

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of August 16, 2011

**SUBJECT: Hofmann Annexation and Zoning (1643 & 1645 South State Street)
File Nos. A11-002 and Z11-002**

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Hofmann Annexation.

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Hofmann Zoning to C3 (Fringe Commercial District).

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby waives the area plan requirement for the Hofmann Zoning petition because no improvements or alterations to the site area are proposed.

STAFF RECOMMENDATION

Staff recommends this annexation petition be **approved** because the property is within the City's water and sewer service area.

Staff recommends that the proposed C3 zoning and the area plan waiver request be **postponed** to allow the City Planning Commission and staff additional time to discuss the surrounding land uses and the adopted Master Plan: Land Use Element recommendations as they relate to these parcels.

LOCATION

This site is located on the east side of South State Street, south of Stimson Street. This site is in the Malletts Creek Watershed.

DESCRIPTION OF PETITION

The petitioner requests annexation of two parcels totaling approximately .6 acres from Ann Arbor Township. The parcels contain four non-residential buildings with a total of 7,400 square feet of floor area. The petitioner seeks C3 zoning to allow retail use for a new business, Biercamp, along with the current auto repair and furniture manufacturing uses at the 1643 S. State Street site. The 1645 S. State Street site currently is used for storage.

The petitioner has requested a waiver of the area plan requirement because no new construction is proposed. A survey drawing of the site improvements has been provided.

COMPARISON CHART – 1643 S. STATE

	EXISTING	REQUIRED: C3	REQUIRED: C2B	REQUIRED: M1
Zoning	TWP (Township District)	C3 (Fringe Commercial District)	C2B (Business Service District)	M1 (Limited Industrial District)
Gross Lot Area	16,552 sq ft	6,000 sq ft MIN	4,000 sq ft MIN	13,000 sq ft MIN
Floor Area in % of Lot Area	36% (approx)	200% MAX	200% MAX	75% MAX
Height	2 story	55 ft MAX	55 ft MAX	35 feet MAX
Setback - Front	20 ft	10 ft MIN 25 ft MAX	10 ft MIN 25 ft MAX	15 ft MIN
Setback – Side(s)	0 ft	None	None	None
Setback – Rear	0 ft	None	None	None
Parking – Automobile	14 spaces	20 spaces – MIN 23 spaces -MAX	20 spaces – MIN 23 spaces- MAX	10 spaces
Parking – Bicycles	0 spaces	2 Class B MIN 1 Class C MIN	2 Class B MIN 1 Class C MIN	2 Class B MIN 1 Class C MIN

COMPARISON CHART – 1645 S. STATE

	EXISTING	REQUIRED: C3	REQUIRED: C2B	REQUIRED: M1
Zoning	TWP (Township District)	C3 (Fringe Commercial District)	C2B (Business Service District)	M1 (Limited Industrial District)
Gross Lot Area	9,583 sq ft	6,000 sq ft MIN	4,000 sq ft MIN	13,000 sq ft MIN
Floor Area in % of Lot Area	14 % (approx)	200% MAX	200% MAX	75% MAX
Height	2 story	55 ft MAX	55 ft MAX	35 feet MAX
Setback - Front	20 ft	10 ft MIN 25 ft MAX	10 ft MIN 25 ft MAX	15 ft MIN
Setback – Side(s)	10 ft	None	None	None
Setback – Rear	70 ft	None	None	None
Parking – Automobile	Gravel lot	5 spaces – MIN 6 spaces - MAX	5 spaces – MIN 6 spaces - MAX	3 spaces
Parking – Bicycles	0 spaces	2 Class B MIN 1 Class C MIN	2 Class B MIN 1 Class C MIN	2 Class B MIN 1 Class C MIN

SURROUNDING LAND USES AND ZONING

	LAND USE	ZONING
NORTH	Retail food sales and parking	C3 (Fringe Commercial) and P (Parking District)
EAST	Railroad right-of-way	C3
SOUTH	Vacant/Medical marijuana dispensary	TWP (Township District)
WEST	Golf course	PL (Public Land)

HISTORY AND PLANNING BACKGROUND

Both 1643 and 1645 S. State Street are zoned I-1, Limited Industrial, in Ann Arbor Township and contain approximately 7,300 square feet of floor area combined. The current property owner was notified by the City in 2009 about the need to annex to the City and connect to public utilities. When the petitioner applied to open a retail/manufacturing business at the 1643 S. State Street site, the associated inspections identified the need to annex into the City to connect to city sanitary sewer.

