



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Tom Crawford, Financial and Administrator Services Area Administrator
Derek Delacourt Community Services Area Administrator
Craig Hupy, Public Services Area Administrator
Nicholas Hutchinson, City Engineer
Brett Lenart, Planning Manager
Robyn S. Wilkerson, Human Resources and Labor Relations Director
Lisa Wondrash, Communications Manager

SUBJECT: Council Agenda Responses

DATE: December 18, 2017

CA-3 - Resolution to Approve Amendment No. 3 to the Professional Services Agreement with Dykema Gossett PLLC for Legal Services Relative to the IRS IDR for the City of Ann Arbor Capital Improvement Bonds, Series 2009-A and Appropriate the Necessary Funds (\$10,000.00 amendment/\$45,000.00 total contract) (8 Votes Required)

Question: Regarding CA-3, the IRS audit letter in September on the Build America Bonds cautioned the city about entering into any development agreements that would potentially put the City in a non-compliant situation related to private use of the bond proceeds. Given that, is it expected that additional, continuing services from Dykema will be required as the Core Spaces Library Lot project proceeds through the site plan and development agreement process? (Councilmember Lumm)

Response: As is typical with this type of IRS communication, the IRS highlighted the City's continuing obligation to comply with section 141(b) of the IRC relative to private business use arising out of the development of and any development agreement connected with the air rights for the property above the Project. Any development

agreement with CORE Spaces will include the necessary restrictions on private business use to satisfy section 141(b) requirements. Additional services from Dykema will not be required.

CA-8 - Resolution to Approve Renewal of Lease Agreement with 2725/2805 Associates, LLC (successor to First Industrial, L.P). for Administrative and Video Production Space for the City Community Television Network (2805 S. Industrial Highway, Ste. 200 Eisenhower Corporate Park) (8 Votes Required)

Question: Regarding CA-8, the lease amendment that was attached showed the rents over the five year period increasing at about 2% a year which is reasonable. How does the first year rent at \$118K in this agreement compare with the existing rent we're paying and also, how does the roughly \$15 a square foot we'd paying compare with similar office space market rents? (Councilmember Lumm)

Response: Our current rent is \$116,000 a year. A complete market analysis was not completed, however, a basic search of available space shows \$15 a square foot to be at the low end of the range.

CA-11 - Resolution to Approve a Contribution Agreement with AAPS for the Scio Church / Pioneer Sidewalk (AAPS to reimburse up to \$62,000.00)

Question: Regarding CA-11, what was the basis used in determining the AAPS share of 20% of actual costs (up to \$62K) and is that 20% of total costs or just the construction costs? (Councilmember Lumm)

Response: The 20% number comes from the percentage of the construction costs that the Surface Transportation Program grant will cover. AAPS is paying for the full cost of the sidewalk that is not covered by the grant.

CA-15 – Resolution to Approve Construction of an Additional Drive Approach on Huron Parkway, South of Hubbard Street to Service the DTE Apex Substation

Question: Q1. The attached letter from UM to the City states that the “service drive will allow DTE maintenance trucks to periodically access the site (once a week or less).” Can you please confirm that will be the only usage of the service drive and the only traffic impacts will be the “once a week” access for DTE maintenance? (Councilmember Lumm)

Response: After construction of the substation is complete, the only purpose of the access drive is for maintenance vehicles, and this type of facility requires maintenance visits on an average of once per week.

Question: Q2. When do we expect the construction of the curb cut and service drive to begin, how long will it take to complete, and what (if any) lane closures or detours are planned as part of the project? (Councilmember Lumm)

Response: The timing and the details of the construction has not been determined yet.

Question: Q3. Regarding the necessity to locate the curb cut on Huron Parkway (rather than on Hubbard), this section of Huron Parkway where the curb cut will be is currently pretty natural and undisturbed. While I understand it may be easier/more convenient for DTE/UM to locate the curb cut on Huron Parkway (rather than on Hubbard), is city staff convinced that is necessary and the appropriate outcome? (Councilmember Lumm)

Response: According to topographical survey information provided by DTE/UM, the grades approaching the site off of Hubbard are too steep to provide driveway that meets the requirements of DTE service vehicles.

