators

The elevator work at Ann Ashley that was approved by the Board in July got underway this week and is expected to last one month.

Meters

In December RPS meter staff worked to install the new 15 minute loading zone meter bags. Meter staff worked to implement the January 1st meter rate increase. This included updating signage, decals on each epark machine, and software. The work began January 4th and was complete by January 6th.

Parking System Maintenance & Operations

RPS staff worked to notify parkers and update signage at the 415 W Washington lot ahead of the January rate increase. The admin team updated all permit rates for January billing. Signage was added at the 1st & Washington structure to let drivers know about the new bike lane. RPS staff participated in customer service and safety training.

Bike Parking

Current rentals-January 2021:

- Bike Locker Rentals: 5 rentals of 10 available lockers (50%)
- Maynard Bike House Rentals: 9 of 28 spaces (32%)
- Ann Ashley Bike House Rentals: 39 of 27 spaces (144%)



GetDowntown/DDA Transportation Report – January 2021

From: Chris Simmons, getDowntown Program Director

Go!pass Summary – December

Total # of companies in program = 196 (49.9% of prior year)

Total # of active passes (# distributed less deactivations) = 2,231 (44.3% of prior year)

Quarterly go!pass Ridership

Preliminary Ridership

	August	September	October	November	December
	11,514	12,794	12,305	7,348	7,607
% of prior year	23%	27%	24%	19%	18%
% of system ridership	9.8%	9.6%	9.2%	6.4%	7.8%

October through December is based on preliminary ridership data.

Of note, November 1 was the effective date of the new annual pass. November, as a result, always sees a drop in ridership as compared to the prior month. Additionally, new lockdown restrictions were put in place in mid-November, which may have contributed to a drop in ridership.

Other Activities

- The Conquer the Cold – Pandemic Edition challenge continues through January 31. This year’s edition has partnered with the Show Your Love A2 campaign to drive increased awareness and patronage to downtown businesses. This is also the first challenge using the new software platform. We are actively seeking out feedback, and are looking to gauge community reaction to this event to determine how we would approach doing the Commuter Challenge in May this year.
- getDowntown is available to assist and consult with those downtown businesses looking for assistance in navigating transportation options for their employees. Contact info@getdowntown.org to request assistance, as staff is remaining on a work-from-home status until at least May 2021.