PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of July 19, 2022

SUBJECT: The Village of Ann Arbor Zoning and Site Plan
(Located at 1680 Dhu Varren and within the southeast quadrant of Pontiac Trail and Dhu Varren Road)
Project No. Z21-006, and SP21-024

PROPOSED CITY PLANNING COMMISSION MOTION
The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Village of Ann Arbor R4A Zoning, Site Plan, and Development Agreement subject to the petitioner obtaining a variance for the maximum front setback along Dhu Varren Road and a variance for not meeting the minimum parking requirement.

PROPOSED CITY PLANNING COMMISSION MOTION
The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Village of Ann Arbor Wetland Use Permit to allow filling and mitigation of 1,300 square feet of wetland disturbance and on-site mitigation.

STAFF RECOMMENDATION

Staff recommends the proposed R4A zoning and site plan be **postponed** to allow the petitioner an opportunity to address a number of site issues related to transportation, engineering, solid waste, and Brownfield design.

Staff recommends the wetland use permit be **postponed** to provide the petitioner an opportunity to address a number of site issues related to transportation, engineering, solid waste, and Brownfield design.

LOCATION

This site is located east of Pontiac Trail and south of Dhu Varren Road in the southeast quadrant of Pontiac Trail and Dhu Varren Road in the Traver Creek watershed.

DESCRIPTION OF PETITION

General Information – The 67.6-acre site contains 6 parcels. The project area currently consists of a primary parcel with a panhandle access to Dhu Varren Road, a small parcel east of this panhandle which is currently in the City of Ann Arbor (zoned R1C), and 4 parcels that connect the primary parcel to Pontiac Trail. The annexation of the primary parcel and four parcels that connect to Pontiac Trail was recently been approved by the State. Planning Commission recommended approval on the annexation of these parcels at a meeting on December 7, 2021. A significant portion of the site consists of landfill material including a landfill with organic

material in the northeast corner of the site and aggregate fill in other portions of the site. A portion of a wetland exists in the far western portion of the site, 1,300 square feet of which is proposed to be disturbed and mitigated. Over the past 30 years the main portion of the site has become more wooded. The petitioner is proposing to construct 484 dwelling units including 320 stacked apartment units on the south side of the site and 164 owner-occupied townhome units on the north side of the site. The proposed density of the project is 8.53 dwelling units per acre which reflects the gross density of the site minus dedicated ROW and the size of the landfill that includes organic material (which the Comprehensive Plan: Land Use Element indicates should not be counted toward overall density). This results in the net size of the site as 56.72 acres. A total of 968 vehicular parking spaces are required; 873 parking spaces are proposed, most of which will be in private garages. The petitioner is also proposing an additional 617 tandem spaces be provided behind most garages. The petitioner is proposing to provide all garages with EV-Ready or EV-Installed infrastructure. 36 of the garages will be provided EV-Installed infrastructure. The petitioner is also proposing to provide an AAATA bus shelter near the Pontiac Trail entrance. The petitioner indicates that the apartment units will vary in size from 700 square feet for a one-bedroom unit to 1,500 square feet for a three-bedroom unit. The size of the townhomes is proposed to vary in size from 1,300 square feet for a two-bedroom unit to 1,850 square feet for a three-bedroom unit. A clubhouse with pool is also being proposed. The petitioner is providing a public access easement, which includes a shared use non-motorized path, from Pontiac Trail to Leslie Park.

