



TO: Mayor and Council

FROM: Sumedh Bahl, Community Services Area Administrator
Tom Crawford, CFO
Craig Hupy, Public Services Area Administrator
Nick Hutchinson, City Engineer
Tom Shewchuk, IT Director
Cresson Slotten, Systems Planning Manager

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 9/8/15

CA-5 – Resolution to Accept and Allocate Michigan Supreme Court State Court Administrative Office Michigan Veterans Treatment Court Program Grant Award and Approve Contract (\$70,000) (8 Votes Required)

Question: It's clear that this grant can be used only to pay for costs associated with this Veterans Court, but can you please provide detail on the specific expenditures (e.g., amounts and purpose – in house personnel, contractors, supplies, etc.) this grant will fund. (Councilmember Lumm)

Response: The court's finalized budget is not due to the Michigan Supreme Court State Court Administrative Office for this grant award until October 30, 2015. The attached PDF contains the court's current budget draft. The total amount referenced in the proposed budget contains the fund total referenced in item CA-5 (\$70,000.00) plus unused FY14 grant funds (approximately \$20,000.00) that the grantor has approved the court to carry forward. The FY14 carry forward amount may increase or decrease between now and the close of the current grant period which is September 30, 2015; the Veterans Treatment Court budget proposal will be adjusted up or down depending upon the final amount available for carry forward. Please note also that the VA is a key partner in this program. The VA provides services at no cost to the court or grant.

DC-1 – Resolution to Direct the Ann Arbor Planning Commission to Review and Make Recommendations Regarding the Adoption of a Floodplain Management Overlay Ordinance

Question: Councilmember Kunselman, at the July 20, 2015 meeting requested that staff look into what other communities are doing and if they have adopted similar ordinances and that this information be provided before the item is returned to City Council. (Councilmember Kunselman)

Response: To join the National Flood Insurance Program (NFIP) a community has to have a resolution or floodplain ordinance. Most communities chose the resolution option. Of the 21,705 communities in the NFIP, there are about 1,211 communities (only about 5.5%) in the NFIP Community Rating System (CRS), which rewards communities with lower flood insurance rates in exchange for higher regulatory standards. Many, but not all, of these CRS communities have floodplain ordinances. So, there are a lot of communities that are successfully regulating floodplains through the adoption of a local floodplain ordinance.

During the development of the City of Ann Arbor Flood Mitigation Plan, it was determined that a floodplain overlay zoning ordinance would be the best style to fit into the current regulatory framework the City of Ann Arbor utilizes. The majority of existing floodplain ordinances are in the format of a development ordinance (i.e. requiring a separate floodplain permit process) not a zoning overlay ordinance. Zoning overlay ordinances create a special zoning district where regulations or incentives are attached to protect a specific feature (i.e. the floodplain). As City Staff began the effort to develop a floodplain overlay ordinance, around 2008, we were unable to find appropriate examples of floodplain management overlay ordinances from Michigan.

The Dow Sustainability Fellowship Program (U of M Graduate Student) project, to assist the city staff in developing a floodplain management overlay ordinance, did utilize existing and model ordinances from at least 5 states, including Michigan.

Ordinance Examples:

Model Ordinances from: Minnesota, Wisconsin, Nevada, Northeastern Illinois
City of Vassar, MI
City of Dearborn Heights, MI
City of Plymouth, MI
Along with other examples from: Washington, Colorado, and Vermont

Question: If approved do we have the funding and/or staff time to support the Planning Commission in this evaluation? If yes, is the timeline realistic? What initiatives from the Planning Commission's work plan might face delays if this is approved?
(Councilmember Grand)

Response: This effort is anticipated to be performed by staff who are already funded for this area of work, but the impact will be in other work that is delayed or affected (see answer below). The timeline proposed is an accelerated timeline requiring delaying other work and it would not allow for a robust community engagement effort that would be anticipated for this item. In terms of the Planning Commission work plan, this may have some impact on downtown amendments for premiums and downtown amendments for edge properties.

Question: Does new commercial development in the Allen Creekshed increase or decrease runoff and flooding potential? (Councilmember Westphal)

Response: Redevelopment can decrease runoff and flooding potential, by controlling the runoff from impervious surfaces that was previously not controlled, particularly for sites originally developed prior to stormwater detention requirements being in place.

