

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
March 4, 2009

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

1. ROLL CALL

Present: Rene Greff, Leah Gunn, Jennifer Hall, Roger Hewitt, John Hieftje, Joan Lowenstein, John Mouat, Keith Orr, Sandi Smith, John Splitt

Absent: Gary Boren, Russ Collins

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Joan Lyke, Management Assistant

Audience: Michael Appel, Avalon Housing
Dave Askins, Ann Arbor Chronicle
Mark Lyons, Republic Parking System
Kyle Mazurek, Ann Arbor Chamber
Stephanie Murray, Ann Arbor News
Ethel Potts, Citizen
Nancy Shore, getDowntown
Maura Thomson, Main Street Area Association
Edward Vielmetti, Citizen

2. AUDIENCE PARTICIPATION

Ms. Thomson spoke in support of the resolution to provide association grants. She said that MSAA was doing more with less, as dues are down for all membership groups, including the downtown associations. If approved the grant would be much appreciated and would be used to promote downtown businesses per the DDA's goals.

Mr. Mazurek referenced the February 17, 2009 Council resolution that requested financial information due to concerns about the DDA's finances. He said that this resolution and the earlier Council resolution regarding the \$2 million/year from the DDA to the City seemed connected, yet this was not made clear. He said that the Ann Arbor Area Chamber had emailed the DDA office with a series of questions regarding the DDA/City financial relationship and he read these questions aloud so they could be part of the public record. (Chamber questions are attached at the end of these minutes).

Mr. Appel distributed a request that if possible the DDA include in its discussions about the resolution in the board packet an additional 14-unit property located at 211 E. Davis. He explained that the property is within the ¼ mile boundary that is being recommended by the DDA's Partnerships Committee.

Mr. Vielmetti announced that the Festi-Fools event is scheduled for April 5, 2009, 4-5PM, on Main Street between Washington and William. The event brings students and community volunteers together to create unique public art that is free and accessible to everyone.

Mr. Boren enters.

3. STATUS OF CITY TASKFORCE EFFORTS WITH DDA MEMBERSHIP
--

A2D2 Steering Committee: Mr. Hewitt said that the Planning Commission completed its review last night. The Steering Committee will meet on March 6 and a Council working session will take place March 9. It is anticipated that A2D2 will come before City Council on April 20th. He will provide more information at the next Board meeting.

415 W. Washington: Mr. Mouat said no meetings have been held recently. City staff are rewriting the RFP and will ask the three RFP respondents to re-submit plans to meet the revised guidelines.

4. MINUTES

Ms. Smith moved and Ms. Gunn seconded approval of the February 4, 2009 DDA meeting minutes.

A vote on the motion to approve the minutes showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

5. OPERATIONS COMMITTEE

Mr. Hewitt moved and Ms. Gunn seconded the following resolution:

RESOLUTION TO ESTABLISH A DDA POLICY REGARDING TIME LIMITS FOR DDA GRANTS

Whereas, In 2006 the DDA approved "Resolution to Approve Revised Principles and Procedures Regarding DDA Grant Decisions" in which it formulated guidelines by which it would provide grants for important projects and programs;

Whereas, In its efforts to manage the DDA budget the Operations Committee has recognized the need to establish a time limit for receipt of DDA grants, as some grants have remained unclaimed for years making it difficult to anticipate when the expense will impact the DDA budget;

Whereas, The Operations Committee recommends that the DDA adopt a policy requiring that DDA grants must be used within the fiscal year it is approved or within the following fiscal year, or these grants will automatically be repealed;

RESOLVED, The DDA establishes an additional grant policy that once awarded, DDA grants must be used within the fiscal year in which it was approved or at the latest, within the following fiscal year, or these grants will be automatically rescinded.

Mr. Hewitt explained that if grants were not paid during the FY they were approved it is difficult to know when the expense will impact the budget. Ms. Smith proposed an amendment in the 3rd Whereas that was considered as friendly: "*unless otherwise stated in the grant*", or these grants will automatically be repealed;

Mr. Boren proposed an amendment to the RESOLVED section that was accepted as friendly. The clause now reads: *at the latest within the following fiscal year, unless otherwise stated in the grant*,

The amended Resolution showed:

RESOLUTION TO ESTABLISH A DDA POLICY REGARDING TIME LIMITS FOR DDA GRANTS

Whereas, In 2006 the DDA approved "Resolution to Approve Revised Principles and Procedures Regarding DDA Grant Decisions" in which it formulated guidelines by which it would provide grants for important projects and programs;

Whereas, In its efforts to manage the DDA budget the Operations Committee has recognized the need to establish a time limit for receipt of DDA grants, as some grants have remained unclaimed for years making it difficult to anticipate when the expense will impact the DDA budget;

Whereas, The Operations Committee recommends that the DDA adopt a policy requiring that DDA grants must be used within the fiscal year it is approved or within the following fiscal year, *unless otherwise stated in the grant*, or these grants will automatically be repealed;

RESOLVED, The DDA establishes an additional grant policy that once awarded, DDA grants must be used, at the latest within the following fiscal year, unless otherwise stated in the grant, or these grants will be automatically rescinded.

