

From: Rene Greff <rene@arborbrewing.com>

Date: April 28, 2010 18:16:54 EDT

To: 'Susan Pollay' <SPollay@a2dda.org>, "gary@boren.com" <gary@boren.com>, "jhieftje@a2gov.org" <jhieftje@a2gov.org>, "jsantihall@gmail.com" <jsantihall@gmail.com>, 'Joan Lowenstein' <jlowenstein@jaffelaw.com>, 'John Mouat' <jmouat@mitchellandmouat.com>, "jsplitt@comcast.net" <jsplitt@comcast.net>, "keith.orr@gmail.com" <keith.orr@gmail.com>, "gunnl@ewashtenaw.org" <gunnl@ewashtenaw.org>, 'Roger Hewitt' <rfhewitt@redhawkannarbor.com>, 'Russ Collins ' <russmichth@aol.com>, "sandi@trilliumrealtors.com" <sandi@trilliumrealtors.com>, Newcombe Clark <nclark@blueadvisors.com>, JMorehouse <JMorehouse@a2dda.org>
Cc: HomelessDave <homelessdave@homelessdave.com>, 'Maura Thomson' <maura@mainstreetannarbor.org>, "ellieserras@gmail.com" <ellieserras@gmail.com>, Rob Aldrich <raldrich@mavd.com>, Fred Beal <fjbeal@jcbealinc.com>, Bob Gillett <rgillett@UMICH.EDU>, Edward Shaffran <ed@shaffran.com>, Dave Solo <DsoloBF@aol.com>, "Kyle V. Mazurek" <Kyle@annarborchamber.org>, "Sbriere@a2gov.org" <Sbriere@a2gov.org>, "SRapundalo@a2gov.org" <SRapundalo@a2gov.org>, "TDerezinski@a2gov.org" <TDerezinski@a2gov.org>, "CTaylor@a2gov.org" <CTaylor@a2gov.org>, "SKunselman@a2gov.org" <SKunselman@a2gov.org>, "MHiggins@a2gov.org" <MHiggins@a2gov.org>, "MTeall@a2gov.org" <MTeall@a2gov.org>, "CHohnke@a2gov.org" <CHohnke@a2gov.org>, "MAnglin@a2gov.org" <MAnglin@a2gov.org>, 'Matt Greff' <matt@arborbrewing.com>, Joan Lyke <JLyke@a2dda.org>, JMorehouse <JMorehouse@a2dda.org>
Subject: "Mutually Beneficial Workgroup"

Dear DDA,

I was disappointed but not surprised to learn today that you will vote on May 5th to write a blank check to the city for \$2 million dollars with no strings attached. This money will be pilfered from the parking system and even though you will deny the connection, we all know it will be paid for by struggling small businesses owners, our employees and our customers through higher parking rates, increased fines, and evening enforcement.

There is so much that stinks about this resolution and the process that led to it that I hardly know where to begin.

I will start by giving kudos to the mayor, who has systematically replaced board members who took seriously their duty to work for the interests of the DDA and the downtown. Over the years he has filled this supposed citizen board with elected officials and political players who put the political considerations of council members above the interests of the DDA. And by doing so has erased the institutional memory that might have prevented the mistake you are about to make. Just so the record is clear this journey began in 2004 when the City threatened the DDA with beat officer layoffs if we did not provide financial assistance. So 3 DDA

members and 3 council members began clandestine meetings to hammer out an acceptable agreement. Council reps advised us that if we limited the size of the sub-committee and didn't call it a sub-committee it wouldn't be subject to the open meetings act.

No one thought a bailout would look good and the DDA didn't want to set the precedent of being the funder for the city's budget gaps. So we came up with a plan to re-negotiate the DDA's parking contract with the City. We would increase our rent to the City by \$1 million a year. The City would not have to lay off any beat cops, and the City would pass the DDA's 3 site plan which would add to the DDA TIF capture and ensure that we could afford to make the increased payments to the city without raising parking rates or foregoing our other priorities. If needed, the city could take up to \$2 million in rent in any year as long as the total ten-year payout did not exceed \$10M. But the council members on our committee cautioned that we couldn't link the increased rent with the 3 site plan in writing because that would make it look like the DDA was bribing council for passage of the three site plan. And besides, we were all working in good faith and knew that the city was going to approve the 3 site plan.

So how'd that back room deal work out for the DDA and our stakeholders? After the new contract was signed, the city rejected the 3 site plan, cut the beat cops, took the \$10 million in 5 years and kept \$2 million in their budget for years 6 and 7. They broke the handshake deals, and now they are breaking the actual contract. And yet the majority of the DDA members at the Operations committee meeting sat there and proclaimed with straight faces that you have no reason to believe that the city will not act in good faith toward a mutually beneficial agreement with the DDA. Recent history seems like a pretty good reason to me.

The lessons this board learned after 2004 and have sadly since forgotten are

1. That transparency is vital to protect both the public interest and the DDA's interests

2. That the DDA should never again deliver a hamburger to the city today for payment next Tuesday.

And yet you recently denied the press access to your closed-door negotiations – ignoring council's own resolution that the city's committees and sub-committees must adhere to the Open Meetings Act. And you are about to fork over \$2 million dollars of DDA money with absolutely no requirement that it result in any value to the district.

Sadly, it is clear that majority of the board does not think it is necessary to have a mutually beneficial agreement. When I served on this board, I treated the DDA like my own business. And when there was a conflict, I felt that I had an obligation to put the interests of the DDA ahead of my personal agenda, the agenda of my area association, and the agenda of the city. DDAs exist because downtowns need an advocate who is looking out for their interests. I can't imagine any responsible

business owner or government official for that matter saying “hey, we’re all friends here - how about if I just pay you \$2 million now and then we can begin actually looking at numbers and talking about what specifically we’ll get for that \$2 million over the next few months. And no responsible board member would do that either. I realize that at this point the jury is rigged and that this atrocity is going to pass. So many members of the DDA are running for council, working on campaigns and raising money for council that the DDA has lost its independence and is now quite happy to be a rubber stamp rather than a serious deliberative body. I just hope that those few of you who know this is wrong will stand on principle and not allow the record to show unanimous approval.