



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Matt Carpenter, CEO, AAATA
Derek Delacourt, Community Services Area Administrator
Kerry Gray, City Forester
Nicholas Hutchinson, City Engineer
Brett Lenart, Planning Manager
Lisha Turner-Tolbert, Building and Rental Services Manager

SUBJECT: Council Agenda Responses

DATE: July 2, 2018

CA-2 – Resolution to Approve Professional Services Agreement for Third Party Building, Rental and Planning Services with Carlisle/Wortman Associates, Inc. (RFP No. 18-16) (8 Votes Required)

Question: Q1. The recommendation is for a three year contract with an option for (2) one-year renewals and the construction code budget amendment is for \$450K. Is that for the three-year period or just for FY19 (and the commitment is up to \$1.35M)? (Councilmember Lumm)

Response: Building services has verified with legal that the contract will initiate with a one year approval that requires an amendment of the FY19 budget for \$450K. FY20 and FY21 budget will reflect a reoccurring expense of \$450K for professional services, totaling a commitment of \$1.35M for the entire three year contract. The maximum total length of the contract is three years as structured, the initial one year contract proposed for approval tonight with two administrative one year extensions.

Question: Q2. Why wasn't this included in the FY19 budget proposal that was just adopted? (Councilmember Lumm)

Response: Staff wanted to have the RFP responses and contract scope of services available for Council Review at the time the funds were requested.

Question: Q3. What were the fees proposed by the other bidder (Safe Built)? Were any efforts made to invite/encourage firms to submit a proposal to this RFP beyond posting the RFP on the city website? (Councilmember Lumm)

Response: Safe Built was the only other vendor that submitted a proposal, they were \$11.00/hr more for Building Official services, \$24.00/hr more on plan review services, \$12.00/per unit more for building/electrical inspections, \$23.00/per unit more for mechanical/plumbing inspections. Safe Built did not offer rental housing inspection services or administrative services for planning and counter staff. There was a third proposal but it was received after the submittal deadline. Yes, additional efforts were made, at the end of the first submission deadline the City had received only one proposal, staff reopened the process for an additional two weeks and reached out to firms that had the potential to provide this type of on call service, one firm did submit and the other was late.

Question: Q4. On the fee schedule (Exhibit B), there is an optional proposal identified “to reduce the per unit inspection cost by negotiating a minimum number/percentage of inspections per year.” Did the City consider this approach? (Councilmember Lumm)

Response: The negotiation for reduction of inspection fees pertained to rental housing inspections only. Carlisle would be willing to reduce a per unit rate of \$75.00/per unit if we could commit to a set number of inspection per week or month, at this time rental housing services are fully staffed and cannot commit to a percentage or set amount of inspection coverage. All services in the contract are on call/as needed services. The City is not willing to guarantee a certain level of workload to the contractor. All costs associated with the contract are recovered through plan review, inspection and building permit fees.

Question: Q5 At year-end FY18, how much will be in the Construction Code Fund balance and assuming this is approved, what is the projection for year-end FY19? (Councilmember Lumm)

Response: At this time the construction fund balance for FY18 is approximately \$5M, the final year-end numbers from finance will confirm the actuals. Based on the number of new projects anticipated to start this fiscal year and current projects that will conclude, projection for the construction fund would be estimated at \$3.2M ~ 3.5M. Similar to the reduction in plan review fees put in place for FY18, if the trend continues the City will need to consider reducing building permit fees and/or increasing staff to provide the necessary level of service. Staff meets with the Builders and Remodelers Association, (BRAG), on quarterly basis and is currently discussing FY20 recommendations.

Question: Please provide the bid price for both of the companies that bid on this contract. (Councilmember Eaton)

Response:

Services Requested	Carlisle Wortman	Safe Built
Building Official Services	\$110.00/hr	\$121.00/hr
Plan Review Services	\$110.00/hr Comm \$75.00/hr Residential	\$99.00/hr Both Commercial and Residential
Building Inspection	\$75.00/per inspection	\$87.00/ per inspection
Mechanical & Plumbing Inspections	\$75.00/per inspection	\$98.00/per inspection
Electrical Inspections	\$75.00/per inspection	\$87.00/per inspection
Rental Housing Inspections	\$75.00/per inspection	Not provided
Administrative Services (Planning and Front Counter Support)	\$55.00/hr	Not Provided

