Office District Amendment Petition and Considerations

City Planning Commission
Ordinance Revision Committee

02-28-2023

Discussion Agenda

1. Background
2. ‘Event Space’ Text Amendment Petition
3. Preliminary Analysis
   - Event Space
   - Minor Amendments
   - Major Re-evaluation

1. Background

- The origin and UDC definition of O District
- O District in context
- O District in practice

The origin and UDC definition of O district

5401 *et seq.*, as amended). These developments shall be located on Sites of sufficient size that enable development to be interspersed with functional Open Space.

5.12 Mixed Use Zoning Districts

5.12.1 O Office District

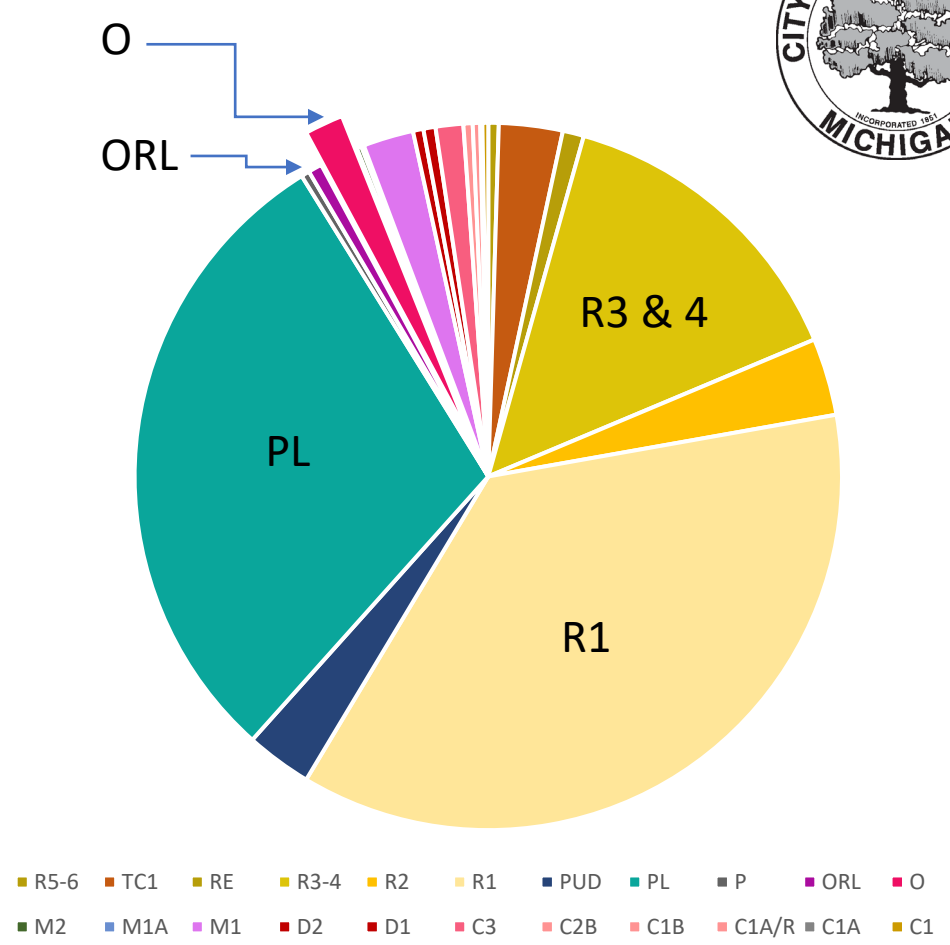
This district is intended primarily for office building. The Office district classification will be applied as a transitional use buffer between residential uses and nonresidential and special purpose uses which would be incompatible in direct contact with residential zoning districts.

