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TO: Mayor and Council

FROM: Sumedh Bahl, Community Services Area Administrator  
Jackie Beaudry, City Clerk  
Tom Crawford, CFO  
Matt Horning, Treasurer  
Nick Hutchinson, City Engineer  
Craig Hupy, Public Services Area Administrator  
Wendy Rampson, Planning Manager  
Cresson Sloten, Systems Planning Manager

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 4/20/15

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**C-1 – An Ordinance to Amend Sections 4:60, 4:61 and 4:62, and to Delete Section 4:63 of Chapter 49 (Sidewalks) of Title IV of the Code of the City of Ann Arbor (Ordinance No. ORD-15-04)**

**Question:** It was mentioned previously that AAATA now clears some of their bus stops. Can AAATA please provide details on snow removal for their bus stops in the City (how many AAATA now clears; how many bus stops in total) as well as what changes (if any) to their current practice they would plan if the revised ordinance were adopted? (Councilmember Lumm)

**Response:** According to a previous inquiry to AAATA, they have an internal maintenance program that rotates through the shelters clearing the snow, however, we are unable to provide additional detail within this timeframe. We have reached out to the AAATA to provide an answer to this question.

**Question:** One of the Commission on Disability Issues recommendations related to the curb cut build-up caused by a city snowplowing. Specifically, the recommendation is

that: “the City be responsible for implementing a square dancing procedure, or one similar, where smaller plows follow the larger plow to ensure that curb cuts remain clear after a street has been plowed.” Can you please provide a rough cost estimate for implementation of this recommendation (or estimate for an alternative the City would recommend instead to accomplish the same purpose)? (Councilmember Lumm)

**Response:** We are able to provide a response to this question by the May 4, 2015 City Council meeting.

**Question:** It would be helpful if we could get clarification from the Commission on Disability Issues on what they are recommending in terms of the required timing for snow and ice removal. The resolution indicates the Commission believes the language “within 24 hours” in 4:60 (2) and “within 18 hours” in 4:60 (3) is too complicated and subjective, but it’s not clear to me what timing the Commission recommends. (Councilmember Lumm)

**Response:** At their May 6, 2015 meeting, the Pedestrian Safety and Access Task Force will be discussing the Commission on Disability Issues resolution. The Task Force will communicate their response to the resolution at the next Commission on Disability Issues meeting on May 20, 2015.

**DC – 3 – Resolution to Provide \$96,697.00 from the Ann Arbor Affordable Housing Fund to Avalon Housing for Glendale/Dexter Duplexes and Repairs at 1675/1677 Broadway**

**Question:** What is the current balance of the AAAHF? (Councilmember Warpehoski)

**Response:** \$1,473,247.29.

**DC – 4 – Resolution to Withdraw Objection to Renewal of Class C Liquor License and Permits Held by The Arena, Inc. (Business I.D. No. 140967) and Approve the Application for Renewal for the 2015-2016 License Year**

**Question:** Are there late payment penalties or other fees for the added staff time needed to process liquor licenses in cases like this? (Councilmember Warpehoski)

**Response:** City Council has approved an annual renewal fee to cover the administrative costs of annual review by City service units of all on-premises liquor license holders. No costs are assessed for exercise of a licensee’s administrative due process rights either by the City or the State if objections are filed in the matter.

All delinquent taxes are subject to late fees and a licensee who is delinquent is responsible for payment of these late fees. Licensee must pay the delinquent tax and all late fees assessed before withdrawal of an objection is requested from City Council.

**DB-1 – Resolution to Approve Participation Agreement with Washtenaw County Parks and Recreation for the Purchase of Property Owned by DF Land Development LLC in Ann Arbor Township, and Appropriate Funds, Not to Exceed \$385,312.00 from the Open Space and Parkland Preservation Millage Proceeds (8 Votes Required)**

**Question:** Perhaps I missed, it, but how large is the property being acquired? Also, is Ann Township contributing in any way towards the purchase? (Councilmember Lumm)

**Response:** The parcel is approximately 82 acres.

Ann Arbor Township is not contributing. The Township’s land preservation millage is for farmland preservation and this parcel is open space and natural area and does not meet requirement for the Township’s millage funds.

**DS-2 – Resolution No. 1 – Geddes Avenue Stormwater and Curb and Gutter**

**Question:** Impacted homeowners have written council to share their questions and concerns about the assessment process and have raised questions about the financial assumptions/implications associated with the curb and gutter and stormwater designs. The “stormwater system contributing area” and “proposed curb & gutter” maps attached to this resolution do not specifically identify stormwater contributing area or curb and gutter properties that will be assessed. I recognize there are disclaimers on both maps as to accuracy, completeness, usefulness, etc., but given the homeowners’ questions and concerns about factoring in these additional costs into the project prior to having a clearer understanding of the entire project how they will be impacted specifically, could we provide a more detailed list of the properties that we anticipate will be assessed for curb and gutter and stormwater? Also, if you could share any assessment related feedback that was provided in conjunction with the recent, 4/14, Geddes Ave. Project meeting, that would be appreciated. (Councilmember Lumm)

**Response:** Special Assessment Resolution 1 is what directs staff to prepare the detail the special assessments (i.e., prepare a list of properties and expected costs) and share that information with the impacted residents (Administrative Hearing). If Council approves Resolution 1, then a more detailed list of included properties and cost estimates will be prepared. Following the Administrative Hearing with affected residents, staff will submit Resolution 2 for Council consideration. Resolution 2 will detail the full special assessment roll, including each property and the proposed cost to each. Property owner feedback from the Administrative Hearing will also be shared with Council at that time.

