

PLANNING STAFF REPORT

MEETING: Planning Commission Meeting of July 5, 2017

SUBJECT: Ann Arbor Distillery Private Rental Hall Special Exception Use
File No. SEU17-002

LOCATION: 220 Felch Street
North side of Felch Street between North Main Street and railroad

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission, after hearing all interested persons and reviewing all relevant information, finds the petition to substantially meet the standards in Chapter 55 (Zoning Ordinance), Section 5:104 (Special Exceptions) and, therefore approves the Ann Arbor Distillery at 220 Felch Street for private rental hall use.

STAFF RECOMMENDATION:

Staff recommends that the special exception use be **denied** because the location of and access to off-street parking and the intensity and character of traffic and parking conditions for the site, do not meet the minimum off-street parking requirements.

DESCRIPTION OF PETITION:

Summary – A special exception request to allow a private rental hall at 220 Felch Street in the M1 (Limited Industrial) district associated with Ann Arbor Distillery, manufacturer of distilled alcohols. In accordance with the Zoning Ordinance, Chapter 55, Section 5:10.24(2)(h), “private club or lodge hall renting for meetings or social occasions, or similar recreation uses or places of assembly” are permitted in the M1 district with special exception use approval.

Proposed Use – The petitioner is seeking approval to hold events within its existing production space such as live music, meetings, classes, poetry and book readings, art exhibits and tastings. While the petition indicates that events not associated with the Ann Arbor Distillery, such as weddings, receptions, and private parties, are not proposed uses, staff has received comments from the public expressing planned use of the facility for similar occasions

Sound amplification (microphones and speakers) may or may not be used, depending on the type of event, and some events may extend outdoors onto the patio area directly adjacent to the Distillery. However, the petitioner has stated that all outdoor events will end by 10:00 pm, no outdoor event will be sound amplified, and all events will comply with the Chapter 119 Noise Control ordinance standards.

Site Layout – The site contains a 15,000-square foot brick industrial building with a partial basement and partial second floor. The building abuts the front lot line and is set back a few feet from the west side lot line, which adjoins the railroad right-of-way. Access to the site is enabled by a driveway on Felch Street that leads to a 20-space parking lot. A six-foot solid wood fence surrounds all three sides of the site.

The majority of the site is within the 100-year floodplain. A small wetland is located at the rear of the site which has been configured to provide storm water management for the development.

Parking – The site has 20 off-street parking spaces. A site plan was approved on December 6, 1999 for two building additions creating a 23,395-square foot light industrial building which would have required 39 off-street parking spaces. A variance of 19 spaces from the required 39 spaces was granted November 17, 1999.

ZONING ANALYSIS (COMPARISON CHART):

	EXISTING/PROPOSED	REQUIRED
Zoning District	M1 (Limited Industrial)	M1
Lot Area	50,646 sq ft	13,000 sq ft MIN
% FAR	30% (15,000 sq ft)	75% MAX
Lot Coverage	20%	40% MAX
Setbacks	Front: 0 ft Side: 1 ft (W), 69 ft (E) Rear: 189 ft	Front: 15 ft MIN Side: None (as not abutting R district) Rear: None (as not abutting R district)
Building Height	33 ft	35 ft MAX
Vehicle Parking	20 spaces (variance of 19 spaces from 39 required granted 11/17/99)	48 spaces MIN (with variance of 19 spaces granted 11/17/99)
Bicycle Parking	4 spaces	6 MIN

LAND ANALYSIS (SURROUNDING USES AND ZONING):

	LAND USE	ZONING
NORTH	City Yard	PL (Public Land)
EAST	Single Family Dwelling	
SOUTH	Residential	R4C (Multiple-family Dwelling District)
WEST	Residential	R2A Two-family Dwelling District

SITE HISTORY:

The site first appears in Polk City Directories in 1920 as the Standard Oil Company offices and warehouse, which remained on the site until 1977. From 1979 to 1995 the Daily Grind organic flour mill occupied a portion of the space, with various retail and office uses in the remainder.

From 1996 to 2008 the Ann Arbor Art Center's Art Factory used the building as a ceramics and art studio. The current tenants are Ann Arbor Distilling Company, ICON Interactive and Wildly Fit.

