PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of October 7, 2008

SUBJECT: Ann Arbor City Apartments PUD Zoning and Site Plan (Southeast corner of Washington and First Streets) File Nos. 9291D1.03 and .05

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Ann Arbor City Apartments PUD Zoning District and Supplemental Regulations, and PUD Site Plan and Development Agreement.

STAFF RECOMMENDATION

Staff recommends that the proposal be **approved** because it complies with all the applicable local, state and federal laws, ordinances, standards and regulations; would not cause a public or private nuisance; and would not have a detrimental effect on public health, safety or welfare.

LOCATION

The site is located on the southeast corner of Washington and First Streets in downtown Ann Arbor (Central Area and Allen Creek Watershed).

DESCRIPTION OF PETITION

General Information – The petitioner proposes to construct a 156-unit apartment building on top of a 244-space, four-level parking garage on this 0.57-acre site. The lowest four levels of the building will consist of a parking garage that will be owned and operated by the City of Ann Arbor and the City's Downtown Development Authority. The upper seven levels will consist of private apartments that will be owned and operated by Village Green Residential Properties. The apartment complex will include a terrace on the roof of the parking garage on the east side of the building. It will also include an interior recreational room on the top floor. The proposed density, which includes the portion of the parking garage above grade, is 681 percent. The total floor area of the project is 168,027 square feet.

Vehicular access to the parking garage will be provided from Washington Street (ingress) and from First Street (ingress and egress). Twenty-six bicycle parking spaces will be provided including 18 Class A spaces in the parking garage and eight Class C along the Washington Street and First Street sidewalks. Primary pedestrian access will be provided at the corner of Washington and First Streets. A service entrance exists near the southeast corner of the site with access to the adjoining public alley. This entry point will provide access to the service elevator and solid waste room.

Affordable Housing – The petitioner proposes to provide 16 affordable units; affordable to those earning between 60%-80% of Area Median Income (AMI), as defined by the U.S. Department of Housing and Urban Development (HUD). The petitioner has agreed to execute a Housing Affordability Covenant with the City.

<u>Streetscape Improvements</u> – The petitioner will provide a number of streetscape amenities including new trees, bicycle parking spaces and barrier free improvements. Ornamental metal grills will be installed in the openings to the parking garage.

<u>Traffic Impact</u> – A trip generation analysis was provided by JJR, LLC. The analysis determined that the proposed residential project is likely to generate about 45 trips during the peak hour traffic of adjacent streets. This is less than the 50 trips per peak hour that would require a full traffic impact study. The analysis also looked at the estimated additional peak hour traffic when factoring in the former parking structure. The proposed development is more likely to generate between 4-10 additional peak period trips. City staff concurs with this finding.

<u>Natural Features</u> – No natural features exist on the property. This project will result in storm water being captured for the first time on this site.

<u>Storm Water Detention</u> – Storm water will be collected from rooftops and drain to detention pipes underneath the structure. Storm water will be pumped from the storage pipes to storm drains in First Street. The storm water system will be privately owned and operated by the petitioner.

<u>Height</u> – Since the site is on a grade, height varies depending on the location of measurement. The height of the building (to the roofline) at the southwest corner (highest point) is 98 feet, 6 inches or approximately 9.5 stories. The height of the building (to the roofline) at the northeast corner (lowest point) is 85 feet, 4 inches or approximately 8.5 stories.

<u>Sanitary Sewer</u> – The petitioner has agreed to disconnect 38 footing drains from the sanitary system prior to the issuance of a certificate of occupancy.

<u>Solid Waste</u> – The petitioner proposes providing a "trash room" and recycling area on the southwest side of the second level of the parking structure to accommodate solid waste. The trash room consists of a trash chute and compactor. The recycling area will include 12 containers to handle common recyclables. Village Green staff will bring the solid waste and recycling containers into the alley for pick-up.

<u>Building Materials</u> – The petitioner proposes a combination of split faced and smooth block, corrugated steel siding, and cement board siding (Hardyboard). In addition, openings to the parking structure will include painted, ornamental steel grills.

<u>Public Art</u> – In January 2008, the DDA created a 1% "set aside" of capital improvement costs to public art. The parking structure of Ann Arbor City Apartments is the first DDA project that will be affected by this set aside. The 1% amounts to approximately \$90,000 (less a maintenance reserve of \$27,000) or \$67,000 for public art. All artwork sponsored by the DDA as a result of this program will become property of the City of Ann Arbor. The City's Ann Arbor Public Art Commission (AAPAC) will be involved in determining where this public art will be installed and what art medium will be used. The petitioner has agreed to work with City staff, the DDA, and the AAPAC on the installation of an acceptable art project.

Alley Access – The alley will be used to accommodate move-ins and move-outs as well as regular solid waste pick up. Village Green staff will coordinate the moving requests to ensure that moving vehicles do not create congestion problems in the 16-foot wide alley. The petitioner

will provide signage on the building to indicate the location of loading areas to provide alley neighbors access to their buildings during moving events. The petitioner anticipates that after the initial lease-up period, 4-8 moves will occur monthly. City staff will continue to work with the petitioner and adjoining neighbors to avoid conflict.

<u>Development Agreement</u> – A draft development agreement has been completed. It will be finalized prior to City Council approval.

COMPARISON CHART

		EXISTING	PROPOSED	REQUIREMENTS
Zoning		P (Parking District)	PUD (Planned Unit Development District)	PUD
Gross Lot Area		24,673 sq/ft (0.57 acre)	24,673 sq/ft	No minimum
Floor Area Ratio		0%	681%	660% MAX with residential premium
Setbacks	Front	NONE	0 ft. from Washington Street 0 ft from First Street	No minimum
	Side	NONE	0 ft. (east) 0 ft. (south)	No minimum No minimum
Building Height		NONE	98.5 ft.	No maximum
Parking – Automobiles		Temporary lot	244 spaces	70 spaces MIN
Parking - Bicycles		NONE	18 spaces – Class A 8 spaces – Class C	No minimum

SURROUNDING LAND USES AND ZONING

	LAND USE	ZONING	
NORTH Surface Parking Lot		C2B/R (Business Service/Residential District)	
EAST	Mixed Use	C2B (Business Service District) and C2A (Central Business District)	
SOUTH	Office	C2B	
WEST	Mixed Use	C2B	

HISTORY

The site is currently vacant and used for surface parking. The previous use was a three-level municipal parking garage. This garage was the first structured parking deck in Ann Arbor and was constructed in the late 1940's. It was removed within the past three years. The City

recently worked with a nearby property owner to straighten the alley east of the site and add land to the property that resulted in a rectangular building site.

PLANNING BACKGROUND

The Central Area Plan (1992) recommends institutional (public and semi-public) uses. The Downtown Plan (1988) includes this site in the "Core" area. The draft A2D2 planning effort currently includes this site in the D1 or "Core" section of the plan. The proposed uses, which include structured parking and multiple-family apartments, are consistent with the direction of the A2D2 effort which seeks to encourage downtown vitality by accommodating parking vertically and encouraging additional residential opportunities downtown.

The Downtown Plan and the Central Area Plan include language that supports the proposed project:

<u>Downtown Plan</u>

- Encourage downtown's highest density development and tallest buildings to locate within the Core area to create critical mass of activity needed to support a range of central retail, service, cultural, residential and entertainment functions.
- Encourage the development of structured (rather than surface) parking to serve new downtown development, giving special emphasis to the construction of underground parking in all major markets.
- Take advantage of the change in elevation on the west edge of the Core to develop underground parking cost effectively.
- Promote the development of public parking as part of larger private projects rather than free-standing structures.
- Promote the development of additional downtown housing, and the expansion of the downtown residential population to increase street activity and enhance perceived security.

Central Area Plan

- To protect and expand the supply of housing to meet the needs of a variety of individual lifestyles and incomes while seeking a stable balance between owner occupied and renter occupied units.
- To increase homeownership and rental opportunities for low income persons.
- To facilitate public/private initiatives to develop affordable housing.
- To create inviting streetscape corridors and improve the links between commercial and residential areas, encouraging access between the close-in neighborhoods and downtown.