5.12.2 C1 Local Business District

This district is intended solely to serve the needs of the surrounding residential neighborhood, providing goods that are day-to-day needs and are classed by merchants as "convenience goods

The O District in context

- Ann Arbor has 22 land use zones covering 18,644 acres
- O districts cover 2% of the City, or 325 acres
- The average O district is 4.9 acres
- There are 66 O districts across the city



Proportion of zones by land area in Ann Arbor

The O District in context con't

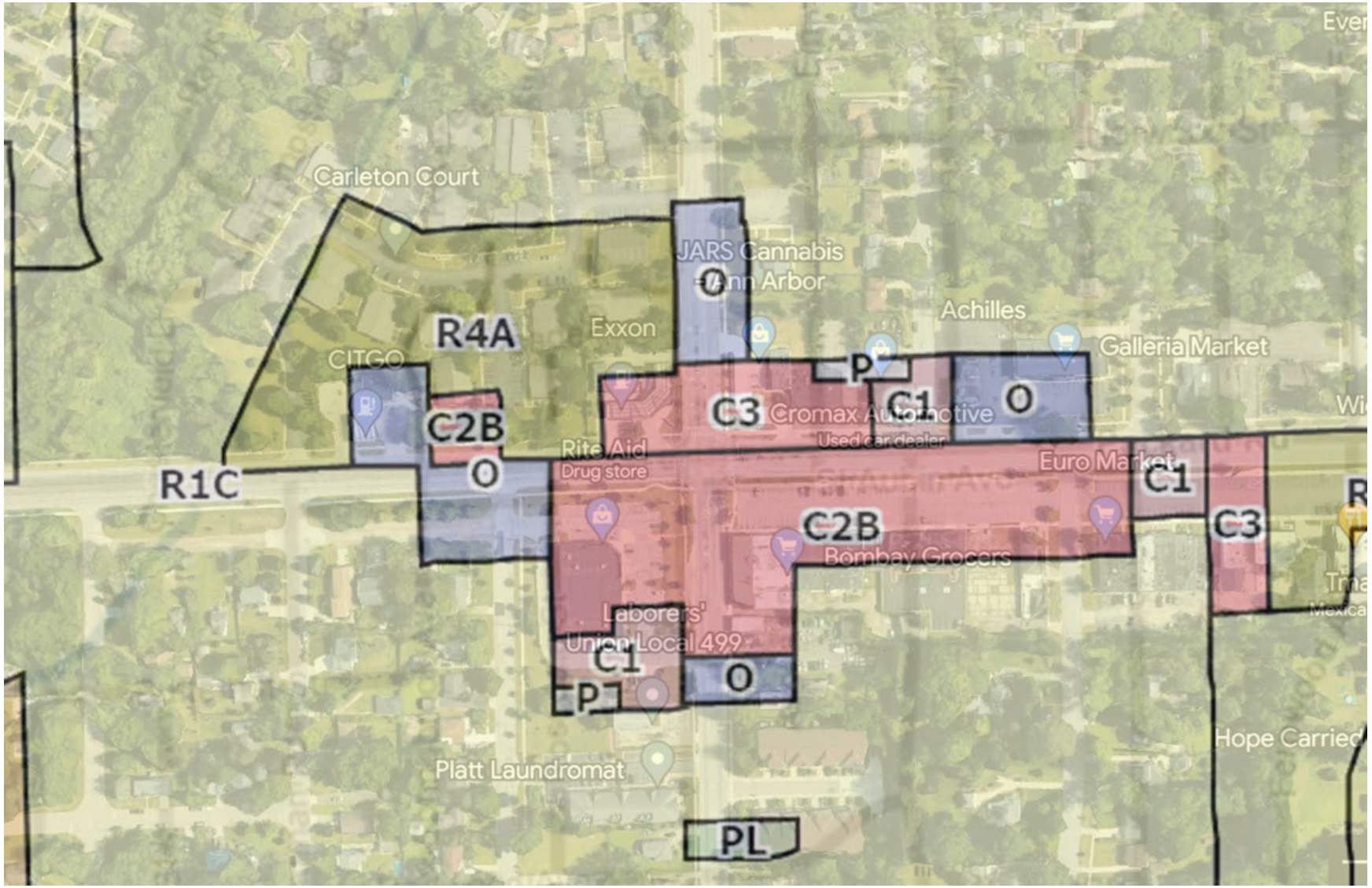
- O district is one of several mixed-use zones in Ann Arbor.

