ANN ARBOR DOWNTOWN ZONING EVALUATION

10/10/2013

Recommendations to the City of Ann Arbor Planning Commission

Prepared by ENP & Associates

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INTRODUCTION

The Task from City Council

City Council tasked the Planning Commission with reviewing certain aspects of the downtown zoning ordinance and providing recommendations on any changes that should be made. Specifically, the City Council resolution authorizing this work stated that the Planning Commission was to provide recommendations on the following:

Whether D1 zoning is appropriately located on the north side of Huron Street between Division and S. State and the south side of William Street between S. Main and Fourth Avenue

Whether the D1 residential FAR premiums effectively encourage a diverse downtown population

Consider a parcel on the south side of Ann St. adjacent to north of city hall that is currently zoned D1 to be rezoned to the appropriate zoning for this neighborhood

The Planning Commission and City Staff developed a scope of work based on this request which included significant public input and identification of implementable solutions to address high priority concerns. The complete text of the City Council Resolution is included in Appendix A.

We began the process by asking citizens some broader questions about what they feel is working with the downtown zoning, what is not working, and what changes they think could be made. Based on experience, we asked questions beyond the City Council resolution in order to assure a constructive conversation on the ordinances and how they could be improved. We used the feedback from these discussions to help define the questions that were originally proposed in the City Council resolution.

This report will also include issues that were raised during the public input process but are beyond the scope of this project. These issues are appropriate for further study by the Planning Commission, City Council, or other existing City bodies as identified in the final section of this report.

Guidance from Existing Plans

The following goals from the Downtown Plan (adopted in May, 2009) helped to inform the process:

Goal: Protect the livability of residentially zoned neighborhoods adjacent to downtown.

> The neighborhoods which edge downtown are an important factor in making it an attractive, vital center of community life. Near-downtown residents help to establish a market for retail, service, and entertainment functions, as well as extending the cycle of downtown activity into weekend and evening hours.
>
> Definite land use boundaries, marking the outer limit of expansion for downtown oriented commercial development, should be respected in order to reduce pressures for inappropriate encroachment into neighborhoods.

Goal: Encourage articulation in the massing of larger new buildings to fit sensitively into the existing development context. Encourage design approaches which minimize the extent to

which high-rise buildings create negative impacts in terms of scale, shading, and blocking views.

The most fundamental recommendations for the design of new downtown buildings are to:

(1) complement the scale and character of the existing development context;
(2) reinforce the clarity of the overall urban form; and
(3) add to the area's identity as a special place. Harmony should be encouraged in overall visual relationships, while still fostering design excellence and the diversity which adds richness and interest to the cityscape.

The City's Master Plan (November, 2009) also lists several issues with regard to the interface between the downtown and the central area which provide guidance for this evaluation. Among them are:

> "In various locations, houses are overshadowed by larger commercial, residential or institutional buildings that are out of scale with existing surrounding development. In addition to being aesthetically displeasing, out-of-scale construction alters the quality of living conditions in adjacent structures. Often it is not so much the use that impacts negatively on the neighborhoods, but the massing of the new buildings."

> "New downtown development will be encouraged; but at the same time, existing assets and valued downtown characteristics will be conserved and strengthened. This balance between conservation and change will be fostered by emphasizing the use of incentives and guidelines."

BACKGROUND

Why these questions?

The evaluation focuses on the specific questions above because they provide examples of sites where there is no interface zone between D1 and residential properties. This conflict has been the primary issue that Planning Commission and City Council has wrestled with when evaluating new developments under the D1 and D2 ordinances. These sites provide an opportunity to evaluate what may be the impact of D1 zoning on the adjacent neighborhoods, as well as review the zoning to determine whether the zoning criteria should be amended in order to provide clearer guidance to prospective developers.

Built into the resolution recommending that Council approve the rezoning of downtown was an expectation that the Planning Commission would review the zoning after a year. Because construction under the new zoning was constrained by external economic forces, the Planning Commission delayed this review until there were several examples to consider.

What changed in 2009?

In 2009, as an outcome of the Downtown Plan, the Ann Arbor Discovering Downtown (A2D2) task force worked with the community, the planning staff, and the Planning Commission to address downtown zoning issues. The result was the decision in 2009 to create two zoning districts for downtown Ann Arbor: D1: Core Area and D2: Interface Zone. In addition, there are Character Overlay Districts included in the ordinance which provide additional regulations in each area to reflect the diversity of street patterns, densities, massing and designs that exist downtown. Downtown Design Guidelines were also created to supplement these districts in 2011.

The D1 and D2 zones were a shift from the previous patchwork of zoning districts that covered the downtown. The intent of the new districts is as follows:

Overall Intent:

These districts, in coordination with the downtown character overlay zoning districts, are designed to support the downtown as the city's traditional center. The downtown serves both the region and local residents as a place to live, work, and take advantage of civic, cultural, educational, shopping, and entertainment opportunities. The downtown districts are intended to allow a mixture of land uses, dense urban development, pedestrian orientation, unique residential opportunities, and a compatible and attractive mix of historic and contemporary building design. Development in these districts is designed to be accessible by a variety of modes of transportation.

D1 Downtown Core Intent:

This district is intended to contain the downtown's greatest concentration of development and serves as a focus for intensive pedestrian use. This district is appropriate for high-density mixed residential, office and commercial development.

D2 Downtown Interface Intent:

This district is intended to be an area of transition between the Core and surrounding residential neighborhoods. This district is appropriate for medium density residential and mixed-use development.

Prior to the adoption of the D1 and D2 ordinances, there was no height cap in many of the downtown districts. The height cap was first introduced in the D1 and D2 districts, with height maximums ranging from 60 ft. to 180 ft.

What has happened since 2009?

Approved projects

There have been several projects approved under the D1/D2 ordinances since their adoption in 2009. A summary of these projects, including height, use, floor area ratio and premiums used are shown in Table 1. A more complete summary of all projects in the downtown that have been approved since 2000, as well as a building height inventory, is included in Appendix B.

Impacts on the Downtown

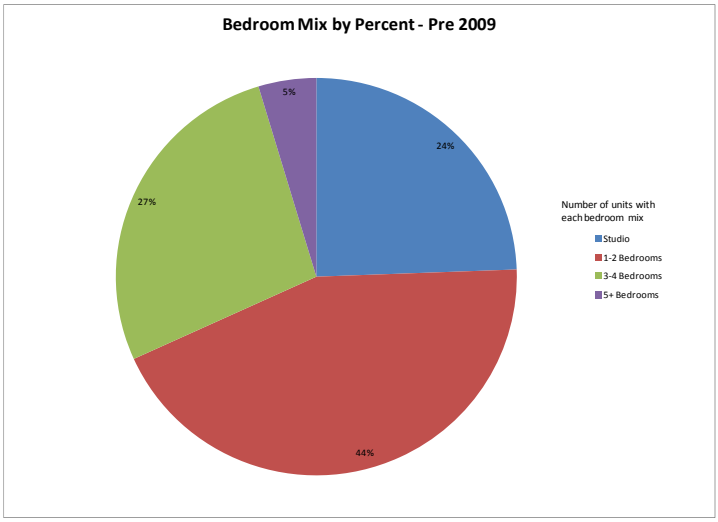
The projects described in Table 1 have changed the landscape of the downtown in several ways. While there were many tall buildings constructed in the downtown prior to 2009, there have been several of them built in relatively close proximity recently. There have also been many more mixed-use projects constructed, and more residential products being marketed toward students.

The mix of residential units has also changed with recent projects such as Sterling 411 Lofts, the Zaragon buildings, and the Varsity. However, the number of multi-bedroom units was on the increase before 2009 as well. A comparison of bedroom mix is shown in Figures 1 and 2. A lot fewer studio and one-bedroom units and a lot more two-bedroom units have been constructed post-2009 than prior to the adoption of D1 and D2. Also, it should be noted that although there is a perception that there have been more units with large numbers of bedrooms (geared toward student rentals) under D1, the data shows that most of the four-bedroom units and all of the five and six-bedroom units were constructed under the prior ordinance.

As mentioned above, the D1 and D2 districts implemented a height limit that was not there in previous zoning districts in the downtown. There has not been a significant difference in the height of new buildings versus the buildings constructed before 2009. However there have been several high-rises constructed over the last four years in the same area of downtown, which has highlighted the issue of the height and massing of these buildings.

