

August 19, 2017

Ward 2 Neighbors and Friends,

Hello All. I hope this finds you well and that you're enjoying a wonderful Summer!

What follows is a (rather lengthy - sorry) update on several key items in the 2nd Ward and city-wide including:

- [2nd Ward Construction Projects](#)
 - o Nixon/Green/DhuVarren New Roundabout
 - o Plymouth/Green Water Main Replacement
 - o Arlington Blvd Re-surfacing
 - o Hill Street (Onondaga to Geddes) – Re-surfacing
- [Nixon Corridor Traffic Improvements](#)
- [Fire Protection in NE Ann Arbor](#)
- [Pedestrian Safety Improvements at Schools](#)
- [Inglis House Recent Developments](#)
- [Deer Management](#)
- [Library Lot Sale, Development, and Downtown Parking_](#)
- [Ann Arbor Train Station](#)
- [Property Tax-Related - County Millage on November Ballot; Discussion of Potential City Income Tax](#)
- [Solar Energy Systems in Residential Neighborhoods](#)
- [Fiscal Year 2017-18 Ann Arbor City Budget](#)

Upcoming Public Events/Meetings

City Council Meeting(s) - August 21, September 5

- 7:00 PM, City Hall Council Chambers

Council Work Session on Potential City Income Tax - September 11

- 7:00 PM, City Hall Council Chambers

Nixon-Green-DhuVarren Intersection Construction Completed - First week of September

Inglis House - Public Hearing on Historic District Study Committee Report - September 26

- 5:30 PM, City Hall Council Chambers

Coffee with Jane – Every Thursday Morning 8:00AM – 9:30AM

- Sweetwater's Café (3393 Plymouth Road)

After Work with Jane – First Thursday of Month 5:00PM-7:00PM (September 7)

- Rappourt Brew & Chew (2721 Plymouth Road)

Ann Arbor City Council Meetings - NEW WAY TO SHARE YOUR FEEDBACK WITH COUNCIL - eComment

The City has launched a new way for the public to share their thoughts on City Council agenda items. The online program, called [eComment](#), allows the public to provide feedback to Council on Ann Arbor City Council agenda items. The eComment feature will be available to use each Thursday afternoon when the Council agenda is published and will remain open until 4 p.m. the day of the Council meeting. The Ann Arbor city clerk will then email an eComment report to Councilmembers, along with agenda responses the evening of the meeting.

If you are interested in using this new feature, you need to register first (name and email address are required). You should be aware though that the comments become part of the public record and are placed in the Council meeting minutes. This new feature does not substitute for your opportunity to sign-up the morning of meetings to speak in person before City Council or to speak at public hearings (where no sign-up is required). This is just an added opportunity for residents to provide input and feedback.

To access eComment, go to the City's website, click on departments, then click on City Council, then click on calendar.

Please let me know if you have any comments or questions on the topics listed above or anything else that may be on your mind. ***Join me for coffee at Sweetwater's Café (3393 Plymouth Road) any Thursday from 8:00AM to 9:30 AM OR after-work at Rappourt Brew & Chew (2721 Plymouth) from 5:00PM to 7:00PM the first Thursday of each month (September 7).*** Alternatively, you can email me at jlumm@a2gov.org or call [734-677-4010](tel:734-677-4010). As always, I'd love to hear from you!

2nd Ward Construction Projects

Nixon-Green-DhuVarren Roundabout Construction

The City began construction of the Nixon/Green/DhuVarren roundabout and closed the intersection on June 19th. On August 9th, the city indicated they anticipate the **construction will be largely completed (and the intersection re-opened) the first week of September.** The total closure of the intersection was implemented (rather than maintaining a single, alternating lane of traffic on Nixon which had been considered) for safety reasons (motorists, pedestrians and workers) and the fact that with complete closure, the project can be completed significantly faster and as a result, fit into the Summer window when school is not in session. Emergency vehicle access has been maintained.

The vehicle detours are via Pontiac Trail, Barton Drive, and Plymouth Road which, unfortunately, represent a significant inconvenience for folks. Bus service (AAATA

Routes #22 and #23) is being maintained through use of a shuttle, but times/routes have been adjusted – please see the AAATA website for information and latest updates <http://www.theride.org/Schedules-Maps-and-Tools/Service-Alerts/98>

If you'd like information on the project itself, it's available at the City's website through the following link www.a2gov.org/nixon You can also subscribe to receive project updates at the City website. The City's project manager is Igor Kotlyar and his email address is ikotlyar@a2gov.org

Plymouth-Green Water Main Replacement Project

Over the past year or so, large water main breaks occurred within the Plymouth Road and Green Road intersection. The result is that the integrity of the intersection was permanently compromised with a risk of rapid road deterioration, even sink holes, so the City expedited work to remove and replace all existing water mains within the immediate vicinity of the intersection.

On top of the Nixon-Green-DhuVarren intersection construction, closure and detours, the last thing NE Ann Arbor needed was another major traffic disruption and set of detours, but there was little choice in moving quickly on this emergency water main project. The City continues to expect the **project will be completed in September**. The project includes replacing all of the water mains, reconstructing the entire intersection, and replacing the existing curb and sidewalk ramps. The specific road closures are continually changing based on the work. In recent days, the North side of Plymouth was completed and paved, and now the barricades have been shifted to the West side of the intersection, flipping the traffic, in order to make the necessary connections and complete the road rebuild. This portion is projected to be completed and reopened in mid-September. The AAPD indicates it is and will continue to deploy officers to this area to manage traffic, and enforce the temporary "no left turn" restrictions. For additional information on this project, visit the City's website at: <http://www.a2gov.org/departments/engineering/Pages/Plymouth-and-Green-Water-Main-Replacement-Project.aspx> Igor Kotlyar ikotlyar@a2gov.org is the City project manager on this project as well

Arlington Blvd Resurfacing

The re-surfacing of Arlington Boulevard (from Geddes to Washtenaw) is now complete and the road re-opened. In addition to the road re-surfacing, the project included repairs and replacement of damaged curbs and gutters as well as DTE upgrading their natural gas lines in the area.