	O-District	ORL	C-1	C-1A / B / AR	C-2B	C-3	TC1
Residential SF	Yes	X	Yes	Yes	Yes	Yes	X
Residential MF	Yes	X	Yes	Yes	Yes	Yes	Yes
Co-Ops / Frats	SEU	X	Yes	Yes	Yes	Yes	Yes
Personal Services	X ^	X	Yes	Yes	Yes	Yes	Yes
Restaurant / Bar	Yes*	X	Yes	Yes	Yes	Yes	Yes
Retail Commercial	X	X	Yes	Yes	Yes	Yes	Yes
Hotels	Yes	X	Yes	Yes	Yes	Yes	Yes
Trade School	X	Yes	Yes	Yes	Yes	Yes	Yes
General Entertainment	X	X	Yes	Yes	Yes	Yes	Yes
Indoor Recreation	SEU	SEU	Yes	Yes	Yes	Yes	Yes
Outdoor Recreation	X	SEU	X	X	Yes	Yes	X

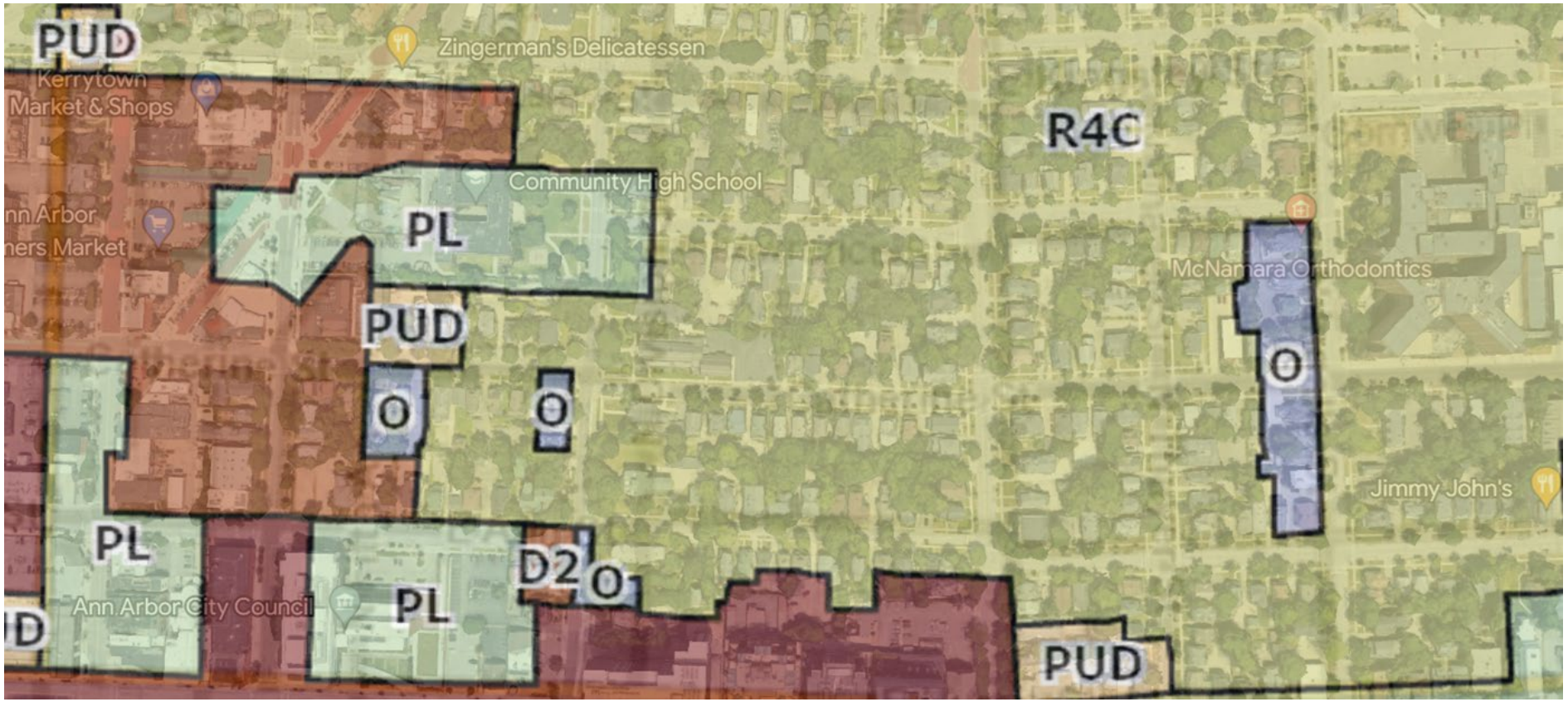
** To a maximum of 10% of the site and no larger than 12,000 sq ft*
^ Beauty Salon allowed

