



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Derek Delacourt, Community Services Area Administrator
Craig Hupy, Public Services Area Administrator
Earl Kenzie, Wastewater Treatment Plant Manager
Brett Lenart, Planning Manager
Cresson Sloten, Systems Planning Manager
Brian Steglitz, Water Treatment Plant Manager

SUBJECT: Council Agenda Responses

DATE: 3/20/17

**AC-2 – Response to Resolution R-17-020 - Street Level Uses Downtown:
Memorandum from Council Planning Commission - March 15, 2017**

Question: One concern cited about moving forward with active use regulation centered on negative experiences in other communities. Can you please indicate which communities those were and what changes were made? In an attempt to assess the relative reward/risk of such a regulation, can you approximate how many communities have instituted active use regulations vs. the number that have instituted and subsequently removed them?

In response to potentially over-broad definitions (e.g., some office uses may be open past 5pm), in staff's opinion would narrowing the definition of disallowed uses to banks and financial institutions be clearer, and can this be moved forward in tandem with the design restrictions? (Councilmember Westphal)

Response: In the 1990s, Oak Park, IL focused on retail in numerous business districts throughout the City. In Oak Park, this approach was extended into numerous districts throughout the City, which resulted in imbalances in the square footage of retail

compared to market demand. In 2008, a new retail strategy was adopted, which emphasized modification of the approach, over a smaller geography. Specifically, the plan proposed to consider other uses than retail in some of the other commercial districts throughout the City, to prevent these districts from competing amongst other areas in the city for finite market share.

As the ordinance was not enacted here locally in 2009, no specific community experience resulted, however, discussion was robust at the time. Concerns were expressed over how this proposed approach would limit viability of spaces in the context of changing market conditions, and the difficulty in applying the standard to the historic “single” bay storefront.

Planning staff does not have the numbers of communities that have enacted vs. repealed such ordinances, however, estimate that the vast majority of communities that have enacted such ordinances have not repealed them. A December 2012 research packet referenced 25 example communities with a similar ordinance or provision.

In staff’s opinion, narrowing the definition would be a worthwhile exercise. The Planning Commission expressed some support for this approach as well the last time the proposal was discussed, and discussion over use definitions was frequently addressed through the consideration process.

CA-3 - Resolution to Approve the Transfer of Community Housing Alternative's Properties at 2 Kilbrennan, 2176 Hemlock and 9 Rockland Ct. to Michigan Ability Partners

Question: The cover memo seems to indicate that this does not in any way change the city’s obligations or terms of the financing, but simply authorizes the transfer of ownership – can you please confirm that? Also, are there any other CHA affordable housing properties that they are looking to transfer ownership on? (Councilmember Lumm)

Response: All City mortgages/liens and or affordability agreements would be assumed by Michigan Ability Partners (MAP). CHA had previously requested City Council approval for the transfer of ownership of three properties to Avalon on Nov. 16, 2015 R-15-383. There may be one additional affordable housing property that CHA may want to transfer in the future (Oaks of Ann Arbor), but there are some issues to be resolved prior to transfer.

CA-7 – Resolution to Approve Amendment No. 1 to the Professional Services Agreement with Stantec Consulting Michigan, Inc. for the Barton Raw Water Intake and Pump Station Improvements Project (\$ 410,140.00)

Question: The cover memo indicates the timing of this project was advanced to take advantage of potential federal funding that may come available in the second half of 2017. Can you please elaborate a bit on that – are there specific grants you are aware of and are there other projects we should consider accelerating as well to take advantage of possible federal funding? Also on CA-7, what were the dollar bids of the other two proposals the city received? (Councilmember Lumm)

Response: At this point in time a specific funding mechanism has not been identified. For drinking water system projects, it is likely that grants or subsidized loans would be distributed through the State of Michigan Drinking Water Revolving Loan Program. A similar program was made available in 2012, and the City was able to leverage approximately \$3M of loan forgiveness on a \$7.5M project. In order to qualify, projects need to be “shovel-ready”, meaning the design needs to be complete. The City received two additional bids in the amounts of \$361,679 from TetraTech, Inc. and \$190,100 from Fishbeck, Thompson, Carr & Huber, Inc. Stantec was selected because their proposal was the only one that included a design team and with experience in installing pipelines using trenchless technologies through dams, and an approach that included innovative techniques that would minimize both construction risk and impact on the community.

City Staff is looking at what other projects may be candidates for accelerated design to be shovel ready.

CA-8 – Resolution to Approve a Professional Services Agreement with Stantec Consulting, Inc. to Conduct a Cost of Services Study for Water and Wastewater - RFP 991 (\$256,975.00)

Question: What was the bid of the other finalist firm interviewed? (Councilmember Lumm)

Response: Raftelis Financial Consultants bid was for \$259,400

Question: Please elaborate on where this RFP was published/who it was sent to and what the competing bids were, if allowed. Was budget guidance developed by staff or proposed by bidders? Was the number/caliber of firms competing for this project satisfactory to staff? (Councilmember Westphal)

Response: The RFP was published on both the City’s website and the Michigan Inter-governmental Trade Network (MITN). In addition, the RFP was sent to Black and Veatch, Ltd. The budget was established based on our previous cost-of-service

projects, adjusted by inflation and tasks. The number and caliber of firms competing was considered satisfactory by staff.