"Atta boys" to the City and Project Manager David Dykman. The road and new striping are dramatic improvements and the project was completed successfully, safely, and a bit ahead of schedule!

The project was done in two phases (Phase 1 - Heather Way to Washtenaw) where the deteriorated subsurface was removed and replaced (estimated to last 12-15 years) and (Phase 2 - Heather Way to Geddes) where 1-2 inches of the existing surface was replaced as a shorter term preventative maintenance project (estimated to last 5-7 years) to extend the life of the road until 2023 when a water main replacement project is scheduled.

My thanks as well to the Arlington neighbors for taking the time to engage in the

project planning process conducted by the City. The City hosted two neighborhood meetings that were well-attended and because of the neighbors' participation and the City's subsequent responsiveness to the input, the project design ultimately reflected the predominant preferences of the neighbors (which were to essentially retain the existing characteristics of the road – same width, no sidewalks, no restrictions on parking, etc.)

It's worth mentioning though that the City may consider widening the stretch of Arlington from Heather Way to Geddes during the water main replacement project tentatively planned for 2023.

Hill Street (Onondaga to Geddes)

The City's original street resurfacing program for 2017 included resurfacing of Hill from Onondaga to Geddes. I inquired into the status of this project about a month or so ago and staff indicated "Hill Street is currently on the 2017 resurfacing list for later this year. However, given where projected costs are and the shift in road construction priorities, this work may have to be delayed." The related natural gas line work, however, has been ongoing and the DTE contractor is now finishing up the last, Belmont to Geddes, segment, and anticipates this work will take a couple more weeks to complete. I asked City staff if that meant the road construction project will occur yet this year, and on August 16th staff indicated that, "The resurfacing work on Hill Street is currently scheduled to occur in September of this year."

Neighbors have suggested the City consider traffic calming measures (stop signs, pavement markings/re-painted crosswalks) along Hill. I passed along the suggestions to City staff and in response, staff indicated that the intersections of Hill/Oswego and Hill/Onondaga will be reviewed in September or October (after UM students have returned and traffic is stabilized) to determine if the intersections meet the warrants for placement of additional stop signs. They also reminded me that stop signs are not a speed control device. In any case, I'll let you know when there's any new information on the project.

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Nixon Corridor Traffic Improvements

You may recall from previous updates that in September 2015, City Council had approved my resolution to engage a consultant to study potential traffic flow improvements on the Nixon Corridor. While the new roundabout intersection will improve traffic flow somewhat, it will not meaningfully address the congestion and access challenges all along the Nixon Road corridor. City staff and City Council acknowledged that adding almost 1,000 new residential units to the area (Nixon Farms North and South, Woodbury Club, NorthSky) will exacerbate the already existing congestion problems on the corridor.

The Corridor study was completed and is available at the City's website at the following link:

<http://www.a2gov.org/departments/engineering/Documents/Final%20Report%202017-05-19.pdf>

The study identified three alternatives (1) non-motorized (a pedestrian bicycle)

The study identified three alternatives (1) non-motorized (e.g., pedestrian, bicycle) improvements only (2) continuous 3 lane road and (3) series of roundabouts at key intersections on the corridor. Because only the series of roundabouts addresses the primary traffic access and flow concerns, that option is being recommended by City Staff – it contemplates five new roundabouts at:

- Nixon and Sandalwood Circle/Aurora St
- Nixon and Meade Court/Bluett Dr.
- Nixon and Traver Blvd
- Nixon and Argonne dr.
- Nixon and Barclay Way

The preliminary cost estimate for the series of roundabouts and other improvements is \$8M for construction and \$1.2M for design. Because the study concluded after the City's annual Capital Improvements Project (CIP) planning cycle was conducted, it was not in the FY2018-2023 CIP adopted by the City Planning Commission in December. City Staff have confirmed it will be added in the next CIP planning cycle. On May 15th, City Council approved my budget amendment to add the \$1.2M in design costs to the FY18 capital budget.

Coordination of future Nixon Corridor road projects – I proposed the budget amendment to add the Corridor Improvement Project design costs to the FY18 budget for two reasons (1) to ensure the project does not lose momentum by waiting at least a year for the CIP process to run its course and (2) to ensure coordination of the Corridor improvement project with the DTE/ITC Transmission Line project that's planned.

You may recall my mentioning previously that DTE Energy plans to construct a new electrical substation near the intersection of Huron Parkway and Hubbard. The new substation will connect underground via transmission lines approximately three miles to the existing substation just north of DhuVarren. The transmission line route is along Nixon Road.

The issue is that installing the underground lines requires some degree of tear-up to the road (not clear at this time to what degree and what level of traffic disruption will result). It's also not clear when the project will begin (although staff has told me it will not commence while the intersection construction is in process). DTE/ITC are responsible for paying for restoration of the road so there is an incentive for the City to coordinate the projects as much as possible to maximize the leverage of DTE/ITC's financial responsibility.

On May 15th, in addition to adding to the FY17-18 budget the design costs for the Corridor Traffic Improvement Project, I also proposed a related resolution that City Council adopted directing the City Administrator to present plans and recommendations to Council by August 31st that coordinate the Nixon Corridor Traffic Improvement and Transmission Line Projects, minimize disruption in the area and best utilize DTE/ITC's obligation to restore the road as part of its project.

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Fire Protection in NE Ann Arbor

Traffic is not the only infrastructure consideration related to the large new developments in the area. Storm water impacts are of concern to neighbors as well,

and so is fire protection.

I have had a couple of recent conversations with Fire Chief Collins and he recognizes, and has begun initial planning for, the significant number of residential units being added in NE Ann Arbor. The Chief is developing a Fire Station Master Plan that optimizes response times city-wide and he tells me the draft Plan should be completed by the end of the year.

The Second Ward is currently served by fire stations #4 (2415 Huron Parkway) and #5 (1946 Beal Avenue). The national response time standard is 5 minutes and in Ann Arbor, on average, city-wide, AAFD met that standard on 61% of calls (based on 2015 data). For stations #4 and #5, the percentages were 46% and 47%, respectively.