Question: With this new \$450K, how much is the total amount the City has paid to this consultant? In hindsight, would we have been better off doing this a different way (any regrets or lessons learned)? (Councilmember Bannister)

Response: The total amount paid to Carlisle Wortman since 2014 is \$1,441,745.00. The decision to use on call services proved to be an excellent solution to prevent a substantial disruption in services after the resignation of the City's previous Building Official. The most significant lesson learned was the use of the service to meet the increased demands of plan review without reducing the availability of inspectors. This allows us to keep inspection slots available for both residents and the business community. This service allows the department to increase capacity in busy times and have the needed resources to fill in gaps when we have turnover in staff, vacations or large projects that take up considerable resources. Having on call services available for every part of our Building and Rental Services Unit prevents delays in service delivery that can adversely impact residential and commercial projects. In hindsight, it is Staff's opinion that the combination of on demand services to support our full time staff is significant improvement in service delivery with no additional cost to the City or our customers. Plan review turnarounds have been reduced from four to six weeks to less than two for most reviews and trade inspections can be accommodated in 24-48 hours, down from seven to 10 days. It has been a successful solution.

CA-5 - Resolution to Approve a Professional Service Agreement with DLZ Michigan, Inc. (\$104,564.68) and Establish a Project Budget for the 2018/2019 Bridge Inspection Program (\$140,000.00)

Question: Regarding CA-5, how do the fees paid to DLZ compare with the current 2016 agreement? (Councilmember Lumm)

Response: The fees that are being paid to DLZ for the inspection of the City-owned vehicular bridges on public roadways for 2018 and 2019 are \$78,531.25. For the calendar years 2016 and 2017 the City paid \$113,941.32. This equates to a net reduction of about \$35,400. This overall reduction in cost was realized due to DLZ's familiarity with the City's structures, the overall good condition of our bridges, and the decision to utilize a combination of "hands-on" and routine bridge inspections. By using this strategy, the mandated inspection efforts are able to be more precisely focused on the bridges that require more evaluation and monitoring, and using the routine inspections on the newer bridges that are in good condition and require less inspection effort. In future years, it will be necessary to perform "hands-on" inspections on the newer bridges as well in order to maintain a thorough understanding of each bridge and its needs.

This year, Engineering staff is also working with Parks personnel to perform the inspection and load rating of several bridge structures within City parks in order to properly document their existing conditions and load carrying capabilities, as well as plan future maintenance activities. The cost of this work is \$26,033.42.

In summary, more work is being performed under this contract in 2018 and 2019 for about \$9,400 less.

CA-7 – Resolution No. 1 - Prepare Plans and Specifications for the Proposed Dhu Varren Road Sidewalk Special Assessment Project

Question: How many neighbors have been notified and via what methods? (Councilmember Bannister)

Response: This resolution is the first of the series of special assessment resolutions, and simply authorizes staff to begin work on the project. The public engagement phase for the project has not begun yet. Once it does, residents affected by the special assessment will be contact by direct mailing, and meetings will be arranged. This is expected to occur in August.

CA-8 – Resolution to Award a Construction Contract to Strawser Construction, Inc. (ITB-4530, \$1,585,143.25) for the FY2019 Street Surface Treatment Project

Question: Regarding CA-8, its encouraging to see this street surface treatment project on the agenda, and can you please remind me, which roads are the ones that are candidates for the micro-surfacing and cape sealing treatments and how do we go about deciding which candidates make the FY19 program and which will be later? (Councilmember Lumm)

Response: The streets for these types of treatments are generally those that are in sound structural condition and in the middle of their expected life cycle. With regard to specific candidate selection, staff utilizes the pavement surfacing rating information contained in the City's pavement asset management database to compile a list of streets where these types of treatments may be applicable. Staff then visually inspects each street to better assess its condition, and based on these findings develops a street list for the project that fits within the budgeted amount for this type of work. Attached to this item in Legistar there is a listing of streets and a map showing the candidate streets for this specific project.

