

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, December 4, 2013
DDA Office, 150 S. Fifth Avenue, Ann Arbor, MI 48104

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: Ms. Smith called the meeting to order at 12:01 p.m.

1. ROLL CALL

Present: Cyndi Clark, Russ Collins, Bob Guenzel, Roger Hewitt, Joan Lowenstein, Al McWilliams, John Mouat, Keith Orr, Steve Powers, Sandi Smith, John Splitt

Absent: Rishi Narayan

Staff: Susan Pollay, Executive Director

Present: Joseph Morehouse, Deputy Director
Amber Miller, Planning & Research Specialist
Jada Hahlbrock, Management Assistant

Audience: Art Low, Republic Parking
Dave Askins, *Ann Arbor Chronicle*
Andrew Cluley, *WEMU*
Brad Moore, 624 Church Project
Edward Vielmetti
Nancy Shore, getDowntown
Ellie Serras, Main Street BIZ
Ryan Stanton, *Ann Arbor News*
Ray Detter, Downtown Area CAC

2. AUDIENCE PARTICIPATION

Ellie Serras provided an update on the Main Street BIZ, saying that the BIZ Board was currently exploring the potential to expand the BIZ area. She invited DDA Board members to the next BIZ meeting on January 28th at 9am to learn more.

Brad Moore said the 624 Church St developer is requesting the DDA provide parking agreement term extensions past the 15 years set forward under the City's Contribution in Lieu framework.

3. REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council. Mr. Detter said the CAC had a holiday party to identify items to work on in 2014, such as public art, more trees and better care of existing trees, and improvements to the alley between E. Liberty and E. Washington. He said the CAC supports the DDA in its development of a Street Framework Plan, and the DDA's Downtown Parking and Transportation Management Plan, as well as the growth of a diverse downtown residential population and more downtown retail.

Mr. Detter also said that the CAC strongly supports the survival of the State Theater, saying that no additional office space can possibly equal the importance of the continuing operation of downtown's historic movie theaters. He said the State Theater attracts 50,000 people a year, and the CAC is pleased that the Michigan Theater Board has opened a discussion with the State Theater owners to work toward a solution, and that the DDA, to whatever degree possible, should be involved in that effort.

4. COMMUNICATIONS FROM DDA MEMBERS

Ms. Smith welcomed the newest DDA board members, and asked them to introduce themselves. Mr. Powers said that he was pleased to join the DDA Board, and that as City Administrator he already has a strong working relationship with the DDA Director, and being part of the DDA board will strengthen that relationship. Ms. Clark said that she is the owner of Lily Grace Cosmetics on Main Street. She said that as a lifelong Ann Arbor resident she is excited to be a part of the DDA Board. The other board members extended their welcome to Ms. Clark and Mr. Powers.

Mr. Collins affirmed that Michigan Theater board members are in discussions with the State Theater owners, and there is hope that the State Theater may remain open and in a stronger position moving forward.

5. APPROVAL OF MINUTES

Mr. Guenzel moved and Mr. Orr supported approval of the November 2013 DDA meeting minutes.

A vote on the amended motion showed:

AYES: Clark, Collins, Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Orr, Powers, Smith, Splitt

NAYS: none

ABSENT: Narayan

The motion carried.

6. A. OPERATIONS COMMITTEE

FY 2013 Audit. Mr. Hewitt moved and Mr. Mouat supported the following resolution.

RESOLUTION TO ACCEPT THE FISCAL YEAR 2012/13 FINANCIAL AUDIT

Whereas, The auditing firm of Rehmann Robson, LLC. was contracted by the DDA to audit the financial records for the fiscal year ending June 30, 2013;

Whereas, The Operations Committee went through the document with its auditor and recommends acceptance of the audit by the DDA;

RESOLVED, The DDA accepts the Fiscal Year ending June 30, 2013 financial audit prepared by Rehmann Robson, LLC.

Mr. Hewitt said that this was an “unqualified audit”, meaning the financial statements as presented are accurate. One suggestion was made by the auditors about internal processes and this change has since been put in place.

A vote on the motion showed:

AYES: Clark, Collins, Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Orr, Powers, Smith, Splitt

NAYS: none

ABSENT: Narayan

The motion carried.

Main St Light Replacements. Mr. Hewitt moved and Mr. Mouat supported the following resolution.