Future Land Acquisitions – The petitioner is in the process of obtaining additional land holdings adjacent to the site including a 5.71-acre parcel at 2600 Pontiac Trail, a 4.06 acre parcel at 2540 Pontiac Trail, and a 1.836 acre parcel at 2520 Pontiac Trail (totaling 11.6 acres). The petitioner had originally proposed a project for the main site which had less open space than the 65% minimum amount of open space that is required in the R4A zoning district. The petitioner then removed some of the townhome units along the northern panhandle to the site to meet the minimum open space requirement which is reflected in the current petition. The petitioner intends to add the three parcels along Pontiac Trail to the project in the near future and has submitted annexation and zoning petitions for them. By temporarily removing the townhomes that had fronted Dhu Varren Road, the petitioner is no longer in conformance with the maximum front setback requirement (40 feet). The staff report motion includes a condition that requires the petitioner to obtain a variance for not meeting the maximum front setback along Dhu Varren. However, it is likely that the petitioner will soon submit a revised site plan that includes the three additional parcels. The petitioner will then likely provide the townhomes again along the northern panhandle which will meet the maximum front setback requirement. The approval of the petition is also subject to the petitioner receiving a variance for providing less parking than is required by code. However, it is possible that City Council may soon approve parking amendments that eliminate minimum parking which would result in the proposed parking for the project being compliant with the minimum parking standard.

Brownfield Issues – The site is affected by landfill operations that primarily occurred during the middle of the 20th century. The petitioner is anticipating submitting a Brownfield plan to the City to address environmental and some non-environmental costs of mitigation. The petitioner provided the following summary of these issues:

Brownfield Conditions

The Property's primary Brownfield issues are a result of the use of the Property's northeast portion as a residential dump between 1945 and 1958, and use of the Property's northwest,

southeast, and southern portions as a sand and gravel borrow pit between 1962 through at least 1973.

Contaminated, Methane-impacted Fill Material

Previous geotechnical and environmental assessments of the site revealed the presence of a former municipal landfill and a former sand and gravel borrow pit. The site is heavily wooded with areas of grass. The land area has large and variable grade changes ranging from elevations of 894 to 946 feet above sea level. Generally, the site is descending from north to south. The soil conditions encountered at the geotechnical borings generally consist of surface topsoil overlying undocumented fill from three to 32 feet below ground surface (bgs) underlain by natural clay and sand extending to the explored depths of the borings. The fill contained excessive debris. The fill in the areas outside the landfill had relatively small amounts of debris and was likely placed during the backfilling of the gravel pit or for general grading of the site. The on-site undocumented fill is not suitable for foundation support of the planned structures and is estimated to contain in excess of 1,280,000 cubic yards in place and in excess of 1,900,000 cubic yards once removed and transported; the cost to remove this fill and replace in engineered lifts is estimated to be approximately $96,000,000. VOCs, PAHs, and metals were detected in soils associated with the former Ann Arbor dump at concentrations exceeding Part 201 criteria. Moreover, 54 methane monitoring points were installed at the site from five to 15 feet bgs and screened over a period of two years. Methane concentrations up to 16.5%, exceeding the Part 201 Residential SVIIC and the Residential VIAP of 1.25% by volume, were encountered. The highest concentrations were encountered on the northern portion of the site. The proposed buildings will require methane mitigation. In accordance with the Act 381 Work Plan Guidance, published by EGLE, dated August 2021, construction of specialized foundations is an environmental brownfield eligible activity when the cost of specialized foundations would be less than the cost for transportation and disposal of material regulated under Part 201, as is the case on this site given in excess of 1,280,000 cubic yards of unsuitable fill/rubble/debris in place and in excess of 1,900,000 cubic yards once removed and transported; to remove and replace with suitable soils in engineered lifts is estimated to be approximately $96,000,000. Since it is cost-prohibitive to remove all of the methane-generating fill/debris/rubble from the site, methane mitigation will consist of three principal elements: specialized foundations that allow structures to be placed atop of methane-impacted fill; subslab depressurization systems and a methane interceptor trench, which will prevent potential methane migration onto the southern portion of the property that is free of methane; and targeted excavation and relocation of methane-generating material, where economically feasible. In addition to the methane issues, walking paths are planned for the wooded former dump area on the eastern side of the Property. The Developer is working with EGLE to design direct contact mitigation in the walking path areas, if this amenity is to be built.

Brownfield Plan and TIF Request Summary

The estimated total cost of eligible environmental and non-environmental activities for reimbursement from tax increment revenues under this Plan are $20,361,932 and $4,582,994, respectively, totaling $24,944,926. It is estimated that developer costs will be reimbursed within 11 years.

