



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Tom Crawford, CFO
Derek Delacourt, Community Services Area Administrator
Michael Gonzales, Interim Assessor
Craig Hupy, Public Services Area Administrator
Nick Hutchinson, City Engineer
Brett Lenart, Planning Manager

SUBJECT: Council Agenda Responses

DATE: August 23, 2018

CA-3 – Resolution to Award a Construction Contract to P.K. Contracting, Inc. for Pavement Marking Maintenance (\$405,451.25; Bid No. ITB No. 4532)

Question: Regarding CA-3, can you please provide a sense of the volume (miles of roads, number of crosswalks, etc.) that’s covered in this \$400K contract? (Councilmember Lumm)

Response: This contract is expected to include, very approximately:

- 52 miles of “long line” restriping (center lines, edge lines, bike lane lines, etc.)
- 250 “intersections” (each intersection consists of renewing the markings for crosswalks, turn arrows, stop bars, etc.)

CA-4 – Resolution to Approve Budget Adjustment for USDA-NRCS ACEP Reimbursement on the Purchase of Development Rights on the Donald H. Drake Trust Property in Lodi Township, and Appropriate Additional Funds, Not to Exceed \$141,120.00, from the Open Space and Parkland Preservation Millage (8 Votes Required)

Question: Regarding CA-4, can you please confirm that there is no risk the federal grant will not be received and that this resolution is just a technical change to reflect the fact that the grants are reimbursed after closing? (Councilmember Lumm)

Response: That is correct. This resolution is required to reflect the fact that the City must pay the full federal portion at closing and be reimbursed after closing. The amount of the federal grant does not change.

CA-7 - Resolution to Approve Participation Agreement with Ann Arbor Township and Washtenaw County Parks and Recreation and Appropriate \$59,640.00 from the Open Space and Parkland Preservation Millage for Purchase of a Conservation Easement on the Koch Property (8 Votes Required)

Question: Regarding CA-7, since AA Township is the lead agency on this one, I'm assuming they will be responsible for covering the closing costs, endowment costs, etc. – is that correct? Also, same question for DB-1 – will Webster Township (as lead agency) be responsible for the closing/endowment costs? (Councilmember Lumm)

Response: That is correct. In both cases, the respective township, as the lead agency, is responsible for covering the due diligence costs, closing costs, and endowment. The City is contributing towards the purchase price only.

B-2 - An Ordinance to Amend Section 5.17.3G of Chapter 55 (Unified Development Code) of Title V of the Code of the City of Ann Arbor (Medical Marijuana Provisioning Center Location Restriction) (Ordinance No. ORD-18-21)

Question: Regarding B-2, the cover memo references an implementation date of September 30th, but the ordinance itself indicates October 31st. I believe October 31st is what was decided, but can you please confirm? (Councilmember Lumm)

Response: It is October 31st. The cover memo reflects the original proposed ordinance, which was modified by City Council at first reading to change the date from September 30 to October 31. The modified ordinance is attached to the B2 Legistar File. Additionally, maps have been created that reflect the proposed changes based on child care centers and group child care homes, and are attached.

C-1 - An Ordinance to Amend the Zoning Map, Being a Part of Section 5:10.2 of Chapter 55 of Title V of the Code of the City of Ann Arbor, Rezoning of .76 Acres from R4C (Multiple Family District) to C2B (Business Service District) WITH CONDITIONS, 151 East Hoover (including 200 E. Davis Ave., 202 E. Davis Ave., 204 E. Davis Ave, 913 Brown St., 915 Brown St., 917 Brown St., 919 Brown St.) (CPC Recommendation: Approval - 6 Yeas and 0 Nays)

Question: Q1. What is the driver of the zoning change on the 7 parcels from R4C to C2B – is it to allow more building height, to allow the retail component, both, or something else? (Councilmember Lumm)

Response: The proposed rezoning will provide the developer with additional height and reduced front setbacks. The R4C allows a maximum of 30 feet in height; the C2B allows a maximum of 55 feet in height. The R4C requires a minimum front setback of 25 feet; the C2B requires a minimum front setback of 10 feet. Although the R4C and C2B zoning districts allow up to 6 unrelated adults per unit, the project is proposing 81 studio apartments, 79 one-bedroom apartments, and 11 two-bedroom apartments. The 171 dwelling units will have a total of 182 bedrooms.

Question: Q2. The citizen participation meeting in October 2017 wasn't heavily attended. Can you please provide a summary of any neighborhood feedback that's been received since then including at the June 19th Planning Commission meeting? (Councilmember Lumm)

Response: No neighborhood resident spoke in opposition to the proposed rezoning and development project at the Planning Commission or expressed opposition in writing.