Question: Please provide information about the kind of street treatment that was done on South Main Street and on North Maple Road. The new surface seems thin and not very durable. Please provide information regarding the expected life span of these surfaces. Please provide information regarding the warranty provided for these projects. (Councilmember Eaton)

Response: These treatments are part of the City's Capital Preventative Maintenance Program that is being implemented to help achieve the goals of the City's Pavement Asset Management Program. The treatments performed on these streets and others are lower cost investments that are being made on pavements that are in the middle of their lifespan, towards the goal of preserving the condition of existing pavements. These types of treatments are typically expected to last approximately 7 to 10 years. The warranty for the construction is the typical one year warranty.

CA-10 – Resolution to Extend the Contract with The Davey Tree Expert Company for Routine Street Tree Pruning (\$660,600.00)

Question: How will neighbors be notified that the tree trimmers will be working in their area? Is it possible to notify neighbors well in advance of the trees in their area that will be trimmed? How many complaints from residents did we receive after last years tree trimming? (Councilmember Bannister)

Response: Residents will be notified of upcoming tree trimming by mailed postcard. Information is also posted on the City's website.
<https://www.a2gov.org/departments/forestry/Pages/Routine-Street-Tree-Pruning->

[.aspx](#) Staff will notify residents in advance of the pruning. During last year's program, residents were notified in early October that pruning would occur late fall 2017 through June 2018. The City received approximately 10 calls from residents concerned about the routine street tree pruning program this past year.

B-1 - An Ordinance to Replace Previously Repealed Chapter 9 (Model Neighborhood Policy Board) of Title I of the Code of the City of Ann Arbor with a New Chapter, Which New Chapter Shall be Designated as Chapter 9 (City Seal and Flag) of Title I of the Code of the City of Ann Arbor (Ordinance No. ORD-18-17)

Question: The ordinance will provide that any violations of it will be civil infractions, punishable by civil fines of not more than \$10,000.00 (1:240F). Will the penalties for an infraction be graduated for first and subsequent offenses? What would constitute a \$10,000 fine? (Councilmember Grand)

Response: The \$10,000 amount is a maximum, which allows the City flexibility. This approach is not unique for the City. Its Code imposes maximum \$10,000 fines for other civil infractions, including violations of the Pavement Sealant Ordinance, the Soil Erosion Ordinance, the Wetlands Preservation Ordinance, the Cable Franchise Ordinance and the Stormwater Ordinance. In any event, the amount the City would ask for in any given case, and the amount a judge would order, would depend on the severity of the infraction, and the egregiousness of the facts, which would or at least could include whether it's a first or repeat offense.

Question: What are the limits of the City's jurisdiction to enforce this ordinance? (Councilmember Eaton)

Response: Michigan has a "long arm" jurisdiction statute. And so, if the City became aware of a violation and cited the violator, jurisdiction would come down to whether the violator is subject to personal jurisdiction in Michigan. That would be a fact-intensive inquiry that would turn on the specific violator's "contacts" with the state, both in general and with respect to the citation.

Question: What recent examples of misuse of the City's Seal and/or Flag have happened and how would this ordinance have applied to those instances? (Councilmember Eaton)

Response: The most common abuses we are aware of are vendors' unauthorized uses of the City seal on marketing materials and proposals. The ordinance would unconditionally prohibit such uses.

C-1 – An Ordinance to Amend Chapter 55 (Zoning), Rezoning of .41 Acre from R4B (Multiple-Family Dwelling District) to O (Office District), 2455 South Main Rezoning, (CPC Recommendation: Approval - 9 Yeas and 0 Nays)

Question: Regarding C-1, the staff report indicates there were no attendees at the citizen participation meeting in February. Have there been any comments/objections since then? (Councilmember Lumm)

Response: No.

DC-1 - Resolution in Support for Ann Arbor Area Transportation Authority (AAATA) Millage

Question: Q1. The cover memo does not indicate how long the renewal is for – is it also five years like the original millage was in 2014? (Councilmember Lumm)

Response: [Matt Carpenter/AAATA] It is a five-year millage. If approved in August 2018, it will be collected between 2019-2023.

Question: Q2. When the 2014 millage to expanded service was approved, there were targets and objectives in terms of increased ridership and other performance measures. Can you please provide the data that shows actual performance vis-à-vis the ridership and performance improvement targets (and 2014 levels)? (Councilmember Lumm)

Response: [Matt Carpenter/AAATA] Ridership in FY 2017 was 6.88 million trips, up 5% over FY 2016 figures and up 3% over FY 2014. This is an all time high for fixed-route ridership at TheRide. Paratransit ridership for persons with disabilities has also increased (+3%) since 2016. There were no specific ridership targets during the 2014 millage. However, all of the services promised in the 2014 millage have been implemented and our community is more connected than before.

