



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator

CC: Derek Delacourt, Community Services Area Administrator
Matthew V. Horning, Interim CFO
Matthew Kulhanek, Fleet & Facilities Manager
Craig Hupy, Public Services Area Administrator
Nick Hutchinson, City Engineer
Brett Lenart, Planning Manager
Gerald Markey, City Assessor
Molly Maciejewski, Public Works Manager
Tom Shewchuk, ITSU Director

SUBJECT: July 20, 2020 Council Agenda Responses

DATE: July 16, 2020

CA-2- Resolution to Approve Ongoing Subscription with Zoom Video Communications, Inc for Meeting and Webinar Services (\$50,000.00) (8 Votes Required)

Question: Regarding CA-2, the attached invoice is for \$3500 for a month so I'm assuming the \$50K represents a project of a year's worth of services. Is that correct, and if so, are we committed for the entire 12 months? (Councilmember Lumm)

Response: The \$50,000 represents a year's worth of services, with our current monthly invoices coming in at approximately \$3,500. We are regularly receiving requests for additional licenses, so the additional funds will give us the ability to accommodate a few additional users as needs arise throughout the year.

Our commitment to Zoom is each month, so we can change or drop services and are not committing to a full year's worth of services.

CA-4– Resolution to Approve Changes to Traffic Patterns and Parking on Certain City Streets for the 2020 University of Michigan Student Move-In Program from August 24 - August 30, 2020

Question: Regarding CA-4, other than the extended time frame, are there any other changes in the Move-in program for this Fall? (Councilmember Lumm)

Response: The remaining logistics of the Move-In remain exactly the same.

CA-6 – Resolution to Approve Amendment Number 4, to the Professional Services Agreement with Tetra Tech, Inc. for the Ann Arbor Landfill Monitoring and Maintenance Program and Appropriate (\$124,907.73) (8 Votes Required)

Question: Regarding CA-6, what is the June 30 (unaudited) fund balance for the Solid Waste fund and what is our current projection for June 30, 2021? (Councilmember Lumm)

Response: We do not have a good estimate at the present moment. Recently we've received new information, and we will provide an estimate once we are able to analyze the data.

CA-7– Resolution to Approve the First Amendment and Extension to the Lease Agreement between the City and AvFuel Corporation for a Corporate Hangar Located at the Ann Arbor Municipal Airport

Question: Regarding CA-7, the original lease term was 20 years and this is just for a year (with 3, one-year renewal options). Was AvFuel not interested in a longer lease term or was a shorter time frame the City's preference? (Councilmember Lumm)

Response: AvFuel requested the short renewal period for the lease.

Question: How many flights a day (week?) are typically coming in and out of this corporate hangar? Moving forward, do any terms of this lease potentially change, alter, or increase flight traffic in and out of this hangar? (Councilmember Nelson)

Response: AvFuel averages about six operations (takeoff or landing) per week. Two operations (one takeoff and one landing) are typically considered a flight, so approximately three flights a week. Nothing in the proposed lease amendment would impact flight activity from this hangar.

CA-9 – Resolution to Approve a Services Agreement and Land and Building Lease with Recycle Ann Arbor (RAA) for Materials Recovery Facility (MRF) Transloading, Re-Equipping and Recyclables Processing (10-Year term, with two Potential 3-Year Extensions)

Question: Q1. What is the mechanism the city uses to confirm the tonnage volumes the city is charged for? (Councilmember Lumm)

Response: A calibrated truck scale, certified by the state of Michigan will be used to record all incoming and outgoing recyclable materials tonnage from the City or the City's Collection Contractor trucks. This data will be consolidated and tracked with supporting software that is compatible with the City's information technology infrastructure. Among other data, this tonnage information will be used to support a monthly invoice from RAA to the City for recyclable materials transloading or processing.

Question: Q2. Are the assets/equipment being sold to RAA at market value and how is that value determined? (Councilmember Lumm)

Response: The City is selling RAA the Materials Recovery Facility (MRF) equipment—including processing equipment and rolling stock—for scrap value, which is determined by current market conditions.