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Mr. Hewitt moved and Mr. Splitt seconded the following Resolution:

**RESOLUTION ENCOURAGING A CITY POLICY REGARDING REMOVAL OF ON-STREET
PUBLIC PARKING METERS**

Whereas, The DDA has operated the on-street public parking meters since 2002 and in the past six years has seen approximately 150 street meters removed to accommodate private developments as well as to accomplish changes that benefit the broader public;

Whereas, On-street meters serve a variety of important downtown benefits including:

- On-street meters adjacent to commercial enterprises convey a great deal about the perceived convenience of shopping or doing business in the area. These meters are reused throughout the day and evening to support a wide variety of businesses, events and activities.
- On-street meters are essential for businesses providing quick pick-up or products that are cumbersome to carry (e.g. dry cleaners, copy centers, and gardening supplies). Without a supply of adjacent parking meters, much of downtown's commercial diversity would disappear.
- On-street meters are important to people who are unable to walk a great distance to their destination, including many in the disabled community, children, and seniors.
- On-street meters serve the great majority of downtown residents who don't have a parking space assigned under their building, and must get groceries and other bulky items upstairs.
- On-street meter spaces are necessary for electricians, rug cleaning companies, and others called in on an emergency basis that need their vehicles parked close by to perform their service.
- On-street meters help streets to be pedestrian-friendly, as cars create a comfortable barrier between vehicles and people on the sidewalk. The most walkable downtown streets tend to have on-street parking.

Whereas, The DDA Operations Committee has discussed this matter and has framed the following recommendations for the DDA to approve as its policy:

1. Given the important benefits provided by on-street parking meters, their value should be formally recognized by both by the DDA and City Council.
2. Efforts to permanently remove an on-street parking meter should be resisted unless a compelling broad community benefit can be established. It should not be enough that the removal of a parking space may benefit a project – there must be a larger, community benefit.
3. In instances where an on-street meter removal does not benefit the Ann Arbor community, City Council should assess the cost to replace this public parking space in a future downtown public

parking structure. At the time this policy is being considered, the cost to construct an above ground parking structure space is estimated to be \$40,000 and the cost to construct a below-ground parking structure space is estimated to be \$55,000. Thus it is recommended that when developments lead to the removal of on-street parking meters, a cost of \$45,000/parking meter be assessed and provided to the DDA to set aside in a special fund that will be used to construct future public parking spaces.

RESOLVED, The DDA approves the policy recommendations set forward by its Operations Committee recognizing the value of on-street parking spaces to a healthy, active, diverse downtown;

RESOLVED, The DDA encourages Ann Arbor City Council to adopt these policy recommendations, and incorporate these elements into its planning processes including site plan approvals.

Mr. Hewitt said that when meters are removed an area can become less-pedestrian friendly and lost parking must be replaced at another location. He said that unless City Council saw a community benefit to a meter removal, it would be asked to assess a removal cost. Without any restrictions in place the DDA has seen 175 meters removed since 2002, or approximately one tenth of the total. This has a decided impact on the community both in terms of lost access as well as lost revenues.

Mr. Mouat noted that the resolution speaks to meters, and suggested that this be changed from meters to spaces throughout the resolution. He also suggested that a CPI be applied against the cost assignment, as this will continue to rise. Both suggestions were accepted as friendly.

Ms. Hall suggested an amendment that was accepted as friendly to change #3 as follows:

In instances where an on-street meter removal does not benefit the Ann Arbor community, City Council should assess the cost to replace this public parking space in a future downtown public parking structure. At the time this policy is being considered, the cost to construct an above ground parking structure space is estimated to be \$40,000 and the cost to construct a below-ground parking structure space is estimated to be \$55,000. Thus it is recommended that when developments lead to the removal of on-street parking meters, a cost of \$45,000/parking meter be assessed and provided to the DDA to set aside in a special fund that will be used to construct future parking spaces or other means to meet the goals above.

The amended Resolution showed:

RESOLUTION ENCOURAGING A CITY POLICY REGARDING REMOVAL OF ON-STREET PUBLIC PARKING SPACES

Whereas, The DDA has operated the on-street public parking meters since 2002 and in the past six years has seen approximately 175 street meter spaces removed to accommodate private developments as well as to accomplish changes that benefit the broader public;

Whereas, On-street public parking spaces serve a variety of important downtown benefits including:

- On-street public parking spaces adjacent to commercial enterprises convey a great deal about the perceived convenience of shopping or doing business in the area. These spaces are reused throughout the day and evening to support a wide variety of businesses, events and activities.
- On-street metered parking spaces are essential for businesses providing quick pick-up or products that are cumbersome to carry (e.g. dry cleaners, copy centers, and gardening supplies). Without a supply of adjacent parking spaces, much of downtown's commercial diversity would disappear.
- On-street metered spaces are important to people who are unable to walk a great distance to their destination, including many in the disabled community, children, and seniors.

- On-street metered spaces serve the great majority of downtown residents who don't have a parking space assigned under their building, and must get groceries and other bulky items upstairs.
- On-street metered spaces are necessary for electricians, rug cleaning companies, and others called in on an emergency basis that need their vehicles parked close by to perform their service.
- On-street metered spaces help streets to be pedestrian-friendly, as cars create a comfortable barrier between vehicles and people on the sidewalk. The most walkable downtown streets tend to have on-street parking.

Whereas, The DDA Operations Committee has discussed this matter and has framed the following recommendations for the DDA to approve as its policy:

1. Given the important benefits provided by on-street parking meter spaces, their value should be formally recognized by both by the DDA and City Council.
2. Efforts to permanently remove an on-street parking meter space should be resisted unless a compelling broad community benefit can be established. It should not be enough that the removal of a public parking space may benefit a project – there must be a larger, community benefit.
3. In instances where an on-street meter removal does not benefit the Ann Arbor community, City Council should assess the cost to replace this public parking space in a future downtown public parking structure. At the time this policy is being considered, the cost to construct an above ground parking structure space is estimated to be \$40,000 and the cost to construct a below-ground parking structure space is estimated to be \$55,000. Thus it is recommended that when developments lead to the removal of on-street parking meter spaces, a cost of \$45,000/parking meter space (with annual CPI increases) be assessed and provided to the DDA to set aside in a special fund that will be used to construct future parking spaces or other means to meet the goals above.