The memo that accompanied the Resolution 1 presented to Council on March 16 included the following schedule for the special assessment process, now amended as shown:

April 2015: Council Meeting - Resolution 1  
May 2015: Administrative Hearing with residents  
July 2015: Council Meeting - Resolution 2 and 3. Public Hearing date is advertised.  
August 2015: Council Meeting - Public Hearing and Resolution 4

Regarding feedback received from the April 14<sup>th</sup> public meeting, a discussion summary will be posted today to the project webpage at: [www.a2gov.org/geddes](http://www.a2gov.org/geddes)

**Question:** When we've done other major road reconstruction projects, have we charged other homeowners for stormwater management? E.g., shared Madison, Stone School – were stormwater costs assessed? Also, do you have a PDF of the handout “The Special Assessment Process for the City of Ann Arbor - Frequently Asked Questions (FAQ)” that was prepared by Systems Planning? (Councilmember Lumm)

**Response:** Recent road reconstruction projects, including the ones mentioned, did not include a special assessment for stormwater. These recent projects were done in areas that were already served by the storm sewer system, and therefore were not first time improvements, which is the criteria used to determine if a special assessment process be initiated. Attached is a copy of the FAQ's.

### **DS-3 – Resolution Authorizing the City Administrator to Proceed Toward Implementation of Recommended Best Practices to Receive Redevelopment Ready Communities Certification**

**Question:** The memo from Mr. Powers and Ms. Rampson indicates that, “The resolution does not cede anything to the MEDC. For instance, the recommendation to change site plan approval would be a decision made by City Council separate from the resolution.” Also, during the discussions on this specific concern (eliminating council approval of site plans for permitted uses), it's been suggested by staff and council members that MEDC would be “flexible” on this. However, as you may be aware, Dexter has recently declined to participate in the certification process because (apparently) MEDC indicated to Dexter they were not flexible on this very point – and that Dexter needed to eliminate their council approval of site plans for permitted uses. Certainly MEDC would not have different standards for different communities so can you please clarify this question (and the Dexter situation) with MEDC. (Councilmember Lumm)

**Response:** Planning staff requested clarification from MEDC regarding their recommendation for changes to the site plan approval process. MEDC provided the following response:

“MEDC does not have different standards for different communities. The RRC Best Practices outline the expectations and requirements used by all.

Passing a resolution of support to continue with the RRC program is a required step in the program that confirms a community is continuing to move forward. It does not cede any control over local decision making. Moving forward is a statement that a community is open to reviewing their policies and practices, receiving input and feedback, and then deciding if/what makes sense for a community to change or not to change. There is flexibility in the requirement of eliminating city council review of site plans. MEDC fully understands that the process of removing such a requirement demands a thoughtful and thorough review of the city’s development review process and associated regulations to determine what actions may or may not need to change to make a more transparent and efficient process. This was a halting point for Dexter, they were not open to looking at their current process and receiving feedback on possible other ways at doing business, and then having a thoughtful discussion of what makes most sense for Dexter.”

**Question:** In that same memo, on page 4 in the best practice section about economic development and marketing strategies, it indicates that “SPARK will be convening an Economic Health Work Group.” Can you please elaborate on that Work Group including what’s envisioned for scope, who the participants would be, and what the timing is? (Councilmember Lumm)

**Response:** SPARK has agreed to convene the Economic Health Work Group and it is anticipated to occur later this spring. Participants include SPARK, Washtenaw County, City of Ann Arbor, and other local governments. Recommendations referenced in the City of Ann Arbor Economic Collaborative Task Force Report that was provided to City Council on April 7, 2014 will be followed. The advisory group will work to foster collaboration, share information and seek new strategic partnerships with a goal of enhancing community prosperity.

**DS-4 – Resolution Authorizing the Issuance and Sale of 2015 Open Space Preservation Refunding Bonds (Limited Tax General Obligation) (Roll Call Vote Required – One Reading)**

**Question:** Can you please confirm that this is a straightforward refinancing, with no changes in bond maturities, principal amounts, covenants, or other terms. (Councilmember Lumm)

**Response:** Yes. This is a standard refunding. Maturity dates and covenants will not change. Individual annual principal amounts are subject to change based upon the bids received and our subsequent bond sizing. However, the aggregate principal amount will not change. Preliminary estimates indicate a potential net present value savings in excess of \$1.8 million over the remaining life of the issue.