The City is selling RAA the existing MRF baler at a price determined via a third-party baler appraisal which identified the current market value of the used equipment.

Question: Q3. In December 2019, city staff had concerns regarding safety risks in RAA's initial equipment rehab plans – I recognize there are provisions in the agreements related to safety, but my question is whether staff is fully comfortable with those provisions and whether all of the previous concerns been addressed/alleviated? (Councilmember Lumm)

Response: Staff negotiated and reviewed MRF Services Agreement provisions and Exhibits related to safety and feel comfortable that the concerns we raised during the proposal review process have been addressed/alleviated.

Question: Q4. Under this agreement, who (RAA, City, both) bears risk and liability for any major injuries, legal claims etc.? Are the types and amounts that are reflected in the negotiated agreement what the city proposed? If less, what are the gaps? (Councilmember Lumm)

Response: The MRF Services Agreement contains the City's standard indemnification provision (Article XII – Indemnification) which states:

To the fullest extent permitted by law, Contractor shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, actions, claims, judgments, settlements, costs and expenses, including professional and attorney's fees, resulting or alleged to result, from any acts or omissions by Contractor or its

employees and agents occurring in the performance of or breach in this Agreement, except to the extent that any suit, claim, judgment or expense have resulted from the City's negligence or willful misconduct or its failure to comply with any of its material obligations set forth in this Agreement.

Therefore, RAA bears risk and liability for accidents, injuries, and legal claims related to the MRF operations unless the City is found to be negligent or fails to comply with material obligations in the Agreement.

Under the Lease, the City will continue to bear the responsibility for any environmental condition relating to the Premises which occurred prior to the start of the Lease.

Question: Q5. The cover memo references a "per ton host fee" the city would receive - how much is that fee, how was it determined, and is it consistent with "host fees" paid in similar contractual arrangements in other municipalities? (Councilmember Lumm)

Response: Resolution R-19-538 directs City staff to negotiate a MRF Services Agreement with RAA that includes, among other provisions, that the City will receive a host municipality fee (host fee) for all non-City materials processed.

RAA's MRF processing proposal included a \$12.50/ton host fee for all non-City materials processed at the MRF. During the negotiations, the City and RAA agreed to increase this amount to \$13.50/ton. Due to the uniqueness of the City's MRF arrangement with RAA, a host fee comparison to other facilities was not done.

Question: Q6. What is the practical processing capacity of the MRF (tonnage)? Do we have a sense of who other users might be (County, other SE Mich municipalities etc.) and does the city have any say with regard to who the other users are? (Councilmember Lumm)

Response: According to MRF Services Agreement *Exhibit A*, the re-furbished MRF processing equipment will be built to process approximately 20 tons per hour, or 130 tons in an eight-hour shift.

The City is unaware of any prospective MRF users and the Land and Building Lease states that the City cannot prohibit RAA from accepting and processing recyclable materials from third parties.

Question: Q7. The cover memo indicates the agreement stipulates the city will "receive the best terms offered to any other entity processing materials through the MRF." Can you just please confirm that means the lowest per ton processing charge? (Councilmember Lumm)

Response: The MRF Services Agreement, Article IV – Compensation recognizes the City's foundational involvement in the MRF by guaranteeing the City a tiered processing fee, host fee, and a guarantee that the City's revenue share will not go negative. RAA will not offer these guarantees to any other party contracting with RAA for recyclable materials

processing at the MRF. However, RAA cannot guarantee the City will receive the lowest per ton processing charge because the City's unique recyclable materials stream may be more or less costly for RAA to process compared to third parties. For example, a commercial third party's source-separated clean cardboard would be much less costly for RAA to process than the City's single-stream recyclable materials.

Question: Q8. The cover memo also mentions the city will receive a "revenue share" of the recyclable material revenue – what is the basis for that formula/calculation, and at current volumes and recyclable market prices, approximate how much would the city receive in a year. (Councilmember Lumm)

Response: The MRF Services Agreement uses the City's methodology from Request for Proposal #19-28 as the basis for the following revenue share calculation as described in Article IV – Compensation: Contractor will provide 100% revenue share to the City until the revenue is equal to or greater than the Base Processing Fee. Once the revenue share is equal to, or greater than, the Base Processing Fee then the City will receive 55% of the amount by which the revenue share exceeds the Base Processing Fee and Contractor will receive 45% of the amount by which the revenue share exceeds the Base Processing Fee.