STANDARDS FOR PUD ZONING

The following is a list of beneficial affects for the City which warrant PUD zoning (per Chapter 55, Section 5:80(6) Standards for PUD Zoning District Review <u>as described by the petitioner</u> (in regular type; staff comments are in *italic type*):

- (a) The use or uses, physical characteristics, design features, or amenities proposed shall have a beneficial effect for the city, in terms of public health, safety, welfare, aesthetics, or convenience, or any combination thereof, on present and potential surrounding land uses. The beneficial effects for the City which warrant the zoning include, but are not limited to, features such as:
 - (i) Innovation in land use and variety in design, layout and type of structures which furthers the stated design goals and physical character of adopted land use plans and policies.
 - Combines multifamily residential and public parking uses.
 - Expands downtown housing options and increases downtown's population density and diversity.
 - Incorporates sustainable design features.
 - Compatible with the height and scale of new downtown infill development.
 - (ii) Economy and efficiency of land use, natural resources, energy, and provision of public services and utilities.
 - Compact, high density urban infill development combined with replacement of lost public parking spaces.
 - Emphasizes structured parking at and below grade, while maintaining a comfortable pedestrian experience.
 - Utilizes existing public infrastructure.
 - Capitalizes on alternative transportation.
 - (iii) Provision of usable open space.
 - Rooftop terrace for building residents.
 - (iv) Preservation and protection of natural features that exceeds ordinance requirements; especially for those features prioritized in the land development regulations as being of highest concern, or that preserves existing conditions instead of merely providing mitigation.
 - NA
 - (v) Employment and shopping opportunities particularly suited to the needs of the residents of the city.
 - NA
 - (vi) Expansion of the supply of affordable housing for lower income households.
 - 16 affordable units (10% of total) will be provided.

Required by Chapter 55 (Zoning) and the City's Request for Proposal.

- (vii) The use and reuse of existing sites and buildings which contributes to the desired character and form of an established neighborhood.
 - Re-uses underutilized land and adds a downtown residential character near a neighborhood edge.

DEPARTMENT COMMENTS

<u>Planning</u> – Staff supports the project because it promotes a number of elements of sustainable land use practices. The project proposes to create new housing units in a location that encourages non-motorized access to retail, employment and public uses. New residents may support downtown business and likely access most uses downtown by foot. New downtown residents have a higher rate of using alternative modes of transportation to places of employment because of nearby access to the main AATA bus terminal and major employment centers downtown, on main campus and at the medical center.

The Citizen Participation Ordinance becomes effective in January 2009. The petitioner has been asked to summarize the various outreach efforts made regarding this project. The summary is attached.

Fire - Hydrant coverage and site access is adequate.

Prepared by Jeff Kahan

Reviewed by Connie Pulcipher and Mark Lløyd/

jsj/10/1/08

Attachments: Parcel/Zoning Map

Aerial Photo Layout Plan Parking Plan Landscaping Plan

Storm Water Management Plan

Elevations

9/25/08 Draft Supplemental Regulations 9/23/08 Draft Development Agreement Summary of Public Participation by Petitioner Letter from Petitioner regarding Use of Alley

c: Developer: Village Green Companies

1201 N. Clark Street, Suite 400

Chicago, Il 60610

Engineer: JJR, LLC

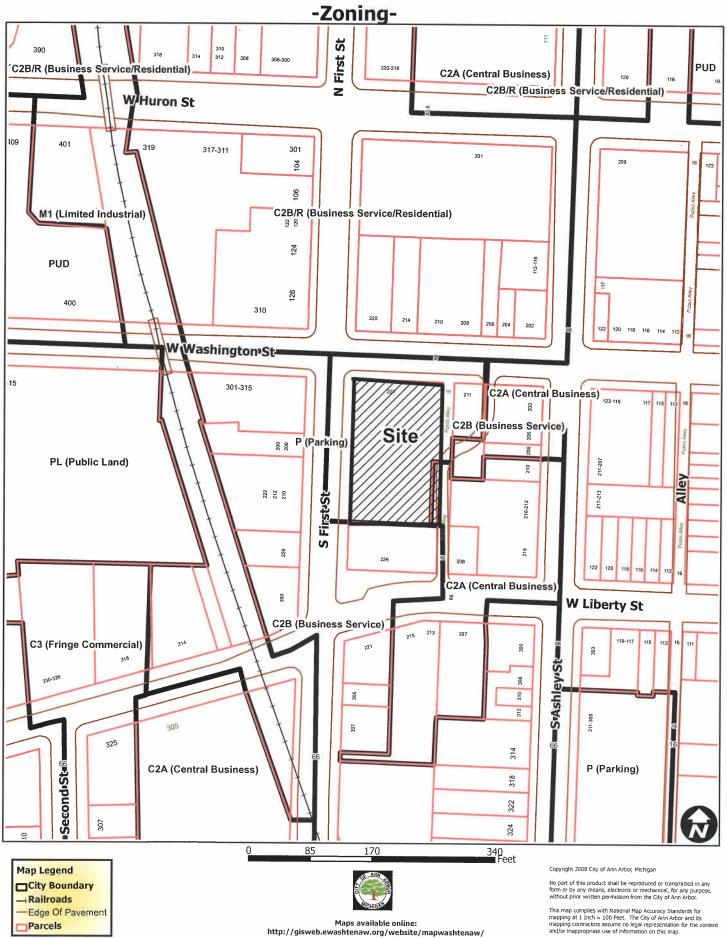
110 Miller Ave.