RESOLVED, The DDA approves the policy recommendations set forward by its Operations Committee recognizing the value of on-street public parking spaces to a healthy, active, diverse downtown;

RESOLVED, The DDA encourages Ann Arbor City Council to adopt these policy recommendations, and incorporate these elements into its planning processes including site plan approvals.

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried

Mr. Hewitt moved and Ms. Greff seconded the following resolution:

RESOLUTION ESTABLISHING AN AD HOC DDA COMMITTEE TO BEGIN DISCUSSIONS WITH THE CITY REGARDING EXTENDING PAYMENTS TO THE CITY FROM THE 2005-2015 CITY/DDA PARKING AGREEMENT

Whereas, On January 20, 2009 City Council approved "Resolution Requesting the DDA to Begin Discussions to the Parking Agreement with the City for a Mutually Beneficial Financial Agreement to Extend Payments to the City;"

Whereas, This resolution stated that “The City and DDA have a parking agreement that is scheduled to expire in 2015” and “This agreement enabled the City to draw down future rent payments on the parking system and those payments are scheduled to end July 1, 2010” and “The City would like to work with the DDA to discuss a mutually beneficial financial agreement to extend payments to the City beyond July 1, 2010;”

Whereas, In this resolution the City requested that “the DDA to begin discussions for a mutually beneficial financial agreement to extend payments to the City beyond July 1, 2010;”

RESOLVED, The DDA shall establish an ad hoc DDA committee of four Board members to conduct discussions with the City to address the question of a mutually beneficial financial agreement to extend payments to the City beyond July 1, 2010.

RESOLVED, The DDA respectfully requests that City Council name four committee members to its own ad hoc committee and collaboratively work to schedule a date for the first discussion.

Ms. Gunn proposed an amendment to change the number of DDA members for this ad-hoc committee from ~~four~~ to **three**. This was accepted as a friendly amendment. Mr. Mouat said it isn't always possible for all committee members to show up so it's useful to have more than three committee members. Ms. Gunn withdrew her amendment and the resolution text remained unchanged at four committee members.

It was asked who would appoint the committee members. Ms. Pollay said that the DDA bylaws assigned that responsibility to the board chair.

Ms. Greff said that she felt that we should be honest with ourselves and the community about what is happening here. It is dishonest to say that this committee would work to extend the existing parking agreement as this agreement runs until 2015. Rather, what is being discussed is a new request from the City for additional funds. The current agreement provided the City with \$10 million over ten years; and from the time the City began asking to draw down funds early there was speculation that the City would come back for additional funds. But there has not been a clear message from the City on this. Mr. Hieftje responded that the city has included \$2 million/year in its upcoming budget and the process about the \$2 million has been completely open to the public and he has been on the record about this consistently, as well.

Ms. Greff proposed an amendment to the resolution to change the title to: Resolution Establishing an Ad Hoc DDA Committee to Begin Discussions with the City ~~Regarding Extending Payments to the City from the 2005-2015 City/DDA Parking Agreement~~ **Regarding Additional Payments to the City**. This change was accepted as friendly.

Ms. Greff proposed an amendment to the resolution in the first resolved clause: RESOLVED, The DDA shall establish an ad hoc DDA committee of four Board members to conduct discussions with the City to address the question of a mutually beneficial financial agreement to ~~extend payments~~ **provide additional funds** to the City beyond July 1, 2010. This amendment was accepted as friendly.

Ms. Smith noted that she agreed with deleting “extending payments” as she didn't want to limit the discussions to \$10 Million. Ms. Hall said it was easier for budgetary concerns to have an amount included in the resolution. Ms. Smith stated that the Resolution states “for a mutually beneficial financial agreement.” She said that the DDA is more creative than the City and could propose opportunities to explore other than parking meters. Mr. Orr stated it was important to show that the DDA is working with the City cooperatively. Ms. Smith, proposed an amendment to add a 4th Whereas clause: **“Whereas, the City anticipates a significant shortfall in its upcoming budgets;”**

The resolution as amended shows:

RESOLUTION ESTABLISHING AN AD HOC DDA COMMITTEE TO BEGIN DISCUSSIONS WITH THE CITY REGARDING ADDITIONAL PAYMENTS TO THE CITY

Whereas, On January 20, 2009 City Council approved "Resolution Requesting the DDA to Begin Discussions to the Parking Agreement with the City for a Mutually Beneficial Financial Agreement to Extend Payments to the City;"

Whereas, This resolution stated that "The City and DDA have a parking agreement that is scheduled to expire in 2015" and "This agreement enabled the City to draw down future rent payments on the parking system and those payments are scheduled to end July 1, 2010" and "The City would like to work with the DDA to discuss a mutually beneficial financial agreement to extend payments to the City beyond July 1, 2010;"

Whereas, In this resolution the City requested that "the DDA to begin discussions for a mutually beneficial financial agreement to provide additional funds to the City beyond July 1, 2010;"

Whereas, the City anticipates a significant shortfall in its upcoming budgets;

RESOLVED, The DDA shall establish an ad hoc DDA committee of four Board members to conduct discussions with the City to address the question of a mutually beneficial financial agreement to extend payments to the City beyond July 1, 2010.

RESOLVED, The DDA respectfully requests that City Council name four committee members to its own ad hoc committee and collaboratively work to schedule a date for the first discussion.

