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April 8, 2023

City of Ann Arbor
Planning Services Department
Ann Arbor City Hall
301 E. Huron Street
Ann Arbor, MI

Re: Application to Amend Zoning Chapter- "Ashley Mews High Rise Component"

Dear Planning Services Department Staff:

On behalf of 414 South Main Street, L.L.C., I am submitting this Application for Changes in or Additions to the Zoning Chapter, to seek a text amendment to the Ashley Mews Planned Unit Development Supplemental Regulations applicable to the "high rise component." In brief, the owner seeks to allow all uses permitted in the D1 zoning district within the "high rise component" of Ashley Mews so that it is treated the same as all of the other properties located on Main Street in the Downtown area. Enclosed are:

1. The Application;
2. The Attachment to the Application;
3. Minutes from the Citizen Participation Meeting; and
4. Two additional emails from citizens that attended that Meeting that they wanted included in the Minutes.

We look forward to working with the City on this Application; please do not hesitate to contact me if you have any questions.

Sincerely,

DEVER EBY & ISSA, PLLC

/s/Scott E. Munzel

Cc: Barry Pincus
Steve Kalabat
Clint Mansour
Brad Pincus



City of Ann Arbor
PLANNING & DEVELOPMENT SERVICES — PLANNING DIVISION
301 East Huron Street P.O. Box 8647 Ann Arbor, Michigan 48107-8647
P 734.794.6265 T 734.994.8312 planning@a2gov.org

APPLICATION FOR CHANGES IN OR ADDITIONS TO THE ZONING CHAPTER
See www.a2gov.org/planning/petitions for submittal requirements.

TO: The Honorable Mayor and City Council
City of Ann Arbor
Ann Arbor, Michigan

We, the undersigned, respectfully petition the Honorable Council of the City of Ann Arbor to amend the Zoning Map as it relates to the property hereinafter described.

(Give or attach legal description and include location of property)

See Attachment to Application

The petitioner(s) requesting the zoning/rezoning are:

(List petitioners' name; address; telephone number; and interest in the land;
i.e., owner, land contract, option to purchase, etc.)

See Attachment

Also interested in the petition are:

(List others with legal or equitable interest)

NA

The applicant requests that the Official City Zoning Map be amended to reclassify this property from _____ to _____ to permit the following use(s): _____

See Attachment

(state intended use)

Justification:

1. The extent to which the zoning/rezoning requested is necessary:

See Attachment

2. This zoning/rezoning will affect the public welfare and property right of persons located in the vicinity in the following ways:

See Attachment

3. This zoning/rezoning will be advantageous to the City of Ann Arbor in the following ways:

See Attachment

4. This particular location will meet the convenience and service requirements of potential users or occupants in the following ways:

See Attachment

5. Any changed or changing conditions in any particular area, or in the municipality generally which may have bearing on the proposed zoning/rezoning are:

See Attachment

6. Other circumstances and factors which will further justify the requested zoning/rezoning are:

See Attachment

Attached is a scaled map of the property proposed for zoning/rezoning, showing the boundaries of the property, the boundaries of the existing zones, the boundaries of the proposed zones, and the public and/or private easements located within or adjacent to the property petitioned for zoning/rezoning.

The undersigned states he/she is interested in the property as aforesaid and that the foregoing statements are true and correct to the best of his/her knowledge and belief.

Dated: _____

Signature: _____



CLINT MANSOUR

330 Hamilton Road Ste 300

Birmingham AL 35209

(Print name and address of petitioner)

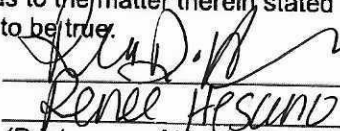
Signature: _____

(Print name and address of petitioner)

STATE OF MICHIGAN
COUNTY OF WASHTENAW

On this 10 day of April, 2023 before me personally appeared the above-named petitioner(s), who being duly sworn, say that they have read the foregoing petition by them signed, and know the contents thereof, and that the same is true of their knowledge, except as to the matter therein stated to be upon their information and belief, and as to those matters they believe it to be true.