The City cannot accurately estimate how much revenue share will be realized during any given year to variability in factors including recyclable stream composition, tonnage, and recycling market conditions. However, based on typical annual City tonnage and April 2020 market conditions, the City would receive a revenue share of approximately \$29.51/ton or \$419,042 revenue share annually. For clarification, any revenue share the City receives will be deducted from the base processing fee paid to RAA.

Question: Q9. The cover memo also mentions a volume discount – at what city volume would that kick in and how much is the discount? (Councilmember Lumm)

Response: MRF Services Agreement *Exhibit J – Per Ton Processing Fee Schedule (MRF Processing)* provides a discount at 18,000 tons, 20,000 tons, and 25,000. The discount at each of these points is approximately \$2/ton.

Question: Q10. The resolution allows City Administrator approval of (2) 3 year extensions after the initial 10-year period – was any consideration given to returning to city council for review/discussion after 10 years rather than a possible 16 years? (Councilmember Lumm)

Response: It is typical to provide the option for extensions in City service agreements. Therefore, the City did not consider returning to Council following the initial 10-year term of the MRF Services Agreement.

Question: Q11. With the old contract expiring June 30, I understand the need for an extension – were any terms changed and is it just until this agreement is approved? (Councilmember Lumm)

Response: The City extended the existing MRF transloading contract with RAA under existing terms in order to provide uninterrupted service until the MRF Services Agreement is in place.

Question: Q12. The cover memo mentions there are mileposts related to the transition to a fully-processing MRF and the memo received yesterday, indicated that was 1-2 years. Once the MRF does begins processing, is there are gradual ramp-up of volume and if so, how long is it expected that would take? (Councilmember Lumm)

Response: According to MRF Services Agreement *Exhibit A*, the re-furbished MRF processing equipment will be built to process approximately 20 tons per hour, or 130 tons in an eight-hour shift. Other than addressing anticipated processing capacity, the MRF documents (in other words, the Services Agreement, Land Building Lease and Bill of Sale) do not include any information on RAA’s plans to alter processing volume over time.

Question: Can you provide data regarding the percentage of material shipped to the out of state material recovery facility that ends up in a landfill? Is there a trend (i.e.: increasing or decreasing) in the amount of material that is landfilled? (Councilmember Eaton)

Response: The following table provides results from the City’s biannual recycling materials composition audits for the material RAA transloads from Ann Arbor to the Rumpke MRF in Cincinnati, OH. The table includes both the audit date as well as the corresponding residual rate. The residual rate is the percentage of the City’s material that cannot be recycled and is destined for the landfill.

MATERIAL AUDIT DATE	RESIDUAL RATE (%)
8/4/2017	9.81%
11/3/2017	10.73%
2/16/2018	10.74%
10/5/2018	12.26%
4/5/2019	9.91%
11/8/2019	11.15%

B-1 – An Ordinance to Amend Chapter 55 (Unified Development Code), Zoning of 4.5 Acres from PUD (Planned Unit Development) to C3 (Fringe Commercial district), MMG Plymouth Road Mixed Use Rezoning, 3611-3621 Plymouth Road, (CPC Recommendation: Approval - 9 Yeas and 0 Nays) (Ordinance No. ORD-20-19)

DB-1 - Resolution to Approve MMG Plymouth Road Mixed Use Planned Project Site Plan and Development Agreement, 3611-3621 Plymouth Road (CPC Recommendation: Approval - 9 Yeas and 0 Nays)

Question: Q1. Why are developers asking for this change in zoning, when they could accomplish this planned use by amending the supplemental regulations of the PUD instead? (Councilmember Lumm)

Response: Staff worked with the applicants on options to achieve their proposed development program, included amending the existing PUD or rezoning to an established district. After considering both options, the applicant chose to apply for rezoning to C3. Staff supported this approach as there are not compelling reasons to keep the PUD. The proposed uses, a hotel and a restaurant, do not represent “an innovation in land use and variety in design, layout and type of structures ...” or any other of the beneficial effects for the City that warrant PUD zoning provided in Section 5.29.10.F Standards for PUD Zoning District Review. The project proposed would be difficult to meet the current approval standards for a Planned Unit Development district.