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Mr. Hewitt moved and Ms. Gunn seconded the following resolution:

RESOLUTION REPORTING ON DDA FINANCIAL INFORMATION AS REQUESTED BY ANN ARBOR CITY COUNCIL

Whereas, on February 17, 2009 City Council approved "Resolution Requesting Financial Information from the Downtown Development Authority" which requested that the "DDA provide the City Council, within thirty (30) days, a financial plan to increase revenue and/or defer projects to ensure adequate contingencies and fund balances for fiscal years 2010 and 2011, and that the proposals may include, but are not limited to, (1) prompt implementation of a demand-based pricing system for parking facilities, (2) increases in fees for "bagging" parking meters, and/or (3) deferring scheduled capital projects."

Whereas, The DDA Operations Committee extensively reviewed its Ten Year Plan which is updated continuously to include all known revenue and expense items, and the Committee has determined that DDA fund balances are adequate to address programs, administration, and obligations as approved by the DDA for fiscal years 2010 and 2011;

Whereas, The DDA Operations Committee also determined that it has tools available to it to increase parking revenues if needed including the following (in recommended order):

- Increase the daily cost of meter bags \$5/day from \$15/day to \$20/day (anticipated to increase revenues by \$181,000/year). The DDA could also limit the amount of meter bag fee waivers it provides nonprofits and government agencies, which is currently in excess of \$150,000)
- Return to charging for parking by one-hour increments rather than 30-minute increments (anticipated to increase revenues by \$400,000/year). The change to 30-minute increments was made in 2003.
- Increase parking rates in high demand areas at high demand times. This could include on-street meters on S. Main, E. Liberty, and S. State Streets, in the Maynard structure, the First & Huron parking lot and the 4th & Washington parking structure. The specific locations and the exact amount to be charged will be determined by the DDA Operations Committee.

Whereas, The DDA will be assessed a Municipal Service Charge by the City to issue a bond for the S. Fifth Avenue parking structure and Fifth & Division projects in the amount of \$1.4 million which is in addition to the DDA reimbursement to the City for its costs associated with issuing this bond, and this Municipal Service Charge is not yet budgeted by the City;

RESOLVED, The DDA has determined that DDA fund balances are adequate to address programs, administration, and obligations as approved by the DDA for fiscal years 2010 and 2011;

RESOLVED, The DDA has attached its most updated Ten Year Plan to the City as requested by City Council demonstrating its financial status;

RESOLVED, Beginning on July 1, 2009 the DDA anticipates implementing a range of hourly parking rates on and off-street as part of an overall parking demand management framework, with the average of these rates as reported to City Council on February 17, 2009.

RESOLVED, The DDA looks forward to discussing in detail with Council the elements of this Ten Year Plan in hopes of meeting City Council's goals.

Mr. Hewitt stated that the City CFO expressed concern about the anticipated DDA fund balances in 2011 given the expectation that due to project timing it is possible that the DDA fund balance would dip to 11% fund balance-to-anticipated-ongoing-expense ratio, assuming that \$2 million transfers to the City continue. The DDA was informed that the City wants to maintain a 15-20% ratio with its funds.

Mr. Hewitt explained that the Operations Committee reviewed several Ten Year Plan scenarios and believes that there is adequate funds to address all projects and obligations that the DDA has approved to date. However, if so directed by City Council, the Committee noted how the DDA could increase parking revenues including charging more for meter bags or charging once again by the hour instead of the half hour.

Ms. Gunn said that the City CFO is concerned about the fund balance ratio, but she noted that neither the City nor the DDA has an official policy with regards to fund balances including minimums or maximums. She said that the DDA has determined that its fund balances are adequate to address the programs and obligations as approved by the DDA 2010 and 2011.

Mr. Hewitt stated that the Ten Year Plan anticipates the construction of the First & Washington project, but no funds will be released until the project receives its Certificate of Occupancy which would be at least 18 months after it breaks ground.

Ms. Greff proposed an amendment to strike the 3rd Whereas clause, saying that since DDA fund balances were adequate given DDA obligations it was premature to discuss ways to increase revenues. This was not accepted as a friendly amendment by Mr. Hewitt.

Ms. Smith proposed an amendment to edit the first bullet under the 3rd Whereas clause:

- “Increase the daily cost of meter bags \$5/day from \$15/day to \$20/day (anticipated to increase revenues by \$181,000/year).” ~~The DDA could also limit the amount of meter bag fee waivers it provides nonprofits and government agencies, which is currently in excess of \$150,000)~~

Mr. Hewitt accepted this change as friendly.

Ms. Smith and Mr. Orr proposed an amendment to change the 3rd RESOLVED clause to the 5th Whereas clause.

RESOLVED, **Whereas**, Beginning on July 1, 2009 the DDA anticipates implementing a range of hourly parking rates on and off-street as part of an overall parking demand management framework, with the average of these rates as reported to City Council on February 17, 2009.

Mr. Hewitt accepted this change as friendly.

The revised resolution reads as follows:

RESOLUTION REPORTING ON DDA FINANCIAL INFORMATION AS REQUESTED BY ANN ARBOR CITY COUNCIL

Whereas, on February 17, 2009 City Council approved “Resolution Requesting Financial Information from the Downtown Development Authority” which requested that the “DDA provide the City Council, within thirty (30) days, a financial plan to increase revenue and/or defer projects to ensure adequate contingencies and fund balances for fiscal years 2010 and 2011, and that the proposals may include, but are not limited to, (1) prompt implementation of a demand-based pricing system for parking facilities, (2) increases in fees for “bagging” parking meters, and/or (3) deferring scheduled capital projects.”