TABLE 1: SUMMARY OF PROJECTS APPROVED SINCE 2009

Project	District	Floor Area Ratio	Height	Parking	Premiums	Dwelling Units	Historic District?
Zaragon West 500 E. William	D1	682% 96,685 sf.	14 stories (174 feet) 1-Retail 2-3 – Parking 4-14 - Residential	40 provided 40 required	Yes Residential	99 units (200 bedrooms)	No
413 E. Huron 413 E. Huron St.	D1	680% 271,855 sf.	14 stories (150 feet) B1-B2 Parking 1-Retail 2-14 - Residential	112 required 132 provided	Yes Residential	216 units (533 bedrooms)	No
The Varsity 425 E. Washington St.	D1	695% 177,180 sf.	13 stories (148 ft.) B1-B2 Parking 1-13 - Residential	76 required 78 provided	Yes Residential	181 units (415 bedrooms)	No
UM Credit Union 340 E. Huron	D1	181% 89,174 sf.	3 stories	0 required 31 provided	No	None	No
215 N. Fifth Ave. 215 N. Fifth Ave.	D2	96% 4,000 sf.	2 stories 1-2 - Residential	0 required 2 provided	No	1 unit	Yes
Downtown Home & Garden 212 S. Ashley St.	D1	140% 22,903 sf.	1 story (greenhouse)	0 required 11 provided	No	None	Yes
Zingerman's Deli 422 Detroit St.	D2	129% 21,603 sf.	2 stories (32 feet)	0 required 0 provided	No	None	Yes
618 South Main 618 S. Main St.	D2	355% 153,133 sf.	7 stories (85 feet)	67 required 121 provided	Yes Residential	190 units (231 bedrooms)	No
624 Church 624 Church St.	D1	665% 99,675 sf.	14 stories (150 ft.) 1-Retail 2-Office 3-14 - Residential	40 required 40 provided	Yes Residential LEED Silver	76 units (175-185 bedrooms)	No



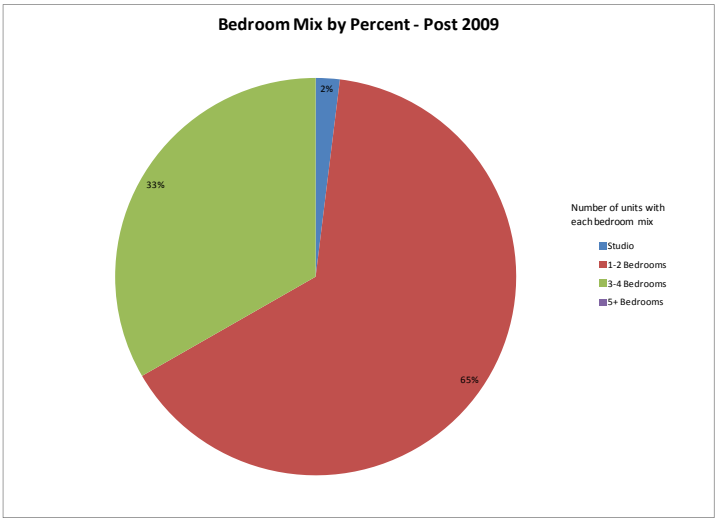


FIGURE 2: COMPARISON OF BEDROOM MIX OF DOWNTOWN PROJECTS, PRE- AND POST-2009

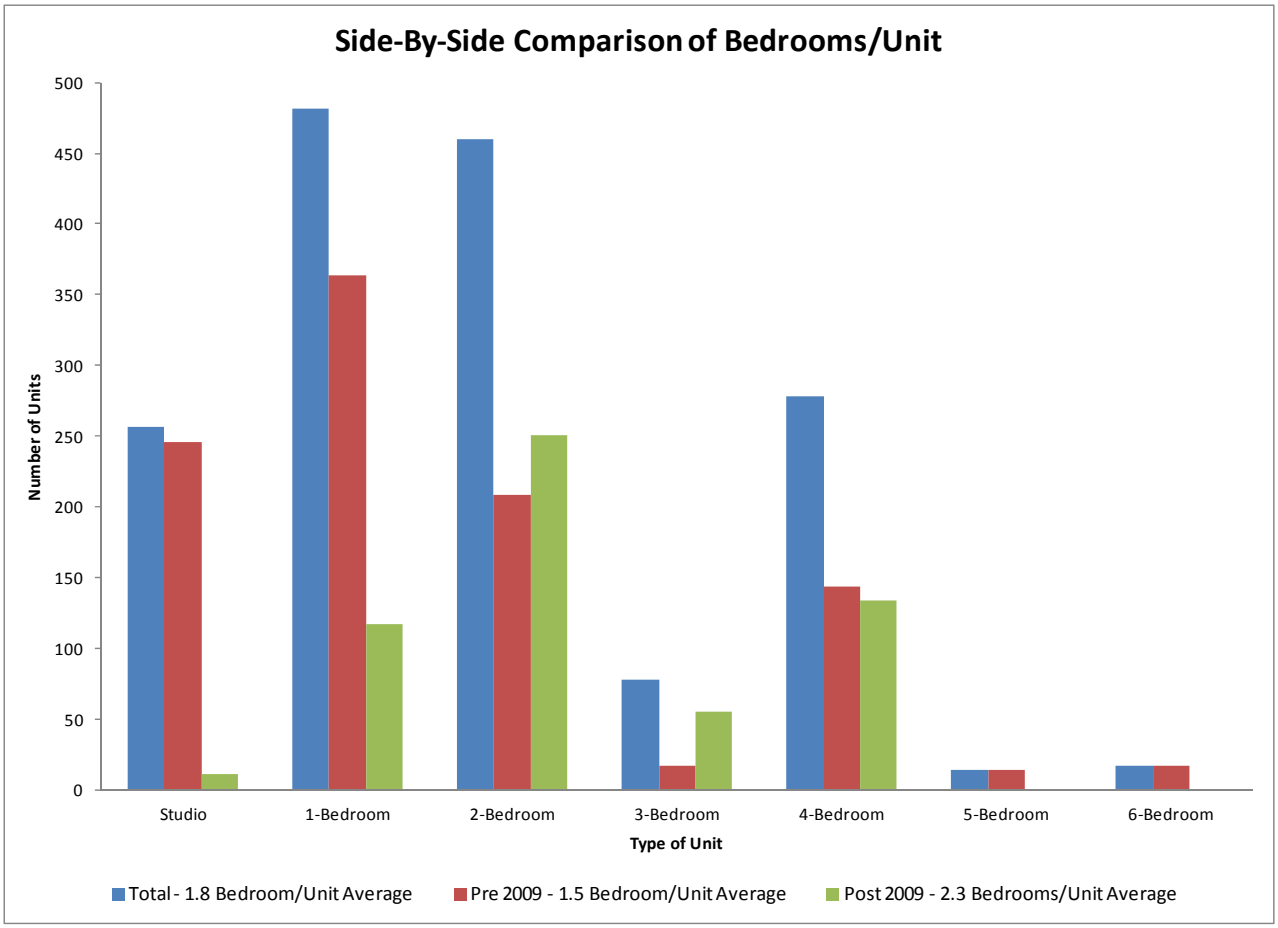


FIGURE 1: COMPARISON OF NUMBER OF BEDROOMS PER UNIT

THE PROCESS

Between July and Oct 2013 ENP consultants conducted a series of public forums to solicit input on Downtown Zoning. The public input strategy included multiple methods for public outreach with the goals of: hearing from the widest cross-section of constituents (even the ones without the loudest voices); keeping discussions productive and focused; and reaching general agreement on moving the downtown zoning ordinances forward to meet community goals. To accomplish this, a series of community coffees, focus groups, one-on-one and small group interviews, online surveys and large public meetings were held to try and reach a variety of constituents in a variety of settings.