RESOLUTION TO PROVIDE THE REMAINING FUNDS NEEDED FOR THE REPLACEMENT OF THE STREET LIGHTS ON S. MAIN STREET

Whereas, The DDA Development Plan set forward strategies aimed at fortifying and increasing downtown’s attractiveness including the maintenance of streetscape elements;

Whereas, The streetlight poles on S. Main Street between Huron and William Streets have deteriorated and must be replaced;

Whereas, City staff determined that the total cost to replace these street lights and poles will be \$580,000, and in May 2013, in the 2013/14 budget approval process it was determined that the City would undertake this street light replacement with the DDA allocating \$300,000 toward the cost of the project;

Whereas, At its July 3, 2013 meeting the DDA authorized a grant to the City in the amount of \$300,000 from its TIF funds toward the total project costs and these funds have already been expended to purchase the replacement globe lights that will fit atop the light poles;

Whereas, A City resolution to provide \$280,000 for the project from General Funds failed;

Whereas, A subsequent inspection revealed that 36 light poles must be replaced immediately and many of the remaining poles must be replaced within the year;

Whereas, The matter was brought to the DDA Operations Committee and the Committee recommends that the DDA provide the remaining funds needed to replace the deteriorated light poles on Main Street, utilizing funds from the following sources:

State St Improvements Project (unspent due to City light moratorium)	\$120,524
DDA FY 2014/15 TIF budget - capital improvements	<u>\$159,476</u>
	\$280,000

Whereas, Approval of this resolution will enable City staff to move forward immediately to replace the most deteriorated light poles, with the remainder replaced in summer 2014;

RESOLVED, The DDA approves the expenditure of \$280,000 to complete the purchase and installation of replacement light poles to replace deteriorated poles on Main Street as recommended by its Operations Committee, with funds to be utilized from the remainder of its 2002 State Street Improvements Project and with funds to be assigned in the DDA's 2014/15 TIF capital improvements budget.

Mr. Hewitt said the total cost to replace the deteriorating light poles is \$580,000, and that 36 light poles need immediate replacement. The Operations Committee recommends providing additional funds so these poles can be ordered, with the rest replaced next fiscal year.

Ms. Smith offered an amendment regarding clarifying the language that speaks to fiscal years and budget years, with the goal of aligning the language with the City format. The amendment was seen as friendly.

Mr. Mouat asked about the State Street project funds; Ms. Pollay provided a project history, noting that toward the end of the project an interest was shown to increase the light levels so funds were set aside to purchase additional street light poles for State Street area. But at that time a City street light moratorium was taking shape so these funds have remained unspent.

The resolution, as amended, is as follows:

RESOLUTION TO PROVIDE THE REMAINING FUNDS NEEDED FOR THE REPLACEMENT OF THE STREET LIGHTS ON S. MAIN STREET

Whereas, The DDA Development Plan set forward strategies aimed at fortifying and increasing downtown's attractiveness including the maintenance of streetscape elements;

Whereas, The streetlight poles on S. Main Street between Huron and William Streets have deteriorated and must be replaced;

Whereas, City staff determined that the total cost to replace these street lights and poles will be \$580,000, and in May 2013, in the 2014 budget approval process it was determined that the City would undertake this street light replacement with the DDA allocating \$300,000 toward the cost of the project;

Whereas, At its July 3, 2013 meeting the DDA authorized a grant to the City in the amount of \$300,000 from its TIF funds toward the total project costs and these funds have already been expended to purchase the replacement globe lights that will fit atop the light poles;

Whereas, A City resolution to provide \$280,000 for the project from General Funds failed;

Whereas, A subsequent inspection revealed that 36 light poles must be replaced immediately and many of the remaining poles must be replaced within the year;

Whereas, The matter was brought to the DDA Operations Committee and the Committee recommends that the DDA provide the remaining funds needed to replace the deteriorated light poles on Main Street, utilizing funds from the following sources:

State St Improvements Project (unspent due to City light moratorium)	\$120,524
DDA FY 2015 TIF budget - capital improvements	<u>\$159,476</u>
	\$280,000

Whereas, Approval of this resolution will enable City staff to move forward immediately to replace the most deteriorated light poles, with the remainder replaced in summer 2014;

RESOLVED, The DDA approves the expenditure of \$280,000 to complete the purchase and installation of replacement light poles to replace deteriorated poles on Main Street as recommended by its Operations Committee, with funds to be utilized from the remainder of its 2002 State Street Improvements Project and with funds to be assigned in the DDA's 2015 TIF capital improvements budget.

A vote on the amended motion showed:

AYES: Clark, Collins, Guenzel, Hewitt, Lowenstein, Mc Williams, Mouat, Orr, Powers, Smith, Splitt

NAYS: none

ABSENT: Narayan

The motion carried.