Whereas, The DDA Operations Committee extensively reviewed its Ten Year Plan which is updated continuously to include all known revenue and expense items, and the Committee has determined that DDA fund balances are adequate to address programs, administration, and obligations as approved by the DDA for fiscal years 2010 and 2011;

Whereas, The DDA Operations Committee also determined that it has tools available to it to increase parking revenues if needed including the following (in recommended order):

- Increase the daily cost of meter bags \$5/day from \$15/day to \$20/day (anticipated to increase revenues by \$181,000/year).
- Return to charging for parking by one-hour increments rather than 30-minute increments (anticipated to increase revenues by \$400,000/year). The change to 30-minute increments was made in 2003.
- Increase parking rates in high demand areas at high demand times. This could include on-street meters on S. Main, E. Liberty, and S. State Streets, in the Maynard structure, the First & Huron parking lot and the 4th & Washington parking structure. The specific locations and the exact amount to be charged will be determined by the DDA Operations Committee.

Whereas, Beginning on July 1, 2009 the DDA anticipates implementing a range of hourly parking rates on and off-street as part of an overall parking demand management framework, with the average of these rates as reported to City Council on February 17, 2009.

Whereas, The DDA will be assessed a Municipal Service Charge by the City to issue a bond for the S. Fifth Avenue parking structure and Fifth & Division projects in the amount of \$1.4 million which is in addition to the DDA reimbursement to the City for its costs associated with issuing this bond, and this Municipal Service Charge is not yet budgeted by the City;

RESOLVED, The DDA has determined that DDA fund balances are adequate to address programs, administration, and obligations as approved by the DDA for fiscal years 2010 and 2011;

RESOLVED, The DDA has attached its most updated Ten Year Plan to the City as requested by City Council demonstrating its financial status;

RESOLVED, The DDA looks forward to discussing in detail with Council the elements of this Ten Year Plan in hopes of meeting City Council's goals.

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Transition to Demand Management: Mr. Hewitt reported that the Maynard valet service usage is increasing. The first full month of the pilot project to use AVI cards by patrons is completed, and minor adjustments are being made. The new encoded merchant validation system is scheduled to begin in April. A model of the new parking pay station sidewalk space number sign was delivered to the firm that will help market the new on-street parking system for feedback. We anticipate ordering the sidewalk number units for installation in late April.

Ann Arbor Dexter Run: The Committee was responsive to the two issues the Race organizers asked help on. Staff have been directed to work with RPS to make the premium parking area under Ann Ashley available for the Race, and DDA will waive meter bag fees for this event. Ms. Hall expressed support for these actions and said that as a race participant and DDA member she was proud to be able to assist.

6.

PARTNERSHIPS COMMITTEE

Ms. Smith moved to modify the resolution in the board packet to include the property requested by Mr. Appel at the beginning of the meeting. Mr. Hieftje seconded the resolution as modified.

RESOLUTION PROVIDING AVALON NONPROFIT HOUSING CORPORATION WITH A GRANT OF ~~\$557,000~~ \$607,000 FOR THE REHABILITATION OF 52 66 AFFORDABLE DOWNTOWN HOUSING UNITS

Whereas, The Ann Arbor Downtown Development Authority 2003 Renewal Plan makes a strong commitment to participating in projects which stimulate new, converted, or renovated housing, with the goal of a diverse and vibrant downtown residential base;

Whereas, Washtenaw Affordable Housing Corporation (WAHC) and Avalon Nonprofit Housing Corporation are in the midst of a merger in which Avalon Housing will acquire many affordable housing properties owned by WAHC that are significantly deteriorated and in need of rehabilitation;

Whereas, Many of these properties are within the Ann Arbor DDA District or with a ¼ mile radius, and it has been established that a number of the tenants residing in these properties work, shop, or use the downtown;

Whereas, Avalon has requested funding assistance from the DDA's Housing Fund to enable it to rehabilitate the following properties:

Located within the DDA district:

411 N. Ashley, 6 units \$ 53,000

Located within 1/8 mile of the DDA district:

532 N. Main, 7 units \$ 94,000

518 – 522 S. Division, 16 units \$210,000

Located within 1/4 mile of the DDA district:

701 Miller Ave., 23 units \$200,000

711 Davis, 14 units \$ 50,000

Whereas, The total cost for these rehabilitations is estimated to be ~~\$557,000~~ \$607,000 and it is anticipated that this work will be undertaken over three fiscal years;

Whereas, The DDA Partnerships Committee reviewed this request and recommends approval of this grant from the DDA's Housing Fund;

RESOLVED, The DDA will provide Avalon Housing, Inc. with a grant of ~~\$557,000~~ \$607,000 from its Housing Fund to enable Avalon Housing Corporation to rehabilitate ~~52~~ 66 affordable downtown housing units;

RESOLVED, DDA staff are directed to work with Avalon to determine the payment schedule for this grant so that it can be budgeted appropriately in the correct fiscal years.

Mr. Boren asked Mr. Appel how the 3 properties outside the ¼ radius would be funded and he responded that Avalon included those properties in the request to the city and the federal government.

Mr. Hewitt asked about the city's plan for replacing the 100 affordable units originally placed at the YMCA. He wanted to ensure the DDA would have funds available to help with replacing those units. Mr. Appel indicated that at this time the city has not selected the site for replacing the units and it would take considerable time to move from site selection to actual work to replace those units. Ms. Gunn explained that since the funds in this resolution are requested over a 3 year period and the DDA transfers \$200,000 annually to the Housing Fund, there would be adequate funds for replacing the 100 units of affordable housing units in the future.

Ms. Smith said she was excited about this opportunity for the DDA to help support the rehabilitation of 66 units. The DDA has been providing small grants over the years but this is a significant contribution toward affordable housing in the community. Ms. Gunn commended Avalon's efforts to rehabilitate the properties recently acquired from Washtenaw Affordable Housing Corporation (WAHC).