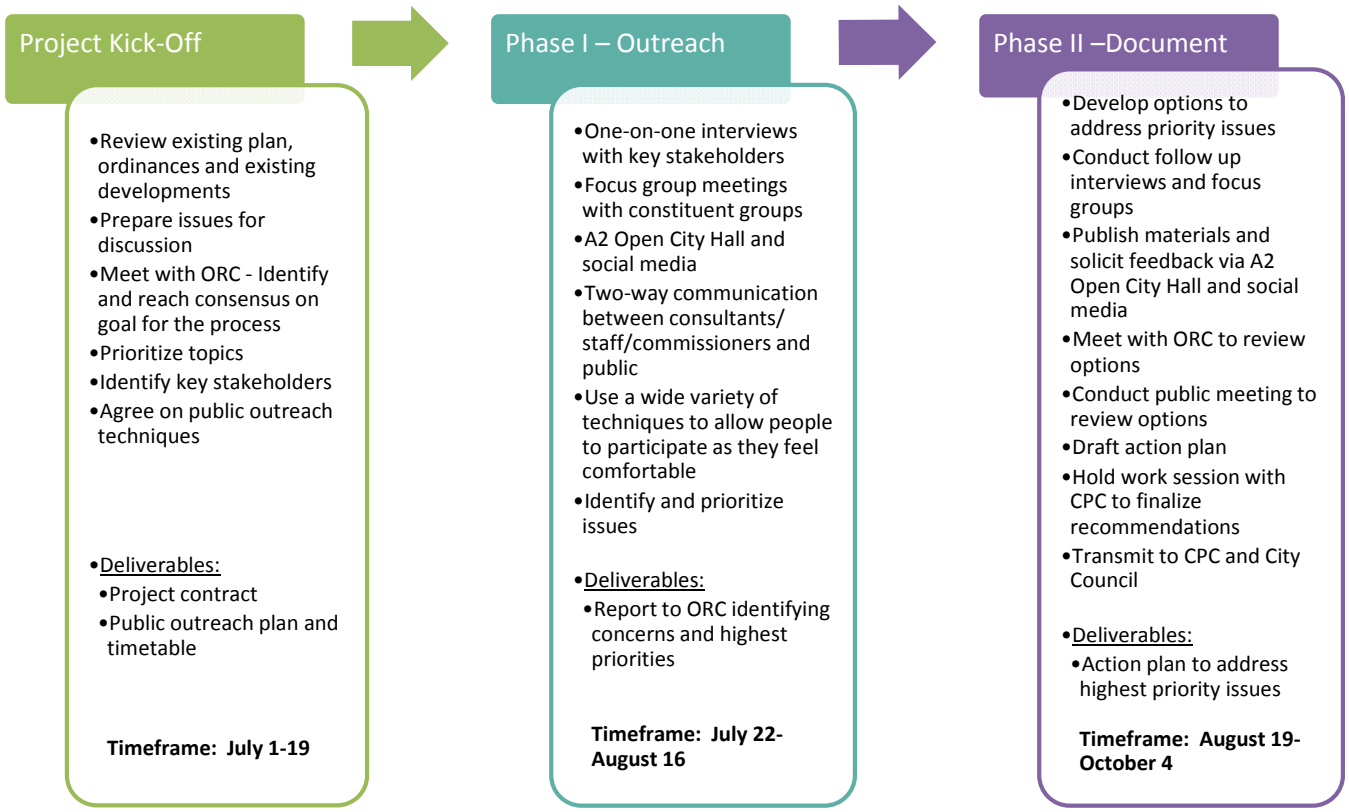


FIGURE 3: OVERALL WORKPLAN FOR THE DOWNTOWN ZONING EVALUATION

When soliciting public comment, a few points were emphasized to put the process in perspective:

1. The entire vision for downtown is not being revised at this time
2. Public input is being taken in a number of forums, not all of which are public
3. This is not a scientific process – not reflective of the entire population
4. Also need to consider the significant effort that was put in by the public on the downtown plan and original A2D2 zoning (and other processes like Connecting William St.)

The complete results of the public input process, including documentation of every comment that was received, can be found in Appendix C.

Who Participated?

Overall, we heard from 131 individuals in person and received over 150 survey responses. The perspectives of the people we heard from varied greatly, from commercial brokers and developers to downtown neighbors living in historic districts. In general, participants in the focus groups tended to represent people living near downtown while the owners of developable properties and real estate interests were more heavily represented in the interviews. Many interested citizens attended focus groups, public meetings and community coffees.

Seventy two unique individuals attended the Phase I focus group meetings (5 meetings) to give us their thoughts in priority issues that should be addressed in the evaluation. In general, these were most well attended by concerned neighbors of the downtown. During the second phase, we reached out once again in a series of focus groups (6 meetings), this time with the goal of discussing specific alternatives to addressing the issues identified in the first phase. Nineteen unique individuals participated in these focus groups, with the majority of the attendees being concerned neighbors of the downtown.

To supplement the focus groups and large public meetings and provide a more informal means of providing input, consultants held "Community Coffees. Five separate coffees were held throughout the process, with representation from concerned neighbors, real-estate interests, and City Council members in attendance.

Individual and small group (2 or 3 individuals) interviews we also held to try to reach out to real estate and development interests, along with the owners of the properties specifically mentioned in the City Council resolution. This was a group that from the beginning we recognized would not likely attend public focus group meetings.

And finally, all interested parties were invited to participate in two online surveys during this process. Approximately 150 individuals provided their input in both phases of the process via the online forums.

WHAT WE HEARD

Overall, opinion was consistent in terms of what the issues were, but the opinions on how to address those issues were quite varied. The summary text below is divided into two sections: input from each of the engagement methods and site specific input. The site specific summaries include context and technical details for context. Since these are summaries, please refer to the complete results in Appendix C to understand the full scope and detail of participants' contributions.

Summary by Engagement Method

Interviews (Phase 1)

In order to reach real estate and downtown development interests, along with the owners of the properties specifically mentioned in the City Council resolution, interviews were conducted with individuals and small groups (2 or 3 individuals). A concerned citizen was also interviewed. Interviewees were asked the same questions as in focus groups (see Appendix C). Fifteen people participated in the interviews.

Most felt the downtown zoning was meeting its intent of creating a more a vibrant downtown. The increase in density and mixed use buildings in the downtown were seen as positive developments. The change in the approval process to a by-right scenario for premiums had made the development process more predictable and was seen as a part of the reason for more building in the downtown.

Across the board, the interviewees felt the premiums were not resulting in a diverse residential population downtown, with too much student housing being constructed. Almost all agreed that the design was not of the quality needed in the downtown and many felt conformance to design guidelines should be mandatory.

Developers and DDA representatives expressed that limitations to fully developing the downtown still existed. They felt the process could be even more predictable and streamlined and too many limitations were put on redevelopment in historic neighborhoods and districts. The DDA felt the cap on height, which was not present in the ordinance before the 2009 amendments, was a negative. Overall, these interviewees wanted the amount of development possible in the downtown to remain the same or increase. Two of the three property owners wanted to maintain the same level of developable area or FAR on their property, while the owner of the Campus Inn parking lot indicated that some reduction may be acceptable. The concerned citizen wanted a decrease in density in the downtown overall and had different concerns: impact on landmark trees and increased protection of historic neighborhoods.

Developers and real estate representatives were extremely concerned about the possibility that modifications to the D1 regulations and premiums would make downtown development economically infeasible. High land prices and the need to be able to "park" residential developments were cited as constraints that need to be taken into account as the City considers making ordinance changes.

Focus groups

The first phase began with a series of focus group meetings aimed at discussing what is working, what is not working, and what could be changed with a wide variety of interested parties. Four focus groups were held, geared toward particular interests: Energy and Environment, Downtown Marketing Task Force, and two for the public at large. Seventy two unique individuals attended these meetings and identified priority issues to be addressed in the evaluation.

Participants generally felt that the revitalization of downtown, with more people living downtown and an increasing mix of uses was positive. However, some suggested the vision for downtown should be revisited, and the zoning should be revised to reflect it. Many felt the location of D1 and D2 districts needed to be re-evaluated.

Many also felt the D1/D2 districts were simpler and easier to understand than the former zoning districts. However, a significant number felt the development approval process should be improved. Some participants expressed that if the ordinances already on the books were fully enforced many of the design and other community concerns would be taken care of.

Focus group attendees felt that the design guidelines for the character areas should have more teeth, and suggested that perhaps the guidelines be made mandatory for the granting of premiums. Many stated that the premiums were granted too freely and should be changed to ensure achievement of community values such as more affordable housing, environmental/energy enhancements, etc. Some felt premiums should be eliminated altogether. They also were concerned with a lack of diversity in the downtown residential development and suggested that changes be made to bring housing for groups other than students, perhaps limiting the number of bedrooms.

Focus group suggestions for change included decreases in the density, bulk and size of downtown buildings to lessen negative impacts: height limits should be decreased; step-backs or diagonals should be required to prevent "block" buildings and to increase solar access for surrounding properties; and more D2 areas should be created to buffer residential neighborhoods from D1 districts. More protection for historic neighborhoods abutting D1 and D2 districts was also brought up in focus groups with suggestions for more setbacks/buffering and changes in massing for projects abutting a historic district and more input or power for the Historic District Commission in those cases.

A number of other issues came up in the focus groups as well. Some felt retail uses should be required on the first floor of new developments. Due to tree removal in recently approved projects, some felt the urban forest and landmark trees should be better protected. Concerns were expressed that more landscaping and green space should be incorporated into projects; while some felt more on-site parking was needed. A major issue for many in the focus group on held in the South University area was footing drain disconnection, with the sentiment that no development should be approved unless the City has the infrastructure (including storm water and sewer) to support it.

Phase 1 Online Survey

In the first phase, an on-line survey was posted on A2 Open City Hall asking the same questions posed in the focus groups and interviews. Thirty-six on-line surveys were completed.