Ann Arbor, MI 48104

City Attorney Systems Planning

File Nos. 9291D1.03 and .05

Ann Arbor City Apartments PUD Site Plan



Ann Arbor City Apartments PUD Site Plan -Aerial Photo-



Map Legend

City Boundary

-- Railroads

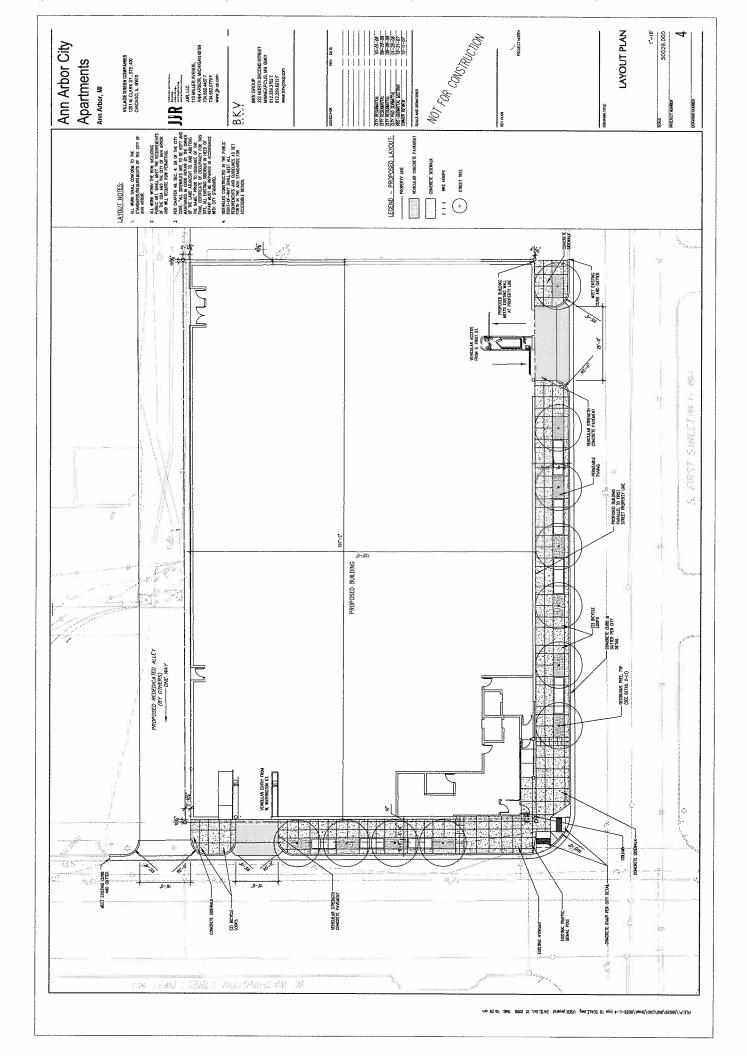
-Edge Of Pavement Parcels

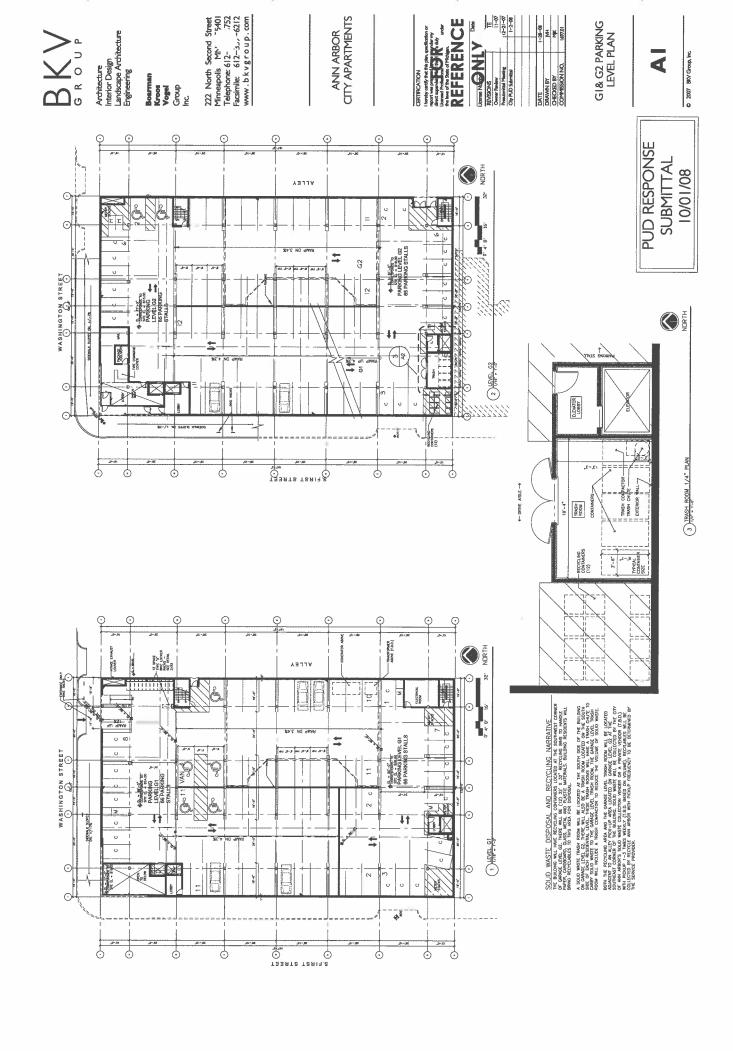


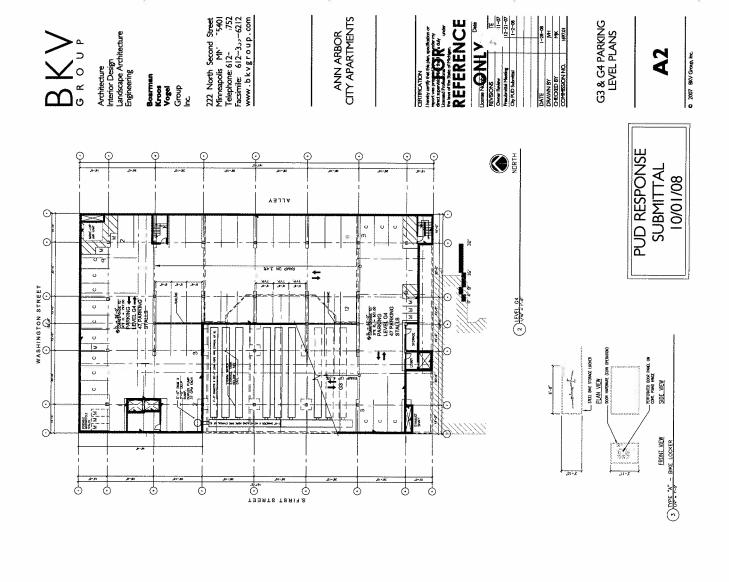
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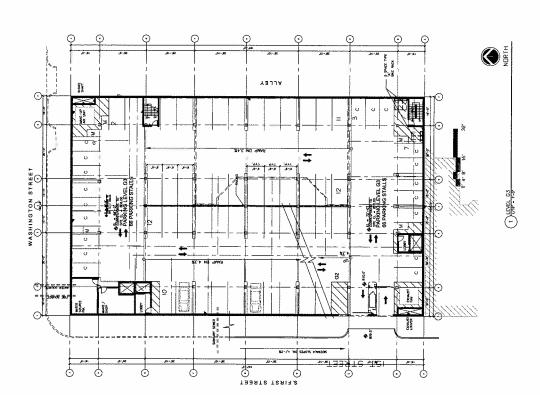
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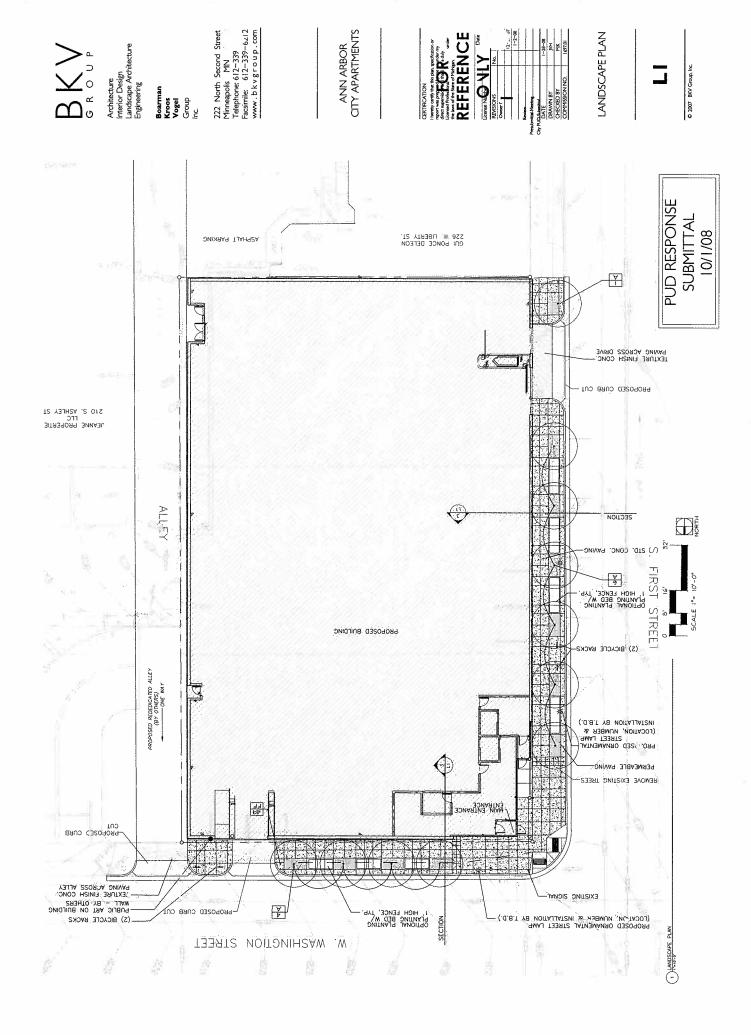
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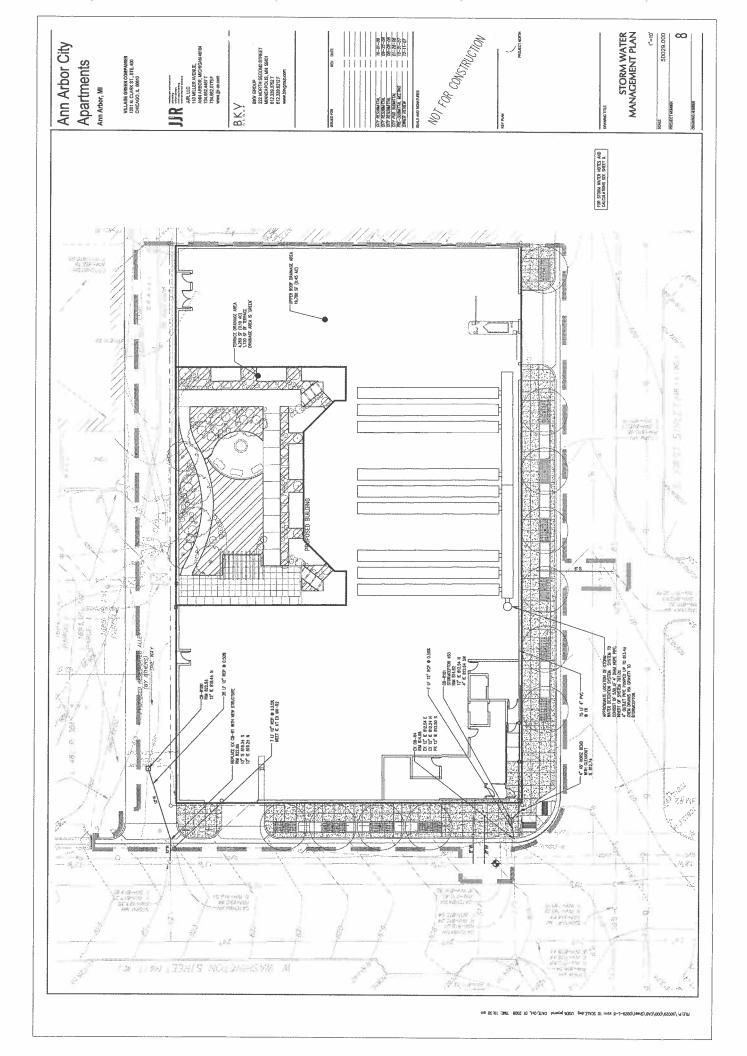


