

Ann Arbor council rejects \$4M plan for new DDA office, meeting space

by Michal Ruprecht
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\$4M

plan for new DDA Office Rejected

A proposal to issue up to \$27 million in bonds to expand and improve the Ann Ashley Parking Structure was rejected by the city council 9-2 Tuesday, Sept. 3.

The main expansion and improvement to add three parking decks costs **\$21.7 million**

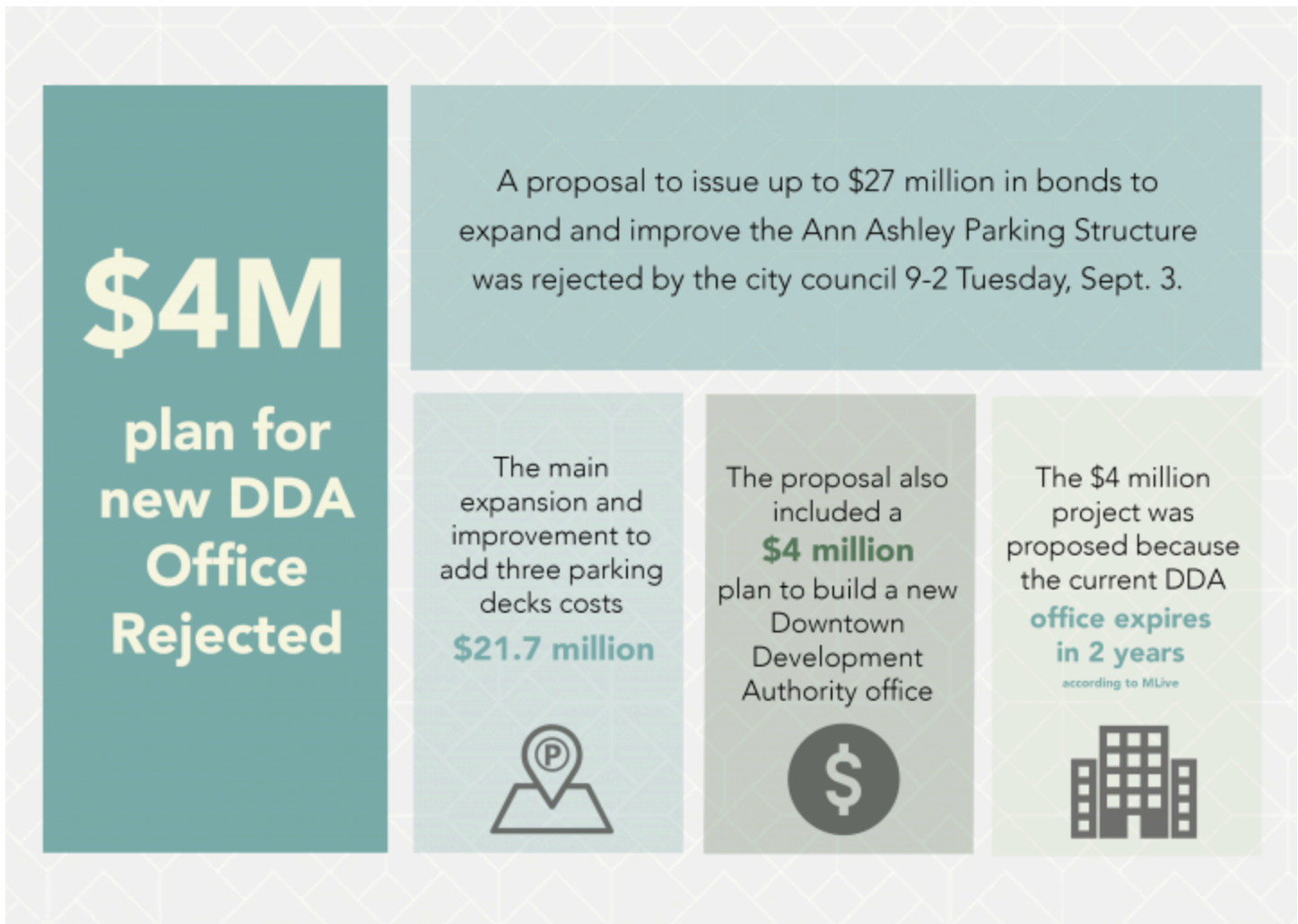


The proposal also included a **\$4 million** plan to build a new Downtown Development Authority office



The \$4 million project was proposed because the current DDA **office expires in 2 years**
according to MLive





A proposal to issue up to \$27 million in bonds to expand and improve the Ann Ashley Parking Structure was rejected by the Ann Arbor City Council 9-2 on Tuesday.

