

# City Administrator's Report – January 16, 2018

Prepared for Council. Kindly forward questions, comments, or suggestions for input to [hlazarus@a2gov.org](mailto:hlazarus@a2gov.org) or [shiggins@a2gov.org](mailto:shiggins@a2gov.org).

## Safety Notes

While City crews are working hard to keep roads clear, all road users can help to enhance safety by exercising the following:

- Patience. During extreme weather conditions, if you need to be somewhere by a certain time, leave much earlier than normal and minimize travel when possible.
- Caution. Because a road looks dry does not mean it is.
- Understanding. Check on one another.
- Sharing. Report concerns about streets via the A2 Fix It app or at [a2gov.org/a2fixit](http://a2gov.org/a2fixit).

## Be Safe A2!

## Success Stories

Ann Arbor SPARK has provided positive information concerning commercial real estate trends in the City. As reported, the main takeaways are as follows:

### **“Demand for office space in Ann Arbor continues to grow.**

The market is currently at 92.8% occupancy, up from 91.3% in 2016, and nearly 79% during the Great Recession, continuing an eight-year trend of vacancy rate decreases.

### **Demand is highest in Downtown and North Ann Arbor.**

The Downtown vacancy rate is still very low at 3.6%, but slightly higher than 2016 (2.1%), while the North Office Area's vacancy rate has decreased even further to 1.6%

These two areas are the most in-demand and currently command the highest price points. The North Office Area is 2.5 million square feet, with only 40,000 of that currently vacant. The vacancy in Downtown Ann Arbor represents only 26,000 square feet of space.

### **Supply and demand is pushing companies to seek more affordable office space.**

The East Office Area saw the most dramatic change, from 16.6% vacancy to 9.7% vacancy. This makes sense as part of the larger supply and demand narrative: as office space in Downtown and North Ann Arbor becomes harder to come by, it gets more expensive, pushing companies to look in other areas. The logical conclusion is that prices will begin to rise even in these historically lower-priced areas.

### **West Ann Arbor's vacancy rate doesn't tell the whole story.**

The West Office Area vacancy rate increased for the second year, from 13.9% to 17.2%. Most of this vacancy can be accounted for by one 18,000 square foot vacancy. There is ongoing demand for office space in the west part of town, with lots of activity in the 1,000-3,000 square feet range.

**Speculative building projects indicate a high level of confidence that these trends will continue.**

Developers are responding to this eight-year trend of continued vacancy rate decreases; there are a number of speculative projects under construction expected to be completed in 2018. This demonstrates confidence that there will be company expansions, relocations, and new startups to occupy the space.

The picture painted by the report is one of a healthy commercial real estate market in Ann Arbor, indicating a vital, growing economy.”

### ***Council Priorities/Initiatives***

**Independent Review of Ann Arbor Police Department Community Engagement Practices.** The report is available via Legistar and posted on the [City Administrator's AAPD Community Engagement Practices](#) web page. Staff is evaluating next steps, so please keep informed through our City’s web site and social media outlets.

The City Council Work Session scheduled on January 22 will focus on Protecting and Serving: Public Safety. Police Chief Baird and Fire Chief Collins will present information on safety services.

### ***Previews***

The **January 16 Council Meeting** will feature the following items of interest:

- A prevailing wage update is included as a written communication item from the City Administrator. This memorandum provides the one-year update on the implementation of administrative policies related to compliance with the City’s prevailing wage policies, as described in Council Resolution R-16-469
- At first reading is ***An Ordinance to Amend Chapter 55 (Zoning Ordinance) of Title V of the Code of the City of Ann Arbor to add Section 5:83 (Solar Energy Systems)***

### ***WIP (Work in Progress)***

Staff has completed the revision to the City’s **Green Fleet Policy**, and incorporated input from the Energy Commission and Environmental Commission. Staff will provide the final document to City Council within the next few weeks.

**Deer Management.** The 2018 program is underway. Information and closure map is available on the website. <https://www.a2gov.org/departments/community-services/Pages/2018-Program.aspx>

**City of Ann Arbor Citizens Academy.** With the success of the Ann Arbor Citizens Police, Fire, and Courts Academy, the City of Arbor will launch an Ann Arbor Citizens Academy (A2CA) this spring to provide a broader view of local government for Ann Arbor residents.

During a series of six weekly sessions, from March 28 to May 2, 6:30–8:30 p.m., participants will connect with city staff and elected officials and learn more about long-term city planning efforts, day-to-day operations and the importance of civic involvement. Session topics include: Finance and Budgeting; Voting and Elections; Parks and Recreation; Planning and Preservation; Public Works; Engineering; Sustainability; Water Quality; Police Services; Fire Services; Community Television Network; and City Council. The class will culminate with a graduation ceremony on May 7, 7–8:30 p.m.

Applications to participate are due by 5 p.m. Friday, March 2, 2018. There are two components to the application process. All applicants must complete and submit an [online application](#).

For more information, visit [www.a2gov.org/A2CA](http://www.a2gov.org/A2CA).

**Christmas Tree Disposal.** Christmas trees cannot be discarded on the street or left out at curbs.

The City of Ann Arbor provides residents with four free drop-off locations for undecorated Christmas trees through Wednesday, Jan. 31, 2018.

All tree stands, nails, ornaments, tinsel and plastic must be removed before leaving at these sites.

Drop off will be permitted at these park parking lots during the hours of 6 a.m. – 10 p.m. only:

- West Park parking lot, off Chapin near West Huron Street.
- Gallup boat launch parking lot, use entrance on the southeast side of Geddes Road, east of Huron Parkway.
- Olson Park parking lot, 1515 Dhu Varren Road, near Pontiac Trail.
- Southeast Area Park parking lot on the east side of the park.

The collected trees will be chipped on a regular basis at the park sites.

Please note, the city's Drop-off Station on East Ellsworth near Platt Road will not be a site for discarded Christmas trees as it had been in previous years.

After Jan. 31, 2018, Christmas trees must be cut, bundled and saved until the city's compost collection service resumes in April or be delivered for a fee to the Compost Center, located at 4150 Platt Road, which is open Monday through Friday, 8 a.m.–4 p.m.