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Ms. Smith moved and Mr. Splitt seconded the following resolution:

**RESOLUTION ESTABLISHING A POLICY ESTABLISHING A RADIUS WITHIN WHICH THE DDA
MAY PROVIDE DDA HOUSING GRANTS**

Whereas, The Ann Arbor Downtown Development Authority 2003 Renewal Plan makes a strong commitment to participating in projects which stimulate new, converted, or renovated housing, with the goal of a diverse and vibrant downtown residential base;

Whereas, This Plan also includes the statement that "In an effort to accomplish its mission, it is understood that the DDA may elect to participate in important projects outside the DDA District";

Whereas, The DDA Partnerships Committee oversees the DDA Housing Fund and recognizes the importance of establishing a policy regarding the geographic limits for DDA financial participation in housing projects to ensure the direct connection and benefit to the DDA area as per the DDA's mission;

Whereas, Upon extensive deliberation, the Partnerships Committee recommends that the DDA establish one quarter mile (1/4 mile) around the DDA District as the radius within which the DDA may elect to financially participate in projects using its Housing Fund;

RESOLVED, The DDA establishes one quarter mile around the DDA District as the radius within which the DDA may elect to financially participate in projects using its Housing Fund.

Ms. Greff said she would be invoking Dave DeVarti who had only recently finished his term with the DDA (all smiled) asked why the DDA would want to limit itself to a ¼ mile radius. She said that in the future the DDA may regret this decision to tie its hands related to this issue. Mr. Mouat agreed with Ms. Greff and stated that setting the ¼ mile boundary seemed arbitrary and the DDA might want some wiggle room when reviewing grant requests. Ms. Hall said that she did agree with the policy as it helps the committee focus its efforts when weighing grant proposals and it also helps save the community time and effort if approval of a grant request is diminished because it is outside the DDA boundary.

Mr. Boren said that he too would invoke Mr. DeVarti, as he senses pressure on the city to push the 100 unit replacement outside the downtown. He said he did not support that effort.

Mr. Splitt said he supports this resolution and wants to keep the housing grant requests within the ¼ mile radius. Ms. Smith said that it was important as a taxing authority that the DDA should not take lightly that we are looking to spend dollars outside our tax capture boundaries. She said that a case could be made for connecting housing that is within an easy walkable distance to downtown services, and that if a request comes for an attractive project outside the policy area the DDA could review its policy at that time for that project.

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

AYES: Gunn, Hall, Hewitt, Hieftje, Lowenstein, Orr, Smith, Splitt

NAYS: Boren, Greff, Mouat

Absent: Collins

The motion carried.

Ms. Smith moved and Mr. Mouat seconded the following resolution:

RESOLUTION TO PROVIDE UP TO \$13,000 FOR EACH OF THE FOUR DOWNTOWN AREA ASSOCIATIONS FOR CALENDAR YEAR 2009

Whereas, The DDA mission is to undertake public improvements that have the greatest impact in strengthening the downtown area and attracting new private investments;

Whereas, The DDA's 2003 Renewal Plan recognized that many of the businesses that add special character to downtown are the small, independent stores that offer unique, one-of-a-kind goods and

services, and their economic viability is closely linked with the cultural and social identity of downtown and its perceived strength as a commercial district;

Whereas, The DDA provides many programs that support downtown businesses, including funding the downtown walk map with its business listing, holiday lights, and Downtown Spring Clean Up;

Whereas, National indicators predict that Michigan economic conditions will be challenging in 2009, and the DDA recognizes that partnering with the downtown associations may be an effective means to support downtown's independent businesses, which may be particularly vulnerable during an economic downturn;

Whereas, The Partnerships Committee recommends association grants in calendar year 2009 as follows:

Anti-Graffiti: Up To \$5,000 for Each Downtown Area

Anti-Graffiti. The DDA will provide up to \$3,000 in accounts to be used by businesses in each of the association areas to defray their cost of paint, painting supplies, and graffiti removal materials so that graffiti can be immediately covered up or removed in accordance with City ordinance.

Murals. The DDA will provide up to \$2,000 to the associations to be spent on attractive large wall murals in each of the four association areas as a strategic tool to combat graffiti and blight.

Marketing and Promotions: Up To \$6,000 for Each Downtown Area

Cooperative advertising. The DDA will provide up to \$3,000 in each of the four association areas to match association funds for advertisements in on-line publications, traditional publications, or radio stations.

Events. The DDA will provide up to \$1,000 to each of the four associations to be used to support an existing event or support the creation of a new event.

Free Event Parking. The DDA will provide up to \$1,000 in free parking for association special events. This can be used in the form of meter bag fee waivers or parking in an off street location.

Website. The DDA will provide up to \$1,000 for each association to develop a new website or redesign an existing association website with the goal of providing greater visibility to downtown businesses.

New Ideas to Help Downtown Businesses Succeed: Up to \$2,000 for Each Downtown Area

IDA. The DDA will provide up to \$2,000 for each area association to send a representative to the 2009 IDA Annual Conference which will be held in Milwaukee, September 11-15th. These conferences provide a valuable opportunity to learn about best practices and innovative downtown programs from around the country, with the goal of implementing these ideas in downtown Ann Arbor.

RESOLVED, The DDA will provide up to \$13,000 to each of the four downtown area associations as proposed by its Partnerships Committee for calendar year 2009, and will adjust its TIF 003 budget accordingly.

RESOLVED, The DDA will release these funds to the area associations once appropriate receipts have been received.

Ms. Smith noted that the grant is for this calendar year. This is a one-time grant; the associations should not expect this as a status quo next year. Ms. Gunn proposed an amendment that was

accepted as friendly to add a statement, “a written report will be required for those Merchant Area Association representatives that are sponsored by the DDA to attend the IDA conference.”