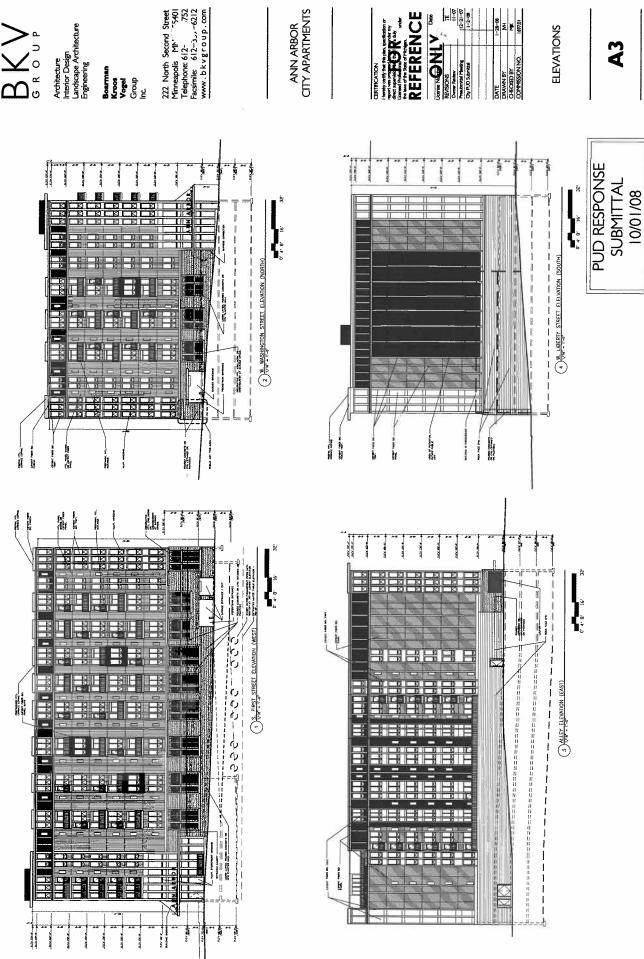












ANN ARBOR CITY APARTMENTS

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ELEVATIONS

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Ann Arbor City Apartments PUD Zoning District Supplemental Regulations

Section 1: Purpose

It is the purpose of the City Council in adopting these regulations to provide for the coordinated and unified infill of three parcels of land, integrated into the surrounding neighborhood, providing high density rental housing and restoring public parking on the site.

These regulations seek to promote development of a multiple-story, high density residential use combined with public and private parking within a pedestrian-oriented setting and will provide services to and be compatible with adjacent commercial districts and established neighborhoods at the edge of downtown's core and of the adjacent interface zones to the west.

Section 2: Applicability.

The provisions of these regulations shall apply to the property described as follows:

BEGINNING at the Northwest corner of Lot 1, Block 2 South, Range 2 East, "ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR", Washtenaw County, Michigan as recorded in Transcripts, Page 152, Washtenaw County Records; thence N89°37′44″E 124.02 feet along the Southerly right-of-way line of West Washington Street; thence S00°24′40″E 198.91 feet along the Easterly line of said Lot 1 and Lots 2 and 3 of said "ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR"; thence S89°42′49″W 124.18 feet along the Southerly line of said Lot 3; thence N00°21′53″W 198.72 feet along the Easterly right-of-way line of South First Street to the Point of Beginning. Being Lots 1, 2 and 3, Block 2 South, Range 2 East, "ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR", Washtenaw County, Michigan as recorded in Transcripts, Page 152, Washtenaw County Records and containing 24,673 square feet of land, more or less. Being subject to easements and restrictions of record, if any.

Further, the provisions of these regulations shall be adopted and incorporated into the Ann Arbor City Apartments PUD (Planned Unit Development) zoning district. These regulations, however, are intended to supplement only those provisions in the City Codes that may be modified as a part of a PUD and shall not be construed to replace or modify other provisions or regulations in the City Codes.

Section 3: Findings

During the public hearings on this Planned Unit Development, the City Planning Commission and City Council determined that:

- (A) It is desirable to develop the parcel described above with a mixture of rental housing units combined with public and private parking.
- (B) The surrounding neighborhoods directly adjacent primarily contain commercial uses, with some residential and public surface parking lots. Located at the western edge of the downtown's core, neighborhoods further west are single and multiple-family residential and further east are the retail areas of Ashley and Main Streets.

- (C) It is in the best interest of the surrounding properties and the City of Ann Arbor to restore public parking on the above parcels with structured parking above and below grade to serve residents as well as long and short-term parking for downtown visitors.
- (D) Expanded downtown housing options with rental units and increasing downtown's population density and diversity to bolster downtown retail, dining and entertainment attractions and services is consistent with the City of Ann Arbor Downtown Plan.
- (E) Reducing auto dependency by enhancing opportunities to choose alternatives to driving by location housing within easy walking and cycling distance of jobs, shopping, entertainment, services and transit is consistent with the Central Area Plan.
- (F) Pedestrian friendly and sustainable sidewalk improvements will provide an attractive and inviting environment for pedestrians at the street level and will improve access to and along the site.
- (G) The development and availability of 16 units of housing for lower income persons in the City of Ann Arbor will have a beneficial effect for public welfare and will help offset the increased demands on such housing linked to the generation of jobs.
- (H) Rooftop terrace will provide usable open space for building residents
- (I) The parcel described above meets the standards for approval as a Planned Unit Development, and the regulations contained herein constitute neither the granting of special privilege nor deprivation of property rights.

Section 4: PUD Regulations

(A) <u>Permitted principal uses</u> of the components of the development (as diagrammed in Exhibit A, Conceptual Plan, attached) shall be:

Residential

Rental Units

Public Parking

Vehicular and bicycle parking

(B) Permitted accessory uses shall be:

Home occupations, subject to all the performance standards provided under the City of Ann Arbor Code of Ordinances.