A site plan was approved on December 6, 1999 for this site as the Ann Arbor Art Association Site Plan for City Council approval. At that time, the Art Association occupied a portion of the building and was seeking to take over the entire building as well as construct two additions, relocate the driveway, and reconfigure and pave the parking lot. The Zoning Board of Appeals granted permission to alter a nonconforming building, a variance of 19 required off-street parking spaces, and a variance to allow unrestricted discharge from the retention area to be greater than 0.2 cubic feet per second per acre. The parking variance was granted in part by the understanding that an agreement will be made with the owner of 221 Felch Street (now under construction for a 52-unit residential development), indicating parking will be allowed on his property after hours.

The approved building additions were never constructed but the site driveway was relocated, the parking lot was installed and the wetland area was reconfigured to handle storm water management.

SPECIAL EXCEPTION USE STANDARDS AND ANALYSIS:

Background – Special exception uses are uses that are not permitted by right but may be approved on an individual, case-by-case basis if certain standards and conditions are met.

Permitted principal uses in the M1 (Limited Industrial) district include research facilities, offices (excluding medical and dental), wholesale of construction materials and contractors yards, industrial and manufacturing plants, and general repair of vehicles and equipment.

Special exception uses include places of recreation such as, "bowling alley; boat or canoe livery; indoor tennis courts and other indoor court game facilities including, but not limited to, handball, racketball, paddleball, squash, ping-pong and similar uses; and private club or lodge hall renting for meetings or social occasions, or similar recreation uses or places of assembly; and theaters for stage productions within an enclosed building."

The applicant is seeking special exception use approval to allow a private rental hall, a type of *private club or lodge hall renting for meetings or social occasions, or similar recreation uses or places of assembly* in a portion of the existing building at 220 Felch Street, zoned M1, which is allowed with special exception use approval per Section 5:10.24(2)(h).

General Standards – As provided in Section 5:104(3) of the Zoning Ordinance, the Planning Commission shall apply three standards, each involving several considerations, in arriving at its decision relative to any application for a special exception. The standards are summarized below, along with staff's analysis and recommendation. The original petition as submitted by the applicant can be found in the file [here](#) and further explanation of the proposed use can be found [here](#).

1. **The proposed use or uses shall be of such location, size and character as to be compatible with the appropriate and orderly development of the zoning district and adjacent zoning districts in which the site is situated.** In applying this standard, the Planning Commission shall consider whether the proposed use:
 - a. Is consistent with the general objectives of the City Master Plan.

- b. Is compatible with the existing and planned character of the general vicinity.
 - c. Is consistent with the general character of the neighborhood.
 - d. Will not be detrimental to neighboring property or the neighborhood area in general.
 - e. Will not have a detrimental effect on the natural environment.
- 2. The location and size of the proposed use or uses, the nature and intensity of the principal use and all accessory uses, the site layout and its relation to streets giving access to it, shall be such that traffic to and from the use or uses, the assembly of persons in connection therewith, and the effect of the proposed use on public services and facilities, will not be hazardous or inconvenient to the neighborhood nor unduly conflict with the normal traffic of the neighborhood.** In applying this standard the Planning Commission shall consider, at minimum:
- a. The location of and access to off-street parking and the safe provisions for pedestrian traffic.
 - b. The relationship of the proposed use to main traffic thoroughfares and to streets and road intersections.
 - c. Vehicular turning movements in relationship to traffic flow routes.
 - d. The intensity and character of traffic and parking conditions on the site, and in the general area.
 - e. The requirements for additional public services and facilities which will be created by the proposed use will not be detrimental to the social and economic welfare of the community.
- 3. The standards of density and required open spaces for the proposed use shall be at least equal to those required by Chapter 55 in the zoning district in which the proposed use is to be located, unless a variance is granted.**

Staff Analysis – The proposed use appears to satisfy the standard #1, does not satisfy standard #2, and standard #3 is not applicable.