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

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Collins

The motion carried.

Ms. Smith moved and Ms. Lowenstein seconded the following resolution:

**RESOLUTION TO SUPPORT THE PROCESS TO DEVELOP A COMMUNITY VISION FOR THE
300 BLOCK OF S. FIFTH AVENUE**

Whereas, There are a number of important significant public projects that are being planned or will soon be constructed on the 300 block of S. Fifth Avenue, including a new underground parking structure, midblock street, expanded water mains, a new library building, and more;

Whereas, There are large surface parking lots on this block that should be redeveloped with higher and better uses, as well as opportunities to take advantage of the transportation improvements that will soon be implemented with the DDA’s Fifth & Division project, and repairs to the AATA Blake Transit Center;

Whereas, In the course of approvals for the new underground parking structure many community members and policy makers shared their view that the confluence of so many projects being discussed on the 300 block of S. Fifth Avenue makes this an opportune time to develop a community vision or plan for this area;

Whereas, The DDA Partnerships Committee recognizes the important opportunity to encourage this community visioning process to take place and encourages the DDA to support this process by committing time and resources;

RESOLVED, The DDA supports the development of a community vision for the 300 block of S. Fifth Avenue, and will make available resources as needed to enable this planning process to take place.

Ms. Smith stated that whenever the parking structure project is discussed citizens ask what is planned to be built on top. Mr. Hieftje said that the economy is not promising at this time and not likely to improve for in the immediate future. Ms. Smith stated that a public visioning process may take a few years, thus making this a good time to have the discussion.

Mr. Mouat asked what was intended to be the DDA’s role in this visioning process; Ms. Smith said that the intent was to make DDA resources available and to be a catalyst to encourage the community conversation. Mr. Mouat cautioned that such an “urban planning exercise” shouldn’t be taken lightly. Mr. Splitt said that even though the DDA would not steer the process it could assist.

Ms. Hall stated that she saw the visioning process as including the entire block not just the top of the parking structure. Many public projects are being discussed for the 300 block of S. Fifth Avenue and she said that she thought this was a good time to develop a community vision or plan for this area. Mr. Iraola said that City staff has indicated that they need some direction on the future of the site above the parking structure so they can provide clear direction on issues like fire suppression.

A vote on the motion to approve the resolution showed:

AYES: Boren, Greff, Gunn, Hall, Hewitt, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None
Absent: Collins
The motion carried.

Grant to Support a BID: Ms. Smith reported that the committee has been discussing a potential grant to support the establishment of a Business Improvement District on S. Main. The property owners are discussing the potential for this future BID to provide sidewalk snow removal services and planter maintenance which are not services provided by the city. Ms. Smith said that BIDs have been very successful in other cities and there is a marked difference in areas that do have BIDs and other areas. Mr. Hewitt said that he thought these services should be provided by the DDA rather than a BID. Ms. Smith suggested that if the Operations committee wanted to explore that idea, the committee could bid services and come to the DDA with a proposal for how services could be paid for by DDA. Mr. Hieftje said he disagreed with Mr. Hewitt and that cities all over the country are looking for ways to partner with the private sector using BIDs. The BID could be a way for improvements to be made without using tax dollars to provide services. Ms. Smith said the committee asked for more information and will continue its discussion at the next meeting.

Energy Saving Grant Program – 9 energy audits have been received and reviewed. Dave Konkle has extended the deadline for the others until late this month.

A2D2 Parking Policies. Ms. Smith said that the committee reviewed recommendations and a topic still under debate is payment-in-lieu as an option rather than requiring developers to build parking. Issues include how much to charge, and if this payment guarantees public parking in exchange. Partnerships sent these policy questions to the Ops Committee for their very knowledgeable input.

Televising DDA Board Meetings: The equipment for televising the Board meetings has been delivered and it is anticipated it will be operational by the April DDA meeting.

6. TRANSPORTATION COMMITTEE

Building a shared knowledge base: Mr. Mouat reported that Ms. Blackmore of WATS and Mr. VanDerworp of the County Planning & Environment attended. Ms. Blackmore discussed ongoing efforts to develop a county-wide plan. WATS is looking at transportation gaps/opportunities, e.g., how to serve County households that have no cars or where the head of household is over 65/has persons with disabilities/persons 12-16 – all of whom want to be mobile but may not be driving. Mr. VanDerworp presented information on the Ann Arbor Region Success Strategy report. Community leaders amassed best practice info with the goal of developing strategies for sustained economic growth in the Ann Arbor area. All study groups had the same conclusion which is that a more fully developed and comprehensive transportation system will be needed if we are to strengthen our community. Action teams are now in the process of presenting information to a wide range of organizations to encourage participation, validate findings and figure out funding resources.

Mr. Mouat moved and Ms. Gunn seconded the following Resolution:

RESOLUTION TO PROVIDE \$25,000 IN SUPPORT OF THE 2009 GETDOWNTOWN COMMUTER CHALLENGE

Whereas, The getDowntown program was established in 1999 as a partnership between the DDA, Chamber, AATA, and City, and in the past decade the program has encouraged a dramatic increase in the use of transit, bicycling, walking, carpools and other transportation alternatives to single-passenger automobile commuting;

Whereas, Over 1,400 people from 114 businesses and organizations participated in the 2008 getDowntown Commuter Challenge, and in a follow up survey, 53% of respondents said that the

Commuter Challenge helped them change their commuting behavior and 24% said that they had rarely or never used sustainable transportation options before the Commuter Challenge;

Whereas, getDowntown has provided recommendations for the use of these funds, including a request for \$25,000 so getDowntown can strengthen its marketing for the 2009 Commuter Challenge by hiring a marketing professional, providing prizes and incentives to encourage downtown employees to take part, and funding follow-up activities to reinforce new transportation habits inspired by the Commuter Challenge;

Whereas, The Transportation Committee has reviewed this request for \$25,000 to expand marketing efforts for the 2009 Commuter Challenge and recommends its approval;

RESOLVED, The DDA approves a grant in the amount of \$25,000 to the getDowntown Program in support of the 2009 Commuter Challenge.