Question: Q3. In the statement of conditions, it indicates that there is a ten year period before the zoning on the 7 parcels would revert back to R4C. Ten years seems like a long period – what is typical? (Councilmember Lumm)

Response: It is not typical to have any reversion clause on a rezoning. Once a rezoning occurs, it is typically permanent until another legislative action occurs to change it.

C-2 - An Ordinance to Amend Sections 2:41.2a Through 2:41.2f, 2:43.1, 2:43.4, 2:44.2, 2:44.4, 2:45.2, 2:45.5, 2:47.2, 2:49.3, 2:49.5 Through 2:49.8, and 2:50.2 of Chapter 28 (Sanitary Sewer) of Title II of the Code of the City of Ann Arbor

Question: Regarding C-2, the cover memo references a 30-day notice period including public comments and "requests" for public hearing. I'm assuming that since this is an ordinance, there will be a public hearing at second reading regardless of this MDEQ process – is that correct? (Councilmember Lumm)

Response: Yes, there will be a public hearing at the second reading regardless of the MDEQ process.

Question: Also on C-2, have there been any discussions with the businesses (or associations) that might be impacted by the proposed revised grease discharge requirements and if so, were any concerns raised? (Councilmember Lumm)

Response: Discharging grease into the sanitary sewer system is prohibited by the current sewer use ordinance. The proposed revisions more clearly define how the City

may enforce these conditions on an as-needed basis. City staff will continue to first meet with businesses if there is a problem with grease being discharged to the sanitary sewer system to explain the problem and what needs to be done to resolve it. As such, there were no discussions with businesses or associations about the proposed revisions.

DC-2 - Resolution Setting a Public Hearing on September 17, 2018, to Receive Public Comment on the Proposed Commercial Rehabilitation District No. 2018-001

Question: Q1. The cover memo indicates that “state law requires that a public hearing be scheduled on receipt of a written request.” Can you please confirm that means the City is required to conduct a public hearing now that the request has been received? Also, please confirm that conducting the public hearing does not in any way indicate support or opposition to the request to either establish the Commercial Rehabilitation District or grant a tax abatement in the district? (Councilmember Lumm)

Response: MCL 207.843(1) provides that before the City may establish a District, the City *shall* afford a hearing on whether the District should be established and give certain notices thereof.

Question: Q2a. Also, please confirm that conducting the public hearing does not in any way indicate support or opposition to the request to either establish the Commercial Rehabilitation District or grant a tax abatement in the district? (Councilmember Lumm)

Response: That is correct.

Question: Q2. Has the City previously created Commercial Rehabilitation Districts and if so, can you please provide some detail on the districts and related projects? (Councilmember Lumm)

Response: No. Although tax abatements have been done for industrial real and personal property (IFTs), this is the first tax incentive of this type for commercial property that staff is aware of.

Question: Q3. While I understand we are just setting the hearing date now, can you please provide the tax-related data on the impacted parcels -- current taxable value and property taxes (for the City and in total) as well as rough estimates (if possible) of the projected tax increases once the new facility is constructed? (Councilmember Lumm)

Response: There is only one parcel included in the proposed Commercial Rehabilitation District:

PARCEL: 12-08-100-062 (3500 S State St)
2018 ASSESSED VALUE: 10,028,200
2018 TAXABLE VALUE: 7,685,710
2017 TAXES LEVIED: \$473,750.65 (\$122,703 City)

At this time, there is not enough information regarding the specifications and scope of the project to provide a reasonable estimate of the value and corresponding tax implications. If the district is approved, the owner will be required to provide detailed project specifications and supplemental information regarding the extent of rehabilitation when submitting the Application for Commercial Rehabilitation Exemption Certificate.

Question: Q4. Does “freezing” the taxes mean that even the normal, annual inflationary increases would not be paid/collected? (Councilmember Lumm)

Response: The Commercial Rehabilitation Tax freezes the taxable value of the building prior to rehabilitation, which does not provide for annual rate of inflation provisions. The new investment is exempt from local taxes, but taxes are still levied for school operating and the State Education Tax (SET). The land cannot be abated under this act, and therefore, is subject to the annual inflationary increase.