There are no imminent plans to add or relocate stations OR any firm recommendations at this point - and before any decisions are made on the Chief's Master Plan once it is completed, there will be opportunities for public comment and input. For station #4 (2415 Huron Parkway), alternatives under consideration are re-locating the station to (1) County Farm property along Platt or (2) Washtenaw on parcel next to bank at Washtenaw/Huron Parkway or (3) Northwest corner of Washtenaw and Glenwood (County owned property). For station #5 (1946 Beal, UM North Campus), the Chief indicated that (ideally) the station would be located closer to the Nixon Road area and that he's still looking at possible alternative locations.

I appreciate the Chief's initiative in evaluating optimal locations that reflect the new residential developments and look forward to seeing his recommendations. Once there is a recommendation, I'll pass it along and if you have comments in the meantime, just let me know.

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Pedestrian Safety Improvements at Schools

Thanks largely to the efforts of several concerned residents and citizen-based organizations (A2SafeTransport, Safe Kids Huron Valley) much progress has been made in improving pedestrian safety at schools throughout Ann Arbor and especially at Huron High School. Safety improvements implemented at Huron over the last year or so and now scheduled and funded include:

- Improved crosswalk on Huron Parkway - completed
- New streetlights at Gallup crosswalk on Fuller - completed
- RRFB installed on Fuller at Gallup crosswalk - completed
- Gateway treatments (in road signage) on Fuller at Gallup crosswalk - planned and to be complete prior to start of school
- Changeable speed signs on Fuller and Huron Parkway - planned and funded; to be installed in the Fall

Recently, the Safe Kids Huron Valley grant team was notified their application for a \$30K Safe Kids to School grant for Huron was approved. That's great news! The funding will pay for four changeable flashing speed signs that will be installed around Huron High School (two on Huron Parkway and two on Fuller). The grant was presented to the City at the July 17th Council meeting – congratulations to the Safe Kids grant team and thank you for your efforts!

Improvements such as pavement markings, signage, and gateway treatments have been implemented city-wide. RRFB's have been installed at a couple of school

been implemented city wide. FRTDs have been installed at a couple of school locations in addition to Huron and the FY18 City budget includes \$700K in funding for additional actions City-wide.

The progress to date has been very encouraging, but so much more needs to be done – unfortunately, much more than the budgeted \$700K will fund. I offered a budget amendment that would have reallocated additional funds to the FY18 budget for pedestrian safety infrastructure at schools as well as an amendment that would have increased police staffing in the FY18 budget for enhanced traffic enforcement. Neither amendment passed (more on funding for pedestrian safety at schools below in the FY18 City budget section).

In a related action, City Council passed a resolution on July 3rd to advocate at the state level through our lobbying firm (GCSI) to increase the penalties (fines and points) for speeding violations in school zones. The City will be advocating the fines be doubled (vs. violations on normal streets) if the violation is 1-20 mph over the limit and tripled if the violation is for more than 20 mph over the limit.

Re-locating existing crosswalk on Fuller Road at Gallup Park Entrance - for the City Council meeting June 5th there was an item initially on the agenda from City staff to extend the sidewalk along the south side of Fuller about 600 feet to the west from the Gallup park entrance and to re-locate the existing crosswalk to the end of the new extended sidewalk.

The item was withdrawn from the agenda, however, as there had not been any substantive public discussion of the merits of relocating the crosswalk. Some folks (myself included) had expressed the concern to the City that if the crosswalk is moved away from the Gallup park entrance, pedestrians will still cross at the Gallup entrance rather than walk the extra distance to where the new crosswalk is (which obviously would be dangerous). There also is a concern about limited site distance at the general location where the new crosswalk would be installed. The precise location of a relocated crosswalk has not been determined or designed, and at a meeting on August 17th city staff indicated the relocated crosswalk "might" be moved, instead, 300-400' West of the existing location.

City Staff continue to believe relocating the crosswalk further to the west would enhance pedestrian safety. Relocating the crosswalk (and the required extension of the sidewalk, possible construction of a barricade) are expensive (rough estimate of \$175K just for the sidewalk and crosswalk) so the staff plan is to add this project to the CIP this Fall. Although the CIP process does include an opportunity for public comment when it is approved by the Planning Commission, the CIP includes many, many projects and I believe a separate public review and discussion in advance of its being included in the CIP as a recommended project, is appropriate. I plan to introduce a Council resolution that will direct the City Administrator to conduct a public engagement process and report back to Council before any final decisions are made.

Given the significant expense, it is also not clear if extending the sidewalk and relocating the crosswalk represents the highest leverage pedestrian safety improvement at Huron. Other priority items that had been identified by A2SafeTransport (but are not yet funded) include bump-outs and refuge island at the existing crosswalk on Fuller

existing crosswalk on Fuller.

Pedestrian safety improvements in non-school areas – beyond the planned actions for school areas, there are also a number of pedestrian safety improvements at non-school locations. For example, in the 2nd Ward, the City received a Federal safety grant to install RRFB's at two existing crosswalks on Fuller between Bonisteel and Beal (adjacent to Vet's Hospital) and City funds will be paying for an RRFB at the existing crosswalk on Fuller near the entrance to Fuller Park. Those RRFB's will be installed yet this year.

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Inglis House Recent Developments

There have been positive events recently regarding Inglis House and its nine acre natural area adjacent to Nichols Arboretum.

Although the neighbors and community residents' considerable efforts were not successful in convincing the University to reverse their decision to sell Inglis House and the property, those efforts were instrumental in the City's recommending (and Council's approving on May 1st) establishing the Inglis House Historic District Committee. On June 5th, City Council appointed three very qualified folks to the study committee -- Bridget Bly, Gregory Devries, and Patricia McCauley.