Signature: _____



RENEE HESANO

(Print name of Notary Public)

My Commission Expires: 7/23/2026

RENEE RAE HESANO
Notary Public, State of Michigan
County of Oakland

My Commission Expires 07-23-2026

Acting in the County of Oakland

**Attachment to Application for Change in Zoning Chapter- Amendment of PUD
Supplemental Regulations**

**Units 1 and 2, Syndeco Plaza Condominium
"Ashley Mews High Rise Component"
414 S. Main Street**

I. Legal Description of Property subject to Rezoning request

414 S. Main Street, Units 1 and 2, Syndeco Plaza Condominium
"Ashley Mews High Rise Component"

II. Petitioner Requesting Rezoning:

Owner
414 South Main Street, LLC
c/o Clint Mansour
330 Hamilton Row
Birmingham, MI 48009
clint@mansourcompanies.com

**III. Rezoning Request: Amend PUD Supplemental Regulations applicable to
Units 1 and 2, "Ashley Mews High Rise Component"**

Petitioner requests that the City amend the Official City Zoning Map related to Units 1 and 2 of the "Ashley Mews High Rise Component" (the Units) so that the Ashley Mews PUD Supplemental Regulations applicable to the Units include all uses permitted in the D1 zoning district, which is located immediately to the north of the Units.

The Ashley Mews project was conceived in the mid-1990s to revitalize a parcel of land that had been subject to a failed development project that for several years left a massive hole next to Main Street and the Downtown. That hole was eventually filled with dirt removed from the University of Michigan Stadium when the playing field was lowered and grass replaced the artificial turf. The site then remained vacant for several more years.

The developer of the project was Syndeco, the real estate development subsidiary of what was then Detroit Edison (DTE). As part of the deregulation of the electric utility industry, DTE needed a separate physical location for its unregulated subsidiaries. In addition to a significant office building for its businesses, Syndeco also believed that the site was appropriate for higher density urban residences. However, integrating these two uses onto the site, plus the underground parking beneath both uses, was not feasible under the conventional zoning of the parcels. Accordingly, Syndeco pursued a Planned Unit Development zoning designation.

For the high-rise component of the project, Syndeco planned for conventional retail uses on the ground floor, conventional office uses on Floors Two through Seven, and luxury units on Floor Eight (with two story interior heights). For the adjacent low-rise component, Syndeco planned townhouses oriented towards a "mews" walkway on the slope down from Main Street to Ashley Street, connecting the two streets. As part of the PUD, Syndeco provided at cost eight residential units in the low-rise component for sale as affordable housing, subject to restrictive covenants on the re-sale to insure that the units remained affordable in the future. The City then handled the sale of those units to qualified individuals, and they remain as affordable housing in the Downtown today.

During the Covid 19 pandemic, the DTE workers decamped from the office to work from home. This proved to be a successful model for DTE such that it concluded it no longer needed the offices located in the high-rise component of the PUD. The office space became vacant, and DTE sought to sell the Units.

Consequently, Covid 19 has also depressed the demand for office space in Downtown Ann Arbor for today and into the foreseeable future. Tenants are taking less space, as workers continue to work from home or with some home/office hybrid that nevertheless results in less demand for office space and fewer office workers.

Given this systemic change in office demand, the Petitioner believes that a broad range of uses are appropriate for this key Downtown location, and so requests that the PUD Supplemental Regulations applicable to the Units be amended to allow all uses permitted in the D1 zoning designation. The D1 zoning district is located immediately adjacent to the Units. Amending the Supplemental Regulations to allow D1 uses would provide flexibility in the use of the Units equal to and consistent with all the buildings immediately to the north on the Main Street corridor. In essence, this amendment would treat the Units equally with all the other buildings on the Main Street corridor.

Petitioner plans no changes to the exterior of the Units or the site plan; as such only a text amendment is needed for the D1 Zoning.

IV. Existing Conditions- The Properties and Surrounding Area

The Units are the ground floor (Unit 1) and floors two through seven in the "High-Rise Component" of the Ashley Mews PUD (Unit 2). At its northeast corner, the ground floor currently contains (and has contained for some time) a restaurant (the Restaurant). This portion of the ground floor, with its north facing windows, is visible from Main Street to the north. This visibility undoubtedly enhances the ability to lease this space and have it occupied and active. It has contained restaurant uses for many years.

To the south of the Restaurant, the ground floor contains a second retail space (currently and usually vacant), then continuing to the south, the lobby to the Units, and then another area that fronts on Main Street and the Mews walkway to the south (the

South Space). The Council previously broadened the uses possible in the South Space to include a training facility for DTE's employees, which at that time DTE intended to install. That use, however, was never implemented, and this area has remained vacant since Ashley Mews was constructed in 2000.

Unit 2 (floors two through seven) housed a variety of DTE subsidiaries and their workers, but it is currently vacant. This Unit also has the right to use 95 below-grade parking spaces, which enter the underground structure from Ashley Street.

The building, constructed as a corporate office building for DTE, has a high level of exterior and interior finishes. This includes limestone accents on the ground floor, an expansive and attractive canopy over the lobby entrance, and high-quality doors and windows on Main Street and the Mews walkway.