- The first standard addresses compatibility with the existing land uses on the site and the surrounding land uses. The site is currently used by a distillery, a technology consultant and personal trainers. Expanding the functions of the distillery to essentially include more visitors primarily in the late afternoon and evening, as stated by the petitioner, is in keeping with the appropriate and orderly development of this zoning district and adjacent zoning districts. The adjacent zoning districts are PL (Public Land) and R4D With Conditions (Multiple-Family Dwelling with Conditions). Surrounding districts include R2A (Two-Family Dwelling), R4C (Multiple-Family Dwelling), O (Office) and C1 (Local Commercial).

- However, the second standard addresses on- and off-site traffic issues. The subject site currently contains 20 off-street parking spaces and has a variance of 19 spaces from its 39-space off-street parking requirement for a 23,395-square foot light industrial building. In its current configuration, the site meets the minimum off-street parking requirements for a light industrial development (because of the granted variance). If the off-street parking requirements are based upon the current individual uses of the building – light manufacturing, tavern, general office and storage – the site conditions provide two additional spaces above the minimum requirements (including the variance).

Switching the majority of the current light manufacturing use to assembly hall use increases the site's off-street parking requirement from 37 to 67 spaces. No additional parking is proposed for the added private rental hall use. The minimum required off-street parking is not proposed or provided, which by definition does not satisfy this standard for approval.

- The third standard regarding density and required open space is satisfied by the existing site conditions. The current FAR, 29%, is less than the maximum permitted FAR of 75%. There is no minimum required open space in the M1 district. The M1 district does include a maximum lot coverage standard (40%), which the current layout of 20% lot coverage provides.

STAFF COMMENTS:

Traffic – A trip generation analysis has been requested to determine the number of peak hour trips (which will determine if a traffic impact study is required) and to evaluate the potential impacts to the public street system.

Fire – The petitioner is advised that an automatic sprinkler system is required if the occupant load is greater than 100 persons and the fire area exceeds 5,000 square feet.

Engineering – If a fire suppression (automatic sprinkler) system is required, a fire hydrant must be installed within 100 feet of the connection. Additional hydrants may be necessary to include all buildings and structures within the required coverage radius.

Planning – The petitioners have thoughtfully and thoroughly responded to staff's concerns regarding the lack of on-site parking in their memo dated June 8, 2017 [here](#). As stated in that memo, many attendees of events already held on the site by the Ann Arbor Distillery have walked and others have parked in a downtown lot or structure. The petitioners are proposing parking demand strategies to reduce their need for on-site parking, such as providing information on nearby public parking, additional bike parking spaces, discounts during higher volume events if public parking is used, and customer education. The Planning Commission has received many letters and messages of support for the proposed use, and staff has not received any complaints to date about traffic or parking from the current use for approximately a year.

The petitioner's intended parking management strategies relieve some amount of concern about the lack of on-site parking and how that may impact traffic congestion in the vicinity and affect the neighborhood. Their self-imposed plans to limit the times and types of events to take place also takes care of some concerns. Alternately, past opportunities to share parking with 221 Felch Street are no longer available. The site is not within or adjacent to the special parking district that coincides with the Downtown Development Authority's boundaries. It is subject to the off-street parking requirements set forth in Chapter 59.