The proposed C3 district provides for future redevelopment flexibility. The proposed rezoning to C3 is consistent with the future land use recommendation in the Land Use Element of the Master Plan, consistent with the surrounding zoning designations, consistent with the land uses and pattern of development on the site and vicinity, and consistent with previous rezoning of this PUD area.

Question: Q2. How can users of this site, which is shared with Plum Market, be channeled east from the site in the safest possible way, and at what point does the intensity of the traffic needing to go east become a safety risk? (Councilmember Lumm)

Response: Bi-directional peak hour volume on Plymouth Road is around 3,400 vehicles per hour. This measure is in the same range for both morning and evening peaks. Direct access to Plymouth Road can be associated with a long delay. Staff suggested the applicant look into right-in/right-out design during the review process, and accepted the applicant’s response that egress traffic will likely utilize the Green Road access to make left-turn movements out of the site at peak times.

In other words, the current design functions well in non-peak hours and is acceptable in peak hours when delays are to be expected. There is enough traffic volume generated by the existing and proposed hotel and proposed restaurant to allow additional controls such as right-in/right-out but not enough traffic volume to require them. The applicant proposes to maintain the current design.

Question: Q3. How can traffic flow inside the site be designed to reduce the number of trucks blocking the driveway off Green Rd in order to make deliveries? (Councilmember Lumm)

Response: Local experience indicates that the existing on-site loop drive may be blocked by delivery vehicles. The proposed redevelopment of the hotel and restaurant has designed an access loop through the parking lot around those buildings. It is unlikely that delivery trucks would need or choose to use the service drive when a more convenient path has been created for them.

The existing issue with delivery vehicle use of the service drive will be communicated to Plum Market to encourage proper use of their own loading dock. Any changes or improvements to the service drive would need to be coordinated among and proposed by the various land owners, and each site plan would need to be amended.

Question: Q4. Also, have any comments or objections been received on B-1 since first reading and if so, can you please summarize them? (Councilmember Lumm)

Response: None have been received by the Planning Department. However, the applicant has offered conditions on the proposed rezoning in a letter dated July 8, 2020 (attached). They offer to prohibit 6 uses that are normally allowed in the C3 district from their rezoning approval as well as make a \$75,000 contribution to the Affordable Housing Fund. City staff is working to draft this offer into a Conditional Zoning Statement of Conditions. If the Council chose to consider this proposal, the proposed rezoning motion should be amended to reflect acceptance of the Conditional Zoning offer, which would have the result of converting the action to a first reading of the ordinance.

C-2 – An Ordinance to Amend Chapter 55 (Unified Development Code), Zoning of 4.5 Acres from R5 (Hotel District) to C3 (Fringe Commercial District), 2800 Jackson Road Hotels, 2800 Jackson Road, (CPC Recommendation: Approval - 8 Yeas and 0 Nays)

Question: Q1. The staff report indicates there were concerns raised by Planning Commission about the traffic impacts of vehicles entering and exiting the site. Can you please elaborate on those concerns and how that have been addressed? (Councilmember Lumm)

Response: The Planning Commission preferred only one curb cut to the site to minimize potential turning conflicts onto Jackson Road. This proposal was reviewed, but not supported by the Fire Code, which requires two access points to the site. The Planning Commission then expressed an interest in restricting the western drive to right-turn only which was reviewed and approved by the Fire Marshall and the staff Transportation Engineer. The site plan was modified to allow for right turns only to exit and enter the site.

Question: Q2. The cover memo indicates all recent hotels have been approved under C3 or office zoning. Assuming that's correct, why even have a Hotel District? (Councilmember Lumm)

Response: This warrants consideration. The R5 district is a remnant of previous zoning practices which would often create single-purpose zoning districts to ensure a separation of land uses. The C3 zoning district provides the flexibility to provided mixed uses to address changing desires for communities, consumers, and property owners.