Natural Features – A portion of a wetland exists on the south side of the western “panhandle” portion of the site area near Pontiac Trail. It has been degraded with invasive species (see below for information on wetland mitigation). Staff recommends the wetland be restored by the

removal of invasive species. Additionally, the petitioner is in the process of acquiring the parcel south of this western panhandle with the intent of adding those land holdings to the site plan at a future date. Staff recommends that if the petitioner acquires the entire wetland, that mitigation take place on all portions of the wetland under the developer's control. The development agreement speaks to this. A total of 1,289 woodland trees exists on the site (excluding invasive species and trees that are dead or are in poor condition) including 182 landmark trees. A total of 981 woodland trees are proposed to be removed including 114 landmark trees. Most trees proposed to be removed are between 8-18 inches in diameter. A total of 9,080 inches of woodland trees are proposed to be removed. A total of 1,538 three-inch (diameter) replacement trees are required to be provided. 1,331 replacement trees will be planted on site and a fee-in-lieu of the remaining 207 trees will be paid into the City's Stormwater Fund ($41,400).

Wetland Mitigation – A 1.19-acre portion of a larger wetland system exists in the southwest corner of the site. The petitioner will impact 0.03-acres of the wetland to accommodate the main access road and shared use path to Pontiac Trail. The mitigation will take place on-site near the area of impact by creating 0.07-acres of additional wetlands which exceed the 2 to 1 mitigation ratio requirement. Invasive species will be removed. The draft development agreement speaks to this.

Building Height – The petitioner is proposing two and three-story townhomes that will not exceed 35 feet in height and two-story stacked apartments that will not exceed 30 feet in height. Chapter 55 (Zoning) requires a maximum of 35 feet in height in the R4 zoning district and a maximum of 45 feet if parking is provided under at least 35% of the building.

Parking – The project is currently required to provide a minimum of 968 parking spaces (2 per dwelling unit). 667 private garage spaces and 206 surface guest spaces are proposed (total of 873 spaces). The petitioner is also proposing that 617 additional tandem spaces be provided behind most of the garage spaces. It is possible that by the time this site plan is reviewed by City Council, parking minimums will have been eliminated. The first reading on the proposed amendments to the City's off-street parking ordinance (which includes the elimination of minimum required vehicular parking and replacing EV-Capable with EV-Ready) is scheduled for July 18, 2022. The second reading is scheduled for August 15, 2022. If the amendments are approved, no minimum parking will be required. Each unit will be provided a garage which also functions as a Class A bicycle parking space. 58 Class C bicycle parking spaces are proposed to be scattered throughout the site including 4 spaces near the AAATA bus shelter on Pontiac Trail.

Solid Waste – Solid waste is proposed to be handled in individual bins in the northern, townhome section (owner occupied area). Residents in the townhomes will be required to bring their bins to central tipping stations. A central trash and recycling area is proposed on the south side of the site for the apartment units. It will include a trash compactor and an area for recyclables. It will be screened with a masonry wall. City Staff continues to work with the petitioner on refining the solid waste plan for the northern portion of the site.

Traffic Impact Study – A traffic study was provided by Fleis and Vandenbrink. The study indicated that the intersection of Pontiac Trail and Barton Drive currently functions poorly during peak period demand (M-F during a.m. and p.m. rush hours) and does not currently have the capacity to accommodate additional vehicular trips. Additional capacity could be provided by additional lanes or a roundabout; however, that intersection does not have enough right-of-way to accommodate these types of improvements. Additionally, new travel lanes or a roundabout would substantially compromise non-motorized movement through the intersection. The study

projected that the future background level of service at the intersection will be poor even without the Village of Ann Arbor development project. The proposed project is estimated to increase the number of peak period vehicular trips at this intersection by approximately 7% which will result in a level of service F at this intersection. The study also found that the proposed project will result in a level of service F at the intersection of Pontiac Trail and Dhu Varren. The study recommends non-motorized enhancements for the project to encourage future residents to take public transit, walk, or ride bicycles which have been incorporated into the site plan. A recent study called the Lower Town Area Mobility Study recommended an, "urban compact roundabout" at the intersection of Pontiac Trail and Dhu Varren Road which is anticipated to reduce the potential of catastrophic crashes and reduce congestion.