# THE SPECIAL ASSESSMENT PROCESS FOR THE CITY OF ANN ARBOR

## FREQUENTLY ASKED QUESTIONS (FAQ)

### What is a special assessment?

On occasion, City plans identify the need for new additional infrastructure items to be constructed to serve the homes and businesses in our community. Specific examples of these infrastructure items include sidewalks, curb and gutter, road and drive approach pavement, and storm sewer. To pay for these projects, it is the City's policy to distribute the costs on a fair share basis to those properties that benefit from the improvements. These costs are charged to a property owner through a *special assessment* placed on the property as part of a *special assessment district*.

Sanitary sewer and water mains serving single- and two-family residential parcels are charged based on the current fixed improvement charges for those items.

### How does the special assessment process work?

The Ann Arbor City Council may authorize charges through a **special assessment process**. To do this, the City Code outlines a process that includes the following steps:

- Resolution 1 – City Council authorizes City staff to prepare plans and specifications for the improvements and develop an estimate of the costs, including how much of the cost should be covered by special assessments
- Administrative Hearing – City staff hosts an informational meeting with the owners of properties that are proposed to be included in the special assessment district.
- Resolution 2 – City Council approves the proposed special assessment district and the estimated amount of costs to be assessed.
- Resolution 3 - City Council directs the City Clerk to mail a notice of the public hearing on the proposed special assessment district to the owners of the properties in the district, and to publish this notice in the Ann Arbor News as well. These notices are to be mailed at least 10 days prior to the public hearing.
- Public Hearing – A formal public hearing on the proposed district is held at a regular City Council meeting.
- Resolution 4 – City Council confirms the assessment roll for the special assessment district.
- Resolution 5 – After construction the final cost of the improvement is determined and City Council may adjust the assessments based on that final cost.

### **What is the legal basis for the special assessment process?**

The Ann Arbor Code of Ordinances, which is adopted by City Council, contains Chapter 12: **Financing Local Public Improvements** and Chapter 13: **Special Assessments**. These codes may be found at [www.a2.gov](http://www.a2.gov) by selecting "City Codes" under the Online Services tab.

### **Can special assessments be paid off in installments?**

Depending on the size of the special assessment, the charges may be paid to the City in yearly payments over an established period of time. If an owner chooses to pay the special assessment over a period of time, each installment will include an amount for interest charged on the balance due. So, the amount of interest that is due drops each year as there is a smaller balance due on the special assessment as payments are made. The interest rate is generally 1% above the average interest rate the City pays for bonds to finance the construction of the improvements.

A property owner also has the option of paying all or part of the charges up front.

### **When do I pay my special assessment bill?**

The first payment for the special assessment is due on the date included in Resolution No. 4 described earlier. The subsequent installments are due on June 1<sup>st</sup> of each year thereafter. The City Treasurer's Office sends out the bills for these subsequent installments at the same time they send out the summer tax bills.

### **So, is the special assessment part of my taxes?**

No, the special assessment bill is included with the summer tax bill, but it is not a part of a property's taxes.

### **Are there hardship provisions for people who may have difficulty making the payments for a special assessment?**

Under state law MCL 211.763, a special assessment may be deferred until 1 year after death or the property is sold for a person who is:

1. 65 years of age or older (age requirement is waived if you or your spouse are totally and permanently disabled)
2. A US citizen
3. Has total income less than \$19,584 (for the year 2006), and
4. The property has been their homestead for 5 or more years

This is a state program someone interested in applying would complete form 2748 from the State Department of Treasury, [www.michigan.gov/treasury](http://www.michigan.gov/treasury).

With this program, the State will pay the special assessment and place a lien on the property, and the lien will be subject to 0.5% interest per month until the special assessment amount plus interest is repaid to the State.





**What impact does a special assessment have on my property?**

Special assessments become a lien on the property.

**Does my special assessment have to be paid off before I sell my property?**

The City does not require early payment of any special assessments owing on a property. If a purchaser is getting a mortgage through a lending institution, the lender may require that the improvement charge be paid off to remove the lien from the property before the mortgage is approved.

**What if I don't want the proposed improvement?**

If you object to the special assessment or the necessity of the proposed improvement, you may send your objections, in writing, to the City Clerk before the close of the public hearing. You may also appear in person before City Council at the time of the public hearing.

**Whom do I contact if I have further questions?**

You may contact the City Assessors Office at:

Location: Guy C. Larcom Municipal Building (City Hall) – Fifth Floor  
301 East Huron Street  
Ann Arbor, MI 48104

Phone: (734) 794-6530  
E-mail: [assessor@a2gov.org](mailto:assessor@a2gov.org)

And if you have questions regarding a specific special assessment project, you may contact the City's Systems Planning or Project Management Units at:

Location: Guy C. Larcom Municipal Building (City Hall) – Fourth Floor  
301 East Huron Street  
Ann Arbor, MI 48104

Phone: (734) 794-6430 (Systems Planning)  
(734) 794-6410 (Project Management)  
E-mail: [projectmanagement@a2gov.org](mailto:projectmanagement@a2gov.org)