



Memorandum

To: Mayor Farmer and City Council Members

From: Edward B. Koryzno Jr., City Manager

Date: November 22, 2006

Subject: Council Information Letter

CURRENT PROJECTS

****Regional Police Authority Update:** I previously reported that I have been meeting with representatives from the townships of Ann Arbor, Augusta, Salem, Superior, Northfield and York to explore a regional police concept. The result of these meetings is the attached Regional Police Authority Feasibility Study Request for Information which was mailed to a number of firms last week. The deadline for responding is December 15, 2006.

Parkview Update: The non-profit corporation owner of Parkview became delinquent on obligations and HUD began foreclosure. The owner then filed for bankruptcy Chapter 11 protection. The case is pending. The City filed a claim for payment in lieu of taxes (PILOT) and put the property on the tax rolls because of the default in the mortgage and other reasons. The owner contested the City PILOT claim. HUD decided to not sell the property to either the City or City Housing Commission, both having filed applications. HUD then entered into an agreement to sell to a Mr. Ku of New York. The tenants filed a federal law suit to stop the sale and HUD decided to not sell to Mr. Ku and the tenants dropped their law suit. HUD dropped the foreclosure and asked the court to be a mortgagee in possession (MIP). The court declined to grant the relief. The owners then agreed to allow HUD to be a MIP and HUD went into possession as a MIP to stabilize the project. The owner then contracted to sell to Mr. Ku. The owner has filed an application with HUD to allow the sale as a transfer of physical assets (TPA). If HUD allows the application the foreclosure would be cancelled and Mr. Ku would take over in the shoes of the owner. Thus the new owner would take the physical assets and the liabilities.

There was a status conference in court on November 3, 2006. The City Bankruptcy Attorney, Donna J. Lehl of the Gold law firm, attended to represent the City. HUD told the judge that they were proceeding with the foreclosure and is in the process of review of the TPA application. According to HUD, it will take 100 to 165 days for the review process. If the process is allowed and the sale goes through the owner claims there would be approximately \$465,000 for administration, priority and secured claims. There is a question of the status of the City claim and the matter is on hold in the bankruptcy court pending the further action of HUD.

CBD Parking Plan Update: The new paymaster has been installed in the N. Adams lot and is ready for operation as soon as the signage is installed in the lot. Mr. Bohlen has received HDC approval for the signage in N. Adams which has been ordered. Signs will be installed upon delivery, hopefully this fall. The

operations of the parking lot and enforcement of the CBC's approved plan will happen immediately upon complete installation of the signage and meter being turned on.

The N. Huron Lot will be re-signed after the N. Adams lot is set up. Mr. Bohlen wants to do one lot at a time so that he and the Parking Enforcement people are able to learn and work out any "bugs" one lot at a time instead of having disorder or confusion throughout the downtown. The next lot to be re-signed will be S. Huron which will also need to be re-stripped due to a redirection of traffic flow within the lot as specified in the CBC plan. Specifically, the direction of the one-way alley will be reversed so that traffic from Huron may turn into the alley.

The DDA and CBC have requested that mailings and public notices be sent out in advance of a parking lot changing to the new CBC approved plan.

Construction Project Update:

Lincoln Street Track Removal: Track removal on Michigan Avenue and Lincoln Street has been completed. Michigan Avenue has been restored with concrete and Lincoln Avenue has been restored with asphalt. Restoration work to the margins on Lincoln Street is not complete and there are list items that need to be addressed, mainly restoration issues. This will be completed before winter.

River Street: The final layer of asphalt was applied on Monday, November 13, 2006. Restoration of the margins is approximately 50% complete. Street striping, punch list items and final walk-throughs remain.

Forest Avenue: This project is complete with exception of final inspection by MDOT and YCUA.

Urban County/HOME Update: S. Kirton met with Annette Rook, Washtenaw County, Sr. Community Development Specialist, and Sauriol, Bohde and Wagner (SBW) Architects and Associates, Inc. of Macomb, MI. SBW Inc. has been selected by the County as the design engineers for the City of Ypsilanti's and Northfield Township's projects. A time line for Parkridge, City Hall and the pool was discussed at this meeting. The schedule is as follows: Field work to be completed three weeks after receipt of the notice to proceed. The City's project will be designed first since the Northfield Township project is mainly site work and will not begin until the next outdoor construction season. Working plans, budgets and specifications will be completed in six weeks following the field work which puts us into the first week of February.

Purchase of new Aerial Fire Truck: As you know, Chief Roberts and the Fire Department were successful in obtaining a grant to replace the current 30+ year old aerial truck. This award from the Department of Homeland Security is for \$607,500.00 with a 10% match from the City of \$67,500.00 for a total of \$675,000.00. The Department has been working on the possibility of an aerial purchase for the past three years and has concentrated their focus on a KME vehicle (apparatus) that is manufactured in Pennsylvania. The City purchased a KME engine in 1996 and the Chief has been more than pleased with it and they would like to purchase another KME in the form of the aerial. The Chief's vision would be someday a fleet of KME products that would allow any problem with any apparatus to be taken care of by the same personnel. The closest KME repair shop is located in Northville, Michigan and they come to our department to perform maintenance.

The apparatus the department proposes to purchase will cost, according to Chief Roberts, approximately \$825,000.00 and would be classified as a "no frills, no luxury type of apparatus that would last a long time and be classified as a firefighters' type of vehicle with the capacity to do our type of fire fighting particular to the City of Ypsilanti." This would require an additional contribution of approximately \$125,000.00 beyond the grant match bringing the City's total amount to \$192,500.00. There is a potential credit of \$25,000.00 from selling of our old aerial and Tele-squirt engine which would reduce purchase price to \$800,000.00.