Question: Q5. As I read the material, it seems the decisions to establish the district and to grant abatements are Council decisions to make, but that the County and State Tax Commission have veto power – am I reading that correctly? (Councilmember Lumm)

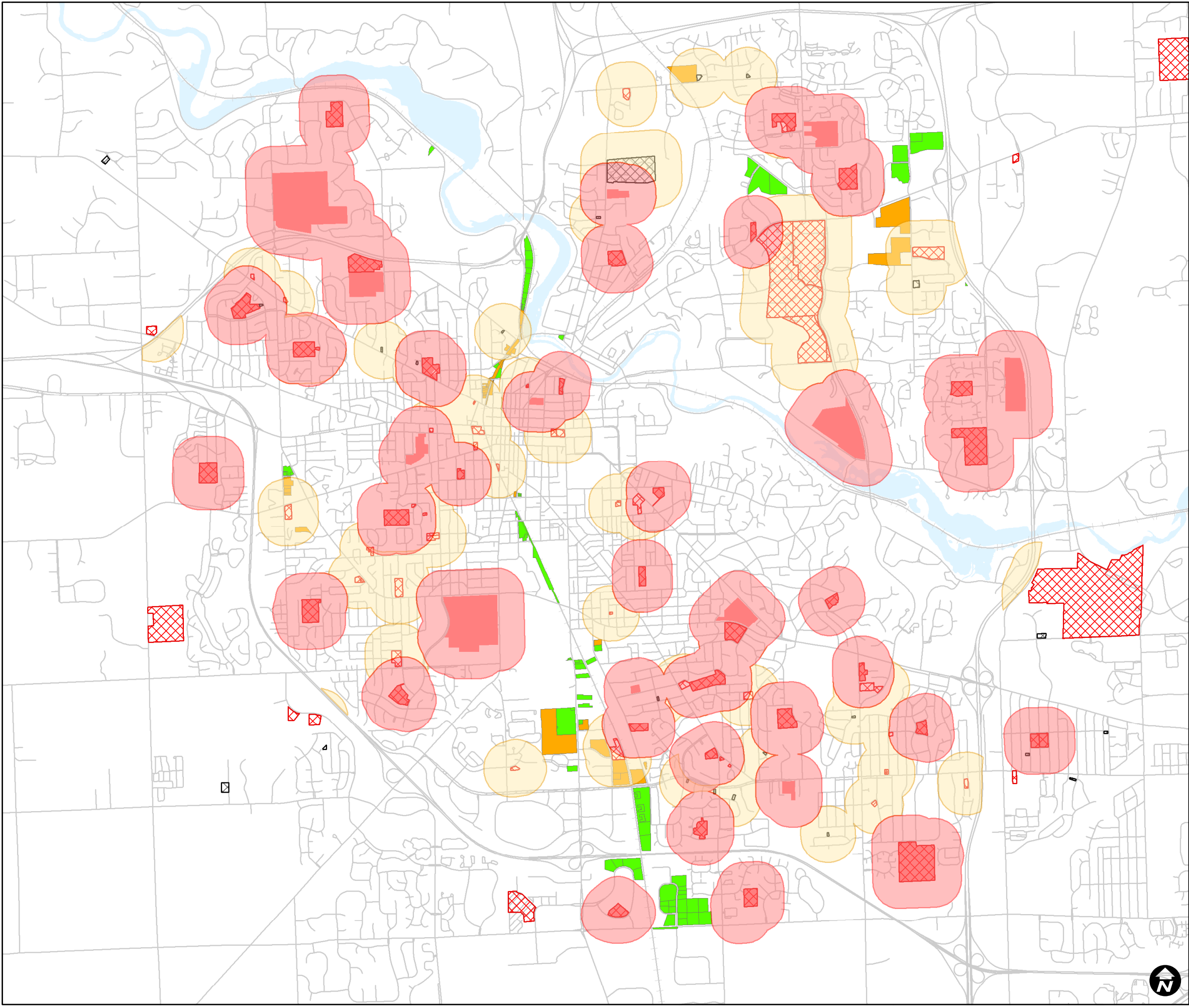
Response: Not exactly. The decision to **establish the District** is for the City Council; the County could reject the District’s creation (if done in accordance with the statute). If the District is established and the applicant files a valid application for a certificate of exemption thereunder, the City Council could **grant the certificate** but that would be subject to approval by the State Tax Commission.

DB-2 - Resolution to Authorize a Grant Application to the USDA Agricultural Conservation Easement Program (ACEP) for the Purchase of a Conservation Easement on the Russell Property in Lodi Township

Question: Regarding DB-2, I recognize this is just to submit a grant application, but do we know at this point what other local jurisdictions will be participating in the funding and what the approximate price for the conservation easement will be? (Councilmember Lumm)

Response: It is too early in the project to know for certain, but it is likely that the County and Township will also participate in the project and contribute funding. Before submitting the grant application, the City will commission an appraisal to determine the purchase price for the easement.