350 S. Fifth Ave. Mr. Orr moved and Mr. Guenzel supported the following resolution.

RESOLUTION TO WAIVE DDA REIMBURSEMENT ASSOCIATED WITH THE PURCHASE AND SALE OF THE 350 S. FIFTH AVENUE PROPERTY (FORMER YMCA LOT) WITH THE GOAL OF SUPPORTING AFFORDABLE HOUSING

Whereas, In mid-2003 the YMCA offered its property for sale at 350 S. Fifth Avenue and AATA made an offer to purchase it for \$3.5 million;

Whereas, At the DDA's December 3, 2003 meeting the City Administrator attended and said that the City intended to utilize its right of first refusal to purchase this property and asked for a loan from the DDA with which to secure the property;

Whereas, DDA funding requests must go through committee, and the DDA's Executive Committee was empowered under DDA by-laws at that time to act on behalf of the DDA between meetings, and after much discussion, on December 5, 2003 the DDA Executive Committee approved the

request to provide the loan as requested for up to \$1,719,181 for the purpose of enabling the City to purchase the YMCA site at 350 S. Fifth Avenue;

Whereas, At a special session of City Council on December 8, 2003 special meeting, City Council approved R-513-12-03 Resolution For Consideration of Financial Plan of Acquisition of the YMCA, which included the statement that if and when the property is sold, funds returned to the DDA would be allocated to housing initiatives and City Community Development funds would be allocated to affordable housing initiatives;

Whereas, No loan document was provided by the City to the DDA, however, the DDA began making quarterly interest payments toward the bank note used to secure the property;

Whereas, On February 6, 2008 the DDA voted to enter into an agreement with the City on the refinancing of the 2003 bank loan used to purchase the former YMCA property, with the understanding that the DDA would be reimbursed by the City for its loan payments at such time as the City sold or otherwise disposed of the former YMCA property;

Whereas, No agreement was provided to the DDA from the City for this refinancing, although a revised financial spreadsheet was provided outlining the amount of the DDA's quarterly interest payments on the bank note;

Whereas, On November 13, 2007 City Council voted to approve R-07-566 Resolution Requesting that the Downtown Development Authority Demolish the City-Owned Building and Establish a Temporary Surface Parking Lot at 350 S. Fifth Avenue.

Whereas, As part of this resolution City Council resolved that upon sale by the City of the Site for re-development, the City and DDA would negotiate possible reimbursement;

Whereas, On October 15, 2012 City Council voted to approve R-12-472 Resolution to Establish a Policy for the Distribution of Proceeds from the Sale of City-owned Property, which directed that net proceeds first be used to re-pay the various funds that expended resources on the former YMCA site, after which any remaining proceeds be allocated and distributed to the Affordable Housing Trust Fund;

Whereas, Affordable housing throughout our community is in the interest of downtown, because a diverse downtown relies on having a diverse community;

Whereas, On November 18, 2013 City Council voted to approve R-13-368 Resolution to Approve Sale of City-Owned Property at 350 S. Fifth to Dennis A. Dahlmann, at a purchase price of \$5,250,000.00;

Whereas, The Operations Committee recommends that the DDA formally waive its interest in the net proceeds from the sale of the 350 S. Fifth Avenue property in support of affordable housing

projects, including its investment in the purchase of the property and the demolition of the former YMCA building, and encourages the City Council to do the same;

RESOLVED, The DDA hereby waives its interest in the net proceeds of **\$1,493,959** from the sale of the 350 S. Fifth Avenue property.

RESOLVED, THE DDA strongly recommends that City Council follow the DDA's example to waive reimbursement to provide the maximum benefit for affordable housing in our community.

Mr. Orr conveyed the history and reasoning behind the resolution. Ms. Lowenstein affirmed her support, saying it calls for the maximum amount possible to be allocated to the City's Affordable Housing Trust Fund. Mr. Guenzel said that when the YMCA was closed, the City made a commitment to replace those 100 beds. Mr. Collins asked if City Council had a strategic plan for affordable housing; Mr. Guenzel and Mr. Powers said that detailed plans are not in place. Mr. Mouat suggested that the City's Housing and Human Services Advisory Board be involved.

A vote on the resolution showed:

AYES: Clark, Collins, Guenzel, Hewitt, Lowenstein, McWilliams, Mouat, Orr, Powers, Smith, Splitt

NAYS: None

ABSENT: Narayan

The resolution passed.

