

## MEMORANDUM

TO: Mayor and Council

FROM: Steven D. Powers, City Administrator  
Wendy Rampson, Planning Manager

SUBJECT: Resolution to Schedule a Public Hearing on the City Administrator's Plan to Proceed Toward Implementation of Recommended Best Practices to Receive Redevelopment Ready Communities Certification

DATE: April 20, 2015

City Council has adopted sustainability goals as part of the city master plan, including a goal for economic vitality that calls for developing a prosperous, resilient economy that provides opportunity by creating jobs, retaining and attracting talent, supporting a diversity of businesses across all sectors, and rewarding investment in the community.

The Great Recession demonstrated that Ann Arbor is not immune from economic downturns. How local governments are funded in Michigan requires a city to grow its tax base if the governing body wishes to continue to provide the level of services its citizens expect. Property tax, fees for services, and income tax are the only funding sources available to local governments in Michigan.

City staff developed a work plan for addressing economic development priorities. As a starting point, staff explored the resources available from the state of Michigan's place making and redevelopment initiatives. Redevelopment Ready Communities provides evaluation and technical assistance in best practices.

Some believe by adopting the resolution local control will be acceded to the MEDC. The resolution does not cede anything to the MEDC. For instance, the recommendation to change site plan approval would be a decision made by City Council separate from the resolution.

What resources are available from the state if the recommended changes are adopted? The MEDC has offered financial and technical resources to assist with developing a customized plan for the reuse of the 415 W. Washington site. Other benefits include additional points on MSHDA affordable housing grant applications and financial and technical assistance with board training and economic development planning.

Much attention has been placed on assistance to developers. Redevelopment readiness will also help current residents and local businesses. The evaluation found Ann Arbor is meeting 32 of the 43 recommended best practices. The evaluation is an independent verification that the city's planning and development processes are sound and meeting the policy goals of city council.

As the name implies, Redevelopment Ready Communities is a program to help cities with already developed sites that are underperforming or adding no value to the community. The program is not intended to assist in the development of green sites.

Considerable discussion has occurred regarding the recommendation to change the site plan approval process. Site plan review and approval is an administrative process that confirms if a development project meets all of the city's codes and standards. Final approval of site plans is delegated by City Code to either staff, the Planning Commission or City Council, based on the type of improvements proposed.

Under current City Code, the Planning Commission has been delegated final approval authority for site plans that include the following minor modifications:

- Garages and carports; freestanding storage buildings; wireless communication towers
- An addition to an existing building of less than 10% or 10,000 sf, whichever is less
- Paving or expanding an existing parking lot, private street or non-residential driveway
- Modification to an approved natural features protection or mitigation plan
- Minor changes that are allowed by the Administrative Amendment process where no site plan exists on file

As an example of the type of changes that could be explored under the RRC recommendation, Planning staff has identified smaller, non-controversial site plans that may be appropriate to add to this existing list. As noted in the Council Agenda Response Memo of March 16, 2015, projects that fall into the "small" project category under the Citizen Participation Ordinance requirements (i.e., postcard notice rather than a citizen participation meeting), could be a threshold for Planning Commission final review.

The attached list provides projects from the last two years in "small" project category, along with vote status at Planning Commission and City Council. Note that all of these projects were approved unanimously by both bodies. Note also that many of the projects are improvements for locally or regionally owned businesses and non-profits. A shortened review timeline would reduce upfront costs for these businesses and allow them to move to construction more quickly.

To define appropriate changes to the site plan approval process, staff suggests that Council form an ad-hoc committee made up of Council and Planning Commission members. This committee would evaluate the impact of different thresholds and address concerns about providing adequate opportunities for public commentary.

Status of implementation

The practices that scored a green will continue with current resources. The practices that scored a yellow or red require a change in administrative policy and/or resources.

Moving the yellow and red findings to green is important to property owners, residents, city council, planning commission, and the organization. The best practices recommend transparency, clarity, and predictability from city’s development policies and procedures. Opaque, ad hoc, changing practices can frustrate developers and citizens alike.

The yellow and red practices are basic tools, plans, or programs required to achieve sustainable economic development.

1. Draft and adopt an economic development strategy Best Practice 6.1
2. Review the economic development strategy annually Best Practice 6.1
3. Develop a marketing strategy Best Practice 6.1
4. Prioritize the city’s prime redevelopment sites Best Practice 5.1
5. Identify available resources for prioritized redevelopment sites Best Practice 5.1
6. Assemble a property information package for identified prioritized redevelopment sites Best Practice 5.1

The zoning ordinance is easy to read and accessible online.	<input type="checkbox"/> Complete work on the zoning ordinance reorganization to make the ordinance easy to read as outlined in RRC Best Practice 2.1	12 months
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\$ None

The community promptly acts on development requests.	<input type="checkbox"/> Eliminate city council review of “permitted use” site plan	12 months
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\$ None