Licensed Child Care Centers and Child Care Group Homes Grower Facility



- 1000ft buffer of School Property
- 1000ft buffer of Child Care site not already in School buffer
- Child Care Center Property
- Child Care Group Home Property
- School Property
- Parcels allowing Grower Facility outside 1000ft School buffer
- Parcels allowing Grower Facility outside 1000ft School and 1000ft Child Care buffer
- Railroads
- Huron River

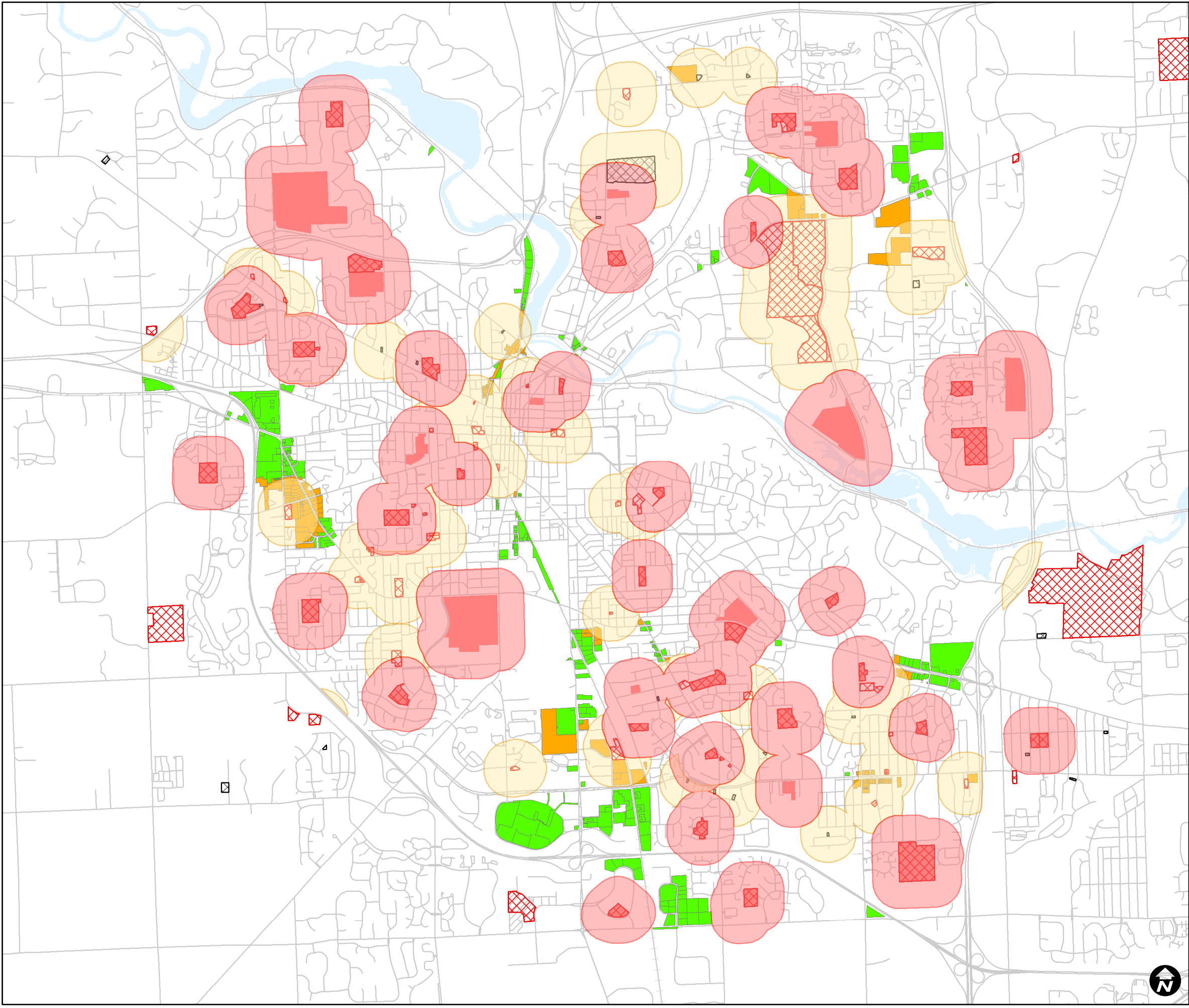
The 1000ft buffer around a Child Care site ONLY shows on this map if the buffer is within the City and is not already part of the 1000ft School buffer.



