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TO: Mayor and Council

FROM: Sumedh Bahl, Community Services Area Administrator  
Tom Crawford, CFO  
Matt Horning, Treasurer  
Wendy Rampson, Planning Manager  
Shryl Samborn, District Court Administrator  
Robyn Wilkerson, Human Resources Director

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 12/15/14

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**B-1** – An Ordinance to Amend Chapter 55 (Zoning), Rezoning of 1.1 Acres from D1 (Downtown Core Base District) to D2 (Downtown Interface Base District), 425 South Main Street City-Initiated Rezoning, 425 South Main Street (CPC Recommendation: Approval – (9 Yeas and 0 Nays) (Ordinance No. ORD-14-11) (8 Votes Required)

**Question:** Does the S. Main rezoning require a public hearing? (Councilmember Warpehoski)

**Response:** The public hearing for the 425 S. Main St. rezoning was closed on July 21, 2014, so there is no public hearing for this item on tonight's agenda. However, staff has forwarded from the Ordinance Revisions Committee two proposed changes to the rezoning proposal. These changes are substantive, if approved by City Council tonight, a new public hearing will be scheduled at second reading for the item on January 5, 2015. The public hearing and second reading for the Main Street Character Overlay district amendments will also be on the January 5, 2015 Council agenda.

**Question:** In response to a question for the last meeting on the related ordinance change setting the massing standards for this character overlay district (which was approved at first reading), it was indicated that the two resolutions (rezoning and massing standards) would come together for Second Reading, but the massing standards ordinance is not on the agenda. When does staff anticipate bringing the massing standards to council for second reading and does staff still recommend we do both at the same time? Also, will there be a public hearing for both items at that time? (Councilmember Lumm)

**Response:** The public hearing and second reading for the Main Street Character Overlay district amendments (i.e., massing standards) are scheduled for the January 5, 2015 Council meeting.

Regarding the 425 S. Main St rezoning proposal, staff has forwarded Ordinance Revisions Committee recommendations for two proposed changes. These changes are substantive, if approved by City Council tonight, a new public hearing and second reading on the revised rezoning will be scheduled for January 5, 2015. As a result, both the rezoning and character overlay amendments will be on the January 5th agenda, and both will have public hearings.

**Question:** Can you please provide, if available, the modeling/renderings showing the historic district properties (e.g., along the S. side of East William St./in the William Street Historic District) remaining as they exist today? (Councilmember Lumm)

**Response:** The rendering distributed for the December 1st discussion of the Main Street Character Overlay amendments was provided by the owner of 425 S. Main St., who commissioned an architect to develop the images. It illustrates the allowable height, per zoning, on adjoining properties but does not represent allowable massing (i.e. FAR limits). Staff will pass on your request to the property owner for his consideration.

**Question:** Could we please have a brief summary of the zoning history of this parcel, including how each designation affects potential property values (FAR), heights and residential shading impacts, from pre-A2D2 to A2D2 to ENP community engagement process to the current ORC/staff recommendation? How many community members participated in the ENP outreach? (Councilmember Westphal)

**Response:** The 425 S. Main Street property was zoned C2B when the Zoning Ordinance was adopted in 1963, and rezoned to C2B/R in the late-1960's as a result of the City's downtown highrise study. The C2B/R district had no height limit and allowed 300% FAR by right and 600% with premiums.

This C2B/R district was discontinued in 2009, when the A2D2 replaced a number of zoning designations in the downtown. The 425 S. Main St. property was zoned D1 (Downtown Core) and Main Street Character Overlay at that time. The combination of these two zoning designations allows a maximum 180 foot height, and a FAR maximum of 400% by right/700% with premiums.

For the 425 S. Main St. site, the primary changes between the C2B/R designation and the D1/Main Street designation were the addition of a height limit and a slightly increased FAR maximum. There were no studies as part of the A2D2 process on impacts to property values or residential shading impacts.

ENP & Associates were hired in July 2013 to evaluate aspects of the A2D2 changes and report back to Planning Commission and City Council. ENP developed its recommendations after the consultants heard from 131 individuals in person and received 142 survey responses. For the 425 S. Main St. site, ENP recommended keeping the D1 zoning, but reducing the maximum height to 150 feet and adding "diagonal" and setback requirements to limit the visual impact of a new tower on adjacent residential properties.