Question: Q4. The attached map from OHM shows the location of the Apex Substation on the site and to be honest, it is closer to Huron Parkway than I had envisioned. Do we know what type of screening (if any) is planned beyond just a normal fence to obstruct the view? (Councilmember Lumm)

Response: As the substation is located on University of Michigan property, the City is not privy to the actual site plan. The City will make the University aware of any concerns.

B-2 – An Ordinance to Amend Chapter 55 (Zoning), Rezoning of 0.54 Acre from PUD (Planned Unit Development District) to PUD (Planned Unit Development District), The Glen Mixed Use Development PUD Zoning and Supplemental Regulations, 201, 213, 215, 217 Glen Avenue and 1025 East Ann Street (Ordinance No. ORD-17-22) (CPC Recommendation: Approval - 6 Yeas and 1 Nays) (8 Votes Required)

Question: Q1. The final site plan development agreement is dated December 14th and replaced a version from October 23rd. Do the October 23rd Supplemental Regulations attached to B-2 need to be updated as well and if so, can you please provide that as soon as it's available? (Councilmember Lumm)

Response: Minor modifications are being proposed to the Supplemental Regulations. An updated version, along with a tracked change version will be uploaded into Legistar. Additionally, a revised development agreement has been drafted to include developer support for additional traffic analysis.

Question: Q2. I'm assuming (since it's the only one attached) that the zoning protest letter from Mr. Clark is the only one that's been received. Can you please confirm that's

correct? Can you also please confirm that the trigger for 8 votes is just the percentage of adjacent physical property (not the percentage of adjacent property owners) and there's no minimum number of owners required for the trigger? (Councilmember Lumm)

Response: This is the only protest received to date. The threshold is percentage of physical property, not a percentage based on the number of property owners. There is no minimum number of owners required, in this case, a single property owner meets the threshold for an 8-Vote requirement.

Question: Q3. The developer and the Old Fourth Ward association have developed a memorandum of Understanding regarding traffic and parking concerns. Has City Staff reviewed this MOU? If so, while I understand that the City is not a party to the MOU and is not bound by it, can staff provide comments with regard to the MOU's recommendations, particularly the statement that "the city adopt policies which strengthen and tighten the residential parking permit system in the Old Fourth Ward to be resident-only parking between 8 a.m. and 6 p.m."? (Councilmember Lumm)

Response: This has been presented to the City, but has not been reviewed in detail, as you indicate, the City is not a party to the agreement. This area is already among the most restrictive of the City's residential parking permit system, but any petition by neighborhood associations will be considered by the City prior to any determination.

Question: Q4. The MOU also states that, "The Association would like the City to study, amongst other things, keeping streets in the Old Fourth ward one-way." Can staff please comment on that as well including whether there are any studies or plans (other than those suggested regarding making Ann Street partially one way) to convert existing one way streets in the area to two-way? (Councilmember Lumm)

Response: Previously, City Council discussed evaluating the potential of changing traffic patterns on Ann and Catherine to a two-way system. Now, that proposed analysis is being abandoned in favor of a traffic analysis that evaluates a partial two-way conversion of Ann Street, only to the Hotel entry. No final determination has been made, but the City is seeking a project scope and proposal to further evaluate this possibility.

Question: Q5. In response to questions at First Reading (and referenced in the MOU), the developer has agreed to pay the estimated \$15K in costs to study the feasibility of converting a portion of Ann Street to two-way. At the same time, the staff responses indicated that "converting a small section of Ann to two-way is not recommended." Can staff please comment further on whether it would be open to considering that possibility, and assuming we would be, is there any reason not to proceed with the study? (Councilmember Lumm)

Response: See response above, Staff will consider this possibility by conducting the appropriate analysis.