Map date 8/3/2018
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Licensed Child Care Centers and Child Care Group Homes Processing Facility



- 1000ft buffer of School Property
- 1000ft buffer of Child Care site not already in School buffer
- +

 Child Care Center Property
- +

 Child Care Group Home Property
- School Property
- Parcels allowing Processing Facility outside 1000ft School buffer
- Parcels allowing Processing Facility outside 1000ft School and 1000ft Child Care buffer
- Railroads
- Huron River

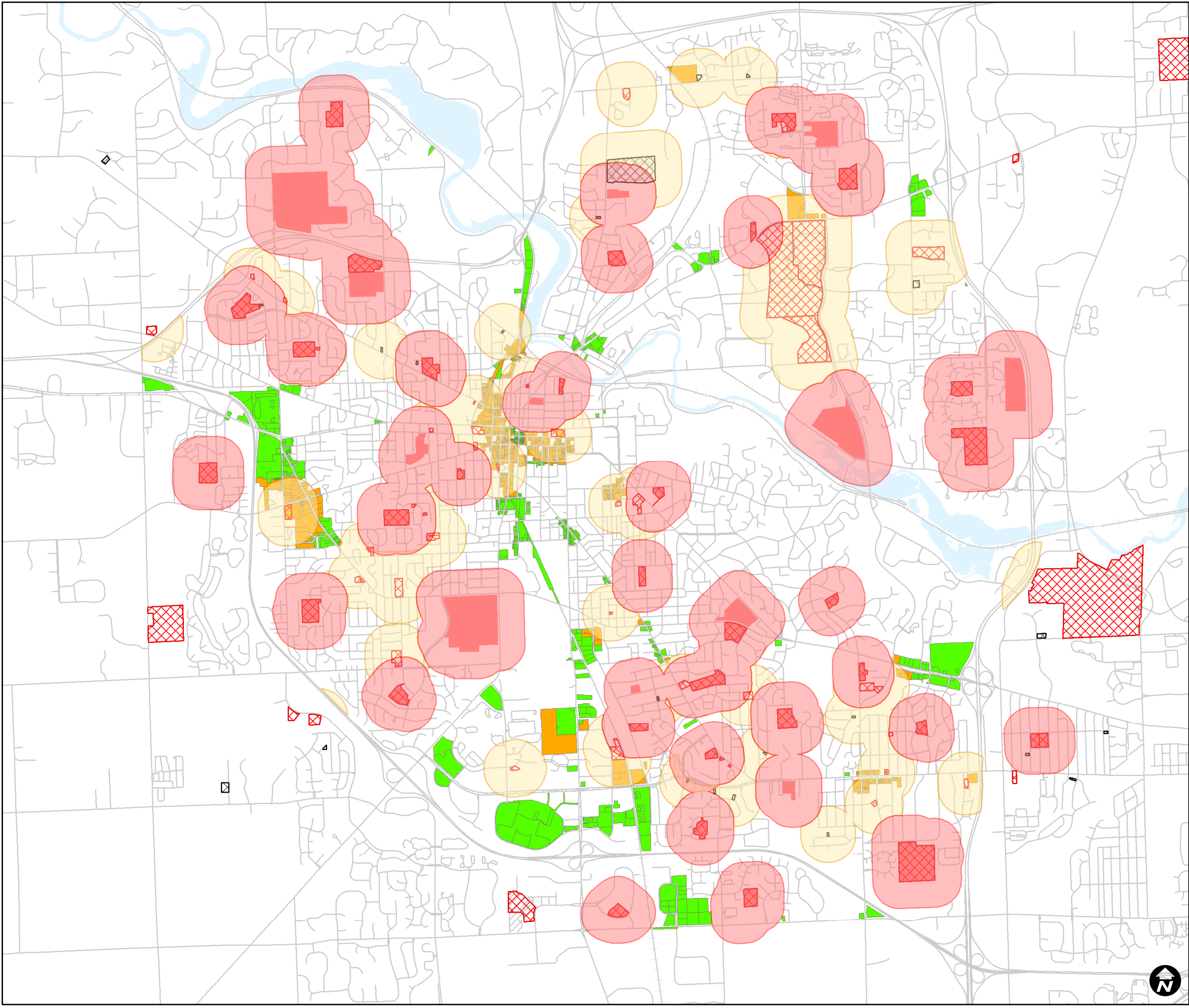
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Licensed Child Care Centers and Child Care Group Homes Provisioning Center



- 1000ft buffer of School Property
- 1000ft buffer of Child Care site not already in School buffer
- Child Care Center Property
- Child Care Group Home Property
- School Property
- Parcels allowing Provisioning Center outside 1000ft School buffer
- Parcels allowing Provisioning Center outside 1000ft School and 1000ft Child Care buffer
- Railroads
- Huron River

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