Maintenance and management areas and storage and utility structures. Such areas and structures shall have a wall, fence, or combination thereof, forming a continuous screen at least four feet high, from any internal or external residential environment, from pedestrian ways, and from the public rights-of-way.

Parking

Common Facilities for resident and building management use, including club and community rooms, fitness/locker rooms, outdoor rooftop terrace, conference and office space.

Wireless communication antennas, if affixed to buildings, or bell towers, carillons, and flagpoles.

(C) Setbacks (see Exhibit A):

Abutting a Public Street:

North (West Washington) - No required minimum

West (South First) - No required minimum

Side/Rear:

South & East - No required minimum

(D) Height:

Minimum heights shall be not less than 24 feet and 2 stories in height.

Maximum heights shall be restricted to those described in the approved site plan.

Heights shall not be applicable to roof-mounted mechanical equipment and, penthouses. Roof mounted antennae are subject to Building Code requirements

(E) Lot Size: The size of the PUD zoning district shall be 0.57 acres, more or less.

The PUD may be further subdivided into no more than 2 lots, in accordance with the laws of the State of Michigan; provided, however, that easements shall be recorded, conveying to each owner the right of shared parking and vehicular and pedestrian access between any and all lots and addressing the ownership and obligation of maintenance and liability for those elements of the site, including, but not limited to, private streets and sidewalks, utilities, storm water management system, assignment of floor area in percentage of lot area within the PUD, and architectural review.

The PUD may be not be developed as condominiums without amending the supplemental regulations and providing at least 16 units as affordable.

(F) Floor Area Ratio: Floor area in percentage of lot area for the PUD shall be determined for the entire 0.57-acre zoning district and shall not exceed 681 per cent based on gross building square footage, including occupied basement space and excluding below grade parking.

(G) Parking:

Vehicular: 240-250 parking spaces.

Bicycle:

No fewer than 25 bicycle parking spaces shall be located throughout the site and in the public right-of-way of West Washington and South First Streets to provide service near building entrances and dwelling units as shown on the approved site plan.

(H) Landscaping and Site Amenities

<u>Landscape design and installation</u> shall be coordinated through out the PUD zoning district, as referenced in Exhibit A. All paved surface materials and walls shall meet performance standards of the City of Ann Arbor Public Services Area Standard Specifications. All landscaping shall meet the materials standards established in Chapter 62, Landscape and Screening, of the City Code and in these supplemental regulations.

Rooftop terrace shall be available for residents and shall be not less than 3,600 square feet in area and shall contain a combination of paving and landscape areas. The rooftop terrace shall include plant materials that may include trees, shrubs, lawn and ground cover and may include benches or seating walls; screening walls; down-directed exterior lights, decorative trash receptacles.

<u>Public sidewalk areas</u> (West Washington & South First Streets) shall contain elements of an urban character, including, but not limited to decorative block or brick paving, deciduous trees; down-directed exterior lights; and other streetscape furnishings.

(I) Site Access

Vehicular:

Access shall be limited to the following (refer to Exhibit A):

<u>West Washington</u> – one curb cut on the northeast side of the property, providing two-way access to the parking structure.

<u>South First</u> – one curb cut on the southwest side of the property providing two-way access to the parking structure.

<u>Public Alley</u> – Service vehicles may use the alley to gain access to the building by the means of man doors.

Pedestrian:

Barrier-free public access shall be provided to the site by sidewalks, not less than six feet in width, bordering all public and private streets.

(J) <u>Architectural Design</u>:

General:

Principal exterior materials of all buildings shall be brick, masonry, and concrete with accent materials, including rough face concrete block, cement fiber board, wood, and metal panels.

Street elevations (West Washington and South First) shall have a minimum of 20 percent glazing at the housing floors.

Transformers, meters, roof mounted equipment, loading, and service areas shall be screened using materials consistent with buildings' principal and accent materials.

Facades:

Building façades shall be detailed to provide architectural relief, accent materials, fenestration, upper story balconies and varied rooflines.

Entrances:

Public entrances to the building shall be provided in no fewer locations than the following:

One at the corner of West Washington and South First

One at northeast corner of the site facing West Washington

One at southwest corner of the site facing South First

Parking deck:

Interior lighting of the parking deck shall be down-directed and shielded to prevent light spillover and to minimize impact on neighboring properties.

(K) Phasing

The PUD shall be constructed in one phase. However, parking structure occupancy may be obtained earlier than other principal uses.

Phasing and sequencing plans may be amended administratively, following review and approval by staff.

(L) Affordable Housing

Ten percent of the residential units, but not less than 16 units, shall be affordable on a long-term basis to lower income households, as defined in Chapter 55 of the Ann Arbor City Code, and shall be made available for lease to eligible households under such negotiated terms reasonably acceptable to the City and the Petitioner.

Leaseholders shall be entitled to access to each and every amenity available to market-rate units, including the provision of off-street parking.

Attachment: Exhibit A - Conceptual Plan

ANN ARBOR CITY APARTMENTS PUD DEVELOPMENT AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2008, by and between the City of Ann Arbor, a Michigan Municipal Corporation, with principal address at 100 North Fifth Avenue, Ann Arbor, Michigan 48107, hereinafter called the CITY; and Jonathan Holtzman Interest #33 LLC, a Michigan Limited Liability Corporation, with principal address at 30833 Northwestern Highway Suite 300, Farmington Hills, Michigan 48334, hereinafter called the PROPRIETOR, witnesses that:

WHEREAS, the PROPRIETOR owns certain land in the City of Ann Arbor, described below and site planned as Ann Arbor City Apartments PUD, and

WHEREAS, the PROPRIETOR has caused certain land in the City of Ann Arbor, described below to be surveyed, mapped and site planned as Ann Arbor City Apartments PUD, and desires PUD site plan approval and development agreement approval thereof, and

WHEREAS, the PROPRIETOR desires to build or use certain improvements with and without the necessity of special assessments by the CITY, and

WHEREAS, the CITY desires to insure that all of the improvements required by pertinent CITY ordinances and regulations be properly made, and that the PROPRIETOR will install these improvements prior to any permits being issued.

THE PROPRIETOR(S) HEREBY AGREES:

- (P-1) To prepare and submit to the CITY for approval plans and specifications ("the Plans") prepared by a registered professional engineer for construction of public and private storm water management systems, sidewalks, streetscape improvements and streetlights ("the Improvements") provided that no work on said Improvements shall be commenced until the Plans have been approved by the City Administrator or designee, and until such other relevant information to CITY service areas as shall be reasonably required has been provided.
- (P-2) To construct all improvements set forth in Paragraph P-1 of this Agreement in accordance with the approved Plans and to repair all defects in the improvements that occur within one year from the date of acceptance of the Improvements by the CITY, commencing on the latest date of the acceptance of any Improvements by the CITY. If the PROPRIETOR fails to construct the improvements, the CITY may send notice via first class mail to the PROPRIETOR at the address listed above requiring it to commence and complete the improvements in the notice within the time set forth in the notice. The CITY may cause the work to be completed at the expense of the PROPRIETOR, if the PROPRIETOR does not complete the work within the time set forth in the notice. Every owner of a portion of the property, including co-owners of condominium units, shall pay a pro-rata share of the cost of the work. That portion of the cost of the work attributable to each condominium unit shall be a lien on that Property and may be collected as a single tax parcel assessment as provided in Chapter 13 of the Ann Arbor City Code.