The O District in practice

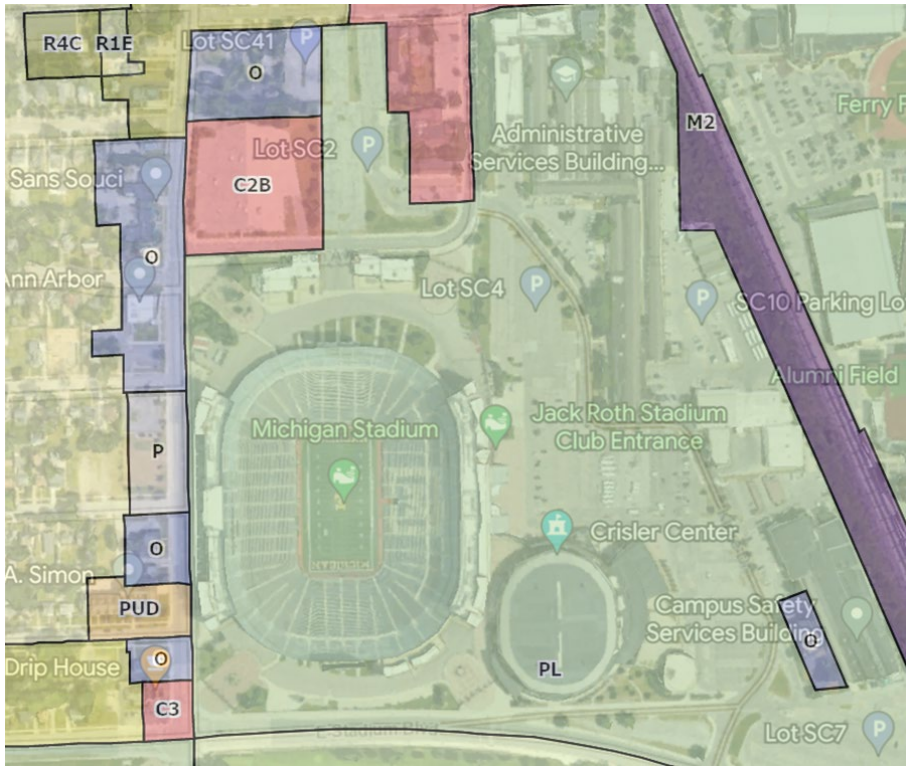
- District has evolved considerably, and acts like a mixed-use district, akin to C districts
- “Office District” name obscures the variety of allowed uses
- O District islands
  - Many O districts are rezoned properties which offer no buffering at all
  - Rezoning requests to get higher density - ex: bigger hotels allowed in O than in R5