Question: Q3. Also, would this proposal be permitted under the Transit Supported Zoning District proposal from last fall? (Councilmember Lumm)

Response: No, the T1 Zoning District as currently drafted, would require mixed use, including residential. No residential uses are proposed for this site currently. There are also T1 standards relating to building design and transparency. The buildings proposed on the site plan do not comply to those envisioned standards.

Question: Would the site plan proposed for this property meet the requirements of the current R5 zoning? (Councilmember Eaton)

Response: No. While the use is permitted in the R5 district, the proposed development would exceed the maximum number of hotel rooms in the R5 district (216 room limit for this site, with 235 rooms proposed), and would not comply with the R5 maximum height restriction of 50 feet.

C-3 - An Ordinance to Amend Title VII (Businesses and Trades) of the Code of the City of Ann Arbor by Adding a New Chapter Which Shall be Designated As Chapter 97 (Short-Term Rentals)

Question: Q1. As noted in the cover memo, the direction from City Council in January (Option 3) prohibited non-owner-occupied rentals entirely while this ordinance prohibits them in residential areas, but permits them in mixed-use areas. Why was that change made? (Councilmember Lumm)

Response: The proposed ordinance is consistent with Option 3 for residential areas. As staff is considering non-owner-occupied short-term rental a land use of a commercial nature, it is appropriate to enable in the same districts where other commercial uses (e.g. hotels) are permitted.

Question: Q2. In January, there was discussion about perhaps limiting the number of days of rental per year and as I recall option 3 included limits. Assuming it was considered/discussed, can you please provide the rationale for not including limits on number of days? (Councilmember Lumm)

Response: Staff has determined that tracking the number of days a private property is leased is near impossible as well as being extraordinarily difficult to enforce.

Question: Q3. Similarly, in January there was discussion about possible spacing, distance and location restrictions. Presumably, that was also discussed and can you please provide the rationale for not having any of those restrictions? (Councilmember Lumm)

Response: Based on the current recommendations, STR's being permissible only as a secondary use to a primary owner/tenant occupied residential property and only as a non-

owner-occupied use in districts that currently support commercial activity, that distance requirements did not add any significant protection and are difficult to determine and enforce.

Question: Q4. While the ordinance has strong licensing requirements and that's good, there is not any inspection of the Principal Residence Homestay or Principal Residence Whole House rental units. Can you please provide the rationale for that as well? (Councilmember Lumm)

Response: The recommendation is consistent with our current practice. The City does not require inspection for properties where there is an owner present living at the property. That is consistent regardless if that owner occupant has a home occupation or a long-term tenant living at the property. If there is an owner occupant the City does not inspect, this is consistent with that practice.

Question: Q5. In terms of licensing fees, the ordinance indicates that City Council will set the fees annually and that makes sense- what fee range are we contemplating? (Councilmember Lumm)

Response: Staff is projecting \$500 to start and expects to refine that as we have a better idea of actual costs.

Question: What is the expected fee to register a short-term rental? (Councilmember Eaton)

Response: Staff initial estimation is \$500 a year based on the ordinance's current configuration. Staff expects possible adjustment to this depending on actual ordinance adoption and real data over the first year or two.

Question: Will traditional bed and breakfast operations be required to register as short-term rentals under this ordinance? (Councilmember Eaton)

Response: No, B&B's are identified in the ordinance as their own individual use and as such are not subject to this regulation.

Question: Traditional bed and breakfast operations are taxed as commercial property. How will short-term rental properties be taxed? (Councilmember Eaton)

Response: The City's Assessor is currently reviewing, and additional clarification may be provided under separate cover. The adoption of the ordinance will not have a significant impact on the taxation of a property. Properties in non-residential districts will be taxed similarly regardless of the introduction of short term and the same applies to residential properties.

Question: Will a home owner who offers their home as a short-term rental lose their eligibility for the primary residence exemption for property tax purposes? (Councilmember Eaton)

Response: If the subject primary remains their primary residence than the accessory use as an STR will not impact that status. Again, we are verifying with the City Assessor and will provide additional information or clarification if necessary.

