

**Ann Arbor Downtown Development Authority Meeting Minutes
Wednesday, April 6, 2022**

Place: DDA Office, 150 S. Fifth Ave., Suite 301, Ann Arbor, MI 48104

Time: 12 Noon

1. ROLL CALL

Present: Micah Bartelme, Alex Dieck, Milton Dohoney, Marie Klopf, Jessica A.S. Letaw, Jonathan Massey, Darren McKinnon

Absent: Ji Hye Kim, Tyler Kinley

Staff: Jeff Watson, Executive Director
Sara McCallum, Deputy Director/Accounting Director
Maura Thomson, Communications Manager
Amber Miller, Capital Projects Manager
Kelley Graves, Management Assistant/Board Secretary
Hayett Chater, A/P and Procurement Specialist
Shelby Mistor, Planning Specialist

Others: None.

Public: Alan Haber

2. APPROVAL OF BOARD MEETING AGENDA

Ms. Letaw moved and Mr. McKinnon seconded the motion to approve the meeting agenda.

A vote on the motion showed:

Ayes: Bartelme, Dieck, Dohoney, Klopf, Letaw, Massey, McKinnon

Nays: None

Absent: Kim, Kinley

The motion was approved.

3. PUBLIC COMMENT

Mr. Haber said Earth Day activities are scheduled for April 21-24 on the Library Lot. He would like the COC to be on the DDA agenda to provide regular reports. He understands a new parking agreement is being prepared and said that it should include removing parking from the Library Lot.

4. REPORTS FROM CITY BOARDS AND COMMISSIONS

Mr. Watson read the Downtown Area Citizens Advisory Council April 5th meeting report on behalf of Peter Honeyman. Nan Plummer and Norm Herbert of the Treeline Conservancy led a discussion on the Conservancy's history, vision, and status. CAC members would like to attend future merchants' association meetings to share common interests and concerns and identify possible collaboration opportunities.

5. DDA MEMBER COMMUNICATIONS

None.

6. EXECUTIVE DIRECTOR REPORT

Mr. Watson, attending via Zoom, introduced two new DDA temporary employees. Hayett Chater is the Accounts Payable and Procurement Specialist and Shelby Mistor is the Planning Specialist. Mr. Watson mentioned the two resolutions that will be brought forward through Executive Committee. He and Sara McCallum submitted the DDA's FY23 budget webinar recording to the City. It is available to view on the City's website. Questions from Council may be forthcoming. The City must approve its budget by May 16th.

7. APPROVAL OF MINUTES

Ms. Klopf moved and Ms. Letaw seconded a motion to approve the March minutes.

A vote on the motion showed:

Ayes: Bartelme, Dieck, Dohoney, Klopf, Letaw, Massey, McKinnon

Nays: None

Absent: Kim, Kinley

The motion was approved.

8A. SUBCOMMITTEE REPORTS – EXECUTIVE COMMITTEE

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

RESOLUTION TO APPROVE OFFICE LEASE WITH 150 S. FIFTH, LLC

Whereas, The DDA leases 3,189 square feet of office space at 150 S. Fifth Avenue, Suite 301, from 150 S. Fifth, LLC; and

Whereas, The original five-year lease began July 1, 2011, and included an option of one five-year extension period, which the DDA did exercise and which term ended June 30, 2021; and

Whereas, 150 S. Fifth, LLC and the DDA agreed to a new one-year lease agreement which began July 1, 2021 and which term ends June 30, 2022, at an annual cost of \$86,103, and includes an additional flat charge of \$400 per month for utilities, which was approved by the DDA Board on February 3, 2021; and

Whereas, The lease agreement also includes the option for five, one-year annual extensions, at an increase of 3% per annum, with the utility charge remaining at \$400 per month; and

Whereas, The Executive Committee has considered the office space needs of the DDA, the current commercial office space rental market, and the terms set forth in the proposed lease agreement and finds the agreement acceptable;

RESOLVED, The DDA Board approves the terms of the proposed lease extension with 150 S. Fifth, LLC for a term of one-year beginning July 1, 2022, and ending June 30, 2023 at a rate of \$88,686.09 per year, and an additional flat utility charge of \$400 per month; and authorizes its executive director to execute the required documents on behalf of the DDA;

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RESOLVED, The DDA Board authorizes the annual renewal of the lease administratively over the remaining term of the lease; and approves the 3% annual increase over that term.

