



TO: Mayor and Council

FROM: Tom Crawford, CFO
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 5/19/14

PH – 1 – Public Hearing on Proposed Newport Road Sidewalk Special Assessment

DS-1 – Resolution No. 2 – Scio Church Sidewalk Special Assessment (\$1,626.00)

DS-6 – Resolution No. 2 – Barton Drive Sidewalk Special Assessment (\$1,980.00)

Question: Could you please provide some clarification about the numbers reported by the first gentleman who spoke during the public hearing on May 5? He claims that all four homeowners along a stretch of Newport Road are being assessed the same amount, even though one owner's frontage is larger than the other three combined. (Councilmember Petersen)

Response: Special Assessments can be calculated in a multitude of ways. Ultimately the goal is to spread the cost equitably amongst the properties that receive a benefit from the improvements. For the Newport Road Sidewalk special assessment, the Assessor's Office has determined that the most equitable way to spread the charge was on a unit basis.

It was recognized with the development of Riverwood Subdivision that these homes would benefit with a sidewalk connecting the subdivision sidewalks to the sidewalks south of M14 and the City beyond. They formally agreed to participate in a special assessment to construct this sidewalk in the development agreement.

It has been expressly communicated to City staff that the majority of property owners do see value in the construction of this sidewalk along Newport Road. Properties further to the north in Newport Hills have also felt there is value to them as they are agreeing to make a voluntary donation to help offset the cost of this project.

Since only the end of the (Riverwood) subdivision sidewalk connects to the proposed new sidewalk, a frontage based special assessment would not create an equitable method to charge for the benefit. It was determined to base the calculation on a per unit basis with each property in Riverwood receiving a unit of benefit and the properties that actually front Newport Road receiving twice that benefit. Properties on Newport road each have the same assessment regardless of their frontage.

For past projects, the City has used a frontage basis and has used hybrids that have blended multiple methods. The goal is to spread the cost equitably to the properties that benefit from the improvement.

The fact that a property owner does not believe they will utilize the improvement does not negate the value of the improvement.

Question: Also, how was it that the Free Methodist Church understood they would not be assessed? (Councilmember Petersen)

Response: Staff does not recall ever telling the church they would not receive an assessment. It's possible that they were told that they wouldn't be assessed for the full cost, which is accurate because of the Riverwood is contributing to the project.

Question: How is that the Barton and Scio Church sidewalks are qualified to receive STPU funding. Is the Newport Road sidewalk not qualified for this funding? (Councilmember Petersen)

Response: In the past, the City's allotment of STPU funds has been used primarily for road replacement projects. In FY14, the City was given permission from MDOT to set aside \$200,000 from the annual amount received to address projects such as sidewalk gaps. For this year, the \$200,000 set aside was put towards the Barton/Scio project. While the Newport Road sidewalk gap could qualify for STPU funds, no additional funding is available in the State's FY14. If STPU funds were to be used for the Newport sidewalk gap, the construction of the sidewalk would have to be delayed until the summer of 2015.

DC-3 – Resolution to Remove Funding for Larcom Building Re-skin from Capital Improvements Plan

Question: What does "re-skinning" of a building actually entail? What are the benefits? (Councilmember Petersen)

Response: Re-skinning of the Larcom City Hall building would entail replacing the existing exterior walls and windows of the building with a new squared off exterior, eliminating the inverted pyramid features of the current structure. The new exterior would hang vertically from the 6th floor (it will be supported at each floor) and eliminate the stepping at each floor. This was originally proposed as Phase II of the Ann Arbor Municipal Center Project.

The benefits of re-skinning are primarily focused on energy efficiency. The existing windows are mostly single pane glass on aluminum frames which offer very little insulation value. The walls also have minimal insulation. This results in higher energy bills for the City and less comfort for the users of City Hall. Another benefit is a small addition to the floor space of the Larcom building. Since the new exterior walls would have the same footprint as the 6th floor, floors 2-5 would have increased floor space to various degrees. Exterior maintenance costs would also be reduced since the new “skin” would replace the 50 year old existing exterior. Depending on a person’s viewpoint, the aesthetics of the building would also improve. The original proposal would re-skin Larcom with materials to allow it to blend better with the Justice Center facade, truly tying the two building together with a consistent appearance.