CA-10 - Resolution to Approve a Grant Application to the Michigan Natural Resources Trust Fund (MNRTF) Program for the Allen Creek Railroad Berm Opening Project

Question: As a member of the Greenbelt Advisory Commission, I have received solicitations of support for other MNRTF grants from neighboring communities. Can our application become more competitive from additional letters of support or does a Council resolution achieve that goal? (Councilmember Grand)

Response: A City Council Resolution is a requirement of the MDNR Grant process. As such, Council Action is a mandatory component for an application and not seen as a letter of support. Staff has obtained resolutions of support from the City's Parks Advisory commission and Transportation Commission to support tonight's City Council action and forward with our application. Additionally, staff has contacted the Washtenaw & Biking Walking Coalition, Washtenaw County Parks Department, the Ann Arbor Center for Independent Living and the Ann Arbor Disability Commission for letters of support. Of course, additional letters can only serve to strengthen our application. We will reach out to Scio Township, the Huron River Watershed Council and the Ecology Center for additional letters of support.

Question: Can you please clarify what this grant application to MDNR covers and what the application to SEMCOG/MDOT covers including the amounts we'd be requesting on each. Also, for the flood mitigation aspect of this project (\$3.1M), are there other potential grant funding sources for the balance on that portion not covered by the 75% (\$2.3M) federal FEMA grant? (Councilmember Lumm)

Response: The overall project estimate for both the storm water and non-motorized culvert was \$4,552,500. The storm water component is anticipating \$2,490, 938.00 FEMA funding, leaving balance of \$2,061,562. The balance includes a City match related to the FEMA grant and transportation related aspects of the project. The MDNR Grant program is capped at \$300,000 and is identified for the non-motorized components of the project. The City has also applied to MDOT for a Transportation Alternatives Program (TAP) grant, seeking \$1. 03M, for the non-motorized elements not funded by FEMA. Adding the funds committed by FEMA and the anticipated MNDR and MDOT grant requests leaves an estimated City share of \$804,092. City funds are anticipated to be provided from the storm water fund and/or the Alt Transportation Fund. Final distribution of the costs to the appropriate fund will be determined through the design and construction processes.

DB-1 - Resolution to Approve the Reinhart Building Site Plan, located at 2255 & 2275 W. Stadium (CPC Recommendation: Approval - 8 Yeas and 0 Nays)

Question: The rendering are a little unclear. What is the proposed purpose of this office building? (Councilmember Grand)

Response: Approximately $\frac{3}{4}$ of the second floor will be occupied by Reinhart Commercial and remaining $\frac{1}{4}$ by a title company. The first floor will be leased to other tenants, not yet identified. Marketing for these spaces has not commenced yet.

Question: The cover memo indicated that the Planning Commission asked if the existing sidewalk along Stadium could be widened beyond its current 8 feet (city standard is 5 feet). Are the sidewalks along Stadium adjacent to these two properties wider than 8 feet? (Councilmember Lumm)

Response: No, the sidewalks are consistent throughout this portion of Stadium.

DS-1- Resolution to Approve The Annex (formerly Woodbury Club Apartments) Revised Elevations, Nixon Road

Question: In comparing the new renderings of the front and rear elevations vs. the elevations that were previously approved, there seem to be significant differences. Although the cover memo indicates the new proposal maintains the amount of masonry and balcony space, it looks to me as though:

- the balconies are somehow different (seem less pronounced and less interesting)
- the reduced height is simply the fact there's now a level peak roof line when before there were different height peak roof lines
- the materials may be different (or perhaps just a color change)

Can you please elaborate on these observations and why staff supports the changes? (Councilmember Lumm)

Response: The balcony treatment of the proposed elevations is consistent with the approved elevations. Both elevations show inset balconies, black metal railings, and the same amount of balcony size. Almost all units will continue to have access to their own private balcony. With the regard to the roofline, the proposed elevations and approved elevations both use a common central ridgeline as well as using multiple secondary ridge lines. With regard to materials, the proposed elevations will use similar siding material as the approved elevations such as masonry, Hardie siding material, vinyl siding, and metal railings. The petitioner is proposing a change of color which can give the proposed elevations the appearance of being more dramatically different than they actually are.

Staff supports the proposed changes because the modifications increase the amount of window space (from 19.2% to 21.8% of the façade), maintain the amount of balcony space, maintain the amount of masonry, reduce the building height by approximately a half foot, and generally maintain the variation and interest of the building façade.

Question: In terms of process, when there is a change that the development agreement stipulates requires Council approval, does that change typically go to Planning Commission as well for review (or just directly to Council)? (Councilmember Lumm)

Response: A proposed change to the elevations requires City Council approval but does not require Planning Commission review. After the Planning Manager determines that the proposed elevations constitute a, “substantive” change, the petitioner must submit a petition for, “Revision to Approved Building Elevations” which is sent directly to City Council after staff review.