New commercial development on previously undeveloped land within the Allen Creek watershed does increase runoff and flooding potential. Installing new impervious area increases the volume and rate of runoff. The volume of runoff is increased three to five times, and the rate it leaves the site is also increased three to five times. Providing detention per the current Rules of the Washtenaw County Water Resources Commissioner (WCWRC) mitigates the increase in the runoff rate and the timing of the runoff, but mostly does not address the increase in volume. The new infiltration standards, in the Rules of the WCWRC, only require infiltration of small storm events (1 to 2 inches) for the purpose of water quality improvement. Infiltrating these small events only has a marginal effect on flood prevention.

Question: What specific impact will accelerating this project have on other priorities on the planning commission (and staff) work plan? (Councilmember Westphal)

Response: Items that would likely be delayed include: the Allen Creek Greenway Master Plan; the Allen Creek Railroad Berm Opening; and the ZORO project. Current development proposals such as, South Pond, Nixon Farms, as well as future site plan reviews for stormwater and floodplain management and legal matters related to development proposals would be also be affected as the same staff resources for these items would be needed for this effort. Additionally, with the very recent retirement of the City's Planning Manager, it is anticipated that more time will be needed for development related items, issues, questions, background by staff from the Systems Planning Unit, City Attorney's Office and Planning and Development Unit who would be working on this effort. As a result, the timeliness of these items being resolved may suffer.

DC-3 – Resolution to Approve a Contract with The Mercer Group, Inc. for Executive Search Services for the Positions of Building official and Planning Manager (\$30,000.00)

Question: Is there an established policy or practice that defines at what levels of city staff (e.g., Administrator and his/her direct reports, direct reports to Service Area Heads, etc.) a search consultant is engaged, vs. the search being handled internally by HR? Similarly, is there a policy or practice that defines when national searches are conducted? (Councilmember Lumm)

Response: Item was removed from the agenda.

Question: Was an RFP or RFQ issued for these search services? If so, please provide information on the proposals received. If not, what was the reason we didn't, and what was the rationale and process for choosing the Mercer Group? (Councilmember Lumm)

Response: Item was removed from the agenda.

Question: Council learned of Ms. Rampson's retirement about two months ago (staff may have been informed prior to that). Why has it taken two months to begin the search process? (Councilmember Lumm)

Response: Item was removed from the agenda.

Question: For the Police Chief search, we've engaged the services of Affion (as we did for the Fire Chief and current City Administrator searches). I can't recall if Council saw that contract or not – if not, why not, and, regardless, was an RFP or RFQ conducted for the Police Chief search and what are the costs of the professional services for this search? (Councilmember Lumm)

Response: Item was removed from the agenda.

DC-4 – Resolution Regarding Nixon Corridor Traffic Study

Question: Taking funds from a FY2018 budget that has not been approved seems a little unorthodox. Where would the money come from to fund this study? Does staff have the capacity to conduct this study or would we hire consultants? If funding were approved, what project(s) would the Nixon corridor study replace this fiscal year? (Councilmember Grand)

Response: The resolution as written would not reappropriate any funds. Rather, it directs staff to determine potential funding sources for the project, should it be advanced in FY15/16, and report back to Council. Staff does not currently have the capacity to perform the corridor study internally, and would likely hire a consultant to perform the study. This will still require some staff time to oversee, however it would be a more manageable time commitment.

Question: Do I recall that the Nixon Corridor traffic study was previously identified as a high priority and budgeted for but removed from the budget by a previous council? Is it still identified as a high priority? Please describe what a study to completion timeline would look like potentially. (Councilmember Westphal)

Response: Staff has not yet had the opportunity to prepare a timeline for this study. Staff will be able to prepare a complete timeline within the 30-day window required by the resolution.

Question: What difference in implementation timing would there be, if any, if we were to pursue grants for the study, and what is the likelihood of receiving such grants? (Councilmember Westphal)

Response: The City could apply for Congestion Mitigation Air Quality (CMAQ) funding to conduct the study. The next call for funding applications would occur in the spring of 2016, and funding would not be available until 2018 at the earliest. This grant process is also a competitive process, and there is no guarantee that such a project would be awarded funding, or for what year it would be awarded funding. The City would likely also have to provide a local match for any funds received through CMAQ.