Recent events - on August 1, Jim Kosteva (UM Community Relations Director) notified the City that UM had reduced the land in the property listing and that **of the 9.1 acres originally listed for sale, 4.6 acres will now remain as University property and part of the Arboretum.** (UM had originally listed the house and 9.1 acres for \$5.9M; the revised listing of the house and 4.5 acres is \$2.9M.) Mr. Kosteva indicated that "the decision to modify the listing was based on several factors, including feedback from interested parties over the past several months." His communication went on to say, "The new listing is intended to attract buyers who have an interest in maintaining the home as a single-family residence without the cost and responsibility of all 9.1 acres."

The **historic district study committee issued its draft report on July 21.** The draft report concludes that "*The Inglis House Historic District is significant under National Register Criterion A for its association with the University Michigan; B for its association with James and Elizabeth Inglis; and criterion C as an example of the French Eclectic style of architecture and representative of a landscape design by Elizabeth Inglis, an accomplished gardener and recognized horticulturist.*" If you'd like to read the report, it can be found at the following link:
<http://www.a2gov.org/departments/planning/historic-preservation/Pages/Inglis-House-Study-Committee.aspx>

There is a **60 day public comment period on the draft report** that began July 21. Comments can be emailed to HDC@a2gov.org

Also, a **public hearing will be held on September 26** (5:30 PM at City Hall - Council Chambers on second floor).

Public input is an important component of the historic district designation process so if you have comments, please send them to the above email address or plan to

If you have comments, please send them to the above email address or plan to attend the public hearing.

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Deer Management

The City's deer management program for 2017 was conducted by White Buffalo Inc. in late January/early February and was completed safely and without incident. For 2017 - the second year of Council's authorized four-year program - UM partnered with the City through a financial contribution and by allowing sharpshooters on certain University properties.

The City issued its final report on the 2017 deer management program on June 26th. The report is thorough, detailed and informative including measures of success and performance metrics. The City's website www.a2gov.org/deermanagement has been updated to include several reports and studies from the 2017 program:

- City's Final Report (June 26, 2017)
- White Buffalo Summary Report (March 10, 2017)
- Monitoring Deer Impacts on Natural Vegetation in Ann Arbor (Nature Write LLC April 30, 2017)
- Survey on City of Ann Arbor Deer Management Program Evaluation (Michigan State University, Office for Survey Research June 21, 2017)

2017 Program, Study and Survey Highlights

- Cull/sharps shooting (conducted Jan 30 – Feb 6) – 96 deer killed
- Surgical sterilization (conducted Jan 22-29) – 54 female deer sterilized, tagged, released
- o MDNR approved as experimental research program; first in Michigan
 - Zero safety incidents; parks closures reduced significantly from year 1
 - White Buffalo estimates about 450 deer in Wards 1 and 2
 - 73 deer-vehicle collisions reported in 2016; down from 90 in 2015, but higher than the 30-50 range in 2004 through 2014
 - Oak seedling study of 12 City nature areas demonstrated significant browse damage
- o all 12 areas had browse damage >15% (level that puts forest regeneration at risk)
- o half of the 12 sites had browse damage of 60% or more
 - 2017 Cost = \$227K (\$192K paid by City; \$23K UM; \$12K donations to non-lethal program)

Survey Highlights (distributed randomly-1,100 responses; even distribution over 5 wards)

- o On deer populations over last three years:
 - City-wide - 40% said increasing; 36% same; 9% decreasing; 15% unsure
 - 2nd Ward – 61% said increasing; 26% same; 7% decreasing; 7% unsure
- o On severity of problem of deer populations (city-wide; no ward data):
 - 45% said serious problem; 31 % minor problem; 24% not a problem
- o On whether City's program is "acceptable"
 - City-wide and 2nd Ward – 73% said "acceptable"; 24% "unacceptable"
 - Not unexpectedly, of those indicating "unacceptable", culling was objection

On July 3rd, City Council approved three contracts related to the 2018 deer management program including (1) \$33K contract with Nature Write LLC for

monitoring and assessment of deer impacts in Ann Arbor natural areas (2) \$170K contract with White Buffalo Inc. for deer management program services and (3) \$20K contract with MSU Office for Survey Research to conduct deer management survey. The contracts were approved unanimously.

These contracts contemplate a 2018 program similar to 2017, but did not specify the details of the 2018 program including the objectives (number deer culled/sterilized) or the dates and locations for the lethal and non-lethal actions (and the associated parks closures). In response to my question, staff indicated the details will be presented to Council no later than October 16th.

It was also confirmed by staff that White Buffalo Inc. will need to seek a new permit from the MDNR to reflect the 2018 program objectives (for culling and sterilization) as well as the possible changes in locations for culls that may be proposed by White Buffalo resulting from the State's revisions to the prior restriction that firearms could not be discharged within 450 feet of a home.

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Library Lot Sale, Development, and Downtown Parking

On April 17th, City Council approved the sale of the Library Lot to Core Spaces LLC for \$10M. The sale was approved on a 8-3 vote of City Council, just meeting the 8 vote requirement for the sale of any city-owned land.

Although the specific site plan still needs to proceed through the City's development processes, the approval of the sale essentially authorizes and endorses the development proposal from Core Spaces of a 17-story, 353,000 sq. ft. building above the Library Lane underground parking garage on South Fifth Avenue.

Core Spaces LLC Development Summary

- \$10M purchase price for property
- Construction of a 17-story, 353,000 sq. ft. building containing
 - o Retail Space (9,250 sq ft) and Hotel Lobby on First Floor
 - o Office Space (20,000 sq ft) on Second Floor
 - o Hotel (131 rooms) on Third thru Sixth Floors
 - o Apartments (354 units) on Seventh thru Seventeenth Floors
 - 12% of apartments (43) would be "workforce housing" (defined as 150% of Fair Mkt. Rent for family of 4 household incomes ranging from \$53K to \$71K (60% to 80% of area median income (AMI))
 - Public Plaza of 12,000 sq ft
 - Purchase Contingent on obtaining 361 downtown parking permits for 50 year term from DDA
 - o 196 standard (24-7) permits at Library Lane and 85 at 4th & Williams
 - o 80 off-peak permits at 4th & Williams

My previous updates have covered the pro's and con's of the sale and the Core Spaces development proposal in detail so I'll not repeat them here. To summarize, those supporting the sale pointed to the additional tax revenue (\$2.3M annually in total with \$600K to City) and that half of the sale proceeds (roughly \$5M) would be allocated to affordable housing. This commitment of "half the proceeds to affordable

allocated to affordable housing. This commitment of "half the proceeds to affordable housing" had been adopted by City Council in June 2014 when the process to look into selling the city-owned property began, and it turned into the primary argument for approving the sale and project.