- (P-3) To furnish, within 30 days of completion, an engineer's certificate that the construction of the public improvements set forth in Paragraph P-1 above have been completed in accordance with the specifications of the CITY in accordance with the approved plans. The engineer's certificate will cover only those items the PROPRIETOR'S engineer inspects.
- (P-4) Prior to the issuance of building permits and recording the master deed, to deposit with a mutually acceptable escrow agent fully executed documents in a form acceptable to the CITY, which will convey, upon delivery to the CITY, easements for the construction and maintenance of public utilities and public streets. The escrow agreement shall provide for delivery of the documents to the CITY solely upon the condition that the CITY has accepted the public Improvement to be conveyed by the easement.
- (P-5) To provide, prior to the issuance of building permits, a signing plan to the Fire Department and install all street name signs according to CITY specifications and to provide and install such temporary warning signs during the construction period as are appropriate to protect the health, safety and welfare of the public.
- (P-6) To install all water mains, storm sewers, sanitary sewers, streetscape improvements and public streets, through the first course of asphalt, pursuant to CITY approved plans and specifications, necessary to connect the site with existing CITY systems adjacent to the site prior to the issuance of any building permits.
- (P-7) To be included in a future special assessment district, along with other benefiting property, for the construction of additional improvements to Washington Street and First Street such as street widening, storm sewers, curb and gutter, sidewalks, bike paths, street lights, and the planting of trees along Washington Street and First Street frontage when such improvements are determined by the CITY to be necessary.
- (P-8) To indemnify and hold the CITY harmless from any claims, losses, liabilities, damages or expenses (including reasonable attorney fees) suffered or incurred by the CITY based upon or resulting from any acts or omissions of the PROPRIETOR, its employees, agents, subcontractors, invitees, or licensees in the design, construction, maintenance or repair of any of the Improvements required under this Agreement and the approved site plan.
- (P-9) To cause to be maintained General Liability Insurance and Property Damage Insurance in the minimum amount of \$1,000,000 per occurrence and naming the CITY as named insured to protect and indemnify the CITY against any claims for damage due to public use of the public improvement(s) in the development prior to final written acceptance of the public improvement(s) by the CITY. Evidence of such insurance shall be produced prior to any construction of improvement and a copy filed with the City Clerk's Office and shall remain in full force and effect during construction of the public improvement(s) and until notice of acceptance by the CITY of the Improvements.
- (P-10) For the benefit of the residents of the PROPRIETOR'S development, to make a park contribution of \$36,208 to the CITY Parks and Recreation Services Unit prior to the issuance of building permits for improvements to nearby parks.
- (P-11) To install and maintain street trees as shown on the approved site plan prior to the issuance of the first certificate of occupancy.
- (P-12) To construct, repair and/or adequately maintain on-site storm water management system. If the PROPRIETOR fails to construct, repair and/or maintain the private storm water management system, the CITY may send notice via first class mail to the PROPRIETOR at the address listed above, requiring it to commence and complete the items stated in the notice within the time set forth in the notice. The CITY may cause the work to be completed at the expense of the PROPRIETOR if the PROPRIETOR does not complete the work within the time set forth in the notice.

- (P-13) After construction of the private on-site storm water management system, to maintain it. Any proposed changes to the system must be approved by the City of Ann Arbor Systems Planning and Planning and Development Services Units. If the PROPRIETOR fails to maintain any portion of the system, the CITY may send notice via first class mail to the PROPRIETOR at the address listed above, requiring it to commence and complete the maintenance stated in the notice within the time set forth in the notice. The CITY may cause the work to be completed at the expense of the PROPRIETOR if the PROPRIETOR does not complete the work, as appropriate, within the time set forth in the notice. If the CITY completes the work, and the costs remain unpaid by the PROPRIETOR for 60 days after notice via first class mail, the CITY may bill the PROPRIETOR the total cost as provided in Chapter 13 of Ann Arbor City Code. Provisions for maintenance and responsibility for the storm water management system shall be included by the PROPRIETOR in the master deed.
- (P-14) After construction of the private on-site storm water management system, to commission an annual inspection of the system by a registered professional engineer evaluating its operation and stating required maintenance or repairs, and to provide a written copy of this evaluation to the CITY Public Services Area.
- (P-15) To prepare and submit to the Planning and Development Services Unit one copy of the Master Deed, along with the required review fee of \$3,500.00, prior to issuance of building permits.
- (P-16) To design, construct, repair and maintain this development in accordance with the provisions of Chapter 119 (Noise Control) to ensure that any noise emanating from said development will not impact nearby residents or businesses. In addition, PROPRIETOR shall review existing noise sources surrounding said development and incorporate necessary design and construction techniques to ensure that future tenants will not be exposed to noise sources in violation of Chapter 119.
- (P-17) To provide prior to the issuance of the first certificate of occupancy sixteen rental housing units in this multiple-family residential development leased at or below 80 percent of the City of Ann Arbor median household income, as defined by the United States Department of Housing and Urban Development (HUD) at the time of sale. The PROPRIETOR or its designee will verify the income eligibility of the tenant using a form approved by the CITY and the CITY or its designee will certify that the buyer is income eligible. The affordable units will remain available to individuals and families with income at or below 80 percent of the City median income in perpetuity. The PROPRIETOR agrees to execute a Housing Affordability Covenant with the CITY.
- (P-18) Prior to application for and issuance of certificates of occupancy, to disconnect 38 footing drains from the sanitary sewer system in accordance with the *Guidelines for Completion of Footing Drain Disconnections, City of Ann Arbor Development Offset-Mitigation Program* (November 2005 edition, as amended). The PROPRIETOR, however, may be allowed to obtain partial certificates of occupancy for the development prior to the completion of all of the required footing drain disconnects on a prorated basis, at the discretion of the CITY Public Services Area. CITY agrees to provide PROPRIETOR with a certificate of completion upon PROPRIETOR'S submittal of approved and final closed-out permits to the CITY Public Services Area.
- (P-19) To provide a loading zone with signage as shown on the approved PUD site plan in the public alley east of the site to accommodate moving trucks. The PROPRIETOR is responsible for ensuring that moving vans adhere to CITY restrictions for loading in a public alley and that the moving vans do not block access to adjoining businesses. The intent of the loading zone is to minimize conflicts with surrounding businesses that depend on the alley for access.
- (P-20) To include the elevation drawings, as submitted to City Council, as part of the approved site plan and to construct all buildings consistent with said elevation drawings. If the PROPRIETOR proposes any changes to the approved building elevations, setbacks, aesthetics, or materials, that those changes be brought back to the City Council for consideration. The PROPRIETOR is required to submit signed and sealed drawings to staff reflecting the elevations, setbacks, aesthetics, materials and site plan approved by City Council.

3

- (P-21) To remove all discarded building materials and rubbish from the development at least once each month during construction of the development improvements, and within one month after completion or abandonment of construction.
- (P-22) To apply for and obtain, prior to issuance of any Certificates of Occupancy, Letters of Map Revision (LOMAR) from the Federal Emergency Management Agency for modifications in the floodplain elevations on the site, and to furnish to the CITY copies of the LOMAR and an Elevation Certificate.
- (P-23) PROPRIETOR is the sole title holder in fee simple of the land described below except for any mortgage, easements and deed restrictions of record and that the person(s) signing below on behalf of PROPRIETOR has (have) legal authority and capacity to enter into this agreement for PROPRIETOR.
- (P-24) Failure to construct, repair and/or maintain the site pursuant to the approved site plan and/or failure to comply with any of this approved development agreement's terms and conditions shall constitute a material breach of the Agreement and the CITY shall have all remedies in law and/or in equity necessary to ensure that the PROPRIETOR complies with the approved site plan and/or the terms and conditions of the approved development agreement. The PROPRIETOR shall be responsible for all costs and expenses including reasonable attorney fees incurred by the CITY in enforcing the terms and conditions of the approved site plan and/or development agreement.
- (P-25) In addition to any other remedy set forth in this Agreement or in law or equity, if PROPRIETOR fails to make a timely or full payments to the CITY as set forth elsewhere in the Agreement to the CITY in the agreed upon manner, any unpaid amount(s) shall become a lien, as provided under Ann Arbor City Code and recorded with the Washtenaw County Register of Deeds, against the land described below and may be placed on the CITY tax roll as a single lot assessment, or if the development is converted to condominium ownership, every owner of a portion of the property shall pay a pro-rata share of the amount of the payments attributable to each condominium unit. If the unpaid amount(s), in whole or in part, has been recorded as a lien on the CITY'S tax roll and with the Washtenaw County Register of Deeds, upon payment of the amount in full along with any penalties and interest, the CITY, upon request, will execute an instrument in recordable form acknowledging full satisfaction of this condition.
- (P-26) To pay for the cost of recording this Agreement with the Washtenaw County Register of Deeds, and to pay for the cost of recording all documents granting easements to the CITY.

