



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: Derek Delacourt, Community Services Area Administrator
John Fournier, Deputy City Administrator
Josh Landefeld, Parks & Recreation Manager
Missy Stults, Sustainability & Innovations Director

SUBJECT: March 4, 2024, Council Agenda Response Memo

DATE: February 29, 2024

CA-12 – Resolution To Approve a Professional Services Agreement with Stantec Consulting Services Inc. for Geothermal Advisory and Design Services (\$689,200.00)

Question: How will the analysis intersect with work we are doing to update our comprehensive land use plan? Does staff anticipate that feasibility study portion of this work will need to take into account areas where greater density is already planned (e.g. TC1) and areas where it is likely to be planned as part of the new comprehensive plan? (Councilmember Akmon)

Response: The proposed scope of work focuses on three things: 1) detailed geothermal support at specific city buildings; 2) a high-level study of geothermal potential throughout the City; and 3) a detailed assessment in three areas of the City. The first item does not interact significantly with our land use work as it's about helping individual buildings becoming carbon neutral and healthier. The second area of work will tangentially interact with our work around land use but will be fairly high-level. Our third scope of work will certainly interact with our land use decisions, but the work is meant to inform a city-wide strategy around thermal energy networks. As such, this third scope of work is informed by our land use efforts but this is only one of many factors that will determine where and how this works unfolds. Given the medium and longer-term alignment between potential expansion of thermal energy networks and our land use efforts, OSI will continue to collaborate with our Planning Department on land use planning efforts, inclusive of our work to update the comprehensive land use plan.

C-1 - An Ordinance to Amend Chapter 42 (Open Space and Parkland Preservation) of Title III of the Code of the City of Ann Arbor

Question: Do we have an estimate (in percent) of what we expect the administrative overhead for the program to be if the 6% cap is lifted? (Councilmember Akmon)

Response: While the current average of the administrative expenditure percentage sits below 6% at 5.3%, the necessary amount of administrative work has fluctuated significantly, ranging annually from 1.5% to 13.5%, causing difficulty with predicting a specific or consistent number. There are no plans to immediately start spending more on administrative overhead, but the potential added volume of acquisition and grant opportunities through the proposed expansion of the Greenbelt area as well as greater focus on more complex projects like buy-protect-sell may precipitate the need for more administrative capabilities. Staff are dedicated to the financial ability to complete more projects and expand the impact of land preservation work and understand the importance of limiting overhead.