Storm Water Detention – Storm water is primarily handled by a large surface detention basin on the west side of the development project near the east-west access road. It will include a large forebay and a large infiltration area.

Leslie Park Access – The petitioner has agreed to dedicate a public access easement along the main east-west drive (Road P) between Pontiac Trail and the western entrance to Leslie Park. This access is intended to increase the number of public access points to the northern portion of Leslie Park and reduce vehicular trips through Dhu Varren on the Park neighborhood. The development agreement speaks to this. The petitioner is proposing to provide vehicular access to Leslie Park from Pontiac Trail as well as a 10-foot wide, paved, shared use non-motorized path within the access easement.

Park Fee-in Lieu – The petitioner has agreed to contribute a fee-in-lieu of park dedication for the project. The Parks, Recreation, & Open Space Plan includes a formula of .0125-acres per dwelling unit or $50,000 per acre as a fee-in-lieu. The current number of dwelling units proposed is 484 which would result in a fee of $302,500. This fee-in-lieu would increase if the petitioner is able to acquire additional land and propose additional dwelling units. The fee would be used for improvements to nearby parks such as Leslie or Olson Parks.

Building Materials – The petitioner proposes a combination of fiber cement and masonry siding materials. The petitioner provided color renderings of the building elevations in the site plan.

Sustainability Initiatives – The petitioner is proposing the following sustainability initiatives as part of the project:

- All buildings and homes within the project will include electric cooking appliance and washers & dryers.
- Each unit will include a 220-volt plug to accommodate a future electric furnace or heat pump. The electric grid for the project will be sized for future transition to all electric power.
- Solar power will provide electricity for streetlights and parking area lighting. Solar panels will also be provided on the clubhouse to provide electricity to the clubhouse.
- Energy Star rated appliances will be provided including ranges, dishwashers, microwaves, refrigerators, and stackable washers/dryers.
- Plumbing fixtures will be "Watersense" labeled including toilets (1.28 gpf), bath faucets, kitchen faucets, and shower heads.
- Construction contractors will partner with Recycle Ann Arbor for off-site sorting of recyclable material which can reduce landfill material by 50%.
- All garages will have EV-Ready or EV-Installed infrastructure.

- The building envelope systems will include a "performance method" of sealing (2 stage energy sealing followed by a blower test). Code requires less than 4.0 air changes per hour at 50 pascal and the proposed townhomes are being designed to have less than 3.0 air changes per hour.
- Non-motorized infrastructure is proposed, including a 10 foot wide non-motorized path from Pontiac Trail to Leslie Park. Additionally, the petitioner is proposing to provide an AAATA bus shelter with 4 bicycle parking spaces near the main entrance on Pontiac Trail.

Citizen Participation – The petitioner held a Citizen Participation meeting on February 8, 2021 via Zoom prior to submitting the site plan. A total of 1,294 postcards were mailed to adjoining residents. Sixty-two individuals attended the meeting. The main items of discussion included: traffic issues, access to Leslie Park, environmental issues, and sustainability opportunities. The petitioner also had a follow-up meeting with neighbors on August 18, 2021. The Citizen Participation report is attached.

Development Agreement – A development agreement has been drafted to address a variety of development related issues including park fee-in-lieu, park access, and wetland mitigation.