THE CITY HEREBY AGREES:

- (C-1) In consideration of the above undertakings, to approve the Ann Arbor City Apartments PUD Site Plan.
 - (C-2) To use the park contribution described above for improvements to nearby parks.
- (C-3) To provide timely and reasonable CITY inspections as may be required during construction.
 - (C-4) To record this agreement with the Washtenaw County Register of Deeds.

GENERAL TERMS:

Both the PROPRIETOR and the CITY agree as follows:

(T-1) This agreement is not intended to create a contractual right for third parties.

- (T-2) This Agreement and any of its terms, conditions, or provisions cannot be modified, amended, or waived unless in writing and unless executed by both parties to this Agreement. Any representations or statements, whether oral or in writing, not contained in this Agreement shall not be binding on either party.
- (T-3) This Agreement and any of its terms or conditions shall not be assigned or transferred to any other individual or entity unless prior approval of the CITY is received. Such approval shall not be withheld unreasonably.
- (T-4) The obligations and conditions on the PROPRIETOR, as set forth above in this Agreement and in the approved site plan, shall be binding on any successors and assigns in ownership of the following described parcel:

BEGINNING at the Northwest corner of Lot 1, Block 2 South, Range 2 East, "ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR," Washtenaw County, Michigan, as recorded in Transcripts, Page 152, Washtenaw County Records, thence N 89°37'44" E 124.02 feet along the Southerly right-of-way line of West Washington Street; thence S 00°24'40" E 198.91 feet along the Easterly line of said Lot 1 and Lots 2 and 3 of said "ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR;" thence S 89°42'49" W 124.18 feet along the southerly line of said Lot 3; thence N 00°21'53" W 198.72 feet along the Easterly right-of-way line of South First Street to the Point of Beginning. Being Lots 1, 2 and 3, Block 2 South, Range 2 East, "ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR," Washtenaw County, Michigan, as recorded in Transcripts, Page 152, Washtenaw County Records, and containing 24,673 square feet of land, more or less. Being subject to easements and restrictions of record, if any.

- (T-5) In addition to any other remedy in law or in equity failure to comply with all of the above paragraphs on the part of the PROPRIETOR, or any part of the approved site plan, in part or in whole, shall give the CITY adequate basis and cause to issue a stop work order for any previously-issued building permits and shall be an adequate basis and cause for the CITY to deny the issuance of any building permits, certificates of occupancy, or any other permits unless and until the CITY has notified the PROPRIETOR in writing that the PROPRIETOR has satisfactorily corrected the item(s) the PROPRIETOR has failed to perform.
- (T-6) This agreement shall be interpreted, enforced and governed under the laws of the State of Michigan and Ann Arbor City Code.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day first above written.

0177707 1181 17707

Witnesses:	100 North Fifth Avenue Ann Arbor, Michigan 48107		
	By:		
	By:		

Approved as to Substance:	
Roger W. Fraser, City Administrator	
Approved as to Form:	548
Stephen K. Postema, City Attorney	
Witness:	Jonathan Holtzman Interest #33 LLC Michigan Limited Liability Corporation. 30833 Northwestern Highway Suite 300 Farmington Hills, MI 48334 By: Jonathan Holtzman, Managing Member
and Jacqueline Beaudry, Clerk of the City of Ann <i>i</i> to be the persons who executed this foregoing ins	
	NOTARY PUBLIC County of Washtenaw, State of Michigan My Commission Expires: Acting in the County of Washtenaw

STATE OF MICHIGAN)		
County of) ss:)		
Managing Member, Jonat	, 2008, beforthan Holtzman Interest #33 I and acknowledged that he	LC, to me known to be	e the person who executed
		NOTARY PUBLIC County of My Commission Exp Acting in the County	ires:

DRAFTED BY AND AFTER RECORDING RETURN TO:
Mark Lloyd, Manager
Ann Arbor Planning & Development Services
Post Office Box 8647
Ann Arbor, Michigan 48107
(734) 994-2800



Jeff Kahan
City Planner
City of Ann Arbor Planning Department
100 North Fifth Avenue
P O Box 8647
Ann Arbor MI 48107

RE: Ann Arbor City Apartments PUD-Shared use of Public Alley

Dear Mr. Kahan:

Village Green Residential Properties is pleased to submit the final Petition for the establishment of a Planned Unit Development (PUD) Zoning District on city owned parcels known as 221 West Washington

I am writing in response to your inquiry concerning the intended use of the alley for residents moving into the proposed development and the impacts any moving vehicles would have to adjacent property owners. Although this is an off site issue, Village Green is a premiere developer of high-density urban multi-family developments and understands the importance of maintaining positive working relations with our neighbors. Village Green is committed to ongoing communication and coordination of use of the public alley.

During the initial lease up of the units towards completion of construction, Village Green anticipates approximately 20-25 moves a month for the first four to five months that will take place through out the week. After the initial lease up, Village Green expects to maintain occupancy and only anticipates of 4 to 6 moves a month. Moves are allowed between the hours of 9 a.m. and 9 p.m.. Typically we see moves at the beginning and the middle of the month (1st and 15th) and often on weekends. However schedules vary so moves can take place seven days a week. Additionally 70% of the units in this development are one bedroom or smaller so a majority of the moving vehicles will be the smaller 28-32 foot long trucks. Residents of the smaller efficiency units often do not utilize moving vehicles and rather use their personal vehicle and will not use the alley to move in.

Ensuring our residents move efficiently and quickly into their units is critical to occupancy and the developments success and is carefully managed by the management staff. Residents must reserve, in advance, the use of the freight elevator in two-hour time blocks. Additionally residents are required to check in and out with management to receive and return keys to the moving areas and elevators. Concierge and maintenance staff is available 24 hours a day seven days a week to address concerns and emergencies for residents and neighbors. A copy of Village Green's draft moving procedures for this specific site is attached.

Village Green design consultants have met with city engineering and planning staff and confirmed that the City of Ann Arbor prefers for loading areas to be off public streets to maintain traffic flow. Subsequently the alleys intended use is as a loading zone to buildings and business's in which they are adjacent to and serve. Village Green also confirmed that the public alleys have no time limitations for which to load and unload so long as the loading is occurring "actively". Engineering and enforcement view inactivity as a 20-minute duration in which loading is not active and/or the vehicle used for loading is left unattended. Additionally, since the alley is

intended for public use, Village Green cannot reserve exclusive use of any portion of the alley for it's residents and must share the entire alley with our neighbors.

Despite having no time restrictions or designated loading areas within the public alley, Village Green is committed to working with adjacent property owners so not to impede with their business. Although not required to do so, Village Green will ensure that entrances to adjacent buildings will not be blocked by moving vehicles and contact information for 24 hour on-site staff will be posted in the alley should someone from Village Green need to be contacted to tow or move vehicles blocking such entrances. Additionally Village Green will outline a space specifically for loading and suggest that residents use the non-exclusive area to park moving vehicles so not block any current entrances into existing buildings. Although not a requirement, the location of this loading area will allow traffic to move freely from Washington Street to Liberty Street. A survey outlining the proposed non-exclusive loading area accompanies this letter.

We feel that our approach to sharing the alley is responsible and thoughtful. We have communicated our intent with adjacent property owners. Of particular note Mr. Hodesh of Downtown Home and Garden opposes our use of the alley for this purpose although it is the intended use. Village Green and Mr. Hodesh have successfully worked together to resolve other issues in regards to construction that include a lease of land that Mr. Hodesh is in the process of purchasing from the city. We have not yet heard any response from Mr. Hodesh concerning our procedures or how he intends to ensure Village Green's entrances in the alley will not be obstructed. However we feel confident that he will continue to work with Village Green to ensure that all interests are met.

