



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: John Fournier, Deputy City Administrator
Derek Delacourt, Community Services Area Administrator
Matt Kulhanek, Fleet & Facilities Manager
Brett Lenart, Planning Manager
Missy Stults, Director, Sustainability & Innovations

SUBJECT: August 21, 2023 Council Agenda Response Memo

DATE: August 17, 2023

CA-7 - Resolution to Authorize the Purchase of Two Toro Groundsmaster 7210 Mowers and Accessories from Spartan Distributors Inc.

Question: Can you please describe the City's green fleet evaluation process for procurement decisions and why it resulted in this case in a recommendation for gas-powered equipment; and in the case of a single-track bike lane sweeper electric-powered equipment? (Councilmember Akmon)

Response: The Green Fleet Team (GFT) is comprised of representatives from each City Service Area and the Office of Sustainability. When an existing vehicle/equipment (V/E) is up for replacement or a new V/E is requested, Fleet has a number of steps they initiate. First is reviewing with the using Unit to make sure the V/E will accomplish the desired result. Staff then reviews the V/E to determine if an electric option is available that meets the performance requirements needed. If electric is not available, then the engine that offers the lowest emissions while meeting performance requirements is submitted to the GFT for consideration. The GFT, which meets monthly, discusses each requested purchase and makes a recommendation for replacement or sends it back for reconsideration if a better alternative is identified. The Team uses the direction provided in the Green Fleet Policy, A2Zero, and other environmental directives provided by the City.

For the large mowers/snow removal equipment currently being considered by City Council, no electric option is available and the diesel engines produce the least emissions while meeting the performance requirements needed to operate these units year round. There are very few commercial grade electric mowers/snow removal equipment currently available from manufacturers.

The electric bank lane sweeper was approved by the GFT because it will meet the performance needs for the task and it is consistent with the City's multiple environmental directives towards carbon reduction through utilization of electric V/E.

Question: Q1. Did the city explore purchasing all-electric mowers on the market, like the Toro Groundsmaster e3200? If not, why? If so, why was the recommendation to move forward with a diesel-powered mower (Groundsmaster 7200), instead of available electric alternatives? (Councilmember Radina)

Response: Fleet staff and the Green Fleet Team reviewed currently available or announced upcoming electric mowers when considering this replacement. The Groundsmaster 7210 was recommended as there are currently no electric mowers that perform the same functions. The e3200 is a standard 60" mower that can only be used for mowing. The 7210 is a 72" mower that easily converts for use as snow removal equipment, through the Polar Trac kit and a sweeper broom. The City's use of the 7210 is year-round and includes both mowing and snow removal of City pathways and sidewalks. By purchasing an e3200, the City would also need to purchase a second, ICE powered piece of snow removal equipment to do the same job as the 7210. The City recently received our first all-electric Toro Z Master Revolution, ordered earlier this year, and will soon be putting it into service. This will give us an opportunity over the next two months to see if the electric mower meets the City's operational needs, especially regarding daily battery range.

Question: Q2. Given our previous commitment to purchasing an electric mini sweeper for bike lanes, despite supply chain issues that created delays, this feels like a missed opportunity to begin replacing our mower fleet – especially since an 8-year life cycle puts us past 2030 before our next purchase? How/Why is this different? (Councilmember Radina)

Response: The difference is that the Toro e3200 mower does not meet the City's operational need and the electric bike lane sweeper meets the City's operational need. Please see information above.

Question: Q3. Can you please explain how this recommended purchase is consistent with the Green Fleets Policy (and does the policy need to be updated to be consistent with the A2Zero Plan)? My understanding is that the initial Green Fleets Policy stipulated 25% reduction in fuel-using equipment by 2025, but A2Zero calls for 90% of our fleet to be Electric by 2025. (Councilmember Radina)