Question: The ordinance provides that a host may have their STR license suspended or revoked if “convicted” of violating the ordinance. Is criminal prosecution possible under this ordinance? (Councilmember Eaton)

Response: No. Violations of Chapter 97 will be a civil infraction under 7:655(4).

Question: The ordinance allows Primary Residence short-term rentals in Mixed-Use Zoning Districts that allow residential use. What zoning districts are considered “Mixed-Use Zoning Districts that allow residential use”? (Councilmember Eaton)

Response:

- O – Office
- C1 – Local Business
- C1A – Campus Business
- C1B – Community Convenience Center
- C1A/R – Campus Business Residential
- D1 – Downtown Core
- D2 – Downtown Interface
- C2B – Business Service
- C3 – Fringe Commercial

DS-1 – Resolution to Order Election and to Determine Ballot Question for Charter Amendment for the 2022 Street, Bridge, and Sidewalk Millage (7 Votes Required)

Question: Regarding DS-1, can you please provide your best estimate of what the percentage millage increase will be in 2022 by going back to the 2.015 mills as well as the revenue dollars generated by the rate difference vs. the Headlee-ized 2021 rate? (Councilmember Lumm)

Response: If the street bridge sidewalk millage renewal levy 2.125 mills is placed on the November 2021 ballot for collection in 2022, there would be one Headlee Rollback calculation required prior to levying the tax in 2022. The estimated millage rate would be 2.106

1. The millage difference between a two year Headlee Rollback and a single year Headlee Rollback is 0.020 mills

2. The estimated revenue dollars generated with a single year Headlee Rollback is \$131,000

November 2020 millage election		2.125	November 2021 millage election		2.125	revenue loss 2yr v 1yr MRF	
Av Headlee MRF	0.99085	2.106	Av Headlee MRF	0.99085	2.106	1yr MRF	14,194,434
Av Headlee MRF	0.99085	2.086	Reduced Street Bridge Millage		2.106	2yr MRF	14,062,597
Reduced Street Bridge Millage		2.086				lost rev	131,837
tax estimate with 2 yr MRF			tax estimate with 1 yr MRF				
2020 TV	6,503,803,833		2021 TV	6,622,610,655		street bridge sidewalk levy	
Av Historical Loss	43,211,394		Av Historical Loss	43,211,394		single year MRF	2.106
Av Historical CPI	1.015		Av Historical CPI	1.015		two year MRF	2.086
Av Historical Adtn	162,018,216		Av Historical Adtn	162,018,216			
2021 estimated TV	6,622,610,655		2022 estimated TV	6,741,417,476		difference in mills	0.020
			millage rate	2.106			
			Tax generated	14,194,434			
2021 TV	6,622,610,655						
Av Historical Loss	43,211,394						
Av Historical CPI	1.015						
Av Historical Adtn	162,018,216						
2022 TV	6,741,417,476						
millage rate	2.086						
Tax generated	14,062,597						

Question: Also on DS-1, it was indicated in response to my question in June that voting now does not in any way change/increase the amount collected in July 2021 - please confirm again that's accurate? (Councilmember Lumm)

Response: The current street bridge sidewalk millage 2.125 voted August 2016 is scheduled to expire 12/2021. The City of Ann Arbor will continue to levy the current street bridge sidewalk levy through the end of 2021. The current street bridge sidewalk levy will be adjusted by Headlee in 2021 prior to being levied. Voting to approve a millage renewal levy in 2020 to be levied in 2022 does not eliminate the current street bridge sidewalk millage levy. Voting to approve a millage renewal levy in 2020 to be levied in 2022 does not impact or change the current street bridge sidewalk millage levy scheduled to expire 12/2021

DS-2– Resolution of Intent on the Use and Administration of the Street, Bridge, and Sidewalk Millage Funds

Question: Regarding DS-2, it appears the uses outlined in the intent statement are the same as in 2017 and the only difference would be if the new 0.2 mill millage is passed, none of this Street, Bridge and Sidewalk millage money would be used for new construction of sidewalks – all would come from the new 0.2 mill millage – is that correct? (Councilmember Lumm)

Response: That is correct.