The community annually reviews the successes and challenges with the site plan review and approval procedures.	<input type="checkbox"/> Create a mechanism for customer feedback as outlined in Best Practice 3.1	6 months
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\$ None, would be done through existing survey and engagement tools

The community identifies training needs and tracks attendance of the governing body, boards, commissions and staff.	<input type="checkbox"/> Create a training tracking mechanism for city boards, commissions, and staff as outlined in Best Practice 4.2	12 months
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\$ None

The community shares information between the governing body, boards, commissions, and staff.	<input type="checkbox"/> Establish a joint meeting with the city council, planning commission, zoning board of appeals, DDA, environmental commission, and the development review board as outlined in Best Practice 4.2	12 months
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\$ None

The community identifies and prioritizes individual redevelopment sites.	<input type="checkbox"/> Prioritize the city's prime redevelopment sites as outlined in RRC Best Practice 5.1	3 months
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\$ None, work would be done by staff with technical assistance from MEDC, if City Council adopts the resolution

Available resources for the prioritized redevelopment sites are identified.	<input type="checkbox"/> Identify available resources for prioritized redevelopment sites as outlined in RRC Best Practice 5.1	12 months
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A "Property Information Package" for the prioritized redevelopment site(s) is assembled.	<input type="checkbox"/> Assemble a property information package for identified prioritized redevelopment sites as outlined in RRC Best Practice 5.1	12 months
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\$ None for identifying available resources and under \$5,000 for property information package

The governing body has approved an economic development strategy.	<input type="checkbox"/> Draft and adopt an economic development strategy as outlined in RRC Best Practice 6.1	24 months
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The governing body annually reviews the economic development strategy.	<input type="checkbox"/> Review the economic development strategy annually as outlined with RRC Best Practice 6.1	24 months
The community has developed a marketing strategy.	<input type="checkbox"/> Develop a marketing strategy as outlined in RRC Best Practice 6.1	12 months

\$ None. SPARK will be convening an Economic Health Work Group as requested by City Council. The work group will provide guidance for the City to develop a strategy specific for Ann Arbor that is aligned with the regional economic development strategy. The Ann Arbor strategy will be developed by staff.

“Small” Site Plan Projects  
Approved by City Council in the Past Two Years

Project Name	CPC Vote	CPC Public Hearing Speakers (other than petitioners)	CC Vote	CC Public Hearing Speakers (other than petitioners)
2625 Jackson Retail – Demolition of gas station, new 5,040 sf retail building	Unanimous	None	Unanimous	None
278 Collingwood Office – Addition of 2,451 sf second floor	Unanimous	None	Unanimous	None
515 N. Fifth Avenue – Demolition of multi-family, new 4 unit, 8,404 sf building	Unanimous	None	Unanimous	None
Ann Arbor Christian Reformed Church - Addition of 12,850 sf to existing church at 1717 Broadway St.	Unanimous	None	Unanimous	None
Bank of Ann Arbor – Addition of 9,440 sf second floor at 125 S. Fifth Ave.	Unanimous	None	Unanimous	3
Belle Tire Store – New 9,735 sf building at 590 W. Ellsworth Rd.	Unanimous	None	Unanimous	None
Dusty’s Collision – New 30,537 sf building at 2310 South Industrial Hwy	Unanimous	None	Unanimous	2
Germain Motors – Additions totaling 11,306 sf to auto dealership at 2575 S. State St.	Unanimous	None	Unanimous	1
Honda Testing Facility – Addition of 24,116 sf to industrial building at 3947 Research Park Dr.	Unanimous	None	Unanimous	1
Montgomery Building – Addition of 21,100 sf for 32 apartments at 210 S. Fourth Ave.	Unanimous	2	Unanimous	1
Pittsfield Retail – Additions totaling 16,209 sf to retail buildings at 3510 Washtenaw Ave.	Unanimous	None	Unanimous	None

Project Name	CPC Vote	CPC Public Hearing Speakers (other than petitioners)	CC Vote	CC Public Hearing Speakers (other than petitioners)
Rudolf Steiner High School – Addition of 19,780 sf to school at 2230 Pontiac Tr.	Unanimous	None	Unanimous	1
Running Fit –Addition of 6,015 sf for 6 units at 121 E. Liberty St.	Unanimous	6	Unanimous	1
Ruth’s Chris Restaurant – Addition to second story at 314 S. Fourth Ave.	Unanimous	None	Unanimous	1
State Street Shell – Addition of 4,250 sf drive-thru restaurant and store at 2991 S. State St.	Unanimous	None	Unanimous	None
The Mark Condominiums – Demolition of car wash, new 11,910 sf building for 7 units at 318 W. Liberty St.	Unanimous	3	Unanimous	1
Theta Delta Chi - Additions of 2,366 sf to fraternity at 700 S. State St.	Unanimous	None	Unanimous	1
U-Haul Moving – Addition and new buildings totaling 17,936 sf to storage facility at 3655 S. State St.	Unanimous	None	Unanimous	1