Those opposed to the sale (myself included) had two primary arguments. First, the sheer size/mass of the building was inappropriate for the site, out of scale, and overwhelmed the adjacent downtown properties. I believed development of the site was appropriate, but not development this massive. I tried to postpone the decision in order to work with the developer on a smaller proposal, but neither Council nor the developer had any interest in doing that.

The second argument was related to the allocation of so many (361) parking spaces for one development. Many (including Downtown Business Associations as well as individual businesses) believed it was unfair to those existing businesses and individuals on the wait list for downtown parking permits to allow a new development to leap-frog them. Many also believed that the added parking demand downtown would risk the future economic health and growth of downtown if more capacity isn't added (more on parking below).

Interestingly, one of the recommendations the City Planning Commission made recently to City Council with regard to planning and development ordinance regulations (Council passed their recommendations at First Reading July 17th) was to no longer allow developers to meet the parking requirements of their development by buying permits in the City's public parking system. It appears the Planning Commission shares the view that the allocation of spaces in the existing system to Core Spaces is not in the City's best long term interests.

The preliminary timeline outlined in April for the site plan process and reviews contemplates reviews by the City's Design Review Board in August, the City Planning Commission in November, and finally City Council in January 2018. The community's expectations for these reviews need to be tempered, however, as the reviews may result in minor tweaks to the project and/or design but will not result in substantive changes in project size, function or design.

PARKING – the Nelson Nygaard Parking Study commissioned by the DDA concluded in the Fall of 2015 that the downtown parking system was at capacity at that point and that demand was still growing (the study projected additional demand for 860 spaces by 2019). The granting of 361 spaces to this Library Lot development will only add to the severity of the capacity challenge.

As reported in the Ann Arbor News June 26th, the DDA is considering adding downtown public parking capacity. Four possible options were presented at the DDA's recent retreat:

- Ann Ashley structure - add 3 floors (375 spaces)
- Liberty Square structure - add 4 floors (370 spaces)
- Kline Lot at Ashley & William - construct underground two-level garage (423 spaces)
- Kline Lot #2 - underground two-level garage plus above ground parking (747 spaces)

I'm encouraged the DDA appears to be seriously considering adding capacity. Over the last few years, there has been resistance at the DDA and among elected officials to add capacity as they believe modal shifts (to walking, biking and public transportation) will mitigate the vehicle parking demand. My view (shared by many

downtown businesses) is that while modal shifts are possible to some degree, they won't be sufficient to fully mitigate the current (and growing) capacity shortfall condition. I don't believe it's wise to place the future economic growth and viability of downtown at risk and I'm hopeful the DDA will agree and will recommend adding a significant amount of capacity when the full DDA Board meets in September to discuss the question.

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Ann Arbor Train Station

As you probably know, studies on a potential new Ann Arbor Train station have been in process for several years now. The City has been working with the Federal Railroad Administration (FRA) and the Michigan Department of Transportation (MDOT) studying the possibility of constructing a new train station to replace the current Amtrak station.

Unfortunately, the studies have taken much, much longer than anticipated and the clock is running out on the ability to utilize federal grant funds to pay for the studies' completion. The five-year grant was awarded in 2012 and was expected to cover 80% of the costs for first an Environmental Assessment (EA) phase AND then a Preliminary Design and Engineering (PE) phase. Federal funding expires September 30th and the Federal Railroad Administration (FRA) has told the City they can't guarantee reimbursement of invoices submitted beyond June 30th.

The two phases are supposed to be sequential phases. That's logical – that the engineering/design phase (PE) would not start until after the EA report is completed (a preferred site is identified and documents/reports publicly released) and after the required 30 day public review and engagement period has been conducted and input reflected.

The EA report (with the preferred site recommendation) is still not completed. Three site alternatives remain under consideration (1) the existing Amtrak Depot site (2) Fuller Park in front of UM hospital and (3) Gandy Dancer site on Depot which is the historic Michigan Central Railroad building. The projected dates to complete the EA phase continue to be missed. The last projection (on August 9) from the City was that the EA will be completed and publicly released by the end of August. Once released, there is a mandatory 30-day public review and comment period (30 days is the minimum and could be extended).

However, because the clock was ticking on securing federal funds, the City began the preliminary engineering/design (PE) phase at the end of May before the EA phase was completed. The PE engineering work was then suspended at the end of June (\$272K cost incurred).

It was appropriate to suspend the PE work. By beginning design/engineering before the EA is completed, that means either that design work is being done on alternatives that won't be pursued (i.e., the City is wasting money) or design work is being done on just one alternative before the preferred site has been publicly identified and before the public has had an opportunity to comment (i.e., the City is essentially treating the public engagement process as a "check-the-box" exercise and a sham). Either - wasting taxpayer money or dismissing public engagement – are clearly not

desirable or acceptable outcomes.

Where is all this headed? - I've felt all along the site outcome was pre-determined – that the Fuller site was preferred by City Staff and by key elected officials and Fuller would ultimately be the “preferred” site. I still believe that, but of course, I may be wrong –we'll see.

In my view, the process has now unfortunately become a fire drill. It's not clear what will be accomplished before the federal funding expires and the local dollars previously authorized by Council (not me!) run out. (By the way, when this remaining local money runs out, you/me and our fellow AA taxpayers will have paid over \$1.3M in train station studies – that's right, \$1.3M in local tax dollars for just the studies with a \$65M construction price-tag looming and unfunded.)