624 Church Street. Mr. Hewitt moved and Mr. Splitt supported the following resolution.

RESOLUTION TO REQUEST CITY COUNCIL APPROVE AN EXTENSION OF TIME FOR THE PARKING AGREEMENT WITH THE 624 CHURCH STREET DEVELOPMENT UNDER THE CITY'S CONTRIBUTION IN LIEU FRAMEWORK

Whereas, The DDA mission is to strengthen the downtown area and attract new private investments, and it uses its management of the public parking system as a tool to help it accomplish its mission;

Whereas, In 2012 Ann Arbor City Council set forward a Contribution in Lieu Parking Space option for new developments in the DDA District that are required to provide some amount of parking as part of their site plan premium requirements;

Whereas, In September 2012 and October 2013 the developers of the 624 Church Street project made requests to the DDA to provide a total of 48 parking spaces using the City's Contribution in Lieu framework in the Forest Parking Structure, and the DDA voted to approve these requests;

Whereas, The Contribution in Lieu framework adopted by the City provides for parking contract terms of 15 years, and the developers of the 624 Church Street project have requested an additional commitment of time to enable them to secure financing for this project;

RESOLVED, In support of its mission and in support of its role as manager of the public parking system the DDA recommends that the City provide the developer with the option of extending the length of the parking contract for the 624 Church Street project for ___ additional term(s) of _____ years.

Mr. Hewitt said that as noted by Mr. Moore, the City's Contribution in Lieu framework provides parking for the project for 15 years, and the developer has asked for an option in its parking contract for an additional 15 years. It was decided to table the resolution to allow the Operations Committee to come back with a recommendation.

Connector Update. The Ann Arbor Connector video was presented. Mr. Hewitt shared information about the three public meetings that occurred in November. Mr. Mouat reinforced that planning for the possible Connector should be part of the ongoing Street Framework Plan.

Bicycle Projects Update. Mr. Orr said that the Bike Share project will not be making a request to the DDA. It is on track to launch in spring 2014. Mr. Orr shared information about the Maynard Bike House usage, including data showing that activity is greatest at the beginning and end of the standard work day. Mr. Orr reported that data shared by the getDowntown program demonstrates increased use and awareness of the goPass, as more rides are being taken and more passes were sold during the November 2013 renewal process than in past years.

New Year's Eve and New Years Day Events. Ms. Pollay said that on New Year's Eve, Republic Parking will be charging a \$5/entry at the Fourth & William and Forest structures. On New Year's Day Republic Parking will staff the downtown public parking lots and structures to assist patrons coming to the NHL hockey game, including having staff members hand out maps, give directions, and otherwise be available to assist patrons. These maps will include a listing of downtown businesses open on New Years Day. Republic Parking will also have staff at their Maynard office to answer questions, and a snow/ice removal plan in place in case there is bad weather. To recover costs for staffing, the DDA will be charging a \$5/entry flat fee at the parking facilities, with the exception of metered lots and on-street metered parking spaces.

Downtown Ambassadors. Mr. Hewitt reported that there was a good discussion at the Operations Committee meeting about beginning a downtown ambassador program, with the general consensus that this is an idea worth exploring further. DDA staff was asked to gather more information about how the program works in other cities to share at the next committee meeting.

The next Operations Committee meeting will be December 18th at 11:00 am.

6. B. PARTNERSHIPS/ ECONOMIC DEVELOPMENT AND COMMUNICATIONS COMMITTEE

Impact. Ms. Lowenstein said that several DDA members attended the annual Chamber of Commerce Impact event, and at the committee meeting Mr. Narayan presented highlights from a presentation by Lou Glazer, with data showing how cities can encourage community prosperity by

attracting and retaining young professionals. Ms. Lowenstein said the Committee also discussed the importance of involving young professionals in the public process.

Communication. Mr. McWilliams and Mr. Narayan will be working with a sub-committee to explore ways the DDA can provide additional information about the downtown and about the DDA.

The next Partnerships/ Economic Development and Communications Committee meeting will be December 11th at 9 am.

7. OTHER DDA BUSINESS

The Board agreed that due to the timing of New Years Day, the January Board meeting would be moved one week later, to January 8 and the January Partnerships Committee meeting will also be shifted one week later to January 15. The Operations Committee meeting would be held on Wednesday, January 29.

There was discussion about meeting times in general, including committee meeting times. By consensus the schedule of DDA board meeting and committee meetings for 2014 was approved.

Mr. Splitt asked if the DDA had been given a 30 day notice to cease parking operations at the 5th & William lot. Mr. Powers said that the notice had not been sent but would be soon.