Response: The purchase is consistent with the Green Fleets Policy as the first goal of the policy is “The goal of all City Service Units shall be to eliminate unnecessary vehicles and purchase and use the most cost-effective and lowest emission vehicle or equipment possible, while still meeting operational requirements (emphasis added). Fleet assets shall be utilized in a manner that supports City operations through environmentally responsible fleet management.” The Toro 7210 meets the City’s operational need, has the lowest emission available and an electric equivalent is not currently available. The Green Fleets Policy does not stipulate a 25% reduction in fuel using equipment by 2025 but targets a 25% decrease in carbon dioxide equivalent (CO_{2e}) emissions by 2025. Both policies will likely need re-evaluation by 2025 as the targets in them are not currently obtainable because vehicle and equipment manufacturers are not producing the wide array of vehicles/equipment needed to support City operations. Manufacturers are moving in the right direction, just not at the pace needed to meet the City’s plans.

CA-9 - Resolution to Sell 350 S. Fifth to the Ann Arbor Housing Development Corporation (\$6,200,000.00) (8 Votes Required)

Question: Can you please share why the sale of 350 S. Fifth must be for fair market value? (Councilmember Briggs)

Response: The City has outstanding bonds that relate to the property located at 350 S. Fifth. The City’s debt must be relieved. The sale is being transacted at fair market value, as assessed by the Ann Arbor Housing Development Corporation’s appraiser, in order to protect the tax exempt nature of those bonds.

Question: Will the AAHC or its nonprofit development arm be able to capture revenue from any portion of the proposed development on this property (e.g., the market-rate housing or any commercial space that is leased as part of the “mixed-use” aspect)? (Councilmember Disch)

Response: The AAHC intends to issue an RFP/Q for a development partner. If the market supports the development of market rate housing and/or commercial space at 350 S 5th, then the AAHC will negotiate with the developer the terms of the partnership, including any market-rate component. The terms may include the sale of a portion of the property and/or a long-term lease for a portion of the property. The revenue would go to a non-profit subsidiary of the AAHC.

CA-10 – Resolution to Accept an Award from the Michigan Department of Labor and Economic Opportunity in the amount of \$466,938.00 for the Ann Arbor Climate Corps AmeriCorps program and Appropriate Funding (\$466,938.00) (8 Votes Required)

Question: Is it correct that the plan so far is for the Americorps workers to participate with NAP to help reclaim Ann Arbor’s natural areas with NAP and to work in the Bryant neighborhood to advance the carbon neutrality project there? (Councilmember Disch)

Response: The above is the short-term plan for the AmeriCorps Members. Our grant application indicated that the Members would start their community outreach and engagement in the Bryant neighborhood and at AAHC sites but that would expand throughout the entire City. We chose to start at these two locations given our historical work in these communities. But the overall goal is to leverage the 10 AmeriCorps members to conduct outreach and engagement, and natural area stewardship, across the entire city.

Question: Q1. The application says public land will be treated. Does this mean Corps members will not perform flood mitigation methods on AAHC properties and homes in the Bryant neighborhood? (Councilmember Harrison)

Response: The AmeriCorps member application did not include tasks related to performing flood mitigation tasks, only natural system stewardship. The performance metric in the application that addresses improving stewardship on 150 acres of public land relates only to activities performed on public land. However, flood mitigation on AAHC properties and homes in the Bryant neighborhood could be performed by members as community education activities under the scope of neighborhood-focused resilience building initiatives included in the grant narrative. These activities are not currently part of the service plan but could be added by OSI during the grant term.

Question: Q2. The budget says member healthcare will be provided. Does this mean they will receive the same health care benefits as regular city employees? (Councilmember Harrison)

Response: All full-time members are required to have health coverage during their service. If they do not participate in the AmeriCorps health plan (offered to all Members from the AmeriCorps program) they must provide documentation that they are covered by a spouse, domestic partner, parent, or plan purchased through the state marketplace. The City does not provide their healthcare as they are not employees, but volunteers.

Question: Q3. Your office emphasized the need for homeowners to implement HERS assessments. Why aren't Corps members being trained as assessors? (Councilmember Harrison)

Response: It is possible that some of the members may receive training in the U.S. Department of Energy Home Energy Score but that will depend on their interest, skills, and background. Additionally, since the members are only with us for a year, the Office is not relying on them to fill a long-term capacity need. Instead, OSI will be hiring the full-time Assessor and bringing contracts to Council for on-demand additional HES assessment capacity, as needed.