Question: Q3. The cover memo indicates this is on the August 2018 ballot and not November. Is that accurate, and if so, why was August chosen over the higher turnout November election? (Councilmember Lumm)

Response: [Matt Carpenter/AAATA] The AAATA millage renewal is scheduled for the August 7, 2018 election. November 2018 has been, and still is, a potential ballot date for the Regional Transit Authority. The AAATA Board of Directors selected August to avoid any voter confusion between the two millages. The AAATA millage is strictly for maintaining local services, while the RTA envisions new services throughout southeast Michigan.

Question: Q4. I'm assuming the proposal is to raise the current Headlee-reduced tax rate back to 0.7 mills. Is that correct and what is the current rate for 2018?
(Councilmember Lumm)

Response: [Matt Carpenter/AAATA] This is correct. The Headlee-reduced rate is included in the ballot language. The current rate is 6.86 mills. The ballot language is clear that this is a renew and restore proposal.

Question: Q5. Approximate cost of the benches?

Response: [Matt Carpenter/AAATA] As a product that can be purchased, the AAATA's bus benches cost about \$500-\$800 apiece. More funding is required for operations, cleaning, snow clearing, etc.

DC-3 – Resolution Regarding Citizen Input and Process for City Street-Related Improvement Projects

Question: Please provide an explanation of what process was followed to approve the street diet on North Maple Road between Dexter and M-14. For example, who initiated or requested the road diet on North Maple Road? Who authorized the planning process to implement the road diet? Was a traffic study conducted as part of the decision making process for that road diet? If there is a traffic study, please provide a copy to Council ? (Councilmember Lumm)

Response: The recommendation for the 4-3 lane conversion on North Maple came from the City's Non-Motorized Plan. The surface treatment work that was performed provide the opportunity to implement this recommendation. Prior to implementation, the conversion was analyzed by traffic engineering staff to verify that the location was suitable for the conversion. There is no formal report that was prepared from this analysis.

Question: Please provide a status report regarding the crosswalk relocation at Huron High School. ? (Councilmember Lumm)

Response: Feedback from the public meeting held on May 29, 2018 has been summarized and is posted on the website at:
<https://www.a2gov.org/departments/engineering/Pages/Fuller-Road-Sidewalk-Project.aspx>. No further updates on this project are available at this time.

DC-4 – Resolution to Direct City to Assess and Monitor Extent of Gypsy Moth Infestation and Develop Treatment Plan and Budget

Question: Has the City forester offered an opinion on the extent of Gypsy moth infestation and appropriate response? Is this a cyclical problem that will stress trees this year but not so much in the future? (Councilmember Smith)

Response: Kerry Gray, the Urban Forestry and Natural Resources Planning Coordinator, has been monitoring the Gypsy moth infestation and its extent. The infestation is occurring primarily on privately owned trees and Ms. Gray has communicated with residents about the outbreak, activities they can undertake to reduce the gypsy moth population and the reason why the aerially spraying of Bt (*Bacillus thuringiensis*) is not needed. Gypsy moth infestations are cyclical and weather dependent; and this year appears to be the peak of a cycle. The increase in the gypsy moth population occurred because of the dry springs in 2016 and 2017, which did not allow *Entomophaga maimagia*, a natural fungus that attacks gypsy moth caterpillars to spread. *Entomophaga* spreads during wet springs, like the one this year, and can significantly reduce the population. Infected gypsy moth caterpillars die hanging upside down on the trunk. The dead caterpillars become “mushrooms” which will eventually fall to the base of the tree, where they will spread the *Entomophaga* fungus to next spring’s gypsy moth caterpillars. The fungus only infects gypsy moth caterpillars and does not harm other butterfly/moth caterpillars.