The majority of the respondents (69.2% or 18 individuals) said the 2009 zoning amendments for downtown were not meeting its intent. Reasons why it was not meeting the intent included: buildings were too big or tall; not enough protection was provided for historic neighborhoods; they did not reflect the intent of the downtown plan; and an appropriate diversity of housing was not occurring. The 8 respondents who felt the intent was being met said the ordinances were encouraging more development and density downtown.

Positive aspects of the downtown amendments varied – more mixed use development, downtown was more vibrant, and appropriate higher density were all cited. However, 19 respondents said the buildings were too

tall or bulky, negatively impacting historic resources. Five respondents said there were no positive aspects. Many cited negative aspects dealing with adjacent properties – historic neighborhoods not having adequate protection; D1 and D2 districts not located appropriately; and the design of new buildings not fitting the context of the area. Negative impacts also included premiums resulting in buildings that are too large and the housing produced not being diverse. Top priorities included making design guidelines mandatory, more diversity of housing, reductions of the height and bulk of buildings, more buffering and respect for adjacent historic districts, encouraging more services for downtown residents and more green space in new developments.

Community Coffees (Phase 1 & 2)

Throughout the process, consultants held "Community Coffees" as a sort of open house forum for people to drop in and discuss any issues or questions directly with the consultant team in an informal setting. Five separate coffees were held, at Zingerman's in the first phase and at Espresso Royale Café on State Street in the second phase. A total of 19 individuals attended the coffees.

The conversations were unstructured and wide-ranging. Many constituents shared their vision of downtown which ranged from repealing the 2009 amendments, lowering building heights and density, to maintaining the status quo, to moving toward a 12-24 story downtown. Many specific suggestions were voiced during these coffees, and frequent discussions about specific sites around downtown occurred. The complete breadth of input from these coffees is included in the notes in Appendix C.

Public Meetings

On August 5, a public meeting was held to present the findings from the interviews, survey and focus groups in Phase 1; to affirm the need for evaluation of the three sites and premiums; and to brainstorm options. Thirty participants found that all three sites and the premiums needed to be part of the evaluation. Brainstormed options were included in the options evaluated in Phase 2, but the sentiment of the group was that the density on each site needed to be reduced and premiums needed to be changed. Details on the specific options generated can be found in Appendix C.

In Phase II, a public meeting was held on September 19 to review the options that had received the most support and were found to me most feasible. Participants provided more detailed comments on the options presented for each site, as well as possible revisions to premiums.

Site Specific Input

The public engagement in Phase 2 included six focus groups with workbooks, an on-line survey and a public meeting where options for the three sites and changes to the premiums were presented. The same questions, text and visual representations were used in the three engagement methods. The results, along with contextual details, are presented by site below.

ANN STREET

The site is surrounded by: City Hall to the west; multi-family residences to the north and east; and office and commercial uses along Huron to the south. The existing zoning for the entire block is D1 (maximum FAR =

400%, or 700-900% with premiums), in the E Huron 2 character district, which has a maximum height of 180 feet.

The site only has frontage on Ann Street and faces multi-family houses in a historic district. While Ann has a mixture of uses on this block, the street traffic is slow and mostly used by those accessing the buildings on that street. The D1 designation is an extension of the zoning of the lot to the south along Huron, a major road in the downtown. A change to D2 could be seen as a spot zone, which could lead to litigation. The owner, the University of Michigan Credit Union, is highly concerned about the possibility of a rezoning reducing the development potential and the value of their asset. They also expressed that in terms of future development of the site, it should be designed to be more in line with the character of Huron St. and City Hall to the west.

The public who participated wanted a change to zoning on the site to D2 or office, in both sets of focus groups, the Phase 2 survey and in the public meetings. The sentiment expressed was that the height and bulk of a building, even without premiums, would have a negative impact on the buildings across the street. Some suggested, in surveys and at the August 5th meeting, not only the rezoning of this site, but also extending D-2 zoning around the corner to include the Ahmo's site and Campus Management.

HURON STREET

The site is surrounded by: Campus Inn to the east; Sloan Plaza to the west; single and multi-family residences to the north; and commercial uses to the south. The existing zoning is D1 (maximum FAR = 400%, or 700-900% with premiums) and is in the East Huron 1 Character District with a maximum height of 150 feet. The parcel has frontage on Huron and access to State Street.

The site is between two existing taller buildings but abuts a historic neighborhood to the rear. While the maximum height of 150 feet is higher than the neighboring structures, a 60-foot structure (maximum height under D2) would be out of scale. However, the shadow impact of the buildings along Huron affects the adjacent neighborhood. The challenge is maintaining the nature of Huron created by the existing buildings as well as the size, speed and volume of the Huron, while preserving the livability of the neighborhood. Considerations for zoning changes could include the entire block. In that case, the City should be aware of creating nonconforming buildings, for which financing is difficult.

The public who participated were worried about potential height and design of buildings, particularly their impacts on neighborhood to the north. Comparisons to 413 Huron were frequent in all forums. Options brainstormed in the August 5 meeting included a hybrid solutions between D1 and D2, leaving D1 but increasing step-backs and setbacks modeled on adjacent properties, allowing a PUD on the site, a zoning designation that was form-based but less dense than D2 and rezoning the entire block face D2.

Results of the survey in Phase 2 had a range of results with rezoning to a hybrid district having support but also leaving D1 and rezoning to D2. The owner is open to hybrid solution.

WILLIAM STREET

The site is surrounded by: single- and multiple-family residences; older, two-story multiple-family dwellings; an electrical substation and a small commercial building to the east across a public alley; mixed commercial/office/residential buildings to the west; a multiple-family apartment tower to the south; and a

public parking garage to the north. The existing zoning is D1 (maximum FAR = 400%, or 700-900% with premiums) and is in the Main Street Character District with a maximum height of 180 feet. The site is located at Main Street and William Street, seen as an entrance to the downtown Main Street area. Although the parking lot is area available for building currently, the evaluation took into account the possibility that the entire site could be redeveloped.

The site has a number of challenges due to its size and location. First, the parcel could accommodate a large first floor, unique in the downtown. Uses that often require a large floor plate are office buildings and larger retail. The intersection is a gateway, framed by taller buildings on the west side. However the east edge abuts an alley separating the parcel from a historic residential neighborhood. The challenge is to maintain the unique development opportunity of a large floor plate, and create an entrance to the downtown while respecting the neighborhood to the east.

In the August 5 meeting, the general consensus was that the site should be rezoned to D2. Other ideas generated included requiring more green space around the buildings, particularly adjacent to residential, rezoning to R4C, and rezoning D2 to Packard. The property owner would like to retain the current development potential but understood the concerns of the neighborhood. The survey in Phase 2 had support for rezoning to D2 but some indicated that D1 zoning with requirements for step-backs and setbacks could be acceptable.

RECOMMENDATIONS

Ann St. Site Recommended Alternative: Rezone to D2

As described in the previous section, the site is surrounded by: City Hall to the west (94-99 feet tall) multi-family residences to the north and east; and office and commercial uses along Huron to the south. The existing zoning for the entire block is D1 (maximum FAR = 400%, or 700-900% with premiums), in the East Huron 2 character district, which has a maximum height of 180 feet.