Question: Q4. While you mentioned a higher than average salary than most corps members, which is true, the salary is \$28,000/year. That comes out to a wage lower than \$15/hour for full time work in the city of Ann Arbor. Did the city attempt to partner with any

foundations to help raise the salary to a livable and equitable wage for within the city? Especially if the city is trying to employ BIPOC individuals? (Councilmember Harrison)

Response: AmeriCorps members are not employees and do not receive a wage or salary. Members are completing a term of national service with the AmeriCorps Agency and receive associated benefits, including a living stipend, healthcare coverage, childcare assistance, and, upon successful completion of their term, a \$6,200 Segal Education Award. Additionally, members are not precluded from having a source of income from employment during their term of service. Ann Arbor's AmeriCorps members are committing to 1700 hours of volunteer services. We did discuss the need for higher living stipends with AmeriCorps but weren't able to increase the rates as the amount we are allowed to pay in a living stipend is set nationally. This means that grant funds could not be used to raise members living stipends because these aren't set locally, instead, we have to adhere to the nation stipend amount.

Question: Q5. San Jose offers close to \$20/hour for their Resilience Corps members, what is holding the city back from offering a higher wage? (Councilmember Harrison)

Response: Our understanding is that the San Jose Resilience Corps is not associated with AmeriCorps.

Question: Q6. Under Stewardship: Are the Bryant neighborhood and AAHCs on floodplains? In the Summer 2021 flood, was Bryant the most affected neighborhood? Did it have the most flooding? (Councilmember Harrison)

Response: The City's floodplain information map (<https://www2.a2gov.org/GIS/MapAnnArbor/Floodplain/>) indicates that part of the Bryant neighborhood is in the 0.2% annual chance of flooding area. Staff in Sustainability and Innovations cannot speak to who was most affected by the 2021 flood.

Question: Q7. When was the last time the floodplain map was updated by FEMA? (Councilmember Harrison)

Response: Per the City's Floodplain Manager, the last update was 04/03/2012

Question: Q8. Your plan states a 10% increase in zero carbon and electrification equipment. Who will install this equipment? (Councilmember Harrison)

Response: Contractors hired by the residents and/or Community Action Network will install the equipment.

Question: Q9. What is the decarbonization assessment? (Councilmember Harrison)

Response: This is the A²ZERO path to zero assessment that was created in partnership with residents in Bryant to determine all the steps a resident can take to get to carbon neutrality.

Question: Q10. How will residents pay for the up front costs of renovations and decarbonization? You mentioned rebates, but is this realistic given that you're what is presumably a low income population without a lot of discretionary income. (Councilmember Harrison)

Response: The Office of Sustainability and Innovations and Community Action Network have been fundraising to pay the upfront cost of improvements in Bryant. In the last year and a half, we've won \$500,000 for improvements in 19 homes in Bryant through Michigan State Housing Development Authority (MISHDA), \$300,000 to support additional improvements in homes through the Builders Initiative, and another \$500,000 to improve up to 19 more homes in Bryant through another round of MISHDA funding. We also won a U.S. Department of Energy Community Geothermal Planning grant to study and design a district heating and cooling system for all of Bryant. These funds are in addition to the federal programs provided through the Inflation Reduction Act (known collectively at the Home Energy Rebate programs) which will provide additional financial support for improvements, and the local rebates which will help residents make even more improvements (both programs are coming soon).

Question: Q11. Are most of the residential Greenhouse Gas emissions coming from these homes? (Councilmember Harrison)

Response: In the Bryant neighborhood, yes, most of the residential emissions are coming from these homes. In the Ann Arbor Housing Commission sites, these emissions are classified often as commercial (depending on the size of the Housing Commission site).

Question: Q12. The application mentions AAHC sites and the Bryant neighborhood. How will you discern who is most vulnerable within the Bryant community and AAHC sites? (Councilmember Harrison)

Response: There is not a plan as part of the AmeriCorps program to discern who are the most vulnerable within each neighborhood. The program is intended to engage with, educate, and support all residents in the City, starting with those in Bryant and AAHC sites.