Above the Units on the eighth floor are several luxury condominiums. These units have a separate dedicated lobby and access elevator, which is entered from the Mews walkway; that is, the residents of the eighth floor do not use the lobby on Main Street, and the elevators that serve the Units.

To the north is the urban core of Downtown on Main Street, with its mix of larger office buildings, retail, and restaurant uses. To the immediate south of the High-Rise building is the Ashley Mews walkway, which creates a pedestrian connection through the site from Main Street to Ashley Street. Also to the south are the 45 low-rise residential units in the PUD, and farther south, a mix of office and retail uses.

To the east is a new high-rise apartment building, which appears to be oriented to a younger population, with amenities that would appear attractive to undergraduate students. To the west are portions of the low-rise condominiums, and then the Ann Arbor Railroad track and on the other side, the Old West Side and its residential uses.

Regarding the zoning designations of the area, the Units are part of the Ashley Mews PUD. To the north is land zoned D1, the Main Street corridor; to the south is property zoned D2; to the east is land zoned D2; and to the immediate west is land zoned D2, and then the Old West Side's R4C zoning. In essence, the Units are surrounded by D1 to the north, with D2 on the remaining three sides.

The front of the Units, accessed primarily from the lobby, firmly face Main Street, and essentially seek to engage with and be a part of the Main Street urban context and activities.

V. Justification

1. The extent to which the amendment requested is necessary:

The PUD was approved by the City in 1999. Since then, the City has studied, considered, and implemented a variety of changes which seek to recognize the changing

role of the Downtown in today's community, and to strengthen the Downtown as the social center of Ann Arbor. The uses of buildings in the Downtown have changed, as the ability of workers to work from locations NOT at a central office has increased over time due to the internet and other technological advancements. Then came Covid 19, which demonstrated that much work could be conducted outside of a central office. Consistent with that, DTE vacated the Units during Covid, and never returned. In essence, the Units became vacant, contributing nothing to the community or DTE. The Petitioner has been marketing the Units for lease ever since it placed the property under contract and subsequently closed on the purchase. Unfortunately, it has not had any inquiries that would result in a lease for even a fraction of the leasable office space: demand has withered.

The Petitioner believes that based on these changes in conditions, it is appropriate to amend the PUD Supplemental Regulations to allow all D1 uses within the Units. This would then treat the Units equally to and consistently with all the other buildings within the Downtown on Main Street. The changes at the Units and in the functioning of the Downtown justify the proposed amendment to the Supplemental Regulations.

2. This amendment will affect the public welfare and property rights of persons located in the vicinity in the following ways:

The proposed amendment will have little, if any, impact on property rights of persons located in the vicinity. If the Units contain new D1 office uses, it would be equal to the impact of the prior DTE office workers. If the uses are residential, rather than office workers, the Units would be populated by residents. The bulk of the residents would leave the Units on foot via the lobby on Main Street, or if in vehicles, through the parking garage exit. This activity would have little to no impact on any persons in the vicinity. The residents using the Units have their own lobby and elevator, such that there would be no impact on the residents of the Eighth Floor. Nor would these residents have an impact on the adjoining residents of the low-rise component of the PUD. In fact, the amendment would allow more pedestrian activity in the area, which would benefit the public welfare by more "eyes on the street," enhancing public safety, and help businesses in the area.

3. This amendment will be advantageous to the City in the following ways:

This proposed amendment will be advantageous to the City by allowing the Units to be used for all the uses that are currently allowed in the D1 district. This provides the best chance for the Units to be used now, and in the future, in a way that best uses the site, and allows for the maximum contribution to the health and activity within the Downtown core.

4. This particular location will meet the convenience and service requirements of potential users or occupants in the following ways:

This location is excellent for all D1 uses. It allows workers or residents to easily access Main Street and all it has to offer. There is convenient underground parking, so that all occupants will not have to search for parking or overburden adjoining streets. It will likely increase the pedestrian traffic south of William Street, which has acted as a "barrier" to pedestrians in the past.

5. Any changed or changing conditions in any particular area, or in the City generally, which have a bearing on the proposed amendment:

As noted above, the conditions affecting the Units have changed since 1999. The demand for office space has decreased, and the demand for housing of all types has increased. The proposed amendment is consistent with the City's updated Master Plan, including the Land Use Element and the Downtown Plan. It will encourage a dense land use that will foster an active street life, encourage diversity of housing opportunities, and strengthen Downtown's role as an urban neighborhood. (Downtown Plan, at 21.) Amending the Supplemental Regulations to allow D1 uses within the Units makes good planning sense, and is consistent with all of the City planning documents and policies.