Question: Q6. The response at First reading to the question regarding a possible left turn lane on Northbound Glen approaching Ann was that it would be challenging, but would be evaluated as part of the alternative evaluation study. Is that study the same as the one that will evaluate converting a portion of Ann to two-way or is it some other study (and when will it be completed)? (Councilmember Lumm)

Response: See previous two responses. A study scope is now being developed that will focus on the potential of partial two-way traffic on Ann Street, up to the hotel entry. By the nature of this proposed traffic movement, analysis of the Ann/Glenn intersection will need to be considered.

DC-3 - Resolution to Authorize Payments to Unum Life Insurance Company of America and to Renew Associated Group Term Life, Accident, and Disability Insurance Policies for City Employees and their Eligible Dependents, and to Authorize the City Administrator to Execute the Necessary Documentation (\$440,000)

Question: Regarding DC-3, I'm assuming there is no change in the benefits themselves (the insurance coverage amounts provided to employees/dependents) and this is just a renewal of the same benefits. Can you please confirm that? (Councilmember Lumm)

Response: That is correct. There are no changes to benefits.

DC-4 - Resolution to Approve the Collective Bargaining Agreement with the Teamster Civilian Supervisors, Teamsters Local 214 effective January 1, 2018 - December 31, 2020

Question: Regarding DC-4, does the agreement include the provision that new hires in the bargaining unit receive the City's dual/hybrid pension plan and if not, why not? (Councilmember Lumm)

Response: The Teamster Civilian Supervisor contract does include the hybrid pension plan. In the last collective bargaining agreement (January 1, 2015 to December 31, 2017), the Union agreed that new hires into the bargaining unit would be subject to the hybrid plan when non-union new hires became subject to it. Thus, under the collective bargaining agreement which expires at the end of this month, new hires into the Teamster Civilian Supervisor unit have been subject to the hybrid pension plan since January 1, 2017.

DC-6 - Resolution Requesting Staff Review of Mobility in the Lowertown Area

Question: Regarding DC-6, is staff comfortable with the timing of the deliverables and does the Transportation Commission's meeting schedule provide sufficient time for thoughtful consideration? (Councilmember Lumm)

Response: Considering the timing of the request and the pending holiday season, it would be more reasonable to target the February Transportation Commission meeting, followed by the first City Council meeting in March. This timeline suggests that the Transportation Commission will make final recommendations within one meeting after receiving materials from staff. However, depending on the complexity of information that is compiled and consensus among Commissioners, this could result in discussion of preliminary recommendations February 15 and final recommendations March 21.

DB-1 - Resolution to Approve The Glen Mixed Use Development PUD Site Plan and Development Agreement, 201, 213, 215, 217 Glen Avenue and 1025 East Ann Street (CPC Recommendation: Approval - 6 Yeas and 1 Nays)

Question: Regarding DB-1, paragraph 12 of the development agreement states the developer will pay up to \$43,540 of traffic mitigation measures. I recognize that paragraph 12 leaves the specific actions up to the City and does not specify what they will be, the number (\$43,540) suggests some specific actions are contemplated. If specific actions are contemplated, can you please indicate what they are? (Councilmember Lumm)

Response: City traffic staff have determined that the installation of two GRIDSMART camera systems that have a network connection to the city traffic signal system, or their equivalent, are required. They would be located at Glen Avenue and East Ann Street, and Glen Avenue and Catherine Street. The cost includes \$37,040 for parts and \$6,500 for installation exclusive of the cost of the two-way conversion, which is not known at this time.

Question: Q. Also on DB-1, what is the expected increase in taxable value (and city tax revenue) once the project is completed? (Councilmember Lumm)

Response: City staff does not calculate the taxable value of projects before they are constructed. Staff does require an estimated construction cost of the project, which in this case is \$40,000,000.