Question: Q13. Piggybacking off the previous question, you brought up the Distressed Communities Index and CDC Social Vulnerability Index, both of which show that there are other distressed locations within Ann Arbor. One shows the census tracts 4036 and 4052 are most distressed, which is not just university housing. Why did you select the Bryant area? Has the city ever completed a formal environmental equity investigation or completing an environmental justice mitigation plan? (Councilmember Harrison)

Response: The Bryant area was chosen as a starting point for the work based on the historical foundation that has been built. However, as noted above, the intent is to have the AmeriCorps members provide education and outreach throughout the entire City –

they will just start in Bryant and AAHC sites because that is where a solid foundation for engagement (and a willingness to provide authentic feedback) already exists.

Question: Q14. By AAHC sites, do you mean properties owned by the city or properties accepting vouchers or both? (Councilmember Harrison)

Response: Properties owned by the City.

Question: Q15. Our application doesn't include any sort of recognized certifications corps members will receive during their time with City. What, if any will they receive? Ex: commercial license, energy auditor, etc. (Councilmember Harrison)

Response: There is not current expectation that members will receive any formal certifications while volunteering in the City. Members will, however, be required to undergo safety training, nondiscrimination training, and other onboarding training offered to all OSI members.

CA-11 – Resolution to Authorize the Sustaining Ann Arbor Together Grant Program (SA2T) to Support Community Stakeholders with Advancing A2ZERO and the Community's Goal of Carbon Neutrality by 2030.

Question: Is it possible for staff to list five of what they consider to be the most effective or innovative projects/programs to come out of this terrific grassroots accelerator fund? For example, did the returnable container pilot start here? (Councilmember Disch)

Response: There are many exciting things that got seed funding from the Sustaining Ann Arbor Together Grant funding. A few examples include:

- The A2R3 (Ann Arbor Reduce, Reuse, and Return) program received early funding from a SA2T grant to Live Zero Waste.
- The Northside Resilience Hub was seeded through a SA2T grant to Community Action Network, and later supported with private sector funding.
- A grant to the Ann Arbor 2030 District launched the pilot collection of energy and water benchmarking information for commercial properties – which helped inform the City's Energy and Water Benchmarking Ordinance.
- A grant to Recycle Ann Arbor led to the A-Z recycling guide and associated website: <https://www.recycleannarbor.org/a-z-recycling-guide>.
- Arrowwood Hills Power of the Outdoor Classroom was a project that allowed for the construction of an outdoor classroom at Arrowwood Hills, including the integration of solar power into the classroom to teach youth about clean energy.
- A grant to the Neutral Zone helped launch what is now the Future Corps program to provide professional and support services to youth by providing them targeted employment opportunities that support their health and wellbeing.

CA-12 – Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Central at Stadium Blvd - 2060 West Stadium

Question: What is the typical mortgage term for a property such as this one? For how many years would the Annex Group be required to rent these units to households w/ an income at or below 60% AMI? Once the mortgage is paid off on these properties how would the tax rate for the Annex Group be assessed? (Councilmember Disch)

Response: A typical minimum affordability period for such a development would be 30 years. Once the mortgage is paid off, and no future state or federal mortgage on the property guarantees affordability, it would then be taxed similarly to any market rate apartment building.

B-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, Zoning of 11 City-Initiated, Annexed Parcels On Newport Road, Bird Road, and Victoria Circle from TWP (Township) to R1D (Single-Family Dwelling District) (CPC Recommendation: Approval 5 Yeas and 2 Nays) (ORD-23-22)

Question: For the properties (zoned R1A) that are adjacent to the annexed properties that are proposed to be rezoned R1D, is it possible to calculate the average homes per acre currently existing on them? If so, what is that figure? Are there just two vacant parcels among those newly annexed? Based on the actual size of those vacant parcels, what is the maximum number of SF homes that R1D zoning would permit to be built on them? Can staff estimate how many SF homes are most likely to be built (if that # differs from the maximum possible)? Would townhomes be permitted or only detached SF homes? (Councilmember Disch)

Response: Using the block bounded by Holyoke Lane to the north, Lowell Road to the south, and Newport to the west as the measure, the average homes per acre that currently exist in the area is 1 home per 21,314 square feet (~2 homes per acre). Only detached homes are permitted in the R1 zoning districts.