DB-1- Resolution to Approve the Madison on Main Planned Project Site plan and Development Agreement, 600 South Main Street (CPC Recommendation; Approval – 7 Yeas and 0 Nays)

Question: The rationale for recommending approval of the planned project modifications is that having a 5 foot setback on S. Main (vs. none required) and 16% open space (vs. 10% required) in exchange for allowing an increase in the streetwall height to four stories (vs. 3 max. in the zoning) and lot coverage of 82.5% (vs. 80% max. in zoning) is, on balance, a good exchange. Can you please elaborate on why staff and the Planning Commission concluded that, and do we have a sense of whether the residential neighbors also agree it's a good exchange? (Councilmember Lumm)

Response: The portion of the right-of-way on South Main Street between the 600 S Main property line and the street is 9 feet wide. Pushing back the building five feet makes the setback consistent with the new building at 618 South Main, immediately to the south. It also gives pedestrians a better experience by providing more space between the wall of the building and the street. The modified streetwall height makes the proposed building more visually compatible with the neighboring building by providing horizontal continuity between the two, and it helps keep the 600 S Main building looking proportionate. A "base and tower" is not desirable here, since the building's footprint is relatively small.

The overall massing and 2.5% increase in lot coverage is acceptable since a portion of the proposed building is notched out at the northwest corner. This provides some relief to the small house immediately to the west, which lies within the Old West Side Historic District, by matching its front setback. At least one neighborhood resident noted that this

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Question: The developer's email to Council yesterday indicated that the development of this property will "uncap the site assessment and increase the tax base, resulting in a multi-fold increase in tax income to the City." Can you please provide the actual and projected assessment and tax revenue numbers before/after the development? (Councilmember Lumm)

Response: Based on the current vacant land assessment property owner is currently paying around \$9,200 in property taxes. Using the developers projected construction cost it would generate around \$177,000 upon completion. The property is located in the DDA.

Question: On the Zoning Comparison chart (page 4 of staff report), the lot area is shown as 9,441 sq. ft. and the floor area 32,626. Doing that math, that's a ratio of 345% (not the 375% shown on the chart) – what am I missing? (Councilmember Lumm)

Response: The number in the chart is incorrect and it should say 345%. The staff report will be updated.

Question: Neighbors have expressed concerns about whether there are sufficient parking spaces proposed – 15 spaces for the 26 units. In the Citizen Participation notes, the developer states that the trend in this targeted demographic – younger and older residents in urban areas – is to do away with their automobiles or have just one. We've heard that from other developers as well, but do we have any real data (preferably local) that demonstrates that is actually occurring? (Councilmember Lumm)

Response: The site is located in the DDA special parking district which does not require any parking if no premiums were requested. 14 parking spaces are required because of the residential premium that they are requesting. The petitioner is proposing to provide 15 spaces. We do not have data reflecting parking trends related to demographics.

DS-1 – Resolution to Approve a Purchase Order to AmeriNet of Michigan, Inc. for 3-Year Network Equipment Maintenance and Support Agreement FY2016-FY2016 (\$148,428.75)

Question: In 1-2 sentences, could I please get a non-technical definition of a network switch? (Councilmember Grand)

Response: A network switch is a piece of equipment used to connect office PCs and laptops to the network. It provides employees the ability to connect to the network from

their office desk and access City email, City applications, printers and the internet. It is a necessary piece of equipment for connecting small, medium and large business operations.

DS-2 – Resolution to Approve Interagency Agreement for Collaborative Technology and Services with Downtown Development Authority (Revenue of \$132,240.00)

Question: Regarding DS-2, how does the \$26,448 compare with what the DDA is currently paying and has paid over the last five years? Also, the agreement itself indicates that the rates charged the DDA are “significantly below comparable private sector rates” -- approximately how much of a discount from private sector rates is the City providing to the DDA? (Councilmember Lumm)

Response: This agreement covers connecting Parking Garage operations, including video feeds, to a DDA network for transmission and operational support. The City already has network infrastructure for its own operations that it can share with the DDA. The DDA would be responsible for DDA specific hardware. The City pursued providing this service with mixed success over the past couple of years. More recently, both parties have felt the service is at an acceptable level, so this amendment establishes payment for the service going forward.

At this time, market rates for these services are approximate and can vary widely. For example, Business-Class Metro Ethernet services can be as high as \$1,500/month per site or greater not including capital costs for initial connection. For commercial-based, conventional internet and triple-play services range from \$90/month-\$199/month per site. These are current advertised rates and are offerings provided to private homes and small businesses. Parking operations require higher-bandwidth than most small businesses and in between high-end Business-Class Metro-Ethernet services and conventional offerings.