Ms. Gray has been communicating with Michigan State University Extension Horticulture Agent, Bob Bricault and University of Michigan Campus Arborist, Mike Rutkofske, regarding the infestation. All agree that the wet spring has spread the *Entomophaga maimagia* fungus and the population is beginning to crash; making the aerially spraying of Bt (*Bacillus thuringiensis*) unnecessary. Additionally, Bt, the natural insecticide sprayed to kill the Gypsy Moth caterpillars, is not species specific and will kill all butterfly and moth caterpillars. Furthermore, with aerially spraying, there is no way to guarantee that the spray will not drift on to properties that do not want to be sprayed.

Healthy deciduous trees that have been partially or fully defoliated by gypsy moth will put out a new set of leaves and should not have any long-term impacts from this year’s defoliation. Watering trees that have been defoliated, during dry periods, will help reduce stress and improve vigor. If conifers are attacked and defoliated, they are unable to put out a new set of needles and will die. However, conifers are not a primary food source of gypsy moth.

DC-5 – Resolution to Approve the Explanatory Caption to the Ballot Question Concerning the Center of the City Charter Amendment and to Authorize Submission to the Governor and Attorney General for Approval for the November 6, 2018 Ballot

Question: Is there a State law that requires the City to submit ballot language to the Governor or State Attorney General for approval? (Councilmember Eaton)

Response: Yes, MCL 117.22 requires the City to submit any proposed Charter Amendment and ballot language to the Governor.

Question: Will the ballot initiate issue be placed on the ballot if Council does not approve the proposed language of the Explanatory Caption? (Councilmember Eaton)

Response: Yes.

Question: Will the ballot initiate issue be placed on the ballot if the Governor or State Attorney General do not approve the proposed language of the Explanatory Caption? (Councilmember Eaton)

Response: Yes.

DB-1 – Resolution to Approve 321 North Main Street Planned Project Site Plan and Development Agreement, 321 North Main Street (CPC Recommendation: Approval - 6 Yeas and 0 Nays)

Question: Q1. Can you please summarize the input received on the project from neighbors and neighborhood groups (at citizen participation meetings and subsequently)? (Councilmember Lumm)

Response: The Citizen Participation Meeting Report can be found [here](#). During the public hearing at the Planning Commission, the following comments were heard: The building is nice, just not appropriate at this location; The alley is seldom used, and now there will be traffic in it; The proposed building is not in scale with the adjacent buildings; The building is ugly, an eyesore; While out of scale with adjacent houses, the scale is appropriate for this area; and the City is evolving and this is exactly the type of building that the City should encourage.

Question: Q2. The premium being earned is related to LEED Silver, but the benefits outlined indicate LEED Gold. Can you please clarify? Also, can you please clarify what is meant by “apartments intended for downtown employees”? (Councilmember Lumm)

Response: LEED Silver is being utilized to access the Premiums under the City’s Zoning Ordinance provisions for the D2 Zoning District, which provides in an increase in FAR. The petitioner is then proposing an higher level of energy efficiency (LEED Gold) in support of a request for Planned Project Modifications. If approved as proposed, LEED Gold would be the required level of attainment.

The residential units are intended for employees who work in downtown Ann Arbor. This is not intended to be restrictive, but rather reflective of a likely market for such units.

Question: Q3. The height of the building is 70 feet (and 6 stories) – how does that compare with the height of the buildings in the immediate area? (Councilmember Lumm)

Response: The proposed building is taller. For comparison, here are a few other building heights in the area: Houses to north and south, an estimated 20-25 feet; McKinley Offices to the east, an estimated 45-50 feet; 414 N Main Condominiums, 50'; 121 W Kingsley, 58 feet; 410 N First, 55 feet.

Question: Q4. In the cover memo, it indicates the developer is providing three replacement benches in North Main park in lieu of a parkland contribution. How much was the requested contribution and what is the approximate cost of the benches? (Councilmember Lumm)

Response: The requested contribution was \$11,250. The cost of the benches will depend on conditions, but would likely range from \$7,500 to \$15,000.

Question: How often do we use this planned project modification to tailor the zoning? Isn't this considered bad practice in general because zoning isn't supposed to be easy to override. (Councilmember Bannister)

Response: No, staff does not consider implementation of the ordinance bad practice. Planned Project Modifications provide limited opportunity for project modification, but do not alter more fundamental project provisions such as permitted uses, open space requirements, density or floor area ratio requirements. Planned Project Modifications have been sought by petitioners 28 times over the last 10 years.