Per the City of Ann Arbor Master Plan: Land Use Element, as sites in this area are annexed into the City, uses consistent with the light industrial district should be encouraged. Residential and commercial uses should be discouraged, except for the parcels adjacent to the Stimson and South Industrial commercial area.

ZONING APPLICATION

The petitioner's Petition For Changes In Or Additions To The Zoning Chapter, a form provided to assist petitioners in providing the required information per Chapter 55 Section 5:108(2)(a)-(g), is reprinted below. Petitioner's response in regular type, *staff response in italics*.

- **The extent to which the zoning/rezoning requested is necessary:**

We have no other option but to hook into city sewer so that we can open our business. By doing this, we will be rezoned M1, which will not allow us to operate the business we have spent the last 7 months building. Under the township we are zoned I-1, which allows us to run our business minimally. C3 is the best zoning suited for our short and long term goals. It is in the best interest of the city that we be zoned C3 in order to have a lasting and profitable relationship with the surrounding neighborhood (see attached appraisal).

The proposed C3 or C2B zoning allows the existing uses on site, although the retail parking requirement of 20 parking spaces would not be met, and commercial zoning allows for more intensive uses than currently exist on site. The staff-supported M1 zoning closely matches the Township zoning and allows for the existing uses on site. If a Certificate of Occupancy for the retail/manufacturing use is received from the Township, this business may continue to operate in the City as long as the use is not changed or expanded.

- **This zoning/rezoning will affect the public welfare and property right of persons located in the vicinity in the following ways:**

By transforming a storefront that has been empty for years, we are improving the overall look and feel of the neighborhood as well as a main artery to the downtown area. Our location is extremely accessible for the locals to walk, bike or ride public transit to reach us. Local business men and women can walk to our establishment for lunch, instead of getting in their cars and driving to a fast food establishment which will improve overall health and ease traffic congestion in the area.

Commercial zoning at these two sites create a possibility of future intensive retail uses. More intensive commercial uses bring traffic conflicts, circulation and parking issues. If the Commission wishes to explore commercial zoning options for the sites, staff recommends that the petitioner provide a traffic impact study to explore the impact of a rezoning on traffic in this area.

- **This zoning/rezoning will be advantageous to the City of Ann Arbor in the following ways:**

Zoning our business C3 means that we can stay in Ann Arbor and support the community by generating revenue, providing jobs and paying taxes. Our storefront renovations have improved the property, neighborhood and overall look of the city, which in turn generates growth and appeal to new and existing citizens, especially the dwindling crowd of young professionals.

Staff is unable to support a commercial zoning until the South State Street Corridor study is completed with specific recommendations for these sites. The Master Plan: Land Use Element recommends light industrial zoning for these sites.

- **This particular location will meet the convenience and service requirements of potential users or occupants in the following ways:**

There is ample designated parking easily accessible from the south and a center turn lane from the north. A provided bike rack and transit stop conveniently located out front again make our store more accessible by the public. Existing customers who currently shop at our neighbors and friends, the Produce Station, will find it convenient and fun to walk to and from two stores that compliment each other so well.

Additional properties to the south of the subject parcels are currently in the Township and zoned I-1. These Township parcels are not adjacent to Stimson and South Industrial either and are also recommended for light industrial uses.

- **Any changed or changing conditions in any particular area, or in the municipality generally which may have bearing on the proposed zoning/rezoning are:**

Cosmetic improvements and designated parking.

- **Other circumstances which will further justify the requested zoning/rezoning are:**

This is a township pocket that the city is gaining by us opening our business. If not for occupying this storefront, the owner would not be annexing into the city for a very long time. This site should be zoned C3 for obvious reasons. Although the master plan calls to discourage commercial zoning, it also states that property adjacent to the Stimson and South Industrial commercial areas be considered for commercial zoning – our location falls into this category. We feel our location, an integral part of the commercial area, should not be held down by M1 zoning simply because of its relation to the traintracks which we all know is an outdated means of defining this area's zoning. We feel that the growth of small business, especially local Michigan based business, should be top priority in this state of the economy. We're here to stay and with your help, can become an Ann Arbor staple that will continue to provide jobs, revenue and stimulation for the city and state.

