

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of March 5, 2024

**SUBJECT: 732 Packard PUD “5 Corners”
PUD Zoning and Supplemental Regulations – File No. REZ23-0001
Site Plan for City Council approval – File No. SP23-0002**

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission recommends that the Mayor and City Council approve the 732 Packard PUD Zoning District and Supplemental Regulations.

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission recommends that the Mayor and City Council approve the 732 Packard Site Plan and Development Agreement, subject to addressing outstanding comments from staff.

STAFF RECOMMENDATION:

Staff recommends **approval** of the 732 Packard PUD **Zoning District and Supplemental Regulations** because it meets the standards for review provided in Section 5.29.11.F, such as having a beneficial effect, that could not be otherwise achieved. The project provides adequate justification to depart from approved comprehensive plans, as well as adheres to all other applicable local, state and federal laws, ordinances, standards and regulations.

Staff also recommends **approval** of the 732 Packard **Site Plan** for City Council approval and **Development Agreement** because it will meet the standards for review provided in Section 5.29.11.H.3, including complying with the PUD zoning designation and Supplemental Regulations, upon addressing outstanding comments from staff.

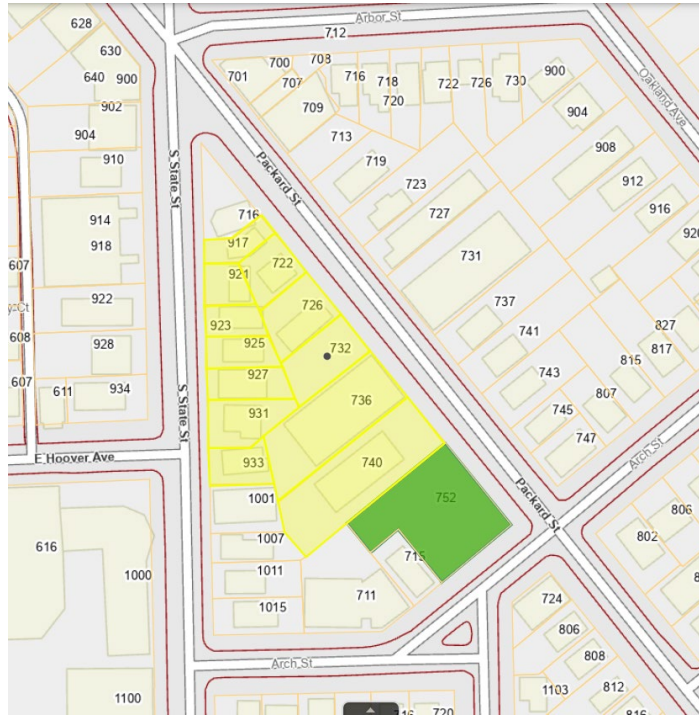
LOCATION:

The subject site includes 12 lots of the block bounded by Packard Street, South State Street and Arch Street. It is located south of the Packard – State intersection and north of Granger Avenue in the central part of the city, south of the University of Michigan Central Campus and adjacent to the Athletic Campus.

SUMMARY:

The proposed project has two parts:

- 1) A petition to rezone the 1.3-acre site C1A/R (Campus Business Commercial) to PUD (Planned Unit Development) and adopt Supplemental Regulations to allow high-density, multiple-family residential use with ground floor retail use. Benefits of the PUD District include sustainability and carbon neutrality requirements; development density, housing diversity and affordable housing requirements; and on-site amenities for streetscape activity.
- 2) A site plan to develop two buildings, a 14-story apartment building with 376 apartments, 82 vehicle parking spaces, 329 bicycle parking spaces, and potential for ground floor retail and restaurant.



EXISTING CONDITIONS:

The 1.3-acre site consists of 12 lots and 11 buildings built between 1901 and 1963. Ten of the eleven buildings are residential, one of which is an apartment building. The remaining residential buildings appear to be single-family homes now used as a single or multiple-unit rental housing. The final building is a commercial building containing two businesses. All lots are zoned C1A/R. Most of the site is in Block 4 of Hill’s Addition to the City of Ann Arbor, 1866 and the remainder are unplatted lots.