The main expansion to add three parking decks would cost \$21.7 million. The proposal also includes a \$4 million plan to build a new Downtown Development Authority office and community meeting space, which was recommended by the Design Review Board and unanimously accepted by the DDA board.

City Administrator Howard Lazarus said the \$4 million project was proposed because the current DDA office's lease at 150 S. Fifth Ave. expires soon — in two years, according to MLive. Lazarus added the proposal is more cost efficient.

“The proposal was analyzed and proved to be more cost efficient over the long term over renting and also provided much needed community meeting space,” Lazarus said.

DDA Executive Director Susan Pollay said the meeting space would “encourage more public participation in local matters.”

The Republic Parking customer service and administrative office at Maynard Street Parking Structure has a space shortage, only one toilet and doesn't have a back exit, Pollay said. The proposal would have provided a new office for them as well.

Ann Arbor Mayor Christopher Taylor and Councilmember Julie Grand, D-Ward 3, were the only two in favor of the proposal, while other council members voiced concerns about an increase in downtown parking and the cost of the proposal. Councilmember Ali Ramlawi, D-Ward 5, expressed concerns over the price tag of the proposal. Ramlawi said the plan could prevent other developments.

"I'm just stunned by the cost estimates to build out on land that we already bought," Ramlawi said. "It seems (like there's) a lot of uncertainty ... (this proposal) could prevent us from doing a lot of things in the future if we wished to look at our debt and rating."

Councilmember Jane Lumm, I-Ward 2, voiced similar concerns as Ramlawi. Lumm said the plan is two to three times typical construction cost, preferring a plan without the \$4 million expansion.

Lumm added DDA didn't communicate well with the council about the addition of the \$4 million project to the proposal. She described it as spontaneously appearing on the council's agenda with "no heads up."

"All of this happens with no discussion of council," Lumm said. "I'm sorry, but this is a terrible process and just not how this partnership is supposed to work."

Pollay said there are only about 350 surface parking spaces near the Ann Ashley structure. She said she feared these spots may be eliminated in the future when they're redeveloped into projects with new residences.

Pollay said the proposal would be an "investment in the future."

"If you look around downtown, much is built out," Pollay said. "The exception is the west side of downtown ... our hope is to see the redevelopment of that portion of downtown. We hope to be adding this public parking to this garage, we can see these parcels be put to much higher uses ... it's a chance to see those not used by cars."

In an email to The Daily, Grand wrote the proposal could have aided in meeting affordable housing goals. She added she voted for the proposal because it was thoroughly vetted by the DDA board and included needed community meeting space.

"This project would eliminate a commonly cited barrier, parking, to the re-development of surface parking lots within the downtown," Grand wrote. "As we begin serious discussions regarding the potential of city-

owned properties, particularly as it relates to our affordable housing goals, having a plan in place to replace some of that parking makes sense.”

Hayner said the proposal wouldn't help residents stay in the city and there are too many needs that should be addressed.

“Building housing for cars, not people? If we could bond \$30 million on the DDA's back to provide workforce housing in the downtown, I'd do that in a second before I build housing for cars,” Hayner said. “I wouldn't support it in a modified format, either. I think it's too much.”

Councilmember Jack Eaton, D-Ward 4, said he would like a new proposal “without luxury office space.”

In response to these concerns, Lazarus wrote the debt service for the expansion and improvements would be paid from parking revenues. He added parking is needed for new development in the city.

“Additional parking is need(ed) to help support growth of the northeastern part of downtown (and) to make up for the future loss of surface parking as those properties are developed,” Lazarus wrote in an email to The Daily.