Recently, in response to questions I asked, City staff indicated they still believe both studies (EA and PE) can be completed within the funding already approved and authorized. Perhaps that's true, but I'm skeptical. I won't be surprised if the City Administrator returns to City Council to request yet again more local dollars to complete the studies. In any case, it appears very likely that local tax dollars will end up paying for more than the planned 20%. We'll have to see.

What's been lost in all the train station conversation lately about process and timing is that we're no closer than where we were when all this started a decade ago in terms of identifying a funding plan for the \$65M or so in construction costs of a new station (or importantly, for the annual operating subsidy that will be required to operate it). In fact, with the recent failure of the RTA millage and funding challenges at the federal level, it's fair to conclude the prospects for funding have actually deteriorated over time. A Washington Post story from late May ("*Trump Budget Slashes Federal Aid for Rail, Long Distance Amtrak Routes*") painted a bleak picture about the prospects for securing federal funding. The article indicated that the proposed budget for rail construction grants was half the amount budgeted in the current fiscal year and put at risk rail projects that are already in the queue. In any event, it seems pretty clear the near term outlook for securing federal funding for construction of a station in Ann Arbor isn't very promising.

All along, the City has assumed 80% of construction would be paid for by the federal government and even if that optimistic assessment were accurate, the City would still need to come up with \$13M in local dollars.

What's also been lost in the discussion is that the underlying premise driving the need for a new station – projections of significantly growing ridership numbers – have not come to pass. The new station studies assumed ridership would grow by over 6 times from the 150,000 boardings/de-boardings at the Ann Arbor station in 2013 to 970,000 by 2035-2040. Since 2013, ridership has actually fallen by about 18% from 150,000 boardings/de-boardings to 123,000 in 2016. For the last decade, the numbers have been essentially flat.

I have not, and will not, support spending more local tax dollars on these train station studies until the need for a new station AND the likelihood of federal funding of the station construction are both more clearly demonstrated. I'm afraid that won't happen though and all the money spent on these studies will turn out to be a colossal waste of taxpayer money.

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Property Tax-Related - County Millage on November Ballot; Discussion of Potential City Income Tax

Washtenaw County Millage on November Ballot

You may have read that the Washtenaw County Board of Commissioners decided (5-4 vote) to place a new “Mental Health and Public Safety” tax millage on the County ballot in November.

The millage, if approved by a majority of County voters, would be a 1.0 mill tax for 8 years which would raise \$15.4M county-wide in the first year. The proceeds of the new tax would be allocated 38% (\$5.9M) to Washtenaw County Community Mental Health, 38% (\$5.9M) to the County Sheriff’s Office, and 24% (\$3.6M) to municipalities that have their own police departments (Ann Arbor, Ypsilanti, Chelsea Milan, Saline, Pittsfield Township, Northfield Township).

If the millage is passed, Ann Arbor taxpayers will be paying about \$5.3M more in taxes annually (\$175/yr. for home with taxable value of \$175,000) and the portion that would come back to the City of Ann Arbor (because we pay for our own Police) would be about \$2.4M a year.

It was the County Commissioners’ call how they structured the millage, but in my view, this structure is much too confusing. I believe as a general principle, ballot questions for new taxes should be simple and straightforward – X amount of money for Y purpose.

Taxpayers should be able to choose what they value and are willing to pay for -- tax questions should not be combined for multiple purposes like this one is (mental health and public safety). The questions should have been separated into their individual components (mental health and public safety), but the County Commissioners did not choose to do that.

Further complicating the millage is this component that 24% of the proceeds are sent back to the jurisdictions (like Ann Arbor) who have their own Police Departments to use however they'd like. While it is certainly reasonable that Ann Arbor taxpayers not fund the County Sheriff’s Office (we don’t use them), it would seem to me that rather than tax AA for that portion and return the money, why not propose to just tax Ann Arbor folks a reduced amount in the first place (which could have been accomplished with separate ballot questions).

City Council Resolution on County Millage - In any event, much to my surprise (given that the County Commissioners had not even taken any formal action), a resolution appeared on the City Council agenda for July 3rd that declared how the City would spend the money. The resolution was sponsored by Mayor Taylor, and Councilmembers Ackerman, Frenzel, and Smith.

The resolution declared that the City would spend the roughly \$2.4M it will receive on three priorities unrelated to mental health or public safety – 40% (\$960K a year) would be spent on climate action programs, 40% (\$960K/yr) on affordable housing, and 20% (\$480K/yr) on pedestrian safety. While the allocation percentages were specific, no specific detail was provided (or existed at the time) on what the funding in

each area would actually pay for, so your guess is as good as mine on how the sponsors came up with the 40/40/20 allocation. Subsequently, the City Administrator sent a communication to Council with a bit more detail and if you're interested, the Ann Arbor News had an article on it August 7th ("*New tax could help Ann Arbor go solar, switch to electric vehicles*")

Council was given a weekend to evaluate these proposed allocations of this large amount of money. That's just not proper process on any significant decision let alone one that spends \$2.4M of your tax dollars. Typically spending decisions are made after a lengthy, robust, annual budgeting process (from December through May) that includes priority setting retreats, several work sessions with individual departments and much Council debate and discussion - and not like this. .

Making such as significant spending commitment outside of the budget process was a primary (but not the only) reason I did not vote for the Council resolution.

The City has a number of under-funded priorities beyond the three identified in the resolution (climate action, affordable housing, pedestrian safety). There's fixing roads, improving some roads/intersections (like the Nixon Corridor), replacing aging water and sewer infrastructure, storm water mitigation, public safety (including traffic enforcement at schools and in neighborhoods), an unfunded pension liability, human service funding needs, the Allen Creek Urban Trail, and uncertainties in solid waste/recycling going forward to name a few. To call out three at this point completely outside of the budget process just is not appropriate or proper process in my opinion.

I also objected to the timing for a couple of reasons – first, it was premature to be considering spending money from a millage when it had not even been determined if the millage would be placed on the ballot and if so, what the specific structure would be. It also wasn't appropriate for Ann Arbor City Council to take any action before the Washtenaw County Commissioners actually made their decision – we should respect their process and their role.