Five Corners (732 Packard) Site Existing Conditions					
	Address	Lot Area	Zoning	Year Built	Current Use
1	722 Packard	3,250 SF	C1A/R	1920	Residential
2	726 Packard	4,583 SF	C1A/R	1907	Residential
3	732 Packard	4,706 SF	C1A/R		Parking
4	736 Packard	11,034 SF	C1A/R	1963	Apartment Building
5	740 Packard	12,883 SF	C1A/R	1958	Commercial
6	917 S State	2,050 SF	C1A/R	1910	Residential
7	921 S State	2,175 SF	C1A/R	1900	Residential
8	923 S State	2,199 SF	C1A/R	1910	Residential
9	925 S State	2,669 SF	C1A/R	1910	Residential
10	927 S State	3,140 SF	C1A/R	1910	Residential

Five Corners (732 Packard) Site Existing Conditions					
	Address	Lot Area	Zoning	Year Built	Current Use
11	931 S State	4,132 SF	C1A/R	1910	Residential
12	933 S State	2,787 SF	C1A/R	1910	Residential

Current Zoning – The lots that make up the 732 Packard site are currently zoned C1A/R (Campus Business Residential). This district is intended to encourage the orderly clustering and placement of high-density residential and complementary commercial development near the campus business district and allows up to 300% FAR on lots of any size.



Figure 2: Current Zoning Map

REZONING PETITION:

The applicant proposes rezoning the site from C1A/R to PUD. Supplemental Regulations are adopted with approval of PUD zoning districts that fully describe the beneficial effects and provide the uses, development standards, and other performance standards to ensure the beneficial effects are achieved.

Purported Beneficial Effects –The purported beneficial effects of the 732 Packard PUD are listed below as provided by the applicant. These are also found in Section 3 Findings of the Supplemental Regulations, attached.

732 Packard PUD Purported Beneficial Effects
<p>A. Carbon Neutrality-A2 Zero</p> <ol style="list-style-type: none"><li data-bbox="305 751 1318 947">1) LEED Standards. <i>Development of the Project will contribute to the City’s goal of achieving carbon neutrality (A2Zero). The structure to be located on the Property will be constructed and developed in accordance with LEED standards. Additionally, electric vehicle charging stations and solar panels will increase environmental sustainability on site and for the City as a whole.</i><li data-bbox="305 984 1318 1180">2) Integrated Solar Power. <i>The Project integrates solar panels into the building at the roof level, aiming to produce a portion of its energy needs with photovoltaic panels, further reducing the Project’s carbon footprint and energy use from off-site sources, reducing the environmental and economic harms associated with fossil fuel energy within the community, and supporting A2Zero.</i><li data-bbox="305 1218 1318 1413">3) Electric Vehicle Charging Infrastructure. <i>The Project will include seventeen (17) EV-I (installed) charging stalls, which is double the requirement under Ann Arbor City Code. Fifteen (15) EV-i stalls will be located in the parking structure and two (2) EV-i stalls will be located at the ground level surface parking. The remaining spaces for the Project will be EV-C (capable).</i><li data-bbox="305 1451 1318 1646">4) Electric Ready Building. <i>Directly supporting A2Zero to promote home and business electrification, the Project is committed to being “nearly all-electric” with no Natural Gas connection, except for a natural gas emergency backup generator, restaurant cooking, and auxiliary hot water generation only during periods when demand cannot be met by the available electric supply.</i> <p>B. Density; Reducing Urban Sprawl; Reduced Vehicular Travel. <i>The Project will continue high-density residential development in areas appropriate for such use within the City in order to increase housing options. This Project supports higher density housing near transit corridors, public transportation routes, campus education and recreational venues, and is walkable to commercial areas, such as the commercial and retail sites located on South University Avenue, S. State St., Liberty St., Church Street, and East University Avenue.</i></p>

732 Packard PUD Purported Beneficial Effects	
<p><i>The Project encourages residential densities that invite and sustain bus transit in accordance with the City’s Master Plan.</i></p>	
<p>C. Affordable Housing. <i>The Project requires 16% of its residential floor area dedicated to affordable housing dwelling units, more than the standard for approval for PUD Zoning Districts.</i></p>	
<p>D. Housing Diversity. <i>The Project provides more housing proximate to the University of Michigan Central Campus attractive to both students and non-students and reduces the pressure for student housing in neighborhoods that have historically been single family occupied homes, also contributing to A2Zero.</i></p>	
<p>E. Streetscape Activation. <i>The Project includes a ground-level auto court limited to pedestrian use and programmed with food trucks and social activities providing activity that does not currently exist, in addition to ground floor retail uses and townhouses with front porches directly to the public sidewalk to activate the streetscape.</i></p>	
<p>F. Neighborhood Park Improvements. <i>Proposed improvements to adjacent Forsythe Park.</i></p>	