Prior to the vote, Ms. Klopf asked if DDA staff is actively searching for new office space. Mr. Watson said staff have begun discussions on office needs but, are not actively searching at this time.

A vote on the resolution showed:

Ayes: Bartelme, Dieck, Dohoney, Klopf, Letaw, Massey, McKinnon

Nays: None

Absent: Kim, Kinley

The resolution was approved.

Mr. Bartelme said a discussion and a resolution regarding the City's FY23 Policy Agenda will be brought forward under new business.

The next Executive Committee meeting is scheduled for May 4 at 9 am.

8B. SUBCOMMITTEE REPORTS – CAPITAL IMPROVEMENTS COMMITTEE
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Ms. Dieck said the Committee received updates on key elements of the Miller/Catherine affordable housing project plan. The DDA is providing funding for infrastructure work in support of the AAHC's project. Bid and contract approval process will take place in the May-June timeframe. Construction is slated to begin in June or July and be completed in October, barring any issues with the watermain upsizing and the supply chain.

The completed Summer 2021 ROW (Right of Way) repairs and planned for Spring 2022 (May-June) were shared with the Committee. Spring work is focused on N. Main and W. Washington streets and includes replacing broken tree grates and brick with concrete in the walking zone. Work will not take place over vaults.

The Committee received a draft Pandemic Response Program Summary. An updated version was included in the budget packet. The summary includes seven pandemic response strategies and the work that staff did to help the Board understand lessons learned and how these strategies fit into DDA work long term. Some of these strategies have already transitioned into permanent projects (e.g., Division & Miller/Catherine) and programs. The parking space dining program has transitioned into a permanent platform dining program. Questions were asked and answered.

The Committee received a status on the City's current downtown irrigation infrastructure and the need for replacement. Downtown irrigation systems have not been updated and have been removed with capital projects. Staff recommended and the Committee agreed to the idea of the DDA providing funding to upgrade irrigation connections as part of capital projects and maintaining the system moving forward. Next steps will be brought to future meetings. Questions were asked and answered.

Punch list items on First, Ashley, William and Division will be completed in the April/May timeframe depending on weather and delivery of materials.

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

8C. SUBCOMMITTEE REPORTS AFFORDABLE HOUSING/ECONOMIC DEVELOPMENT COMMITTEE

Ms. Letaw said there have some updates on reports provided by partners since the AH/ED Committee meeting. Council approved the ordinance to rezone the 350 S. Fifth Avenue property from D1 (Downtown Core) to PUD (Planned Unit Development District) was approved with amendments at this Monday's meeting. Council also approved the ordinance to rezone several lots in the South State Street and East/West Eisenhower Parkway area, which includes Briarwood Mall, to a TC1 transit corridor. And, Council approved the employment agreement for new lead City attorney, Ms. Atleen Kaur, who is filling the position vacated by Mr. Steve Postema who is retiring. City Administrator Milton Dohoney's recommendation to Council regarding the \$24M the City received in American Rescue Planning funding was voted on at this Monday's Council meeting as well. The funds must be spent by 2026.

The Planning Commission is working on its work plan initiative, changing the current City parking requirement focus from minimums to maximums. The Commission is also working on revisions to zoning ordinances including how they relate to equity.

The AAATA's short-term plan details were released on March 14th. AAATA is requesting feedback from the public and all stakeholders to inform its board's decision on the final plan. The plan aligns with the Transportation Department's Comprehensive Plan and the City's A2 Zero initiatives. The short-term plan is being expedited to coincide with adding the extension of the five-year property tax millage to the August Primary ballot with an increase. Jeff and Matt Carpenter will connect to discuss the plan in more detail and possibly making a presentation to the DDA board and/or the AH/ED Committee.

Jennifer Hall provided update on two of the city-owned sites being developed as affordable housing. Avalon Housing has been selected as the co-developer for the 121 E. Catherine (Miller/Catherine lot) site. The DDA will be moving the bike lane from the north to the south side of Catherine and providing funding for upsizing the watermain in support of the project. The Committee discussed several development scenarios for the 350 S. Fifth Avenue site that are being explored.

Ann Arbor District Library Director, Josie Parker officially retired on Monday, February 28. Since the AH/ED Committee meeting, Deputy Director Eli Neiburger has been selected to fill the Director position. The Library has a full schedule of events planned for this year.

The next Affordable Housing/Economic Development Committee meeting is scheduled for Wednesday, April 13 at 9 am (DDA only).