Sincerely,

Yohannes Cramlet Director of Development Village Green Companies

1201 North Clark Street Suite 400

Chicago IL 60610

Sustainable Design Strategies

Ann Arbor City Apartments October 2, 2008

The following sustainable design strategies are included or are under consideration in the design of the Ann Arbor City Apartments project.

Project use and site selection

- Provides urban housing/ livable community
- Provides revitalization of the city center and urban redevelopment
- Transit oriented development

Site

- Erosion and sedimentation control.
- Storm water management integrated with the landscape design. This includes the use of a green roof area, as well as storm water management system.
- Use of native plant species as a basis of design
- Landscape design and rooftop features to reduce the heat island effect, which can affect comfort and cooling loads.
- The design also eliminates south facing windows reducing heat gain. (South windows are not possible due to "0" lot line condition)
- Light pollution reduction through internal parking.
- Provisions for bicycle parking for visitors and residents

Water Efficiency

- · Water efficient landscaping
- Water use reduction through use of efficient plumbing fixtures.

Energy and Atmosphere

- · Optimized energy performance of mechanical systems including:
 - Utilization of an energy use review process, in conjunction with the local utility company, to identify strategies and economies for energy savings.
 - Low-E glazing in conjunction with daylighting
 - Ozone protection through use of "green" HVAC refrigerants (HFC) in lieu of HCFC refrigerants

Materials and Resources

- Use of recycled content materials where practical.
- Use of locally/regionally produced materials (within 500 miles) where practical.
- Use of rapidly renewable materials where practical.

Indoor Environmental Quality

- Use of low VOC emitting materials including adhesives, sealants, paints, carpet, composite wood and agrifiber, where practical.
- Use of low and no formaldehyde containing materials.
- Use of daylighting strategies, including lighting controls.
- Access to views is incorporated.
- Use of deciduous landscape plantings for seasonal shade, resulting in reduced energy demand and an improved indoor environment.



ANN ARBOR CITY APARTMENTS COMMUNITY ENGAGEMENT PLAN REPORT UPDATE

October 2, 2008

Mr. Jeff Kahan City Planner City of Ann Arbor 100 N. Fifth Avenue PO Box 8647 Ann Arbor, MI 48107

Dear Mr. Kahan:

Village Green is pleased to provide its updated report to the City on the results of the Community Engagement Plan efforts. Specifically, the City of Ann Arbor and Village Green are parties to that certain Memorandum of Understanding dated as of October 31, 2007. Pursuant to that agreement, Village Green has agreed to participate in and carry out a Community Engagement Plan relative to the proposed development of the parking garage and residential projects to be located at First and Washington in the City of Ann Arbor. Village Green and the City developed a list of groups or associations adjacent to the proposed development. Meetings with such groups have taken place, and last year an open meeting was held at City Hall.

We completed the above-mentioned Community Engagement Plan last year, per the Memorandum of Understanding. This year, as we had made certain changes to our plan, we reached out to all three groups a second time. The Main Street Area Association indicated that they did not need to hear about the updates, and they continued to support our efforts and our project, because of the affordable housing being proposed as well as the new parking spaces. We will be receiving a formal letter to this effect shortly. However, we did meet in person with both the Downtown Area Citizens Advisory Council, and the Old West Side Board. At both meetings, both organizations expressed their strong support for the Ann Arbor City Apartments.

At each of the meetings, representatives from Village Green and Village Green's Architect (BKV) were present, along with members of each group. The following is Village Green's report of such meetings and activities. Each meeting is described in a separate attachment hereto.

Thank you again for your assistance and cooperation in the carrying out of this Community Engagement Plan. We look forward to making continued expeditious progress in the development of this very important project for the City and for Village Green.

Sincerely,

Jonathan Frank Vice President



ANN ARBOR CITY APARTMENTS COMMUNITY ENGAGEMENT PLAN REPORT

Attachment 1

Downtown Area Citizens Advisory Council ("DACAC")

Per the request of Planning, Village Green again met with the representatives of the DACAC on September 29, 2008 at City Hall (4th Floor Planning Commission conference room), Ann Arbor, Michigan.

Notice Procedures:

The meeting was arranged between Jon Frank (Village Green) and Ray Detter, DACAC president. Ray advised the DACAC members of the time and place of the meeting.

Present at the Meeting:

Jon Frank (Village Green) Susan Pollay (DDA)

For the DACAC:

Richard Shakson (One N. Main)
Susan Menedick (113 S. Fourth Avenue)
Ray Detter
John Kern (318 S. Bayer)
Susan Kern (318 S. Bayer)
Barry Fullerton (405 E. Huron)
Herb Kauffer
Newcomb B. Clark

At this meeting, Jonathan Frank and Mike Krych re-introduced Village Green Companies and the project and presented an overview, including proposed site plan, elevations and other details. Village Green described the changes that had occurred since we had addressed the group previously, as well as examples of how Village Green had responded to the group's design suggestions and requests. Such changes included:

- 10 Additional residential units
- Additional parking spaces
- One additional affordable unit
- Upgraded South Elevation Façade (per the group's feedback)
- Updated landscape plan, per community, City, and DDA feedback
- Proposed locations for Art on the site (per the group's feedback)

The Council continued to express its strong support for the development, and Ray Detter indicated that he would continue to do all that he could to work with us to continue to support this challenging project. Detter has always appeared in front of the DDA and Council wherever possible, imploring the City to assist Village Green and move forward with this development.



Village Green also indicated that it would likely require additional time to complete its design and drawings, in order to close on the project. The current economic environment has made the process of raising such equity far more time-consuming than it had been in years prior. The Council suggested ways to approach City Council, to improve Village Green's chances of moving forward with the project.

All in all, this was a very positive meeting. Detter and the Council remain strong, committed supporters of Ann Arbor City Apartments.



ANN ARBOR CITY APARTMENTS COMMUNITY ENGAGEMENT PLAN REPORT

Attachment 2

Old West Side Board ("OWSB")

Village Green met with the representatives of the OWSB on October 1, 2008 at the Burnt Toast Inn, home of Sarah Okuyama, at 415 West William Street, Ann Arbor, Michigan.

Notice Procedures:

The meeting was arranged between Jonathan Frank (Village Green) and Christine Broummer, who go the word out and distributed particulars of the time and place of the meeting to the members of the OWSB.

Present at the Meeting:

Jon Frank (Village Green)
Mike Krych (Architect, BKV Associates)

For the OWSB [MISSING LAST NAMES]:

Allison Stupku Sonja Smerril Sarah Okuyama Barb Hall

At this meeting, Jonathan Frank and Mike Krych re-introduced Village Green Companies and the project and presented an updated overview of the project, including proposed site plan, elevations and other details.

Village Green described the changes that had occurred since we had addressed the group previously, also pointing out the areas where Village Green had responded to specific requests of the Board. Such changes included, among others:

- 10 Additional residential units
- Additional parking spaces
- One additional affordable unit
- Upgraded South Elevation Façade
- Updated landscape plan, per community, City, and DDA feedback
- Proposed locations for Art on the site

Discussions included visibility, colors, aesthetics, streetscape, entrances (ingress and egress), overhead doors, power line; adjacent uses; rents/size of apartments; 10% low-income factor; potential for U of M employees as tenants; concierge services and other amenities.; use of seethrough grates; lighting; context (tie into existing neighborhood).



At our previous meeting, the group had suggested that we look at upgrading our streetscape, and the inclusion of public art in the project. They were quite pleased that we had listened to them, and done exactly that per their guidance. The Board also admired the elevations, and wondered aloud how Village Green was able to develop such handsome structures, where so many other developer-neighbors were not able to do so. The elevations were very, very well-received, including the corrugated metal siding and South Elevations.

This was another very positive meeting, as all attendees voiced their strong support of the project. The group indicated that it would write a letter in support of the project, and would pass the letter along to the members of Planning Commission and Council. In part because the elevations have improved so much, and in part because they appeared to respect Village Green's willingness to work closely with the group, support from the OWSB has never been stronger.