The currently proposed D2/Main Street designations for this site would limit the height to 120 feet for the northern portion of the site and 60 feet for the remaining portion, in addition to requiring the building a setback of 30 feet from a residential zoning district boundary. The allowable FAR in the D2 district is 200% by right/400% with premiums.

**DC-1** – Resolution to Approve Collection Bargaining Agreement with the Deputy Chiefs, Teamsters Local 214, effective January 1, 2015 – December 31, 2016

**DC-2** – Resolution to Approve the Collective Bargaining Agreement with the Command Officers Association of Michigan, effective January 1, 2015 – December 31, 2017

**DC-3** – Resolution to Approve the Collective Bargaining Agreement with the Police Professional Assistants, Teamsters Local 214, effective January 1, 2015 – December 31, 2017

**DC-4** – Resolution to Approve the Collective Bargaining Agreement with the Teamster Civilian Supervisors, Teamsters Local 214 effective January 1, 2015 – December 31, 2017

**DC-5** – Resolution to Approve the Collective Bargaining Agreement with the Ann Arbor Police Officers Association Effective January 1, 2015 – December 31, 2015

**Question:** Will the text of the labor contract be added to Legistar? (Councilmember Warpehoski)

**Response:** Yes, once reviewed and signed by both parties, the fully executed collective bargaining agreements will be attached to the Legistar files and will be posted on the City's Human Resources web page: <http://www.a2gov.org/departments/Human-Resources/Pages/Compensation-and-Contracts.aspx>

**DB-5 – Resolution to Approve Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti**

**Question:** Can you please clarify what approval of this amendment #1 does substantively? Also, can you please outline the next steps (actions and timeline) required in the process of implementing the 15 year extension of the SmartZone including steps related to integrating the Adrian and Tecumseh satellites into the process? (Councilmember Lumm)

**Response:** The MEDC was authorized by Public Act 281 of 1986, as amended, to designate a certain number of certified technology parks, known as “SmartZones.” The Cities of Ann Arbor and Ypsilanti submitted a proposal in October 16, 2000 to the MEDC to designate the LDFA District as a SmartZone which resulted in the approval and execution by the MEDC, City of Ann Arbor and City of Ypsilanti of the Ann Arbor/Ypsilanti SmartZone Agreement. Under the terms of the original Agreement, the City was granted a limited license to use the Service Mark “SmartZone” for a period expiring May 1, 2017 and in addition the rights and obligations of the Cities and the LDFA authorizing capture and use of tax increment revenues in accordance with the Ann Arbor/Ypsilanti Tax Increment Financing and Development Plan subject to review by the MEDC were agreed to by the parties.

Under terms of the original Agreement no amendment to the Tax Increment Financing Plan could be made by Ann Arbor/Ypsilanti without the prior written approval of the MEDC. Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement acknowledges the Cities and the LDFA’s request to amend the Tax Increment Financing Plan and formalizes their approval of the request; identifies the Cities oversight responsibilities related to the Satellite SmartZone, and Identifies the provisions of the Agreement that will be modified if and when the amendment to the Tax Increment Financing Plan and Development Plan are approved by the Cities, LDFA, MEDC and ratified by the State Treasurer.

The procedural “next steps” in the process for extension of the term of the LDFA are:

- Approval of Amendment No. 1 to the SmartZone Agreement by the City of Ypsilanti and the LDFA
- Approval of the Amendment to the Tax Increment Financing and Development Plan by the LDFA and authorizes submission for approval to the City Councils of Ann Arbor and Ypsilanti
- City of Ann Arbor approves a resolution setting a public hearing on the Amendment to the Tax Increment Financing and Development Plan
- City of Ypsilanti approves a resolution or otherwise follows its adopted procedures for setting a public hearing on the Amendment to the Tax Increment Financing and Development Plan

- Notice of the respective public hearing is published twice in a newspaper of general circulation in the municipality not less than 20 nor more than 40 days before the date of the Public Hearing in each of the respective municipalities.
  - City of Ann Arbor also requires by Resolution that the Notice appear under Legal Notices on the City Clerk's webpage.
- Notice of the respective public hearing must be mailed to property tax payers of record in the LDFA District.
- Notice of the respective public hearing must also be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the amendment to the Tax Increment Financing Plan is approved.
- The respective City Councils confirm the public purpose and statutory compliance of the Tax Increment Financing and Development Plan as amended by adoption of a resolution of the governing bodies.
- The adopting resolutions and amended Tax Increment Financing and Development Plan are submitted to the MEDC for approval and submission for ratification by the State Treasurer.
- On approval by MEDC and ratification by the State Treasurer, the amended Tax Increment Financing and Development Plan are extended for an additional 15-year period subject to the conditions set forth in Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement.