8. OTHER AUDIENCE PARTICIPATION
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Edward Vielmetti spoke regarding pedestrian safety issues, saying that his research shows that pedestrian/car accidents occur at a higher rate in the downtown area. He said that he feels the DDA should work address to safety concerns through better engineering of intersections and crosswalks, especially near parking facilities.

9. ADJOURNMENT

There being no other business, Mr. Guenzel moved and Mr. Hewitt supported a motion to adjourn. Ms. Smith declared the meeting adjourned at 1:23 pm.

Respectfully submitted,
Susan Pollay, Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
PARTNERSHIPS/ ECONOMIC DEVELOPMENT & COMMUNICATIONS
COMMITTEE MEETING MINUTES
Wednesday, December 11, 2013**

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

Time: 9:00a.m.

Present: Robert Guenzel, Al McWilliams, Rishi Nayaran, Keith Orr, Sandi Smith, John Split, Joan Lowenstein, Margie Teall, Ken Clein, Charles Griffith

Absent: Cyndi Clark, Russ Collins, Roger Hewitt, John Mouat, Steve Powers

Staff Susan Pollay, Executive Director

Present: Amber Miller, Planning & Research Specialist
Jada Hahlbrock, Management Assistant

Public: Sabra Briere, Ray Detter, Maura Thomson

1. Economic Collaborative Taskforce- Mr. Guenzel shared the draft document that will be edited at the next taskforce meeting outlining recommendations and priorities
2. 2013 City Council retreat – Ms. Teall outlined the content of their discussion
3. Communication - Mr. Narayan and Mr. McWilliams said they've met to discuss some ideas.
4. Other Business. Ms. Teall said that it is hoped the Michigan Theater Foundation Board can work with the State Theater owners to explore options with the goal preserving the theater.
5. Partner Updates
 - a. AAATA- Charles Griffith provided an update on the Blake Transit Center construction, the development of an urban area service plan, and the potential creation of a new park & ride lot associated with MDOT's 23 expansion project
 - b. Planning Commission- Ken Clein provided an update, including recommendations for D1/D2 zoning changes, and planning by Reimagine Washtenaw.
6. Audience Participation-
 - a. Ms. Thomson spoke about the benefit of involving merchant associations in the DDA's communication work and planning that is being discussed.
 - b. Mr. Detter spoke about the role of the Design Review Board, and the value of saving the State Theater
 - c. Ms. Briere encouraged pedestrians and bicyclists to wear light clothing and reflectors at night to improve safety.

The meeting adjourned at 11:05 am.

Respectfully submitted,
Susan Pollay, Executive Director

**ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
OPERATIONS COMMITTEE MEETING MINUTES
Wednesday, December 18, 2013**

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

Time: 11:00 a.m.

Present: Cyndi Clark, Robert Guenzel, Roger Hewitt, Joan Lowenstein, Al McWilliams, John Mouat, Rishi Narayan, John Split

Absent: Russ Collins, Keith Orr, Steve Powers, Sandi Smith

Staff Susan Pollay, Executive Director; Joseph Morehouse, Deputy Director; Jada Hahlbrock, Management Assistant

Public: Nancy Shore, getDowntown; Art Low, Republic Parking; Ryan Stanton, Ann Arbor News; Brad Moore, Opus; Dennis Tice, Opus; Sean Spellman, Opus

1. Old Business
 - a) 624 Church Street- Discussion of the request for an extension of the duration of the Parking in Lieu agreement. Committee resolved to recommend 3 5-year term extensions.
 - b) NHL Update- Art Low provided information regarding New Years Day and New Years Eve.
 - c) Ambassadors- Sgt Hickey and Police Chief Seto were asked for input about a possible program.
 - d) 1st & Washington - Deck is now open to both monthly and flat rate parking. Construction on the apartment units continues. Staff will investigate arranging a tour of the apartments.
2. Transportation
 - a. goPass- Nancy Shore reported that November data showed very high usage. She will have survey data to present at the January Operations Committee meeting.
3. Parking Operations
 - a. DDA accounting procedure changes- Auditor recommended changes were put forward. The Committee moved to support these changes.
4. New Business
 - a. Meter removal policy – A fee would be assessed for permanent meter removals and City Council asked for DDA guidance on how to segregate these funds. Committee resolve is to show these dollars in the Parking Maintenance Fund, but as restricted funds.
5. Construction.
 - a. Ms. Pollay requested Committee support to put forward a resolution at the January board meeting to allocate \$40,000 for a schematic design to as the first step toward upgrading outdated elevators at the 4th & William parking structure.
6. Audience Participation- none

The meeting adjourned at 1:18 pm.
Susan Pollay, Executive Director