Beyond my concerns about process, there were substantive questions submitted by Councilmembers (including myself) about the legality of the millage as structured and Ann Arbor's re-purposing of its proceeds. Specifically, I had (and have) questions regarding whether this millage violates the Headlee amendment or constitutes a Headlee override (since it results in additional dollars to the City's General Fund that can be used for any purpose) and if there are indeed Headlee implications, does that need to be disclosed to Ann Arbor voters? I also submitted questions about ballot language – will the language on ballots in Ann Arbor reference "Mental Health and Public Safety" when the City will be spending proceeds on altogether different purposes or will the ballot language in Ann Arbor be different from the balance of the County in order to reference how the money actually will be spent in Ann Arbor? I did submit these and other questions when the council allocation resolution was presented, and followed-up subsequently, but have not yet received responses.

In my view, the cardinal rule for tax millages should be that the ballot language clearly state what the proceeds will be used for. In fact, the State also has a "clear purpose" standard. Given the complexity of this millage, meeting that standard will be difficult, if not impossible. At a minimum, the City will need a robust education and communication plan and I'm afraid that won't happen either

communication plan and I'm afraid that won't happen either.

The City Attorney's Office was (understandably) unable to answer any of the questions initially given the short timing and the preliminary nature of the proposed millage structure and language. Instead, the City Attorney's Office suggested that Council postpone the resolution until at least the County Commissioners had taken action. I agreed with our Attorney's Office and felt postponing action was completely appropriate, but on an 8-3 vote, Council rejected a postponement. Council then passed the resolution (also on 8-3 vote) with CM Eaton, Kailasapathy and myself voting no. I am still pursuing answers to all of my questions.

One final editorial comment on this. I was disturbed by the rather cavalier language (in my view) contained in the resolution Council approved (I opposed) regarding increasing taxes. The resolution didn't actually come out and explicitly endorse the County millage, it said to the County - if you (the County) think you need more money, we (Ann Arbor City Council) encourage you to seek it. Essentially it said "we're with you on this."

The tax burden is already incredibly high in Ann Arbor and as elected officials we hear pleas from residents asking us not to raise taxes even further as the taxes are driving them out of their homes. As elected officials, we need to listen to and be as responsive to these concerns as we are to concerns from residents on needs for new spending. In my opinion, City Council's encouraging the County to "go for it" if they think they need more money just doesn't meet that standard. I stated that at the Council meeting, but obviously the majority of my colleagues don't share the view.

Discussion of Potential City Income Tax

On September 11, City Council will conduct a Work Session on a potential City Income Tax.

State law requires that adoption of a city income tax must be approved by city residents/voters. If City Council were to decide to place the question on the ballot, it would likely be in November of 2018. A potential city income tax was studied twice in the 1990's (1993 and 1996) and again in 2009, but was never advanced by City Council to the point of a vote of Ann Arbor residents. Voters rejected a City Income Tax in 1969 and 1972.

Under State law, a city has some discretion in the specifics of the tax including the tax rates themselves (up to maximum of 1.0% for residents and 0.5% for non-residents), the amount for exemptions and type of exemptions, and the minimum income level where the income tax would apply. Ann Arbor's City Charter requires that if an income tax is adopted, the City's General Operating Millage (currently 6.0343 mills) must be eliminated.

Proponents of adopting a city income tax in Ann Arbor argue it raises more revenue for city government, it's a way to have non-resident commuters pay a portion of the costs of city services and infrastructure, and it can make homeownership more affordable to lower-income families. Opponents argue the tax burden in Ann Arbor is already high, that the City's current revenues are adequate and growing, that income tax revenues are more volatile and less predictable than property tax revenues, and that the cost to administer an income tax is significant.

I was quite surprised when the idea of revisiting a possible income tax surfaced at the

I was quite surprised when the idea of revisiting a possible income tax surfaced at the Council retreat last December and even more surprised to learn the City Administrator had been requested to look into it before that and a memo had been prepared by city staff in October with a preliminary, high-level update of the Plante Moran 2009 study.

Assuming a 1.0% tax for residents and 0.5% for non-resident commuters, an income tax (and elimination of the general operating millage) would generate incremental net revenue for the City ranging from \$5M annually (@ \$20,000 minimum income level and \$3,000 per exemption) to \$11M annually (@ \$20,000 minimum income level and \$600 per exemption). By net revenue, I mean net to the City after covering the estimated \$3M annually in new costs to administer the income tax. The reduction in property tax revenue for the City would be \$32M and the income tax would raise \$37M to \$43M in net revenue for the city.

Whether you will pay more/less tax with a city income tax/lower property tax millage rate obviously depends on your income level and the taxable value of your home if you are a homeowner. If you are a resident and property owner you would pay a new tax to the City of 1.0% of your income, but your property taxes will be reduced by roughly 13% (to be precise, your property tax reduction would be your home's taxable value times 0.603%).

On a macro level, in addition to non-resident commuters now sharing a piece of the tax burden, past studies have projected that with an income tax and reduced property tax, commercial taxpayers will pay a smaller share of the total vis-a-vis residential taxpayers. Renters bear an increased share of the total tax burden unless the lower property taxes are fully reflected in lower rents. Other considerations pointed out in the staff memo are that property taxes in Ann Arbor are projected to grow by 2.4% a year and income levels by 1.2% a year and that if the only objective was to raise more money for city government, a Headlee Override (also requires voter approval) would be much simpler. It would generate about \$8M annually in additional revenue and would avoid the \$3M in cost to administer an income tax.

Stay tuned - when there are any new developments, I'll pass them along.

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Solar Energy Systems in Residential Neighborhoods

Currently, there are no City regulations addressing installation of solar energy systems in residential districts. In April, City Council adopted a temporary, 180 day moratorium on any ground mounted solar arrays in order to allow time for development of an ordinance. City staff developed a draft ordinance that was reviewed by the City Planning Commission on July 18 and August 15.