DB-2 - Resolution to Approve Rainbow Child Care Site Plan, 2600 Nixon (CPC Recommendation: Approval - 6 Yeas and 0 Nays)

Question: Q1. Neighbors have inquired about the Special Exception Use approval process. Given that the Planning Commission approves the Special Exception Use (not

City Council) and City Council only approves/rejects the site plan, is there an appeal process available to neighbors related to special exception use decisions?
(Councilmember Lumm)

Response: Special Exception uses would be appealed to circuit court.

Question: Q2. In the special exception use standards section of the staff report, it indicates the “structure will be a ‘well built’ facility designed to ‘fit in’ with the surrounding setting.” Two of the four sides (south and west) adjacent to this site are residential with Clague School to the east and the school access drive to the north. Given the adjacent residential properties, how did staff and Planning Commission conclude an 11,000 sq foot building “fits in”? (Councilmember Lumm)

Response: The existing church building is approximately 8,000 square feet, which will be replaced with an 11,000 square foot single story building. The adjacent Clague public school has a significantly larger mass. The building is designed in a residential character with peaked roof. The maximum height of the building at the top of the cupola is 27 feet which is consistent with the maximum height of the nearby R1C Zoning District. The parking lot for the proposed building is smaller than the existing parking lot and the project will add significant landscaping, including bio-retention islands to the parking lot. In addition a total of 55 new trees and additional shrubs will be added to the site. The petitioner has added landscaping above code-requirement to the south side of the site to help mitigate any impact to the adjacent houses.

Question: Q3. Also in the special exception use standards section, the developer’s explanation of how the building is consistent with the general character of the neighborhood references the time it is used and not the development’s consistency in terms of character. On what basis did staff and Planning Commission conclude the development is consistent with the general character of the neighborhood?
(Councilmember Lumm)

Response: The zoning code states that a child care facility is a consistent use within single-family residential zoning districts with approval of a Special Exception Use. Planning Commission reviewed the zoning and special exception use standards and determined that the proposed project is consistent and complementary with neighborhood residential character. With increased residential development in the area of Nixon Road this facility will serve a growing population in the close vicinity. Planning Commission determined the location along Nixon Road and adjacent to Clague School is ideal to take advantage of both drive-by traffic along Nixon and that heading to Clague School. Planning Commission expressed support that the project may help reduce traffic to other child-care destinations in the City based on the convenience of this location.

Question: Q4. While the traffic on Nixon is a clear concern, the neighbors have also expressed a specific concern about traffic impacts and backups on Bluett. In looking at the Fleis and Vandenbrink traffic study for the project, it indicates that Bluett and Nixon operates at an “F” LOS currently in the AM peak. Given that, how can we responsibly recommend a project that generates even more trips at the intersection? Also, did the traffic study look at Bluett impacts other than just at the Nixon intersection?
(Councilmember Lumm)

Response: The transportation impact analysis was conservative when evaluating the vehicular impact to the transportation system. The study assumed that all trips to the facility would be new trips to the area. The most recent edition of Trip Generation published information regarding the number of new trips and diverted link (i.e. trips already in the area) that would be produced by this land use. The information indicates that 54-58% of all trips generation by a child care facility are diverted link trips that do not add to the overall number of trips on the network but change the direction some of those trips takes and add an interim stop on the overall trip path. Applying the lower reduction to the trips projected for Bluett Rd. at Nixon Rd. we find that 2 additional trips could be expected to travel on Bluett Road during the AM or PM peak hours.

Question: Q5. Also on the responses to the special exception use standards, it indicates that the facility is similar to a church and that the hours of use of the facility will not impact the area’s “quiet times”. Can you please comment on those statements, including how a church’s activity (focused on Sundays) is similar to a Monday-Friday use and the conclusion that quiet times are intended to just be at night?
(Councilmember Lumm)

Response: This response makes the assumption that evening and weekend hours should be more quiet than traditional Monday through Friday daytime work shifts. The greatest noise associated with this site will likely be children playing outside, for time segments within the 7:00 a.m. to 6:00 p.m. operation days. Certainly, if a nearby resident preferred more activity to occur during evenings, nights, and weekends, this response would not resonate, and the previous church use would be more desirable on this account.