8D. SUBCOMMITTEE REPORTS – OPERATIONS COMMITTEE

Mr. Massey said the Operations Committee did not meet in March.

The next Operations Committee meeting is scheduled for Wednesday, April 27 at 11 am.

8E. SUBCOMMITTEE REPORTS - FINANCE COMMITTEE

Ms. Klopf said the Finance Committee did not meet in March. The Committee will receive the FY22 3Q financial statements at its next meeting.

The next Finance Committee meeting is scheduled for Thursday, April 28 at 9 am.

9. NEW BUSINESS

Mr. Watson presented a request from the City Council Policy Agenda Committee for policy recommendations for the City's FY23 Policy Agenda along with a resolution template. He explained that the March 31 due date had been extended to April 7 to accommodate the Board meeting. Board members had been requested to submit suggestions in advance. Mr. Watson said Ms. Letaw had submitted recommendations to him via email. Ms. Letaw shared an excerpt and asked that the email be included with the minutes (attached). She said with the quick turnaround, she selected initiatives submitted by the Transportation Commission that seem pertinent to downtown and align with DDA projects and, two items from previous City policy agendas related to state laws that would benefit downtown and aligns with the City's A2Zero initiatives specifically. The Board took some moments to review the information. They then discussed the purpose of the request, how the suggested items were sourced, whether staff had offered input, that both local and state initiatives were sought, and that federal items would be sought in future. It was determined that there was inadequate time to digest and review the suggestions at the table and that next year members would be provided with information in advance of meeting to consider the resolution. The board members decided not to submit any recommendations for this year's policy agenda.

10. PUBLIC COMMENT

None.

11. ADJOURNMENT

Mr. McKinnon moved and Ms. Letaw seconded the motion to adjourn.

A vote on the motion showed:

Ayes: Bartelme, Dieck, Dohoney, Kim, Kinley, Klopf, Letaw, Massey, McKinnon

Nays: None

Absent: Kim, Kinley

The motion was approved.

The meeting adjourned at 12:40 pm.

Respectfully submitted,
Jeff Watson, Executive Director

From: J. Letaw <germanyjess@gmail.com>

Date: Fri, Mar 25, 2022 at 16:43

Subject: Re: Request for FY23 Policy Agenda Item(s)

To: Jeff Watson <jwatson@a2dda.org>

I'm not sure I'm well enough informed of how local policies enable or hinder DDA efforts to be able to answer this question as thoroughly as I'd like. The obstacles that I cared about when I joined the Board have largely been removed. I'm also looking for clarity on adding to the city's policy agenda vs. having a more productive and less antagonistic relationship between Council and the DDA. So I'll put forward some ideas here and am looking for guidance from you and staff on the appropriate venue in which to talk about and work on the various changes.

Better working relationship:

- revisit the TIF cap
- remove DDA board term limits, or revisit them in a more holistic way for all city boards and commissions
- remove the sunset clause
- could we tie our annual work session (October) more closely to annual policy recommendations and long-term visioning? Right now the work session feels largely performative and not informative or productive.

Policy:

- I do not know where the City currently stands on parking minimums in the downtown. If they still exist, would like to see them eliminated for new projects.
- If there is a parking minimum retained, would like to see the ratio for shared-vehicle cars revisited. Right now the ratio is something like 3:1 where one space for a shared-use vehicle (zipcar etc) can replace 3 private-vehicle parking spaces. It's my understanding in other municipalities that the ratio can be much higher, like 7 or 10 to one.
- would like to understand the affordability/sustainability premiums pertaining to downtown zoning and put in place a feedback process for understanding whether the premiums are accomplishing our goals (it's my understanding that we increased the threshold for attaining premiums 2-3 years ago and that this had a chilling effect on new development even prior to the pandemic, but I'd need more information to confirm this)

Process:

- I don't know if this is a policy item, a staff item, or what, but we know we need better/different waste management strategies in the downtown than the neighborhoods do. Interested to move this up in terms of board priority and action as it has seemed mired for a few years now.