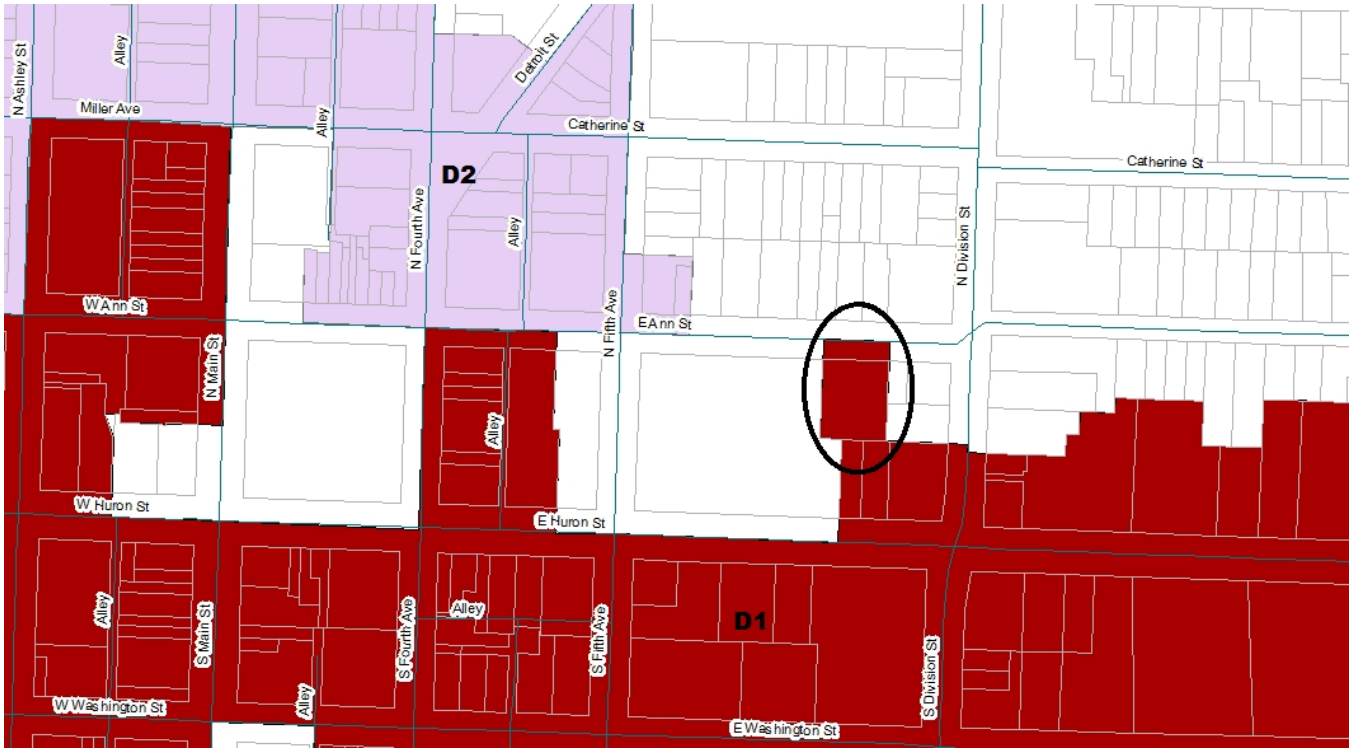


FIGURE 4: ANN ST. SITE CURRENT CONDITIONS

The location of this site is unique from other D1 properties in the East Huron 2 character district in that it does not have frontage on Huron St. Rather, the property faces Ann Street and the multi-family residences to the north and is adjacent to small offices to the east. The site, if built out to its full potential under premiums (shown in the model in Figure 5), may not meet the intent of downtown zoning to preserve and protect historic resources, namely the historic buildings and homes to the north.

FIGURE 5: THE ANN ST. SITE AS IT COULD BE BUILT OUT UNDER CURRENT D1 ZONING WITH PREMIUMS

To facilitate a better transition to the neighborhood, we recommend rezoning the site to D2. The build-out potential of the site under D2 is shown in Figure 6. Changing the zoning of the site to D2 will accomplish the following objectives:

- Make the property's zoning more consistent with other properties fronting Ann St.
- Allow for the development of the property at a height that is a better transition between City Hall and the adjacent neighborhood, part of the intent of the D2 Interface district.
- Continue to allow the mix of uses that was envisioned for the area in the Downtown Plan.

If the site is rezoned to D2, a D2 height limit will need to be added to the East Huron 2 character district, as this will be the first parcel in that character district to be zoned D2.

Looking at the context of the area, we also suggest that the City consider rezoning the rest of the block on the south side of Ann St. from this site west to Fifth Street including the City Hall property (area depicted in Figure 7). This would create a logical interface zone between the D1 sites along Huron St. and the neighborhood north of Ann St., as well as create a cohesive D2 area.

FIGURE 6: THE SITE AS IT COULD BE BUILT OUT UNDER D2 ZONING WITH A 60 FT. HEIGHT MAX.

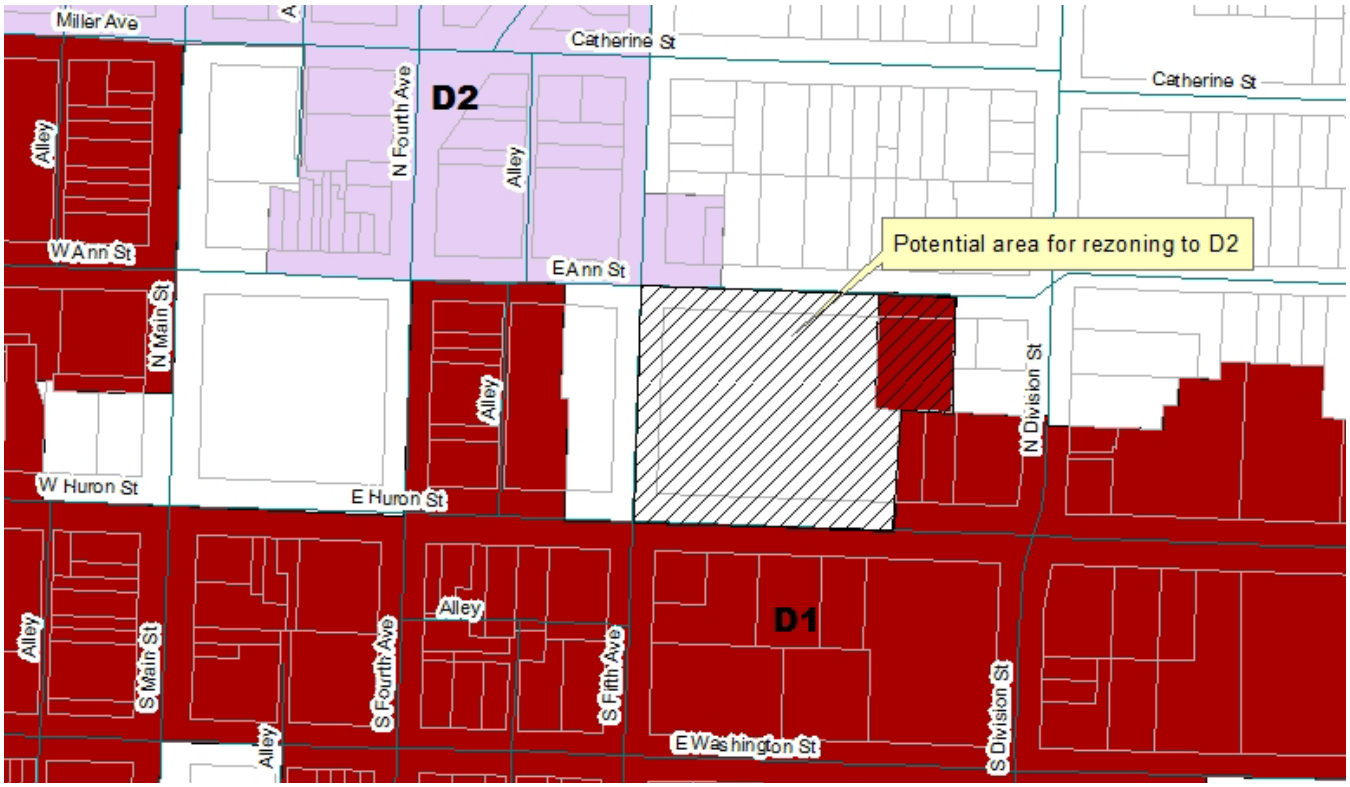


FIGURE 7: AREA FOR POTENTIAL REZONING TO D2

Another alternative that was considered that would also address the height discrepancy between the Huron-frontage D1 properties and the neighborhood to the north is to reduce height cap in the East Huron 2

character district so that it is more consistent with the surrounding uses . This could be accomplished by changing the maximum height to something taller than the typical D2 (60ft.), more consistent with the height of the City Hall complex (94-99ft.), and less than the current 180 ft.

Huron St. Site Recommended Alternative: Reduce the maximum height of the East Huron 1 character district to 120' and add a diagonal maximum of 130'.

The site on the north side of Huron between Division and State St. (that has not yet been developed) is situated between the existing Campus Inn (approximately 144ft. tall) and Sloan Plaza (approximately 111 ft. tall). The site if built out to its full potential under premiums (see model in Figure 9), may not meet the intent of the downtown zoning to preserve and protect historic resources, specifically the neighborhood to the north.