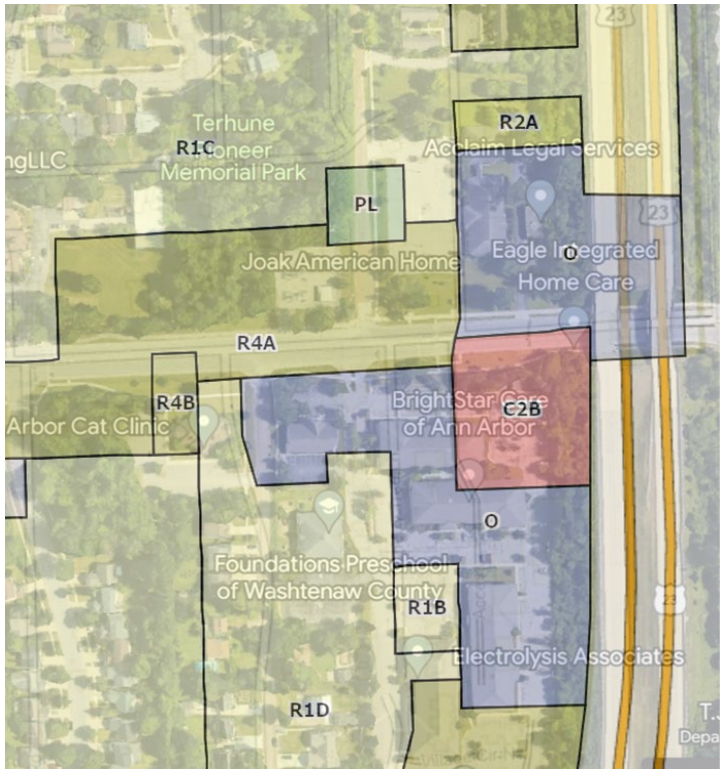


O district has similar uses as adjoining commercial (C) districts



Some O districts exist in residential zones as islands, with no buffer purposes





O district acts as a buffer between zones which would be incompatible in direct contact like the stadium with residential zoning districts.

In many locations, O districts have commercial character

2. ‘Event Space’ Amendment Petition

- Petition Summary
- Petition proposal excerpt
- Petition justification excerpt
- Downtown Ann Arbor: Decrease in Office Demand

Petition Summary

- Specify a new ’Event Space’ land use and add to the list of uses in the Unified Development Code

- Designate ‘Event Space’ as a permitted use under the Mixed-Use Zoning District – O District

Petition Proposal Excerpt: ‘Event Space’

“A special event may include, but is not limited to, a celebration, ceremony, wedding, reception, corporate function, or similar activity for the benefit of someone other than the property owner that takes place on a periodic basis, involving the gathering of individuals assembled for the common purpose of attending a special event.”