2108 Newport is vacant, and based on lot size a maximum of four homes could be constructed, which is likely viable given the parcel's configuration.

An unaddressed parcel north of 2118 Victoria Circle is vacant and is commonly owned with an adjacent property with home. If this parcel were to be utilized for development, 10 parcels are possible, but 8-9 are more likely given the constraints of the pond on the property.

B-2 – An Ordinance to Add Chapter 106 (Home Energy Rating Disclosure) to Title VIII (Building Regulations) of the Code of the City of Ann Arbor (ORD-23-26)

Question: Have there been further modifications to the proposed HERD ordinance since Council last considered it? (Councilmember Disch)

Response: Yes. Staff are presenting a substitute Ordinance, which is attached to the agenda, as an item for consideration at the meeting, that includes the following revisions:

- Full clarification that enforcement does not begin until failure to comply at time of sale – it's not retroactive.
- Revisions to the fine structure to indicate it's a \$500 fee (not per day), with subsequent violations incurring other fees (aka, they sell another home without disclosure)
- Changed the requirements so that sellers are only required to include the HES in one Real Estate Listing (as opposed to all).
- Removed the requirement to include HES in printed advertisements such as for sale signs in yards
- Added a definition of Listing Service

C-2 – An Ordinance to Amend Section 7:602, sections 7:604 to 7:606, Section 7:608 and Section 7:613 of Chapter 96 (Medical Marijuana Facilities and Marijuana Establishments) of Title VII of the code of the City of Ann Arbor

Question: While I recognize that marijuana business owners would like to see their hours extended, can planning staff please share what factors they considered when recommending hours be extended until midnight. I know this is an issue that residents in close proximity to marijuana dispensaries often care about and don't welcome late in/out traffic. (Councilmember Briggs)

Response: Factors that were considered include discussions among Council Members regarding the disparity between the closing hours of establishments in which liquor can be purchased or consumed (2:00 am) and marijuana dispensaries and consumption establishments (9:00 pm). AAPD had concerns about a potential 2:00 am closing time because of the amount of cash kept at dispensaries. AAPD recommended allowing marijuana establishments to remain open until 12:00 am for a trial period to see if there might be an uptick in crime during the extended hours, and to allow a later closing time if there are no issues with the 12:00 am closing time. There are currently 23 marijuana retailers (provisioning centers and microbusinesses) operating throughout Ann Arbor. City Council can amend the ordinance to allow an earlier proposed closing time if it desires to do so.

Question: Does this ordinance add an additional class of Microbusiness license, Microbusiness Class-A, to the existing available marijuana license categories? Or does it replace existing Microbusiness license? What (if anything) is new and noteworthy about Microbusiness Class-A licenses? (Councilmember Disch)

Response: Yes, it adds an additional class of marijuana microbusiness based a 2022 change adopted by the Marijuana Regulatory Agency (MRA). The MRA created a “Class A Microbusiness” which allows those facilities to grow up to 300 plants and to purchase marijuana infused products from a processor. Class A Microbusinesses cannot process their own marijuana and the annual license fees are \$18,600. The original (and still allowed) category of microbusinesses can grow up to 150 plants and process that marijuana, but cannot supplement their stock from outside sources. The license fees are \$8,300 for a standard microbusiness. Retail sales of marijuana and infused products are permitted at both types.

The MRA did not rename the existing “Microbusiness” type which is why Ann Arbor’s ordinance refers to them as “Non-Class A” (i.e., pre-existing microbusinesses) and “Class A” (i.e., the new classification which allows more plants and the purchase of products, but does not allow processing). Despite allowing up to 28 marijuana microbusinesses (the total for both types), there is only one in Ann Arbor, a Non-Class A.