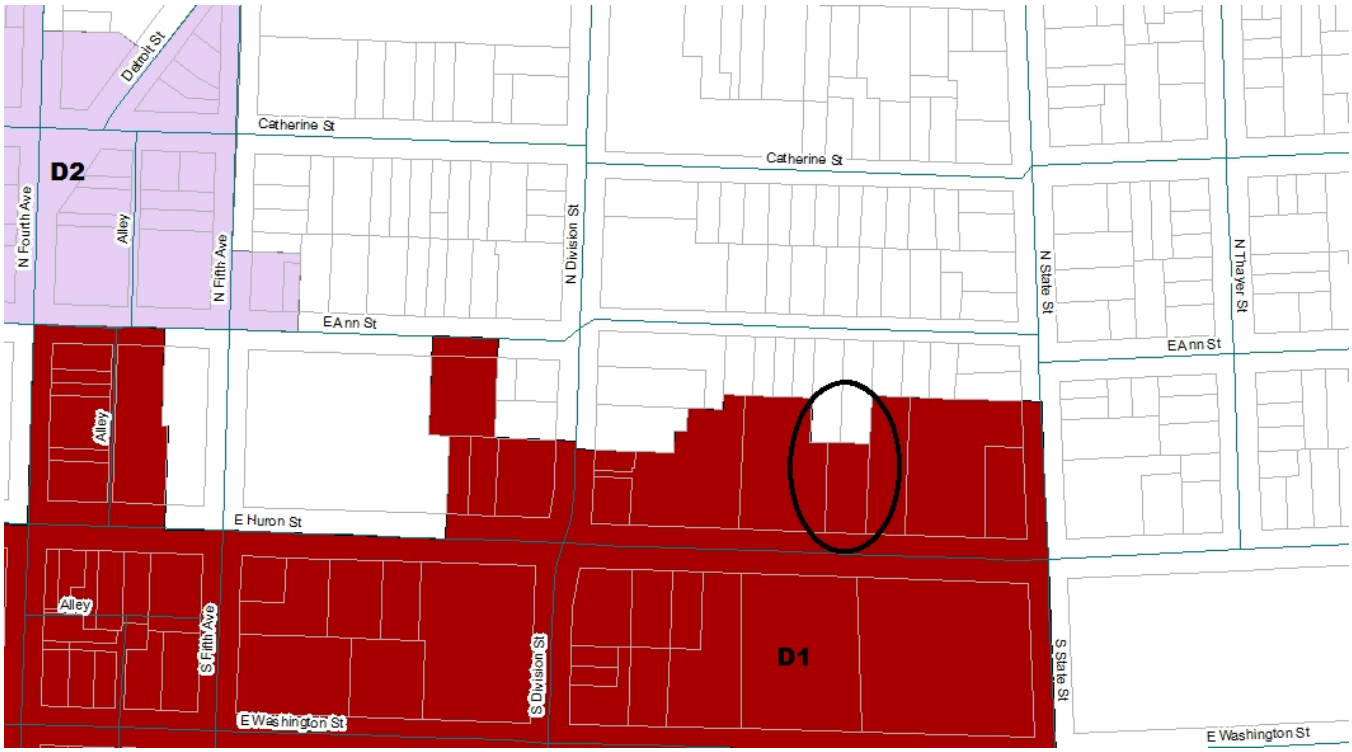


FIGURE 8: HURON ST. SITE CURRENT CONDITIONS

While this site is located along a major urban corridor (Huron St.), there is also no D2 buffer between this site and the adjacent residential neighborhood to the north. The difference in height between the 150 ft. maximum in D1 and the adjacent homes (much like the situation on Ann St.) is somewhat drastic. The context of this site is different than the Ann St. site, however, in that it has frontage on Huron St. and is surrounded on both sides by buildings that are taller than what the D2 district allows.

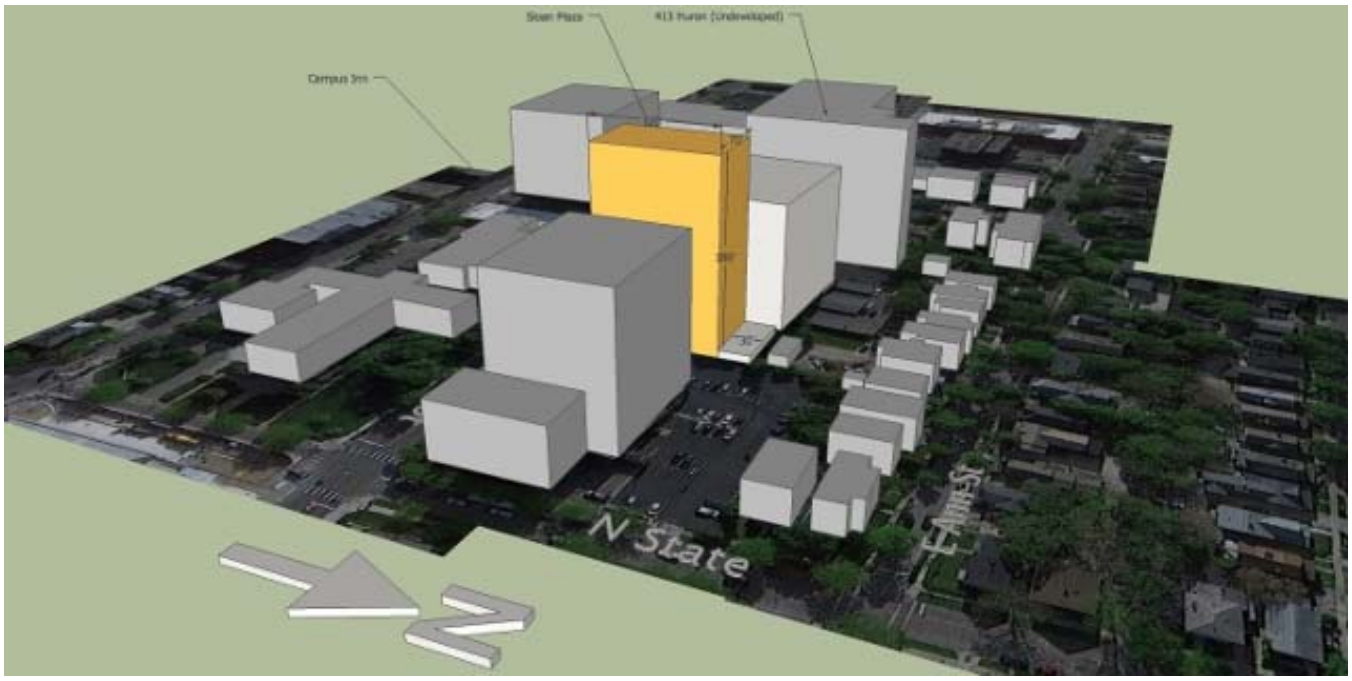


FIGURE 9: HURON ST. SITE AS IT COULD BE BUILT-OUT UNDER CURRENT D1 ZONING WITH PREMIUMS

The major concern we heard frequently from neighbors of this area to the north is regarding the height, massing and bulk of buildings built along Huron and the impacts of these buildings on sunlight in the neighborhood.

While the preferred alternative expressed by nearby residents was to create a hybrid zoning district (between D1 and D2), we are recommending changes to the East Huron 1 Character district that will achieve similar results. The first recommendation is to change the height maximum in the East Huron 1 Character district (which encompasses this block on the north side of Huron) from 150 ft. to 120 ft. This reduction will allow development of this site under D1 zoning at a height that is similar to the Campus Inn (at approximately 144 ft. in height, Sloan Plaza (approximately 111 ft.), and City Hall (approximately 100 ft.). This alternative also helps to alleviate the shading impacts on the nearby homes.

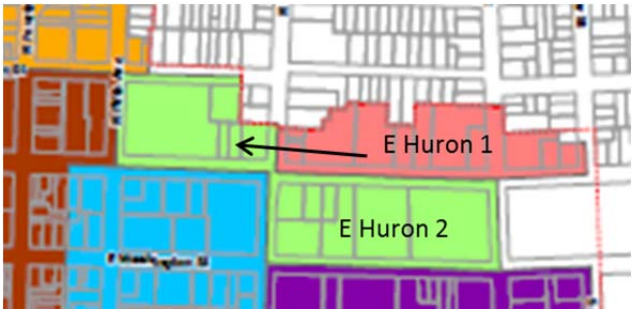


FIGURE 10: POSSIBLE EXPANSION OF E HURON 1 CHARACTER DISTRICT

Secondly, we recommend adding diagonal requirements to this character district to help address concerns about bulk, massing and access to sunlight for nearby residences. A diagonal requirement of 130ft. will help to reduce the shading impacts on the neighborhood to the north.

Lastly, based on concerns about potential development

at the northwest corner of Division and Huron Streets, we recommend extending the E Huron 1 character district (currently located on the north side of Huron between Division and State) westward to include the north half of the block between Division and Fifth. This will reduce the maximum height of development in that block to 120' (from the current 180') and include the diagonal regulations recommended for E Huron 1.