Comparison of Current and Proposed Zoning – A comparison of the existing intent, permitted uses, and development standards of the current C1A/R district and the proposed 732 Packard PUD district is provided in the table below. Overall, staff found the following:

- The intent and permitted uses are similar.
- Dimensional aspects are regulated in opposite manners – by floor area ratio in the C1A/R district and by height, building coverage, and open space in the 732 Packard PUD district.
- The development standards – parking, sustainability, and affordable housing – are generally more stringent in the 732 Packard PUD district.

Zoning District Comparison		
	Current	Proposed
	C1A/R	732 Packard PUD
Intent	<p>This district is designed to encourage the orderly clustering and placement of high-density residential and complementary commercial development near the campus business district.</p>	<p>Purpose to coordinate development of 12 parcels into more efficient, high-density residential development within walking distance of UM campus. Beneficial effects include sustainability standards, increased density,</p>

Zoning District Comparison		
	Current	Proposed
	C1A/R	732 Packard PUD
		reduced sprawl, reduced vehicular travel, housing including affordable housing, and neighborhood park improvements.
Permitted Uses	Per Section 5.15. Generally, all residential, commercial, and office uses	Per Section 5.15 (generally, all residential, commercial, office uses), residential uses only above third story
Lot Area	No minimum	55,507 SF (1.27 acres)
Density or FAR	Maximum 300% FAR	None (795% proposed)
Height	None	Maximum 15 stories and 200 ft
Building Coverage	N/A	Maximum 70%
Open Space	N/A	Minimum 20%
Setback – Front	Minimum 10 ft	Minimum 5 ft and 16 ft between back curb and bldg
Setback – Side and Rear	None	Minimum 5 ft
Vehicle Parking (Electric Vehicle charging)	None (Minimum 10% installed chargers, minimum 90% capable)	Maximum 82 spaces (Min 20% installed chargers)
Bicycle Parking (Class distribution)	Minimum 1 per 5 units (50% Class A, 50% Class C)	Minimum 1 per unit, at least 329 (100% Class A, 5% e-bike, 2 cargo size)
Landscaping, Screening, Buffering*	Landscape islands per Sec. 5.20 Screening per Section 5.20 Buffering per Section 5.20	Landscape islands per Sec 5.20 Screening per Section 5.20 Custom buffer requirements
Sustainability	N/A	LEED Silver certification Almost all electric building Minimum solar kwh capacity
Affordable Housing	N/A	16% of residential floor area dedicated to affordable housing
<p>Footnote * Ordinance no. ORD-24-02 (Conflicting Land Use Buffer) approved February 20, 2024, effective March 10, 2024, no buffer required except for portion of district/site adjacent to Forsythe Park, then minimum 15 ft. width, minimum 4 ft. hedge or fence, and minimum 1 tree per 15 ft. length. Proposed PUD requires buffer adjacent to residential uses only, then variable width, minimum 4 ft. hedge, and minimum 4 trees.</p>		

PUD District Review and Approval Standards – Section 5.29.11 of the Unified Development Code provides the applicability, process, submittal requirements procedures and approval standards for PUD Zoning District and site plans. There are eight standards for PUD zoning district approval, summarized below.