The proposed ordinance as written would permit ground mounted solar arrays in residential neighborhoods including in a property's front yard (but not in the required front setback). A solar energy system in a front yard may not be taller than 6 feet and not cover more than 35% of the front open space. Screening of the system is required (which is defined as 80% opaque on all sides visible from the public right-of-way. Solar systems located in back or side yards can be up to 21 feet high.

While we all support installation of solar energy systems, residents have expressed concerns to Council about allowing solar arrays in the front yards of residential

neighborhoods. I share the concern, and much like accessory dwelling units (ADU's), I worry that permitting solar arrays in front yards of neighborhoods could adversely impact the character of a neighborhood.

City staff indicated to me that the draft ordinance is likely to come to City Council on September 18 or October 2 - stay tuned. If you're interested in reading the proposed zoning ordinance and staff report, they can be found at the following link:

<http://a2gov.legistar.com/LegislationDetail.aspx?ID=3127017&GUID=AAED3DD3-250A-4365-B84B-20F08C744212&Options=&Search=>

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Fiscal Year 2017-18 Ann Arbor City Budget

The City's fiscal year runs from July 1 to June 30 and the City operates on a two-year budget cycle. In May, City Council adopted an annual budget for FY18 (July 1, 2017 through June 30, 2018) as well as financial plan for FY19.

The City Administrator proposes the budget in April and City Council has until the end of May to amend and/or adopt that proposal. This year, there were not as many Council budget amendments as there typically are and only two amendments were passed by Council/adopted:

- \$150,000 added to FY18 for new streetlights (sponsors = Councilmembers Lumm, Eaton)
- o Amendment was originally proposed with offsetting spending reductions, but ultimately was approved by Council as spending addition
- \$1.2M added to FY18 capital budget for Nixon Corridor Traffic Improvement project design costs with the understanding other projects will be re-prioritized (Sponsors = Councilmembers Lumm, Kailasapathy)

Four Council-proposed budget amendments were defeated by Council/not adopted:

- To hire two police officers for enhanced traffic enforcement at schools and in neighborhoods with the additional cost of the officers offset by not hiring an Assistant City Administrator. That new "Chief of Staff" position had been added in the Administrator's initial proposal and this amendment would have used those dollars to instead hire two police officers. (sponsors = Councilmembers Lumm, Eaton)
- To reject DDA's proposed hiring of new Communications Specialist (sponsors = CM Kailasapathy, Eaton, Lumm)
- To eliminate the funding in budget for deer management actions and use dollars (\$250K) instead for climate action programs and pedestrian safety. (sponsors = Mayor Taylor, CM Smith and CM Frenzel)
- To defer hiring of two new positions (Boards & Commissions Coordinator and Telecommunications Mgr to handle City's cellular tower contracts) and use dollars (\$200K) instead for pedestrian safety at schools improvements. (sponsor = CM Lumm)

In terms of police officers, I've proposed a budget amendment to add a couple officers every year I've been on Council (and have identified the offsets so as to not increase net spending), but every year the amendment has been rejected. Over the last twelve years, the number of sworn officers in the AAPD has been reduced by 37 officers, or 23%, from 159 in FY05 to 122 in FY17. In the last two years, the City has added 19 new staff positions (8 in FY17 and 11 in FY18) to City payrolls, but no police positions have been added. I don't believe that's an accurate reflection of the community's priorities, particularly considering the requests we continually receive from residents for enhanced patrols in neighborhoods and increased traffic enforcement at schools and in neighborhoods.

The majority of my council colleagues, however, clearly do not agree police staffing should be augmented as evidenced by their rejection of these budget amendments year-after-year and by their recently demonstrated intention to re-purpose funds in the County’s potential “Mental Health and Public Safety” millage to purposes other than public safety.

Highlights of Adopted FY18 Budget

- \$380M total expenditure budget (\$370M in FY17 budget)
- o No major new programs or services proposed, but 11 new Full Time Equivalent employees were added to City payrolls (5 new FTE's in the General Fund at an annual, recurring cost of over a half-million dollars)
 - General Fund (GF) expenditure budget of \$104.6M (\$103.2M in FY17 budget)
- o GF recurring expenses of \$102.0M (\$99.5M in FY17 budget)
- o GF one-time expenses of \$2.6M (\$3.7M in FY17 budget)
- o Year-end FY19 GF reserves of 17% of annual expenses (middle of target range)
 - Property tax rates reduced slightly (0.9%) to 16.1390 mills; property tax revenues up 2.22%
 - Proposed water utility rate increases of 6.8% for average user reflecting:
- o 2.7% increase for water, 5.2% for sewer, and 16.5% for storm water
 - General Fund recurring revenue growth of 3.0% (including increase in City’s share of DDA/downtown parking revenue from 17% to 20%)
 - 740 Full Time Equivalent (FTE) Employees (increase of 11 FTE's vs. FY17 budget)
- o FTE additions in several administrative areas – no change in Police or Fire staffing

The budget was passed by Council unanimously, but I had mixed feelings. I am concerned that the 19 FTE’s added over the last two years will not result in the improved customer service and efficiency promised, but instead are just adding indirect administrative costs and expanding bureaucracy at City Hall. We’ll see.

If you’re interested, the City’s key financial reporting documents (budgets, audits etc) can be found through the following link <http://www.a2gov.org/departments/finance-admin-services/financial-reporting/Pages/default.aspx> and if you’re a real glutton for punishment, let me know and I’ll send you the “Understanding the City Budget” I’ve included in prior updates.

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My apologies for another long update. There’s a lot going on and hopefully, you find these updates informative. As always, please let me know what’s on your mind. **Join me for coffee at Sweetwater's Café (3393 Plymouth Road) any Thursday from**

**8:00AM to 9:30 AM.....OR after-work at Rappourt Brew & Chew (2721 Plymouth)
from 5:00PM to 7:00PM the first Thursday of each month (September 7)..... OR
email me at jlumm@a2gov.org..... OR call [734-677-4010](tel:734-677-4010).**

I'd love to hear from you!

Jane Lumm

Ann Arbor City Council – Ward 2

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