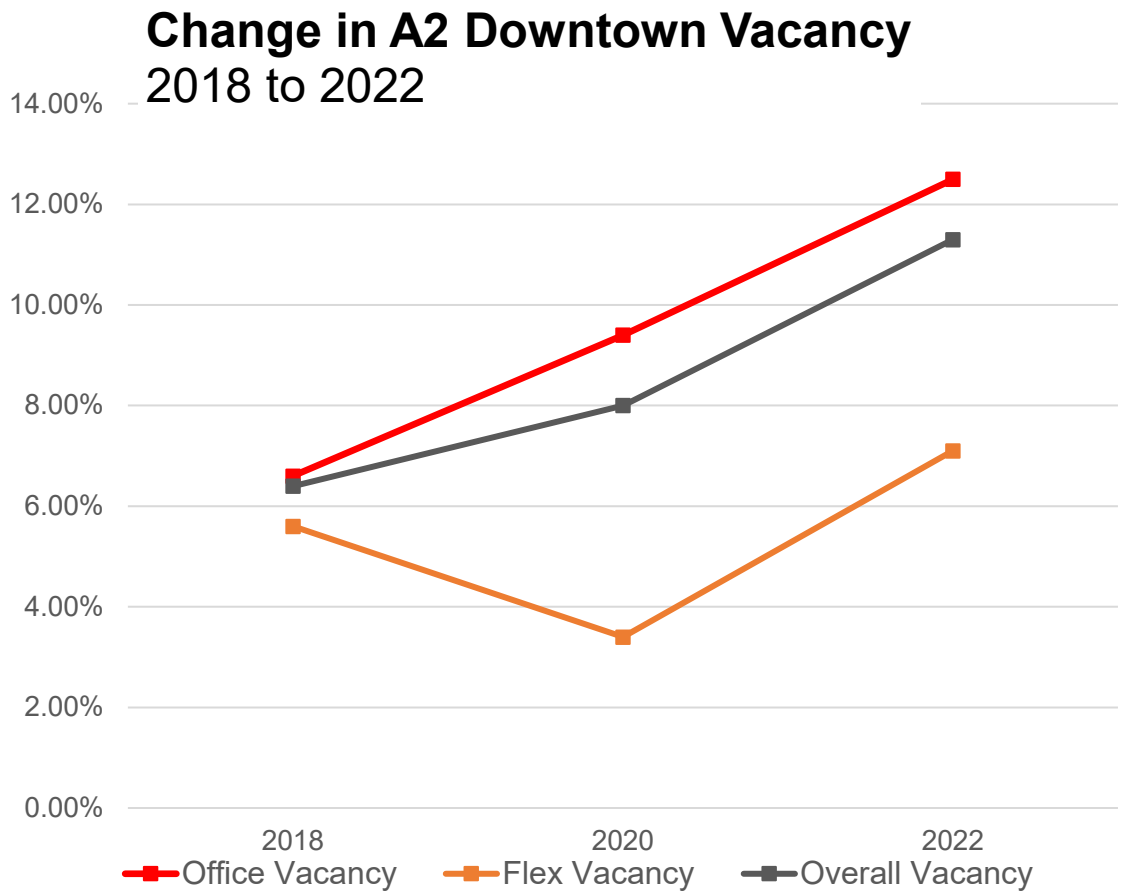
Petition Justification Excerpt: ‘Event Space’

- *‘Complements other O District uses*
- *Works with concept of integrated land use*
- *Encourages a compact pattern of diverse development + unique sense of place*
- *Strengthens economy through activating spaces outside of common peak hours*
- *Contributes to an enhanced sense of community*

Downtown Ann Arbor: Decrease in Office Demand

Downtown Ann Arbor Commercial Vacancy			
	2018	2020	2022
Office Vacancy	6.60%	9.40%	12.50%
Flex Vacancy	5.60%	3.40%	7.10%
Overall Vacancy	6.40%	8.00%	11.30%

Source: Swisher Surveys (2018, 2020, 2022)
Sample = 305 commercial properties in A2



3. Preliminary Analysis: Event Space

- There is a gap in code regarding event spaces
- Staff suggest clarifying ‘Event Space’ definition
- Since C, D and TC districts already allow restaurant uses, include ‘Event Space’ as well
- Pros, Cons and Neutral considerations
- Regulating performance

There is a gap in code regarding ‘Event Space’

- In all mixed-use districts but the O district, restaurants are allowed as a primary use. This is staff’s current proxy for ‘Event Space’.
- In the O district, restaurants are accessory uses, require a permitted primary use on the site and limit restaurant use to 10% of total site floor area - up to 12,000 sq ft.

	O-District	C-1	C-1A / B / AR	C-2B	C-3	TC1
Restaurant / Bar	X	Yes	Yes	Yes	Yes	Yes

Staff suggest clarifying ‘Event Space’ definition

- Proposed definition blurs and combines event spaces and special events.
- Definition can be fixed easily, and recommended definition will be proposed if a formal ordinance amendment is prepared.

Since C, D and TC districts already allow restaurant uses, include ‘Event Space’ as well

- Once a definition is settled, include as a permitted primary use across all mixed-use districts.
- Event spaces are unique - not just a version of a restaurant, bar, food service use; it's appropriate to consider adding this category to the UDC.