DS-3 – Resolution to Order Election and to Determine Ballot Question for Charter Amendment for the 2021 New Sidewalk Construction Millage (7 Votes Required)

DS-4 - Resolution of Intent on the Use and Administration of the New Sidewalk Millage Funds

Question: Q1. I think the title of DS-3 should read 2021 (not 2022)? (Councilmember Lumm)

Response: Correct. The title has been corrected.

Question: Q2. I was surprised to see that the decision to use these proceeds to pay all or a portion of assessments does not impact the ballot language – that would seem to me an important disclosure to make. Can you please speak to that? (Councilmember Lumm)

Response: The ballot language (and proposed revision to the charter) as written allows the City to pursue either option. If City Council would like to include whatever decision it makes on the partial or full replacement in the ballot language, it can by offering an amendment.

Question: Q3. Also, on the question of the millage proceeds paying all vs. a portion of assessments, was having the millage pay a percentage considered? (That might be more equitable than a cap as \$2,500 would represent a wide range of percentages and I can see folks asking why they paid 75% of their assessment while their next-door neighbor only paid 10% of theirs? (Councilmember Lumm)

Response: This was one of the options considered, but it was eventually discarded because of theory that new sidewalk benefits all properties equally. Implementing a percentage rather than a cap would still disproportionately affect properties with larger frontages. However, the percentage method is still a viable alternative. If Council would like to consider this option, they should advise staff on what percentage of the special assessment cost they would like to have the millage cover.

Question: Q4. Although I recognize many of my colleagues don't consider historical equity a consideration, I appreciate that the July 6th staff memo mentioned it. Approximately how many homeowners are making sidewalk gap payments currently? (Councilmember Lumm)

Response: We currently have 349 parcels with sidewalk assessments. All but 25 of these will be paid off with summer 2020 tax. Of these 25 remaining assessments, 10 are single family residences with 100% PRE. Of these single-family residence assessments, the average balance is \$3,989 and the average final installment is 2024. All remaining residential assessments on 100% PRE properties will be paid off by 2028.

Question: Q5. If I'm reading Attachment A (section 3) of DS-4 correctly, it sounds as though businesses outside the DDA are eligible for relief but not businesses inside the DDA. Is that correct? (Councilmember Lumm)

Response: Correct, the use resolution, as currently written, states that millage money would not be spent on properties inside the Downtown Development District (DDD). This mimics a similar provision in the Street, Bridge, and Sidewalk Millage that bars money from that millage being spent on sidewalk repair inside the DDD. In the case of the Street, Bridge, and Sidewalk Millage, the City and the DDA have agreed to have the DDA fund the sidewalk repair work that the City performs inside the DDD. A similar arrangement could be made in the case of the New Sidewalk Millage, to the extent that there are any sidewalk gaps within the DDD.

PEA GROUP



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July 08, 2020
Project No.: 2017-435

via email: ADiLeo@a2gov.org

Ms. Alexis DiLeo
City of Ann Arbor Planning & Development Services
301 East Huron Street
Ann Arbor, Michigan 48104

**RE: MMG Plymouth Mixed Use Development (SP 19-003)
Ann Arbor, Michigan**

Dear Ms. DiLeo:

PEA Group representing **A2 Hospitality Property, LLC**, the owner, and applicant of the subject project, voluntarily offers to condition to the requested rezoning petition. The following conditions are being voluntarily offered.

1. Restricting the following uses in the C-3 Zoning District:
 - o Commercial-Sales – Fueling Station
 - o Commercial-Services and Repair – Vehicle Wash
 - o Transportation -- Marijuana Secure Transporter
 - o Industrial-Agricultural -- Marijuana Microbusiness
 - o Industrial-Manufacturing, Processing, Assembly, and Fabrication – Marijuana Infused Product Processor
 - o Industrial-Warehousing and Storage – Warehousing and Indoor Storage

2. Contribution to the City of Ann Arbor's Affordable Housing Fund in the amount of \$75,000.00

If you should have any questions or require any additional information, please feel free to contact this office directly

Sincerely,

PEA Group

James P. Butler, PE
President