SURROUNDING LAND USES AND ZONING

	LAND USE	ZONING
NORTH	Single Family, Church	PUD (Planned Unit Development), R1C (Single Family), R4A (Multiple Family), and Township
EAST	Single Family, Park	R4A and PL (Public Land)
SOUTH	Multiple Family	R4A and PL
WEST	Multiple Family	PUD, R4A, and Township

COMPARISON CHART

		EXISTING	PROPOSED	REQUIRED
Zoning		Unzoned and R1C	R4A (Multiple Family)	R4A (Multiple Family)
Gross Lot Area		67.6 acres	67.6 acres	.5 acres (21,780 sq/ft)
Net Lot Area (without Landfill)		57.2 acres	57.2 acres	.5 acres
Setbacks	Front (North)	None	Over 600 ft*	15 ft MIN 40ft MAX
	Side(s)	None	30.16 ft (East) 26.97 ft (West)	29.60 ft MIN (East) 26.25 ft MIN (West) (includes additional setback for building length above 50 feet)

Rear	None	67.83 ft (South)	36.25 ft MIN (includes additional setback for building length above 50 feet)
Height	NA	35 ft	35 ft MAX
Parking - Automobiles	0 spaces	873 spaces (667 garage and 206 surface)* EV-C: 0 spaces EV-R: 570 garages EV-I: 97 garages (100% of the garage spaces will either be EV-R or EV-I)	968 spaces MIN EV-C: 65% EV-R: 25% EV-I: 10%
Parking – Bicycles	0 spaces	667 spaces – Class A 54 spaces – Class C	97 spaces – Class A 97 spaces – Class C

* Requires variance.

HISTORY

Substantial areas on the site have been used for landfill uses in the middle part of the 20th century. No structure currently exists on the site.

PLANNING BACKGROUND

The Comprehensive Plan: Land Use Element recommends residential uses on the site with densities of between 7-10 dwelling units per acre. A mixture of housing type is recommended including stacked, multi-family units and townhomes which is consistent with the recommendations of the Land Use Element. The petitioner is currently providing a density of 8.6 dwelling units per acre.

SERVICE UNIT COMMENTS

Planning – The site is highly challenged because of the existing landfill conditions. The petitioner is proposing a path system through the wooded landfill area to provide walking opportunities if permitted by EGLE. The Pontiac Trail and Barton Road intersection currently experiences large volumes of vehicular travel during peak travel periods causing significant delays in the morning and late afternoon. The existing delays will be exacerbated by the propose project. Although a recent study of Lowertown and the Pontiac Trail corridor recommended a future roundabout at the intersection of Pontiac Trail and Dhu Varren to address traffic congestion and safety concerns, the intersection of Pontiac Trail and Barton Road is significantly constrained by a lack of space for future improvements. Additionally, future improvements such as lane expansion or a roundabout would significantly compromise non-motorized movements through this intersection. Staff supports the proposed access easement to Leslie Park which will provide members of the public additional access opportunities. Planning supports the proposed uses and density of the project since they are consistent with the approved Comprehensive Plan: Land Use Element.

Transportation – Design issues regarding the intersection of Pontiac Trail and the west entrance to the project need to be addressed. With regard to local transportation impacts, the traffic impact analysis shows that the proposed development will likely be associated with significant user delay at the intersection of Dhu Varren & Pontiac Trail and the intersection of Barton Road and Pontiac Trail. The level of service at these intersections will be Level of Service F, which per the Unified Development Code, may result in the denial of the proposed project. The Lower Town Area Mobility Study recommended Travel Demand Management techniques to address peak period congestion at this intersection which, if successfully implemented, would result in shifting peak period demand throughout the day to provide relief from the significant peak period delays at the intersection. The same study recommended an urban compact roundabout at the intersection of Pontiac Trail and Dhu Varren.

Engineering – A number of design issues need to be resolved including the design of the vehicular approach to Leslie Park, the utility phasing plan, and the impact that the Brownfield has on underground utilities.

Solid Waste – Staff continues to work with the petitioner on an acceptable cart system in the northern portion of the project.

Prepared by Jeff Kahan
Reviewed by Brett Lenart
/mg
7/14/22

Attachments: Parcel and Zoning Map
Aerial Photo
Site Plan 1 of 3
Site Plan 2 of 3
Site Plan 3 of 3
Citizen Participation Report
Draft Development Agreement

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Systems Planning
Project Management
Project No. Z21-006; SP21-024