Pros	Neutral	Cons
• Adds missing use category for easier administration • Promotes adaptive reuse of surplus office space • Utilizes design of newer office buildings that easily accommodate gatherings • Stimulates local economy (catering, server opportunities etc.)	• Harmonizes O district allowed uses with other mixed-use districts • O districts vary in character – some are surrounded by residential, and others abut manufacturing and commercial • Inquiries into rezoning O to C are very common	• Some 'Event Space' uses intensify evening activities not currently allowed in O district (ex: receptions) • 'Event Space' may bring elevated noise, traffic and other intensity of use

Regulating performance

- Zoning districts are only one tool to facilitate harmonious mixed-use neighborhoods. Others include:
  - Noise regulations - already exist in Ann Arbor, and are applicable across all zoning districts which can mitigate negative impacts from new uses like ‘Event Space’
  - Land use separation – distance between same uses, or distance between differing uses
  - Conflicting land use buffers
  - Form-based standards
  - Other performance standards

3. Preliminary Analysis: Minor Amendments

- Clarify and update personal services
- Re-evaluate allowed personal services
- Remove SEU requirements and allow connected uses
- Allow trade/industrial schools in the O district as a permitted use

Clarify and update Personal Services

Guide the scale of services

- *Informational, instructional, personal improvement, personal care, and similar services.*

Clearly interpret if services are rendered one-on-one between the service provider and customer

- *How to interpret yoga instruction, math tutoring, cooking classes, dance lessons etc.*

Provided appropriate and relevant examples

- *Catering establishments and film processing are more akin to manufacturing than personal services. Bicycle and small craft rental are commercial uses.*

Separate uses that are connected to nuisances

- *Veterinary offices should be separated from kennels and animal boarding and permitted as a primary use.*

Re-evaluate allowed Personal Services

- Only “beauty salons” are permitted in the O district, but these are not listed as an example personal service.
- Re-evaluate seemingly arbitrary limitation.
- A definition of beauty salons (or different phrase) should be provided.

Primary Uses in the O District	
Residential	Adult Foster Care Assisted Living Single-Family Dwelling Two-Family Dwellings Townhouse Dwellings Multi-Family Dwellings Emergency Shelter Group Housing Guest Houses
Public/Institutional	Funeral Services Government Offices and Courts Library Adult Day and Child Care Centers Public and Private Higher Learning Public [K-12] School Nursing Care Facility Hotel Short Term Rental – Non-principal residence Artist Studio Mobile Food Vending Service Personal Services – Beauty Salons only Banks, Financial Services General Offices Medical/Dental Offices Nonprofit Corporations
Industrial	Data Processing and Computer Centers Wireless Communication Facilities

Remove SEU requirements and allow connected uses

Allow trade/industrial schools in the O district as a permitted use

Promote from SEU to permitted	Promote from Not allowed to Permitted
• Fraternities and Sororities • Student Cooperative Housing • Club Headquarters • Community Centers • Religious Assembly • Private [K-12] Schools • Hospitals & Veterinary offices • Indoor Recreation	• Trade Schools

3. Preliminary Analysis: Major Re-Evaluation of O District

- Revisit intent and purpose
- Consider opportunities to collapse zones

Revisit intent and purpose

- Does the current O district adequately provide for *“a transitional use buffer between residential uses and … [uses] which would be incompatible in direct contact with residential zoning districts”?*

- Do other zones adjacent to residential districts - such as C, D and TC1 districts - offer substantially different buffering of unwanted activity (ex: noise, traffic)?

Consider opportunities to collapse zones

- O and C1 districts are increasingly overlapping. Is the added challenge of interpreting (as a regulator or petitioner) multiple mixed-use zones justified against desired outcomes?
- Is the rationale for differentiating between O, ORL, and Research zone districts still applicable today?
- Incorporate this conversation into the Comprehensive Plan process.

Open Discussion