Borrowing from the Transportation Commission policy agenda recommendations, amplifying these:

State level agenda

- Take any and all action to reduce speeds, specifically those recommended in the Transportation Commission Speed Reduction Committee Report, including advocating for locally controlled speed limit setting along state trunklines utilizing community input and moving away from the 85th percentile rule.
- Advocate for the Michigan Department of Transportation (MDOT) to make the process easier and more accessible for local jurisdictions to request and implement crosswalks, sidewalks, bike lanes, speed reduction, and road reconfiguration and other locally supported non-motorized for transit improvements on state roads.
- Advocate for MDOT to further define, and consistently adhere to, their Complete Streets and Vision Zero policies, including congestion pricing, tolls, or a VMT tax.
- Advocate for increased transit funding, both local (AAATA) and regional.
- Advocate for a revision to the Michigan Manual on Uniform Traffic Control (MUTCD) to expand bicyclist signage options, including R4-11 "May Use Full Lane" which is shown in the FHA MUTCD but omitted from the Michigan MUTCD.

- Move away from the 'level of service' as a means to assess impact of projects on the road network in favor of other metrics that don't prioritize vehicular speed above else, such as Vehicle Miles Traveled.

Local agenda

- Strengthen partnerships with community stakeholders to achieve common goals. Including but not limited to MDOT, Ann Arbor Public Schools (AAPS) and the University of Michigan (UM).
- Remove parking minimums where possible through zoning to encourage transit use, increase density, promote 20-min walkable neighborhoods, and lower reliance on privately-owned vehicles.
- Prioritize data driven decision making at the local level by expanding use of benchmarking and statistical data collection.
- Strive to make transit-commuting faster, more convenient, and cheaper than car-commuting by restructuring parking fees and increasing bus frequency on commuter routes at the busiest times of day.
- Take enforcement action to maintain clear bike lanes.
- Improve winter sidewalk maintenance to ensure walkability and accessibility year-round, with emphasis on sidewalks located downtown, in residential areas, and those needed to access bus stops.

Borrowing from the FY22 policy agenda, amplifying these:

- Advocate for changes in state law that would allow municipalities to ban single use plastics such as straws and plastic bags (HB 4157 of 2021).
- Advocate for and support efforts to authorize Community Choice Aggregation, as necessary to accomplish A2Zero goals.

That's it for now. I know you have to prepare the agenda in time for the board meeting. If I think of any additions/amendments I'll bring them to the board meeting and let you know as far in advance as possible.

Cheers,

Jess

On Mon, Mar 21, 2022 at 10:11 AM Jeff Watson <jwatson@a2dda.org> wrote:

Just a follow up to be sure you are aware of the timing. The response was due by March 31st; however, because the Board meeting is April 6th, we have been given a few extra days. The response is due April 7th, so the Board meeting will be the only opportunity to discuss any recommendations to be forwarded to the Clerk.

Jeff

Jeffrey D. Watson

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ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
Executive Committee Meeting
Wednesday, April 6, 2022

Place: DDA Office, 150, S. Fifth Ave., Suite 301, Ann Arbor, MI 48104

Time: 11:00 am

Present: Micah Bartelme, Kelley Graves, Jessica A.S. Letaw, Jeff Watson

Absent: Ji Hye Kim, Tyler Kinley

Staff: Maura Thomson, Sara McCallum, Shelby Mistor

Public: None.

The Committee reviewed the agenda for today's Board meeting.

New Business:

DDA Office Lease: The Committee reviewed the resolution to extend the DDA office lease. The lease is for a one year extension beginning July 1, 2022 and ending June 30, 2023 with the option for four subsequent one-year renewals. The Board initially approved year one for FY22 last year. The FY23 renewal is year two of a six-year lease. The offered resolution provides that those future extensions be handled administratively. The Committee agreed to bring the resolution to approve the extension of the DDA office lease with 150 S. Fifth, LLC to the Board.

FY23 Policy Agenda: The Committee discussed the City's FY2023 Policy Agenda request for recommendations shared by Mr. Watson with the Board. Mr. Watson, attending via Zoom, said that Ms. Letaw provided suggested recommendations to him via email. The Committee agreed to bring the topic to the Board. The Board will have the opportunity to discuss whether or not it would like to put forth recommendations, via a resolution, to the City for possible addition to the FY2023 Policy Agenda.

Public Comment: None.

Adjournment: There being no other business, the meeting adjourned at 11:10 am.