See Planning staff comments.

STAFF COMMENTS

Systems Planning – The water, sewer, and sidewalk improvement charges for 1643 S. State have been paid in full. The petitioner submitted the required water and sewer agreements to move forward to connect to city sewer (they were approved to connect to city water in 1937 and are active for city water but no agreement could be found).

The sidewalk improvement charge for 1645 S. State has been paid in full. When/if the dwelling at 1645 S. State is required to connect to City sewer/water, the cost-forward water and sewer improvement charges will be due.

Planning

Zoning Request: Staff recommends that the proposed C3 zoning request be postponed to allow the Commission the opportunity to discuss the petitioner's request and staff recommendations. Staff believes that M1 (Light Industrial) zoning designation should be applied upon annexation, consistent with the Master Plan: Land Use Element. In the absence of up-to-date land use recommendations, which are to be developed as part of the South State Corridor Study, the M1 zoning most closely matches the current Township zoning and existing industrial uses on site. Further, these two parcels are not adjacent to either Stimson Street or South Industrial Highway, the master plan's prerequisite for commercial zoning. If the South State Street Corridor study recommends a different zoning designation, rezoning could be initiated after the master plan is amended.

Although staff does not support commercial zoning of these two sites, staff recommended the petitioner change the requested zoning from C3, Fringe Commercial, to C2B, Business Service District. This change allows for retail and automotive uses, while not allowing any drive-in service without special exception use approval. The petitioner originally proposed C1, Local Business District, to allow for retail sales and was discouraged by staff since the existing industrial uses on site are not allowed in this district. The petitioner indicates the change from C3 to C2B zoning is acceptable.

Staff asked the petitioner if they were open to zoning the 1645 S. State Street site M1 and the petitioner preferred keeping both parcels C3 or C2B as they felt their commercial zoning request was stronger with both parcels zoned the same as opposed to different zoning designations.

Site Conditions: Planning staff has been in contact with Ann Arbor Township to discuss the status of this business under Township zoning requirements. Both parcels are zoned I-1, Limited Industrial District, and allow for the existing uses (auto repair, furniture manufacturing, and storage). The petitioner began work and opened the Biercamp business in the Township without full approvals and is now coordinating with the Township to secure a Certificate of Occupancy for a manufacturing/retail sales use. The Township has indicated to Planning staff that incidental retail sales are allowed in the I-1 zoning district for products manufactured on site. If the petitioner secures this C of O, the proposed retail business would be allowed to continue in the same manner when annexed to the City, regardless of the zoning designation. Any expansions or changes to the use would require compliance with the City zoning designation. Planning staff will give an update on the C of O status at the City Planning Commission meeting.

1643 S. State Street has the minimum number of required parking spaces (14) for the existing and proposed uses on site. The petitioner indicates the average number of vehicles parking on site is 5 per day and anticipates doubling the parking to 10 per day with the majority of retail customers walking over and shopping after they've finished shopping at the Produce Station and leaving their vehicles parked in the Produce Station's parking lot. The proposed retail establishment anticipates regular cyclists and foot traffic customers from the businesses near Eisenhower and State Street and also the neighborhoods north of Stimson. There is also a public transit stop out front. The petitioner has committed to installing an 8-10 space bicycle rack to accommodate bike traffic.

After two staff site visits, it appears there currently is not a parking or circulation issue on either site or the existing retail sales shop at 1643 S. State Street. However, staff is concerned if the

retail shop ceases to remain at this site, a more intensive retail use may move into the existing building and cause traffic circulation and parking issues without providing staff a traffic study.