The above procedures outline are anticipated to commence in January 2015 and conclude May 2015.

As part of the application process, a revised Tax Increment Financing and Development Plan must be negotiated with the MEDC and Treasury. Included in the Plan will be how the Ann Arbor/Ypsilanti SmartZone anticipates working with the Adrian/Tecumseh SmartZone. Concurrently with the Cities approval process for their Plan, Adrian/Tecumseh will be finalizing its Tax Increment Financing and Development Plans and following the necessary statutory approval procedures for their implementation. A copy of the Executive Summary of the Adrian/Tecumseh Plans was attached to Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement provided to City Council.

**DS – 1 – Resolution Authorizing General Obligation Limited Tax Refunding Bonds, Series 2015 A (Not to Exceed \$7,100,000.00)**

**Question:** Can you please confirm that this is just a simple refinancing (that there are no changes in debt maturities or outstanding principal amounts)? (Councilmember Lumm)

**Response:** Confirmed. Outstanding principle and maturities remain the same. Net present value of interest savings is \$560,000.

**DS-4 – Resolution to Approve an Increase to the Purchase Order to Carrier and Gable, Inc. for the Purchase of Traffic Signal Materials (\$25,000.00)**

**Question:** The AAATA transit plan includes exploration of signal prioritization. Are the identified signals compatible with this goal? (Councilmember Warpehoski)

**Response:** Yes, signals are compatible with this goal.

**CA-6 – Resolution to Approve a Contract with the Washtenaw County Sheriff’s Office to Provide Drug Abuse Screening Services to Sobriety Court, Mental Health Court and Veterans Treatment Court Defendants (\$69,373.20)**

**CA-7 – Resolution to Approve a Service Contract with Home of New Vision to Provide Mental Health Treatment Services to Mental Health Court and Veterans Treatment Court Defendants (\$45,720.00)**

**DS-5 – Resolution to Approve a Contract with the Washtenaw County Sheriff’s Office for Weapons Screening Services in the Ann Arbor Justice Center for the 15<sup>th</sup> Judicial District Court (\$160,000.00)**

**DS-6 – Resolution to Approve a Contract with Washtenaw County Community Support & Treatment Services to Provide Mental Health Treatment Services to Sobriety Court and Mental Health Court Defendants (\$139, 6546.22)**

**DS-7 – Resolution to Approve a Service Contract with Dawn Farm to Provide Drug Abuse Counseling and Rehabilitative Services to Sobriety Court and Mental Health Court Participants (\$109,215.00)**

**Question:** How do the new contract amounts in each of these five compare with the existing contract amounts? (Councilmember Lumm)

**Response:**

The grid below contains the FY2014 and FY 2015 contract amounts.

<b>Agenda Item</b>		<b>FY2014</b>	<b>FY2015</b>
CA-6	WCSSO Drug Screening	44,200.00	69,373.20
CA-7	Home of New Vision	7,000.00	45,720.00
DS-5	WCSSO Weapons Screening	160,000.00	160,000.00
DS-6	Washtenaw County CSTS	76,242.00	139,656.22
DS-7	Dawn Farm	108,174.00	109,215.00

Grant award amounts for both fiscal years

Mental Health Court Grant Awards:

FY2014 \$113,154.00

FY2015 \$282,000.00

Michigan Drug Court Grant Awards (Sobriety Court):

FY2014 \$144,000.00

FY2015 \$140,000.00

Veterans Court Grant Awards:

FY2014 \$92,279.00

FY2015 \$173,911.85 [New award \$81,632.85. However, the total is a combination of the FY2014 amount and FY 2015 amount as any unused funds were approved by SCAO to be carried forward into FY2015.]

The most noticeable changes relate to mental health treatment services.