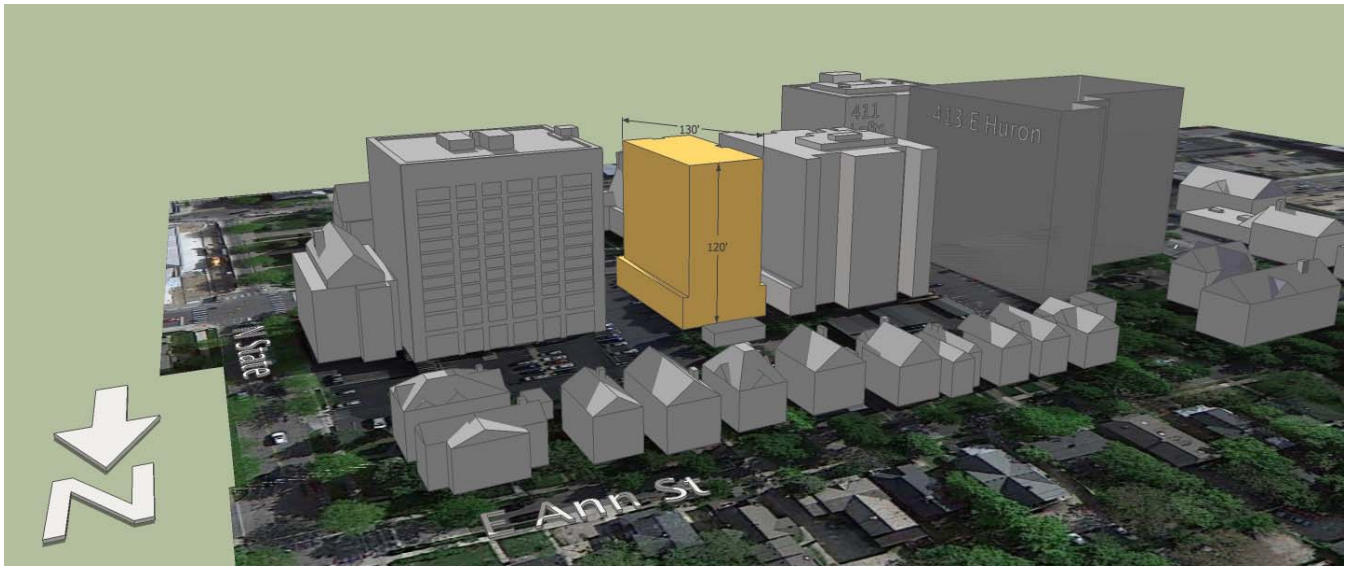


FIGURE 11: E HURON ST SITE WITH A REDUCED HEIGHT MAXIMUM AND A DIAGONAL REQUIREMENT, LOOKING SOUTH

FIGURE 12: EXAMPLE OF A BUILDING CONSTRUCTED UNDER D1 WITH A REDUCED HEIGHT AND A DIAGONAL REQUIREMENT, LOOKING EAST

While the diagonal and height recommendations could be implemented on independently, combining the change in height maximum and the addition of a diagonal requirement will create a smoother transition between the Huron St. corridor and the adjacent neighborhood. It will also eliminate the possibility of a "spot zoning" of this property (to D2, which was another alternative evaluated). It should be noted that these

changes will create some non-conformities for Campus Inn (height), 413 E Huron (height and diagonal). The implication of this is that any changes to those buildings will require a variance.

William St. Site Recommended Alternative: Change the height maximum in the Main St. Character District to 150 ft. when within 20 ft. of a residentially zoned area and add diagonal requirement of 50% of the maximum parcel diagonal.

The site is surrounded by: two-story single- and multiple-family residences and a small commercial building to the east across a public alley; Ashley Mews (122 ft. tall) and mixed use buildings to the west; a multiple-family apartment complex to the south; and a public parking garage to the north. The existing zoning is D1 (maximum FAR = 400%, or 700-900% with premiums) and the site is in the Main Street Character District with a maximum height of 180 feet.

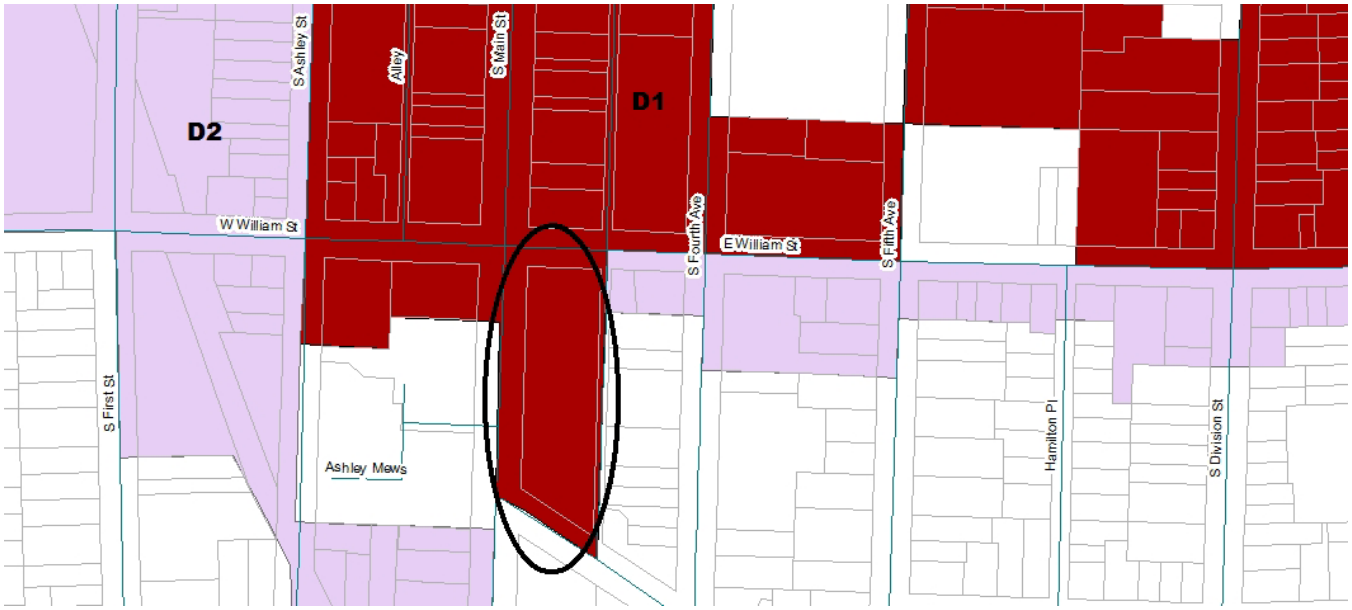


FIGURE 13: WILLIAM ST SITE EXISTING CONDITIONS

The site if built out to its full potential under premiums (shown Figure 14), may not meet the intent of downtown zoning to preserve and protect historic resources at the east corner. Similar concerns about massing were expressed during the Connecting William Street process.

Although the parking lot is area available for building currently, the scenario should take into account the possibility that the entire site could be redeveloped.

FIGURE 14: WILLIAM ST SITE IF BUILT OUT UNDER CURRENT D1 ZONING WITH PREMIUM

Based on the position of the building at a key gateway corner to the downtown core, the height of buildings at the other corners of the intersection (ranging from 74 to 122 ft.), and the proximity of the houses across the alley to the east, our recommendation is to keep the D1 zoning on the site but with modifications to the maximum height and the addition of diagonal requirements.