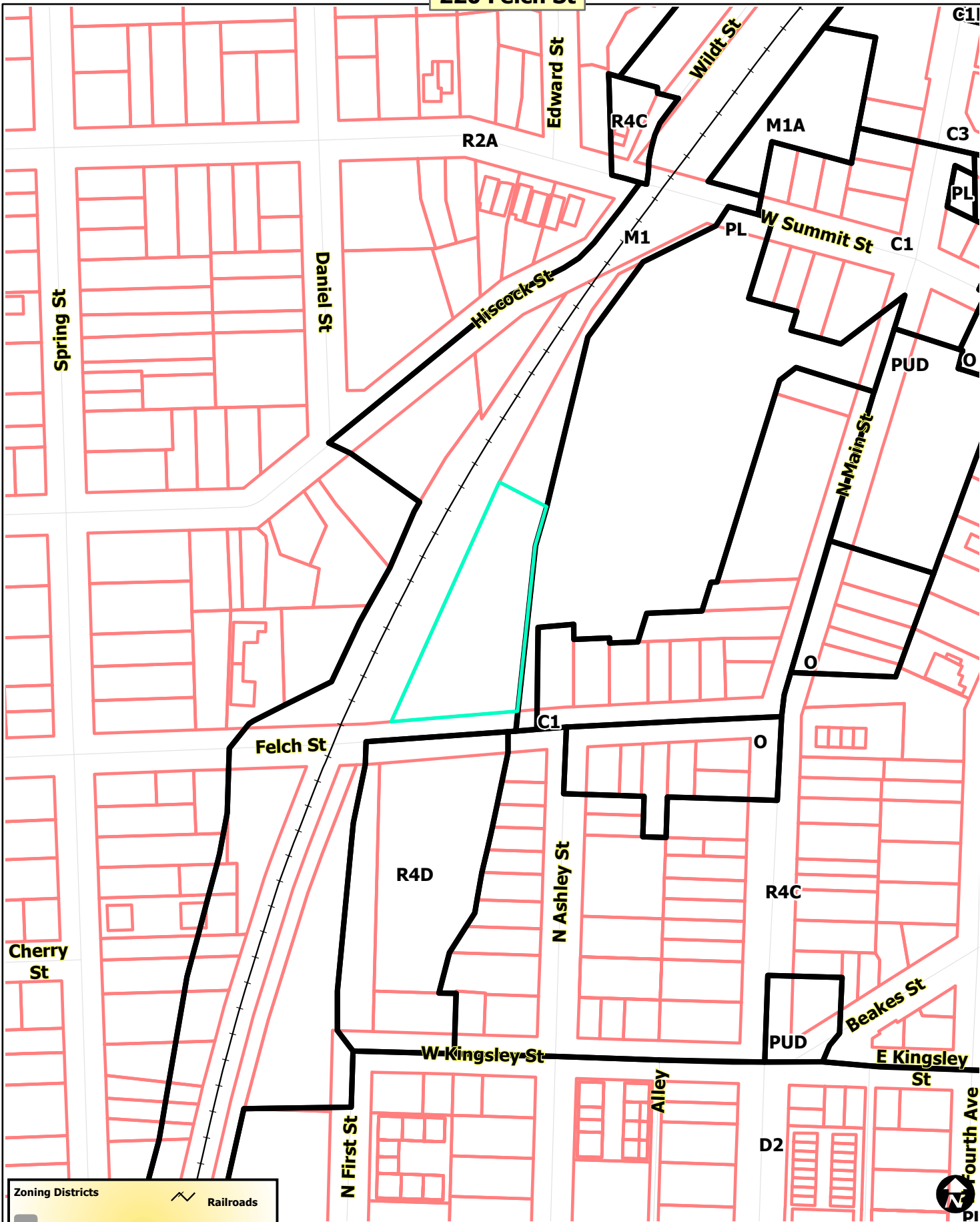
Based on the standards in the special exception criteria, staff recommends denial based on failure of the proposed development to provide the minimum required off-street parking.

Prepared by Alexis DiLeo
Reviewed by Brett Lenart
6/29/17

Reference Materials: Zoning/Parcel Maps
Aerial Photo
[Special Exception Use Petition](#)
[Petitioner Response Letter](#)
[Plot Plan](#)
[Floor Plan](#)
[Ann Arbor Art Association Site Plan](#) (1999)
[Ann Arbor Art Center Administrative Amendment](#) (2001)

c: Petitioner – Ann Arbor Distilling Co. (Rob Cleveland)
Petitioner's Agent – O|X Studio, Inc. (Andrew Hauptman)
Owner: Wildt Street LLC
Systems Planning
File No. SEU17-002

220 Felch St



Zoning Districts	Railroads
Township Islands	Huron River
City Zoning Districts	Tax Parcels



Map date 5/16/2017
 Any aerial imagery is circa 2015 unless otherwise noted
 Terms of use: www.a2gov.org/terms

220 Felch St



-  Railroads
-  Huron River
-  Tax Parcels



Map date 5/16/2017
Any aerial imagery is circa 2015
unless otherwise noted
Terms of use: www.a2gov.org/terms