6. Other circumstances and factors which will further justify the requested amendment:

The building in which the Units are located will not be changed due to this proposed amendment. It is well-suited to all possible D1 uses. But in essence, given its location and scale, which matches the buildings in the Downtown core on Main Street, allowing D1 uses places the Units on equal footing with all the buildings to the north, while making no physical changes at all to the building or the site.

SCOTT E. MUNZEL, P.C.
OF COUNSEL, DELOOF DEVER EBY

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SEM@DELOOFDEVEREBY.COM

To: Brett Lenart, Ann Arbor Planning Department
From: /s/Scott Munzel
Re: Report on Citizen's Participation Meeting- Amendment of Ashley Mews PUD
Supplemental Regulations
Date: December 16, 2022

414 S. Main Street LLC (414) held the Citizen's Participation meeting via zoom at 7:00 PM on December 8, 2022, related to its proposed amendment of the Ashley Mews PUD Supplemental Regulations. Prior to the meeting, 414 submitted the proposed postcard for review by City Planning staff, and had ordered the list of names to whom the postcard would be sent. The list provided by the City contained 1718 names of individuals, occupants, or groups. In addition to the mailings, 414 provided a copy of the postcard to the City for posting on the City's website for the general public.

The postcards were mailed out by Dollar Bill Copying on November 21, 2022, informing of the meeting to be held via zoom at 7:00 PM on December 8, 2022. The postcards contained all the information required by Unified Development Code Section 5.28.4(B).2.b., and all the information required by the "Developer's Guide" prepared by City staff. The postcard gave the information on how to join a zoom meeting; how to call in to the meeting by telephone; and contact information for questions or more information.

414 hired a third-party specialist in zoom meetings to arrange the logistics of the meeting and provide technical support. While the meeting began at 7:00 PM, 414 and consultants were on the zoom at 6:45 PM in case people came on early. As people joined the meeting, the specialist confirmed that they were able to communicate with the zoom meeting.

Right around 7 PM, there were 24 total attendees (including the development team), whose names are listed at the end of this report. We waited until about 7:05 to start, and then we began the presentation. We did not use any visual aids in the presentation because the amendment does not propose any physical changes to the site plan. I gave a presentation that included all of the information required for Citizen Participation meetings, and explained the proposal- that 414 seeks to amend the PUD Supplemental Regulations to allow all uses permitted in the D1 zoning district (just to the north of the 414 site). Steven Kalabat, one of the owners of 414, then provided information on the substance of the proposed amendment and responded to questions and comments.

A discussion followed, in which the following questions/comments were made, with the following responses:

1. What are the planned uses for 414? 414 plans to modify the interior to create a luxury apartment building, containing 2 and 1 bed, and studio apartments. Demolition permit has been obtained, with goal of created first class apartment building.

2. Why change the Supplemental Regulations? The original PUD was for a corporate headquarters for DTE, and the uses were limited. 414 wants to conform and have the same flexibility and potential uses as the rest of Main Street to the north. They hope to increase foot traffic and activate the street frontage.
3. What is the target demographic of the future tenants? Professional people, with higher-end demographics. While students cannot be excluded, 414 is not including the type of amenities that might be found in student-oriented residential buildings.
4. What will be on the first floor street frontage? Lobby design is on hold until apartments are further along, but goal is to activate the street frontage.
5. What is the timeline? 3-5 weeks of interior demolition; 13-15 months of interior construction. Demolition debris will be removed out of the Main Street side, and 414 will keep the drive on the west side open and clear at all times.
6. Any naming of the building? To be determined.
7. Will expense of common areas be shared? To be discussed; 414 wants to cooperate for best results.
8. Why does 414 need a change to the PUD? 414 wants same uses as all other buildings on Main Street for future.
9. What is the background and qualifications of 414? REalta Capital, Mansour Group and their affiliates have about 3,000,000 square feet of real estate, with experience in all kinds of development projects from new construction to rehabilitation.
10. How many units and what rents? 120 units at market rate rent. No obligation to provide any "affordable housing" as that was already incorporated into the original PUD.
11. Will there be short term rentals in the future? Unknown; Cabrio has been retained to rent with one year leases. The future will depend on the market.
12. How many apartment buildings does the team have? Four under management.
13. Did you buy 125 S. Main Street? Yes, in a different LLC, but there are no plans for that building yet.
14. What about parking for the new tenants? The building has 120 spaces, with some reserved for penthouse owners. Remainder to be available to those tenants that want to rent space.

The meeting finished at about 7:48, and we concluded the zoom connection.