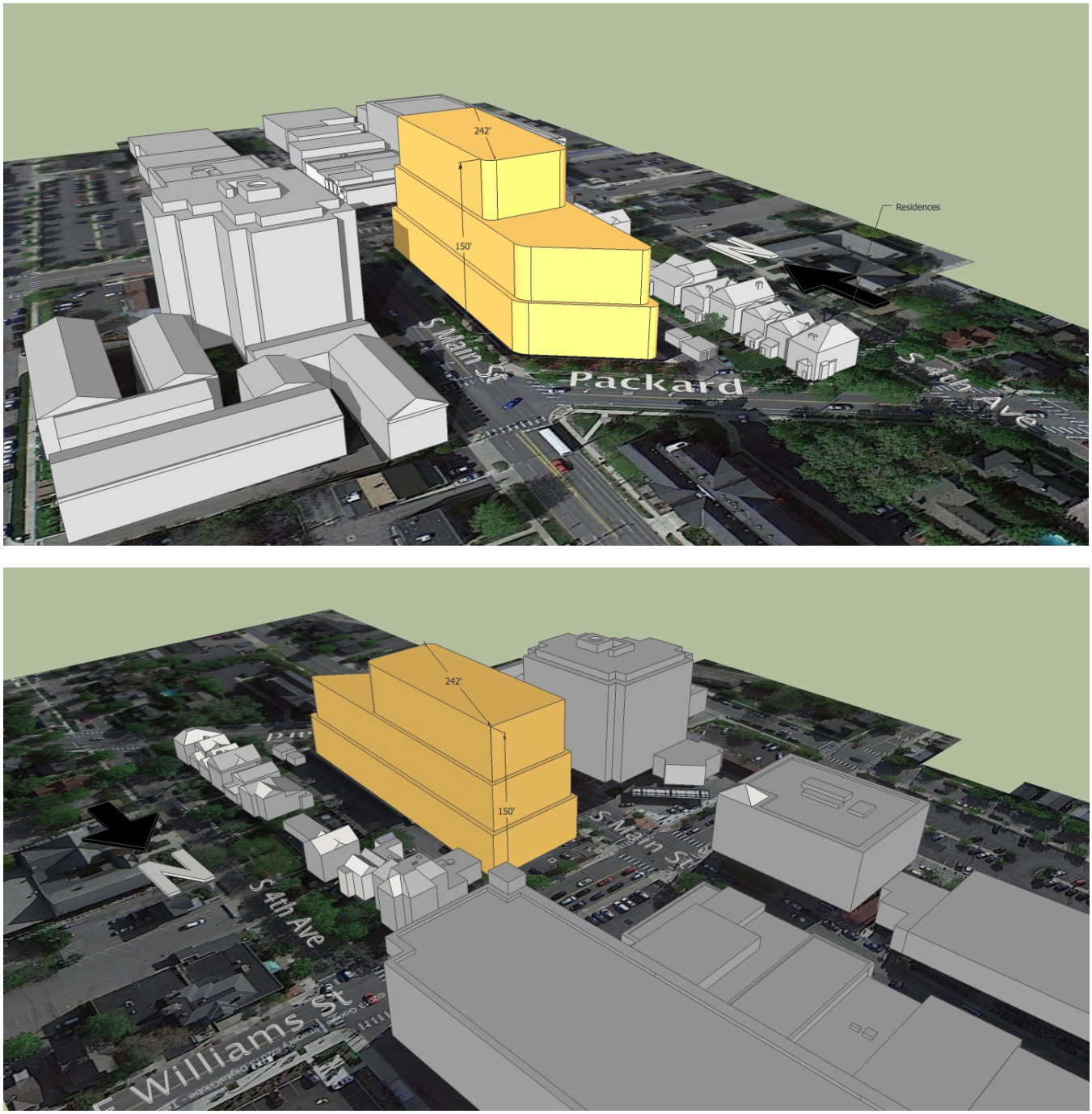


FIGURE 15: WILLIAM ST. SITE WITH REDUCED HEIGHT MAXIMUM AND DIAGONAL REQUIREMENT

Specifically, we recommend that any site in the Main St. Character District that is within 20 ft. of a residentially zoned parcel be limited to a maximum height of 150 ft. It is further recommended that those same sites carry a maximum tower diagonal requirement of 50% of the maximum diagonal of the parcel, which will reduce the negative impact on sunlight to nearby homes. We believe these modifications will help to address neighbor concerns about bulk and height while allowing a height that gives developers some room to creatively shape new buildings. The additional diagonal requirement for towers will also facilitate better

design, allow for flexibility in building design to meet market demands, and continue to allow a mix of uses that is desirable for this important corner of the downtown.

In evaluating this site, other alternatives including rezoning to D2 were carefully considered. While rezoning to D2 was the most popular option expressed in the online survey and at public meetings, we do not recommend this alternative for several reasons: D2 would be inconsistent with the development at the other 3 corners of the intersection; the maximum height for the building would be less than existing buildings in the area, including Ashley Mews which is also on the south side of main street; and the site's frontage on Main, Packard and William Streets is a key entryway to the downtown core which is not appropriate for D2 zoning.

One option that could be considered by the Commission is to rezone the southern portion of this site to D2 (the portion currently occupied by the Edison Building) and leave the northern portion of the site (roughly equivalent to the parking lot area) as D1. That would maintain a strong presence on the corner, consistent with neighboring development, while softening the transition to the neighborhoods to the south and east.

RECOMMENDATIONS FOR PREMIUMS

Require approval of the Design Review Board for a project to be eligible for any premium.

Of all of the alternatives with regard to premiums, this was the most widely supported. Support for making conformance to the Design Guidelines mandatory in the development process was expressed by residents, neighbors of the downtown, land owners, and real estate interests. Each of these groups agreed that better design is needed for new downtown buildings. Requiring the approval of the Design Review Board (DRB) for any project to be eligible for premiums would allow the same development potential of each site (one of the key concerns expressed by property owners and downtown interests) but result in buildings that are better integrated with the surrounding context.

To achieve the result of buildings better designed to the surrounding context, some changes will need to be made to the design review framework:

- The design guidelines will need to be revised to better articulate how surrounding context is interpreted.
- More and earlier involvement of the DRB in the development process will be required. We recommend training for the DRB members as well as City staff on how the design review process should work and (for the DRB) how to property function in their new role as an approval body. This training should include visits and advice from other, similar communities where this type of review has been implemented.
- Because of the additional step of DRB approval, the timeline for the development review process will need to be revisited. It needs to be made explicit to prospective developers that this is now a requirement, and when this review will take place (either before, after or concurrent with the Planning Commission's review). The Historic District Commission process could be used as a model.

Revise the residential premium to be more specific about the types of units that will be eligible for premiums

There was also widespread agreement during the public involvement process that the current residential premiums are not resulting in the diversity of residential development that was intended. Because the development occurring over the last few years does not reflect the residential mix the City intended, the premium structure needs to be revised so that the types of residential development that the market is not providing are incentivized.

One means of accomplishing this is to only count residential units that are a certain number of bedrooms and below. For example, in a new development only units that are 2 bedrooms or less could be eligible for a residential premium. This alleviates any concerns about a violation of Fair Housing requirements, because there is no discrimination of the people who are living in the units nor the type of leasing or purchase arrangements.

There are, however, some issues that will require more study before implementing this change. Enforcement of the bedroom requirement will be a concern, as units that are originally constructed as 2-bedroom or less may be converted in the future. It would also be advantageous for City staff to consult with other communities that have incentivized residential development and benchmark the types of specific incentives that could be used.

Revise the affordable housing premium so that provision of affordable housing is mandatory for receiving any residential premium. Eliminate the affordable housing 900% FAR "Super-Premium".

To encourage the development of affordable housing, we recommend making provision of affordable housing a minimum, mandatory requirement for any project to be eligible for a residential premium. In conjunction with this, we recommend eliminating the 900% FAR "super-premium" that is currently available for affordable housing.

In the four years since the D1/D2 zoning has been in effect, there have been no projects that have used the affordable housing premium. This is likely the case for a couple of reasons: 1) Even the 900% FAR is not enough incentive for developers to allocate some of their new units as affordable, 2) The 700% maximum FAR premiums available for residential and LEED provide enough return-on-investment that developers do not see enough additional financial benefit in providing affordable housing for that additional FAR. Therefore, if affordable housing is a City policy priority, it should be made a requirement for receiving any residential premium in the downtown.

Specifically, we recommend requiring a minimum of 15% of the new housing units be affordable, which is the same level that is currently required by the City's PUD ordinance. We also recommend amending the D1 premium to allow for a cash-in-lieu option like the one provided in the PUD ordinance.

Include other types of premiums in addition to the ones currently available.

During Phase I of this process, many participants brought up other types of premiums that could be considered for the downtown. We took many of these ideas and continued this discussion in Phase II, including the online survey. Significant support for including other types of premiums was expressed, particularly relating to open space, landmark trees and protection/enhancement of the urban forest.

Many of the concerns raised about new developments under D1 revolved around impacts to landmark trees and the need for more vegetation in the downtown to help "soften" the impacts of large buildings. While we do not believe it is appropriate to regulate a new development's impacts to off-site trees, we do recognize that improvements to the open space and pedestrian amenities premiums can and should be made. For example, to make it more desirable for developers to include open space in new downtown developments, we recommend that the FAR premium for open space be increased. The inclusion of other measures of energy efficiency and environmental amenities beyond those in the LEED system should be considered.

There are some other ideas that were raised with regard to premiums that warrant further study, including:

- Providing an incentive for developers to include balconies on new residential developments. Residential units with balconies are more desirable for people seeking a permanent residence, and also improve public safety by putting more "eyes on the street".
- In addition to the open space premium, the City should consider allowing/encouraging open spaces that are managed and programmed privately rather than merely requiring a contribution to the parks fund (or dedication of public spaces).
- Provide a premium for certain types of retail on the ground floor of new developments. This could include small scale retail establishments.

ISSUES FOR FURTHER CONSIDERATION

There were several issues raised during this process that were beyond the scope of this project but are nonetheless worthy of further consideration.

- Consideration of D1 zoning on other sensitive properties not identified in the City Council resolution. There are some other areas where D1 exists adjacent to residential or historic buildings without a buffer that should also be considered for modification. These include some areas of the South University D1 area and the Thayer St. frontage.
- Survey what other communities have done with regard to regulating the shading impacts of new high-rise developments, in addition to requiring step-backs and diagonals.
- Further study of the sewer and storm water infrastructure, and the connection between new development and requiring City residents to disconnect their footing drains. A significant contingent of residents participated in this process and expressed concerns about this issue. However, it is beyond our scope and expertise to provide advice on this topic.