Mr. Mouat said that Ms. Shore had outlined how DDA funds would be used to encourage greater participation in the 2009 Commuter Challenge and increased use of sustainable transportation modes after the event. Mr. Hewitt expressed concerns that this was a “feel good” project. He said he is not in favor of “piece meal” approval of grants, and would like to see more data especially related to the LINK before approving funds for this request.

Mr. Mouat agreed that the DDA should continue to monitor the effectiveness of programs it is funding. Ms. Hall said that the DDA responds to grant requests throughout the year, and that she felt this grant should be considered separate from other opportunities and considered on its own merits. She didn't think the DDA needed to limit its new grants to the \$100,000 set forward in September.

A vote on the motion to approve the resolution showed:

AYES: Boren, Greff, Gunn, Hall, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: Hewitt

Absent: Collins

The motion carried.

Monroe Street: Mr. Mouat reported that the committee discussed the proposal by the UM to close Monroe Street and could not think of a compelling reason for the community to support this. Alternately there were negative impacts to the community, including lost parking revenues, it would push traffic to other streets like S. State which are already overloaded, and it would lessen the “permeability” of campus.

Zipcars. Mr. Mouat said that the four Zipcars sponsored by the DDA will be placed into service in two weeks, with two cars at the 4th and Catherine lot and two at the Palio lot. He noted that it was disappointing that the DDA was not recognized in the promotional information; Ms. Shore said that the brochure was prepared by Zipcars and they did not offer the opportunity to alter these materials to show sponsor names.

Next Meeting: Mr. White, AATA will discuss the LINK and broad ideas of enhancing service.

Committee retreat: Mr. Mouat noted that a mini-committee retreat will be scheduled this spring. The agenda will include a walk around downtown and an opportunity to brainstorm the role of the DDA with regard to transportation as distinguished from what other agencies and organizations are doing.

S. Fifth Ave Parking Structure Project: Mr. Splitt reported that engineers are developing structural analysis and other design details for earth retention systems. Fire protection plans have been submitted to the City and we are still waiting for a meeting to complete this element of the project. An easement may be needed from AADL to provide access to a new hydrant along the library's east property line of the library. On-site meetings with DTE and AT&T staff were held and potential routes for the relocation of utilities were identified. Geotechnical evaluations for earth retention design have been completed. Phase one of the environmental report was completed.

Fifth /Division: The design team continues to develop construction details. A meeting with the City Forester and Urban Forestry Planner have been scheduled to confirm tree and planter details.

9. OTHER DDA BUSINESS MATTERS

Mr. Hieftje reported that GM representatives are very excited about the possibility that charging stations may be included in the new underground structure. Ann Arbor is the center for hybrid and electric vehicles and we could get some recognition.

Ms. Pollay asked if there was an interest in a mid-year retreat; Board members affirmed their interest. Ms. Pollay said that staff would work to schedule this session.

Ms. Hall announced her appointments for the ad-hoc committee to begin discussions with the City regarding a mutually beneficial financial arrangement as follows: Mr. Boren, Mr. Hewitt, herself and Ms. Greff, who will serve as committee chair.

10. OTHER AUDIENCE PARTICIPATION

Ms. Shore thanked the DDA for its support of the Commuter Challenge. She also said that she will provide the follow up data as she did last year and asked the Board let her know what, if any additional data they would like to see included in the report. She also urged all DDA members to participate in this year's Commuter Challenge to see efforts to encourage sustainable transportation choices from the inside.

11. ADJOURNMENT

As there was no further discussion Ms. Gunn moved and Ms Greff seconded adjournment of the meeting at 2:20 PM.

Respectfully submitted,
Susan Pollay, Executive Director

To: Susan Pollay, Executive Director, Ann Arbor Downtown Development Authority
From: Kyle Mazurek, V.P. of Government Affairs, Ann Arbor Area Chamber of Commerce
Re: DDA Revenue Related Questions
Date: March 4, 2009

-- What did the City net from parking meter revenues before the DDA took over management in 2002? What does the DDA net from parking meters with/without "rent" paid to the City?

-- Does the City incur disproportionate costs downtown relative to elsewhere in the City? Do you have City estimates for costs and revenues downtown? Even rough numbers would be helpful.

-- It is my understanding that the DDA TIF includes \$1.5 million in City taxes, and that the City still captures \$4 million in taxes from properties located within the DDA (i.e., more than 70 percent of the total). Are these numbers accurate?

-- Can you please provide a list of recent grants or projects undertaken by the DDA on behalf of the City? Can you provide a list of grants or projects undertaken by the DDA on behalf of the other governmental agencies whose taxes are captured in the DDA's TIF (County, Library, WCC)?

-- City Council approved a resolution at its February 17th meeting expressing concern about the DDA's finances. Can you provide the Chamber a copy of the City policy regarding minimum/maximum fund balances so we can better understand this concern? Are you aware of a new fund balance policy that the City will institute in the near future?

-- It seems that the discussion about extending a revenue stream from the DDA/City parking agreement is being done covertly. Is there a way to make this discussion more public, more transparent? We are all downtown stakeholders and would like to know more about policy choices that affect us – e.g., whether the DDA is being asked and/or is agreeing to raise parking rates even higher than proposed one month ago for the new parking structure.