Chief Roberts proposes we save time and money by utilizing a Tag Along purchase with the City of Lansing, Michigan by purchasing a nearly identical vehicle from KME. The City's policy allows the tag along and we have used this option in the past. Our purchases of the engine (1996) and squad (2000) were done in this manner.

The December 5, 2006 agenda will include the following proposal for Council's consideration: a) approve the purchase of a new aerial truck with a not to exceed price of \$800,000.00 which includes credits for the sale of the two apparatus we currently have; and b) approve the use of the tag along purchase with the City of Lansing.

**Water Street Update: When City Council approved the Brownfield Plan application in October. I informed Council that our objective was to have the Michigan Economic Growth Authority (MEGA) consider it as part of our Brownfield and Single Business Tax applications, at its December meeting. This objective included having Council approve a development agreement with Freed to accompany applications. Since that time, negotiation of the development agreement with Freed has continued. We are now discussing critical issues related to the timing of various phases of the project, responsibilities of each party prior to releasing a phase, and financial obligations. A factor that has continued to impact the negotiations is the economy in southeast Michigan, particularly the poor housing market. While I want to expedite the negotiations, it is important to resolve the outstanding issues favorably prior to presenting the proposed agreement to you and the community. I prefer to delay appearing on the MEGA Board agenda until their January 16, 2007 meeting which will provide additional time to adequately address critical issues contained in the development agreement. I anticipate asking Council to approve a development agreement at either the December 19, 2006 council meeting or at a special meeting in early January.

Ms. Hart has researched Michigan Brownfield Projects requesting SBT credits and her findings are contained in the enclosed memorandum.

GENERAL INFORMATION

Public Housing PILOT: Ms. Uy reports that the Housing Commission has paid their PILOT (Payment In Lieu of Taxes) FY 04-05 in the amount of \$6,160.

2005-2006 Audit Presentation: Plante/Moran will present the Fiscal Year 2005-2006 audit at the December 5, 2006 council meeting.

OPRA: During the November 7, 2006 Council meeting, Mr. Beal implied the former Assessor changed his property value unilaterally. According to Ms. Doom, our current Assessor, it is illegal for an Assessor to adjust a value mid-year unless a clerical error has occurred. Once a value has been set, only the March Board of Review can adjust it. This can be done by appeal only. Mr. Beal appealed to the Board of Review in 2004 and received a 50% reduction based on the condition of the property. This was not a reduction granted by the Assessor. The same procedure would have to be followed for the two Thompson Block parcels.

Towing Enforcement: During Monday's Council meeting, Council expressed concerns about the charges levied for towing vehicles. The City's towing contract only governs tows initiated by the Police Department and does not govern tows from private properties. In response to the concerns expressed by Council, Mr. Salamay met with the city Attorney to discuss the tow ordinance. Mr. Salamay agreed that Budget Towing should change their rule of automatically charging another day's storage fee after midnight. Mr. Salamay is instituting a rule/guideline that additional days' storage fees will not be charged until after an eight-hour period has elapsed after a vehicle is towed. Therefore, if an owner picks up their vehicle within eight hours of it being towed, the owner will only be charged for one day storage. Also, with regard to the bill/invoice given to the owner of the vehicle, Mr. Salamay agreed to provide a better description of the "release fee",

which is the Police Department processing fee, and the "administrative fee", which is the Secretary of State fee. He will list/label them as the police processing fee and the Secretary of State fee on the invoices/receipts provided to the customer in order to be clearer as to the reason for the fees.

Jail Overcrowding Update: Due to the continual criminal activity resulting from the jail overcrowding issue, Chief Harshberger is holding a special meeting of all Neighborhood Associations and Business Associations on Monday night (Nov. 20th) at 7 p.m. Topics of discussion will include the jail overcrowding problem, the jail expansion proposal approved by the County Board Wednesday night, out-boarding of prisoners at the jail and crime prevention strategies to help deter/prevent the recent spike in property crimes that has occurred in and around the downtown area and surrounding neighborhoods. The meeting will be held on Monday night at 7 p.m. at the Senior Center at Recreation Park on Congress St.

Construction Value for Penn Park Huron River Drive Sidewalk: The Peninsular Park PUD Developer, Rick Kirk, has provided a construction value for the public sidewalk along Huron River Drive. City Council amended the PUD agreement so that this sidewalk is no longer required as it was determined that constructing the sidewalk was not feasible due to limited right-of-way width and utility pole obstructions. The construction value for this sidewalk submitted by Mr. Kirk was \$15,300. Mr. Bohlen has reviewed this estimated and found it acceptable. The money will be provided by the developer and deposited in a City escrow account to be used for future pedestrian improvements in the area, as determined by City Council.

**Ann Arbor Transportation Authority A-Ride: Enclosed for your information are the A-Ride statistics for the 3rd quarter.

City Council Goal Setting 2006-2007: A reminder that our first goal setting will be Saturday, December 16th at 9:00 a.m. at the Haab Building. I also want to inform you that I have invited both Senator Brater and Rep Alma Wheeler-Smith to attend one of our sessions to give us an update on what the State's budget, elimination of the Single Business Tax, sun setting of the Statutory Revenue sharing formula, and the election results will mean for local government funding.

Council Information Letter E-Mail Version: Please contact Nan Schuette if you desire to have your copy of the CIL sent via e-mail rather than a hard copy.