Analysis of PUD Zoning District Review Standards	
1. The use(s), physical characteristics, design features or amenities proposed have a beneficial effect for the City. (Seven examples listed.)	This standard has been met. A zoning district that requires LEED certification, integrated solar panels, additional electric vehicle charging stations, limits on natural gas connections, increases housing density and diversity, affordable housing, public park, and streetscape activation are uses, design features and amenities that will have a beneficial effect for the City.
2. This beneficial effect could not be achieved under any other zoning classification and is not required to be provided by existing standards.	This standard has been met. Other zoning classifications do not require the purported beneficial effects listed above, either at all or to the degree required in the proposed district.
3. The uses do not negatively impact public utilities or surrounding properties.	This standard has been met.
4. The uses are consistent with the master plan and policies, or adequate justification has been presented.	This standard has been met.
5. When residential uses are proposed and the proposed density exceeds the master plan recommendation or the underlying zoning designation density, 15% of the residential floor area or units must be affordable housing dwelling units, provided on-site or payment in lieu or combination. Note the Planning Commission and City Council may deny payment of an affordable housing contribution in lieu at their sole discretion.	This standard has been met. 16% of the residential floor area will be dedicated to affordable housing dwelling units. Based on the proposed 328,403 square feet of residential use in the district, 52,544 square feet is dedicated to affordable housing. A payment in lieu of \$126.00 per square foot for a total contribution of \$6,620,604.00 is requested.
6. Supplemental Regulations provide analysis, justification, and regulations to determine and achieve purported benefits.	This standard has been met. Draft supplemental regulations are attached and include the required elements. Highlights include: <ul style="list-style-type: none"> • Only residential uses are permitted above the third story, ensuring that the beneficial effects of high-density residential and more housing proximate to the UM central campus are achieved. • Vehicle parking is limited, required bicycle parking is more than standard and includes requirements for cargo and e-bike parking, and more than standard electric vehicle charging stations are required, ensuring the beneficial effect of support for reduced vehicular travel.

Analysis of PUD Zoning District Review Standards	
<ul style="list-style-type: none"> • Sustainability standards for LEED Silver certification, no natural gas connections, and a minimum kwh generated by solar energy ensure the purported sustainability beneficial effects. • Park improvements are required, ensuring the beneficial effect of neighborhood park improvements. • Design elements to ensure streetscape activation are required. • Additionally, development standards are proposed to regulate the district by maximum height, minimum setbacks, building coverage and open space standards. • Affordable housing (16% of the residential floor area) is included, 1% more than the minimum requirement for affordable housing when the proposed density is more than the underlying density. 	
7. Vehicle and pedestrian transportation within and to the district is provided that also supports alternative methods of transportation.	
<p>This standard has been met. Front setbacks measured from back of curb as well as lot line ensure sufficient amenity and walking zones, electric vehicle charging stations are included at a higher rate than normally required, and bicycle parking standards are more than the underlying zoning designation, as well as address cargo bicycles and e-bikes.</p>	
8. Disturbance to natural features and/or historically significant architectural features is limited to the minimum necessary	
<p>This standard has been met.</p>	

Staff Analysis – The proposed 732 Packard PUD appears to be a reasonable rezoning considering the underlying zoning designation, where the site is located, the overarching goals of the Comprehensive Plan, the justifications provided and the purported beneficial effects.

- The underlying zoning designation, C1A/R Campus Business Residential, is intended for high-density residential uses with complementary commercial uses near campus. The proposed 732 PUD district has a similar intent and proposes Supplemental Regulations that seek to ensure those intentions are realized. A comparison of the C1A/R and 732 Packard PUD districts is provided below.
- Although the 732 PUD district has no maximum FAR standard (whereas the C1A/R district has a 300% maximum FAR standard), it is proposed to have a height limit, maximum building coverage and minimum open space standards.
- The 732 Packard PUD district also includes higher thresholds for vehicle parking, including electric vehicle charging, and bicycle parking, including cargo bike and e-bikes, than standard code requirements.
- Measurable sustainability design features and amenities are required in the 732 Packard PUD district where they are not in the underlying C1A/R or any other zoning designation.
- Affordable housing – more than the minimum required for any PUD – is also provided. While a minimum of 15% is a requirement for any PUD zoning district with a higher density than the underlying or planned density, it is not required in the underlying C1A/R or any other zoning designation without incentives. The proposed PUD requires 16% of the residential floor area to be dedicated to affordable housing.