Prior to the meeting, one penthouse resident of the building contacted me with two questions. First, there was a condominium association meeting scheduled for the same time as the CPM, to which I responded that we set the CPM without any knowledge about the association meeting, and I would inquire about having the association meeting postponed for an hour. Second, the proposal would allow ALL D1 uses, which was objectionable because it might allow uses other than residential uses. I responded that 414 simply wanted all uses that were allowed on Main Street to the north.

Subsequent to the meeting, several attendees requested a copy of the minutes of the CPM.

The attendees that provided their names are included below:

Dennis Kirkwood

Carolyn Arcure

"Liz"

Ryan Stanton
Scott Brown
Tom Meyer
"Arcure"
Penny Papadopoulos
Chelsea Hamm
Constance Crump
"Kgb123"
Will Hassett
Sean Rutter
Ken Lipschutz
Paul Theodore Hoff
Elizabeth Guzik
"Brendan's iPad"
Jan Evan via phone
Mimi Quinzy
"609 213 8047"
Ken Milburn- zoom operator
Clint Mansour- development team
Steven Kalabat- development team
Barry Pincus- development team
Scott Munzel- development team

Cc: Barry Pincus
Brad Pincus
Steven Kalabat
Clint Mansour

Scott E. Munzel

From: tjmeyer47@gmail.com
Sent: Thursday, December 8, 2022 8:49 PM
To: Scott E. Munzel
Subject: 414 South Main

Scott, I was a participant in today's zoom meeting regarding the proposed PUD amendment. Please send me a copy of the report of the meeting which you send to the city of Ann Arbor.

Also, I would like to submit this email as my additional commentary regarding the proposal. I am concerned about the developers lack of transparency, citing no new use of the building as a basis for the requested change. Really?

I presume that the city will see this as a subversion of the required resident participation meeting. How are we as neighbors to provide any effective input when the developer does not tell us the reason for the proposed change? It would be unwise, unfair, and contrary to general zoning principles to change the term of a planned development with no plan to consider.

I would also urge that the city, when considering this proposal, be reminded that the residents of the "low rise" portion of the Ashley Mews development are beneficiaries of the PUD and would be detrimentally affected by a generalized D1 zoning. We bought into an urban development planned with the city's concurrence, something carved out of the general zoning area. Now the developer wants to change zoning for a part of the PUD, effectively destroying/negating the agreement and depriving those of us in the "low rise" portion of the development of our justifiable reliance on it.

Sincerely
Tom Meyer

Scott E. Munzel

From: Sean Rutter <ruttese@me.com>
Sent: Saturday, December 17, 2022 2:56 PM
To: tjmeyer47@gmail.com
Cc: Scott E. Munzel; ted@annis.org; ajstolarski@me.com; Penny Papadopoulos; Will Hassett; Barry Pincus; Brad Pincus; Clint Mansour; Steven P Kalabat; Kowalski, Matthew
Subject: Re: 414 S. Main- Ashley Mews- Minutes of Citizen Participation Meeting

I agree, Tom. Scott - My comments are as follows:

- 1) The plans indicate luxury apartments and yet the PUD amendment calls for short-term rentals and/or hotel use. I am still unclear on why the PUD amendment is needed if luxury apartments are planned. When this question arose, I felt there was a lack of transparency as to the purpose of the PUD amendment given plans that are different.
- 2) I am pleased to hear of plans for luxury apartments, and I feel that is very much in line with addressing the residential housing shortage in Ann Arbor. I also feel that would be a nice addition as a neighbor to our Ashley Mews community.
- 3) I do not favor short term rentals both from the high volume of in and out traffic right next door to Ashley Mews, but most important since it is incongruent with addressing the housing shortage in our city.

Respectfully,

Sean Rutter

Sent from my iPad

On Dec 17, 2022, at 9:31 AM, tjmeyer47@gmail.com wrote:

Scott. I thought that the minutes of the meeting at least as transmitted to the Planning Department were to include all written comments you received. I submitted written comments, and would be surprised you hadn't received some others.
Tom Meyer

On Dec 16, 2022, at 3:13 PM, Scott E. Munzel <SEM@deloofdevereby.com> wrote:

Hi all- enclosed are the minutes of the Citizen Participation Meeting, held December 8, 2022, regarding the proposal to amend the PUD Supplemental Regulations for Ashley Mews "high rise" building. Please let me know if you have any questions. Thanks, Scott

Scott E. Munzel
Of Counsel
DELOOF | DEVER | EBY
MILLIMAN & ISSA, PLLC
Attorneys & Counselors

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Ann Arbor, MI 48104