In determining a rate for the DDA, the City used current rates for network and server infrastructure charges to establish a rate structure. While the proposed rates in the Interagency Agreement are well below Business-Class Metro Ethernet service, the rates are also well above commercial-based service charges. The Interagency rates lie between the high-end and low-end rates. The proposed rate is also expected to cover all City costs for this additional service.

DS-5 – Resolution to Amend Carlisle/Wortman Professional Services Agreements for Building Official and planning Services, Amend the FY16 Budget and Appropriate Necessary Funds (8 Votes Required)

Question: Although I recognize they are not-to-exceed amounts, given that the original contract in January for the “building and plan review” services piece was \$200K, the amendment for \$400K seems excessive. Can you please speak to how the \$400K was determined – unless we have already exceeded the \$200K original contract

amount, \$400K more would represent services for more than a year. What am I missing? (Councilmember Lumm)

Response: Requested contract amendment is based upon past three months construction activity and a number of projects which are going through various stages of City approvals. For reference, for first four months of the contract, the average monthly billing for building official and plan reviews was about \$20,000 and for the last three months average monthly billing was about \$38,000. This amendment should cover City's needs for Building Official and Plan Review Services for next 8 to 10 months.

Question: Also on the "building and plan review" services element, how much of the cost is associated with the work Mr. Welton performed (and presumably will go away when his replacement is hired) and how much is related to other work? How long do we anticipate we will need to contract out both aspects of this agreement (the work Mr. Welton did, and the other "plan review" work)? (Councilmember Lumm)

Response: The amount spent on Building official services and Plan Reviews varies depending upon the construction activity. In the past, monthly billing for Building Official services has varied between \$6,000 to \$13,100, and that for Plan Review Services has varied between \$6,400 to \$33,600. About \$100,000 and \$300,000 are budgeted for Building Official and Plan Review Services respectively for an estimated period of eight months with the anticipation that City performing these services in house.

Question: For the second contract – performing those services Ms. Rampson performed – how long do we anticipate the \$85K will last? (Councilmember Lumm)

Response: It depends upon how many submittals City receives. We anticipate this amount to last 7 to 8 months.

Question: The Fee schedule (Exhibit B-1) lists the hourly rates and the one fixed cost (Administrative Retainer at \$1K a month). Since we are paying on an hours-worked basis, what process are we using to authorize and monitor the hours and what provides us comfort the hourly rates themselves are reasonable/competitive? (Councilmember Lumm)

Response: Under the terms of the contract, Carlisle/Wortman is required to provide the City with monthly detailed invoices, which will include information on the number of hrs expended during the period. This information allows the City to verify the invoice as well as monitor budget. All invoices are subject to review and approval by the Contract Administrator prior to payment. In addition the contract terms require that Carlisle/Wortman provide the City with notice if it anticipates exceeding the budgeted cap (NTE amount of contract) on services. Hourly rates were evaluated based on assessment of the City's on-going needs as part of the negotiation of the contract amendment.

**MVTCGP BUDGET ADJUSTMENT
FY2016-ROUND 1.1**

<u>ITEM</u>	<u>COMPUTATION</u>	<u>TOTAL</u>
Court Coordinator	1560 Hrs X \$25=\$39,000.00	\$39,000.00
Benefits	\$39000.00 x 7.65%	\$2,983.50
Home of New Vision	(Approx. 4 Clinical Assessments X \$150=\$600.00; Approx. 4 Psychiatric Evaluations X \$150=\$600.00; Approx. 60 Individual Sessions X \$100/session=\$6000.00; Approx. 40 Medication Reviews X \$40=\$1600.00; Approx. 100 Group Sessions X \$40=\$4000.00; 40 Hours of Case Management X \$40/hour=\$1600.00)=\$14,400.00	\$14,400.00
Dawn Farm	Substance abuse assessments \$150 each; Residential treatment \$110 per day	\$9,804.00
Community Corrections	Approx. 1600 Tests/monitoring days x \$3-\$15/test=\$20,000.00	\$20,000.00
MATCP	3 Team Members X \$295 registration fee per member for Michigan Association of Treatment Court Professionals Conference=\$885.00	\$885.00
Incentives	50 incentives x \$25 each=\$1250.00	\$1,250.00
Bus Passes	Approx. 30 bus passes x Approx. \$29 each=\$870.00	\$870.00
Graduations	Approx. 12 graduations dates x Approx. \$30/date=\$360.00	\$360.00
Supplies	Graduation and Phase Promotion Paper and certificate holders.	\$500.00
	TOTAL	\$90,052.50