- As a package, the beneficial effects of the 732 Packard PUD better achieve the overarching goals of the Comprehensive Plan, which has been accepted as encouraging more dense development with a particular emphasis on more housing overall and a wider range of housing types, encouraging more sustainable developments, living arrangements with less or no reliance on personal vehicles, and reduced vehicle miles traveled.
- Given the underlying C1A/R zoning designation of the site and surrounding area, the development standards of the 732 Packard PUD are in keeping with the generalized goals and strategies of the Land Use Element that emphasize the orderly transitions between higher densities or commercial (and mixed) uses and residential neighborhoods. The design and massing of the 732 Packard PUD district and 732 Packard site plan sufficiently aligns with potential character of the surrounding, remaining C1A/R district.

SITE PLAN ANALYSIS:



The site plan has been reviewed for compliance with applicable development standards and standard specifications by staff from Land Development, Parks and Recreation, Transportation, Planning, Public Works, Engineering, Sustainability, Fire Marshal, Building, and Urban Forestry/Natural Resources. Any outstanding comments are provided in the Service Unit Comments section of this report.

732 Packard Site Plan Development Details	
Lot Area	55,507 square feet
FAR	795%
Floor Area	441,096 square feet Residential Floor Area = 328,403 sq. ft. Affordable Housing Floor Area = 16% of floor area = 52,544 sq. ft.
Dwelling Units	376 dwelling units [average size 873 sq. ft.] Apartments: 356 [range: 387 sq. ft. (micro) to 1,166 sq. ft. (5-bedroom)] Townhouses: 20 [range: 1,887 sq. ft. (3-bed.) to 2,103 sq. ft. (5-bed.)]
Building Height	180 feet
Setbacks	Packard St front lot line – 5 feet (20 feet from back of curb) S. State St front lot line – 5 feet South side – 5 feet North side – 5 feet
Building Coverage	58% (32,041 square feet)
Open Space	25% (13,999 square feet)
Parking – Vehicles	82, including 5 barrier-free, 16 EV chargers, and 3 rideshare
Parking – Bicycles	341, including 329 Class A, 12 Class C, and 17 with charging, 2 cargo-size
Impervious Surface	81% (44,952 square feet) Vehicular use area = 6,960 square feet
Access	The main resident entrance on Packard St at northeast corner with additional entrances on west side off S State St. Ground floor residential units have individual, direct access to Packard St. Retail entrance on west side off S State St. Vehicle access, including parking, trash services and receiving, from signalized driveway off S State St at Hoover St. Bicycle storage accessible from parking lot.
Landscape Plan	For the 6,960 SF vehicular use area, interior landscape islands are at the right and left corners. Right-of-way screening is between the vehicular use area and S State St. A planted buffer is along the west half of the irregular lot line between the development and existing residential homes (C1A/R zoning) south on S State St. An unplanted buffer is between the development and Forsythe Park.
Stormwater Management	Two underground vault system with no infiltration due to high groundwater conditions, pumped to normally discharge and gravity discharge if emergency overflow.
Sustainability Features	LEED Silver certification, fully electric building (subject to grid supply), Energy Star rated appliances and high efficiency LED lighting, compost collection, demolition waste management plan.

CITY MASTER PLAN:

The elements that constitute the current Comprehensive Plan include the:

- Land Use Element (2009)
- State Street Corridor Plan (2013)
- Downtown Plan (2009)
- Parks and Recreation Open Space Plan (2016)
- Natural Features Master Plan (2004)
- Treeline Allen Creek Urban Trail Master Plan (2017)
- Comprehensive Transportation Plan (2021)

Taken together, these plans seek to guide the City towards a more dense, more sustainable, safer, and more inclusive community for all.

OTHER STAFF COMMENTS:

Comments from other development review team staff are provided below.

Urban Forestry Natural Resources – Clarification regarding street tree canopy loss is required.

Engineering – Certain specific labels for proposed manholes are required on the site plan.

Transportation – A walkway must be provided between the door and the State Street sidewalk. An estimate of the cost to rebuild the existing traffic signal at State & Hoover is in progress and must be included in the development agreement.

Prepared by Alexis DiLeo, City Planner

Reviewed by Brett Lenart, Planning Manager and Hank Kelley, Deputy Planning Manager

Attachments: Zoning Map
Aerial Photo
Site Plan v4
Site Plan Architectural Renderings v4
February 26, 2024 Draft PUD Supplemental Regulations
March 1, 2024 Draft Development Agreement

Resources: [Link](#) to rezoning file REZ23-0001
[Link](#) to site plan file SP23-0002

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