



MEMORANDUM

TO: Mayor and Council Members
FROM: Howard S. Lazarus, City Administrator
DATE: May 10, 2017
SUBJECT: Sustainability Programming for FY18

A handwritten signature in blue ink, appearing to read "Howard S. Lazarus".

As we enter into the “home stretch” of the budget process, I’d like to take this opportunity to provide some thoughts and vision in response to the concerns that have been raised concerning our goals for FY18 in the environmental and sustainability arenas. I know that you all have received input from many interested stakeholders, and I offer this discussion to assist as you contemplate approval of the FY18 budget. The City is addressing the four specific areas that are in the ***Ann Arbor Climate Proposal*** offered by representatives of the Environmental Commission, the Energy Commission, and the Ann Arbor Climate Partnership through the following programs and initiatives:

Rain Ready Ann Arbor

The City continues to be a leader and several initiatives are included in FY18. Among the issues that the City is addressing are the incorporation of rain gardens into our right of way designs and reducing infiltration and inflow through sanitary sewer upgrades. Rate adjustments in drainage fund are pointed to protect and expand the “urban forest” Enforcement of the footing drain disconnect program and incorporation of appropriate drainage and storm water retention criteria into site plans further loading on the storm water system. The Downtown Development Authority (DDA) uses its streetscape improvement projects as opportunities to add rain gardens in highly visible locations. The South University Improvement Project will include 10 rain gardens which will capture runoff from the sidewalk areas (approximate average contributing area = 823 ft²) in one of the most pedestrian traveled commercial districts in the city. While there is no specific budget line item for “Rain Ready Ann Arbor,” all of these components are integrated into how we do business in a program that the Environmental Commission, Energy Commission Ecology Center, and Huron River Watershed Council all agree is an “*established program with high efficacy.*” The program’s successes resulted in an improved rating from FEMA, which will most likely reduce insurance rates for the community

“EnergySmart” Ann Arbor

The FY18 budget makes permanent the \$165,000 that in previous years was treated as a non-recurring expense. The Environmental Commission has provided recommendations on how best to employ this funding, and staff is positively reviewing the Commissioners’ input. The City Administrator’s Budget Recommendation does not currently include the full time equivalents (FTE) to make permanent the temporary staff per the recommendation of the Commission, but that is something for Council to consider.

A2 Solar for All

City staff is keenly aware of the concerns the Energy Commission (and others) have expressed over the obstacles our community faces in advancing the *A2 Solar for All initiative*. In response, the following actions are in progress or will be actively pursued in the upcoming year:

- Through the action of the Council's Legislative Agenda Committee, I have reached out to our legislative delegation, other members of the state legislature, the Michigan Municipal League, and GCSI to actively pursue changes in state legislation concerning the tax treatment of residential solar installations. The current prescribed process of treating residential solar systems as real property improvements does impose a disincentive to homeowners.
- The Energy Commission has requested that the City pursue Community Solar projects as a means to provide investment opportunities/energy credits for residents who cannot take advantage of residential installations. While this program faces several significant hurdles, City staff can further explore the feasibility of these options in FY18.
- I have reached out to Susan Pollay of the DDA to jointly explore the installation of solar systems on the roof decks of downtown parking garages. In FY18 we will jointly investigate the cost of installation, the amount of electricity to be generated, and the potential uses of the power including lighting of the structures and providing electric vehicle charging stations in the garages and at selected on-street parking spaces immediately adjacent to the garage.

Charge Up Ann Arbor!

As stated above, the City and DDA will work together to investigate the installation of electric vehicle charging stations that are powered by solar installations on parking garages. City staff may also investigate working with the business community and other stakeholders on installing charging stations at other locations. The DDA has increased the number of public EV chargers to 23 and has worked with the car-share company Maven to install 6 additional EV units for their vehicles.

A2 Green Grants

The FY18 budget includes \$100,000 to launch a Neighborhood Partnering Program (NPP). An important component of the NPP will be providing small grants to community groups to pursue locally driven projects. This approach is entirely consistent with the Ann Arbor Climate proposal offered by Environmental Commission, Energy Commission Ecology Center, and Huron River Watershed Council. Our plan is to launch in the second half of the fiscal year.

In addition to these components of the Ann Arbor Climate Proposal, City staff is actively engaged in the following environmental and sustainability efforts:

Solid Waste/Recycling: Staff anticipates awarding both the interim recycling operations and the solid waste/landfill contracts by the end of FY18. Completion of those efforts will "clear the decks" for the development of a longer term recycling agreement and the revision of the Solid Waste Master Plan during FY18.

Gelman Property: City Staff and the City Attorney are continuing to work with our local partners to address issues with both the responsible party and the Michigan Department of Environmental Quality concerning the former Gelman property and resulting groundwater contamination. As this is primarily a legal issue, the City Attorney will retain the lead in reporting status to Council.

Affordable Housing: The FY18 budget retains the City's commitment to affordable housing in our community. As presented to Council, the total in direct and indirect support costs to the Housing Commission is \$572,000. The closure of the Library Lot project also provides \$5,000,000 into the affordable housing trust fund. Council may also requested the allocation of a portion of the \$250,000 provide in the proposed budget for updating our governance documents to develop an approach to meeting the City's affordable housing goals in the coming years.

Locally Grown Foods: Programs in the Community Services area will continue to provide access to healthy, locally grown food options to our residents. The Kerrytown Farmers Market is a thriving and acknowledged program. The volunteer Master Gardeners at Cobblestone Farm estimate they harvested and donated about 300-350 lbs. of fruits & vegetables to either the Packard Road Health Clinic or Foundations Preschool in 2016. The Cobblestone Farm Association sponsors/hosts the Cobblestone Farm Market on the grounds of Cobblestone Farm from May through October. In addition to these efforts, the funds in the NPP may be used to promote the development of neighborhood gardens.

Active Transportation: The FY18 budget proposal provides over \$2.8M in pedestrian improvements, exclusive of work performed as part of routine resurfacing/pavement maintenance and capital improvement projects. The Master Plan for the Allen Creek Greenway/Urban Trail project will be completed and delivered in FY18 as well. The City will also continue to make significant progress on school commuting safety in partnership with the Ann Arbor Public Schools System, and increase awareness through the A2 BE SAFE campaign. The installation of buffered/protected bicycle lanes on 7th Street, Scio Church Road, and other thoroughfares are in the planning stages. The FY18 budgets include an FTE to hire an engineer/planner with expertise in the area of Active Transportation. In addition, the DDA has budgeted \$2.6M for pedestrian improvements in FY18, which will include the North Fifth Avenue/Detroit Street Improvement Project and the remaining portion of the South University Improvement Project. Moreover, the DDA increased its funding in FY18 for transportation programs, specifically an increase in the amount allotted to the go!Pass and support for a new express bus service connecting Ypsilanti and downtown Ann Arbor. This year ridership using the go!Pass to commute to/from downtown increased 12% or 64,500 rides to 622,166 rides. Many go!Pass users are riders of choice who opted to use transit and leave their car at home, which is an important way to meet our sustainable transportation goals.

The above programs provide a comprehensive approach to our sustainability programs. Please note that it does not include other ongoing actions, including our green fleet purchases, facilities upgrades, ride reductions, and other ideas in the pipeline. Communications on all of these efforts can and will be improved by developing and reporting on better-defined performance measures on a recurring basis.

As always, please do not hesitate to contact me if I can be of further assistance on this or any other matter.

cc: Environmental Commission
Energy Commission
Huron Valley Watershed Council
The Ecology Center
City Administrator Direct Reports