Prepared by Christopher Cheng
Reviewed by Wendy Rampson
mg/8/11/11

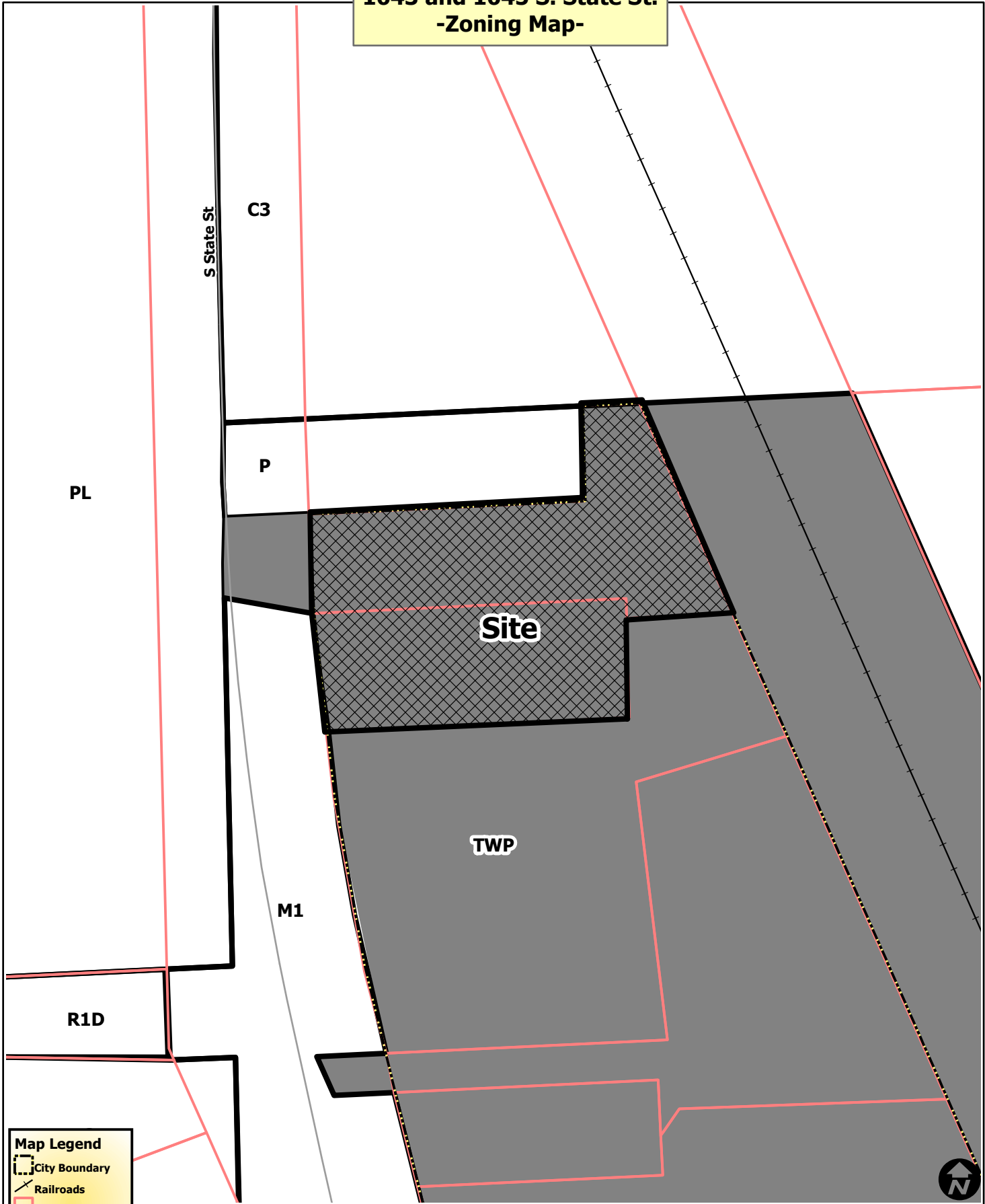
Attachments: Zoning/Parcel Maps
Aerial Photo
Site Survey

c: Petitioner: Walter Hanson
3150 E. Morgan Road
Ann Arbor, MI 48108

Owner: Stefan Hofmann
1643 S. State Street
Ann Arbor, MI 48104

City Assessor
City Attorney
Systems Planning
File Nos. A11-002 and Z11-002

**1643 and 1645 S. State St.
-Zoning Map-**



Map Legend

- City Boundary
- Railroads
- Parcel Property
- Zoning**
- Township
- City of Ann Arbor



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1643 and 1645 S. State St. -Aerial Map-



Map Legend

- City Boundary
- Railroads
- Parcel Property



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