Respectfully submitted,
Jeff Watson, Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
CAPITAL IMPROVEMENTS COMMITTEE MEETING MINUTES
Wednesday, April 20, 2022**

Place: DDA Office, 150 S. Fifth Ave., Suite 301, Ann Arbor, MI 48104

Time: 11:00 am

Committee Present: Alex Dieck, Tyler Kinley, Jessica A.S. Letaw

Committee Absent: Darren McKinnon

Staff: Amber Miller, Jeff Watson, Jada Hahlbrock, Kelley Graves, Hayett Chater, Shelby Mistor

Others: Oliver Kiley, Bob Doyle/SmithGroup

Public: None

State Street Project: The purpose of today's meeting was to discuss the resolution to approve a cost-share agreement with the City for the South State Street project. The State Street project is a collaboration between the City and the DDA. Construction is planned for the summer months, over two construction seasons. The City manages the contract. The RFP was released under the City's new procurement requirements. One vendor response was received from Fonson Company, Inc. Ms. Miller stated it is not unusual for large City projects to only receive one response. During budget preparations, staff evaluated the budget in anticipation of increased costs based on pandemic trends nation-wide. The bid came in slightly higher than anticipated (22%). There is capacity in the DDA budget for this increase. Additions to the project include irrigation upgrades and expansion as discussed at last month's CIC. Also, adding audible pedestrian signals, which came out of conversations with the disability community. The Transportation Commission decided to remove the signal upgrades from the project scope due to the cost.

Ms. Miller said it is important that the resolution move forward as the cost-share agreement is expected to go to City Council on May 16th. Construction is anticipated to begin May 31st pending approval of the agreement. Questions were asked and answered. Ms. Dieck commended Staff for their thorough analysis of this project to ensure it meets DDA goals and values. The Committee agreed to bring the cost share agreement resolution to the board.

Miller/Catherine Project: The RFP will be released in May. As with State Street, staff have evaluated for capacity in the DDA budget. Based on additional traffic data collected last month, the design has been modified to remove the turn lane on Miller between Main and Ashley. This is supported by the Transportation Commission's analysis as well.

Repairs: The Committee received an update on the sidewalk repair project underway to replace the bricks where there are no vaults, with concrete. DDA, City Transportation, and Public Works are working on design adjustments and maintenance vehicle changes to alleviate the ongoing issues of regular and service vehicles illegally parking in the bikeways.

Public Comment: None.

The next regularly scheduled meeting will be on Wednesday, May 18 at 11 am.

The meeting adjourned at 11:40 am.

Respectfully submitted,
Jeff Watson, Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
Thursday, April 28, 2022**

Place: DDA Office, 150 S. Fifth Ave., Suite 301, Ann Arbor, MI 48104

Time: 9:00 am

Committee Present: Micah Bartelme, Marie Klopf

Others Present: Tyler Kinley

Staff: Jeff Watson, Sara McCallum, Jada Hahlbrock, Kelley Graves, Hayett Chater

Public: None.

Third-Quarter Financial Statements: Ms. McCallum presented the DDA's third quarter financial statements. Questions were asked and answered.

Budget Amendment Resolution: Ms. McCallum reported the FY22 actual parking revenues are at 91% of budget as of 3rd quarter, which increased the directly-correlated expenditures (20% to City and credit card fees). Ms. McCallum said that during the FY22 budget process, the Board and City Council were informed that if the DDA had to bring a budget amendment to Council, this would be good news as revenues are higher than budgeted. The 4th quarter revenues are anticipated to be as high as \$6.5M with directly-correlated expenditures as high as \$1.4M. A budget amendment is required by State guidelines to all the DDA to meet its obligations to the City and others. The Committee agreed to bring the Resolution to Put Forward to City Council an Amendment to the DDA FY22 Budget to the board.

Expense Registers: The Committee reviewed and approved the January, February, and March 2022 expense registers.

Accounting Director Report: The City received notification from Yeo & Yeo that it would not renew its auditing service contract with the City. The City released an RFP for audit services. The DDA is included in the RFP requirements. The responses are being reviewed and ranked. Ms. McCallum was invited to participate in the process. Once the City selects an auditing firm, she will connect with the firm to conduct the DDA's audit.

Ms. McCallum opened a dialogue about removing a 2016 Board restriction on parking revenues for new construction. There was discussion on the original intent of the restriction, the change in the parking environment since that time, and the flexibility removing the restriction would allow. Questions were asked and answered. The Committee agreed with the proposed removal of the restriction. A resolution will be brought to the May Finance Committee meeting.

Public Comment: None.

Next Meeting: The next Finance Committee meeting is scheduled for Thursday, May 26, 2022 at 9am.

The meeting adjourned at 9:50 am.

Respectfully submitted by: Kelley A. Graves, Board Secretary