

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of February 3, 2015

SUBJECT: Downtown Zoning Map and Text Amendments for the East Huron Corridor

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the staff-initiated rezoning of 336 East Ann Street from D1 (Downtown Core) to D2 (Downtown Interface) base zoning district.

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the staff initiated rezoning of 219 North Fifth Avenue and 211 East Huron Street from Main Street to East Huron 1 character overlay zoning district, and the Municipal Center block from East Huron 2 to East Huron 1 character overlay district.

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve amendments to Chapter 55, Zoning Ordinance, Section 5:10.20(3), Building Massing Standards, to add a definition of "maximum tower diagonal."

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve amendments to Chapter 55, Zoning Ordinance, Table 5:10.20A regarding area, height and placement, including the addition of a maximum tower diagonal standard, for the East Huron 1 and East Huron 2 character overlay zoning districts.

STAFF RECOMMENDATION

Staff recommends that the petition be **postponed** in order to receive and incorporate feedback from the public hearing and Planning Commission discussion.

DESCRIPTION OF PROJECT

Several amendments are proposed to the Zoning Map and Zoning Ordinance to implement recommendations from an evaluation of the 2009 Ann Arbor Discovering Downtown (A2D2) zoning changes:

1. Zoning map amendment to rezone the base zoning district of 336 East Ann Street

2. Zoning map amendments to revise the boundaries of the East Huron 1 and East Huron 2 character overlay zoning districts
3. Text amendment to the building massing standards of downtown character overlay districts to add a definition of “maximum tower diagonal.”
4. Text amendments to the East Huron 1 character overlay district

BACKGROUND

In Spring 2013, City Council directed the Planning Commission to review certain aspects of the 2009 downtown zoning amendments and provide recommendations for any necessary amendments. In July 2013, a planning consultant, ENP & Associates, was hired to assist in that evaluation. City Council specifically asked for suggestions to several site-specific concerns, such as the base zoning for 425 South Main Street, 336 East Ann Street, and the north side of East Huron between Division and South State, in addition to the massing standards of the character overlay zoning in these areas.

The site-specific questions raised by City Council reflected a concern about the lack of an interface zone between the D1 base zoning districts and residentially-zoned properties and was seen as the primary issue that the Planning Commission and City Council wrestled with when considering new downtown development proposals. ENP focused their efforts on these site-specific questions and providing recommendations for clearer guidance to prospective developers. In turn, these recommendations were to help articulate the massing of larger new buildings to fit sensitively into the existing development context and encourage design approaches which minimize the extent to which high-rise buildings create negative impacts in terms of scale, shading and blocking views.

ENP’s report was completed in October 2013 (the full report may be found at www.a2gov.org/downtownzoning). Planning Commission reviewed the report and received additional comments from the public at six meetings. After evaluating the information it received, on December 13, 2013 the Planning Commission endorsed eight recommendations for changes to the zoning map, the zoning ordinance and the development review process. On January 21, 2014, City Council made several revisions to the Planning Commission’s list of recommendations and directed the Commission to begin the process of implementation (see Resolution R14-025, attached).

Planning Commission, through its Ordinance Revisions Committee (ORC), began the implementation process by addressing the rezoning of 425 South Main Street and related text amendments to the Main Street character overlay district (Recommendation #3) and is now moving forward for public comment on its responses to Recommendations # 1 and #2 for changes in the East Huron corridor, including the rezoning 336 East Ann Street, reducing the maximum height in the East Huron 1 character district, and including a tower diagonal maximum.

Over several months, the ORC first worked to identify the range of issues that needed to be addressed in order to recommend effective, practical changes to alleviate concerns regarding massing and shading impacts on the adjacent historic districts (see Figure 1) and avoiding unintended consequences as the result of any changes. The committee discussed the fact that tall, slender buildings can reduce the shading impact on adjacent properties, but have the potential to raise the skyline to unacceptable heights. The proposed rezoning and text amendments outlined in this report attempt to address these concerns.

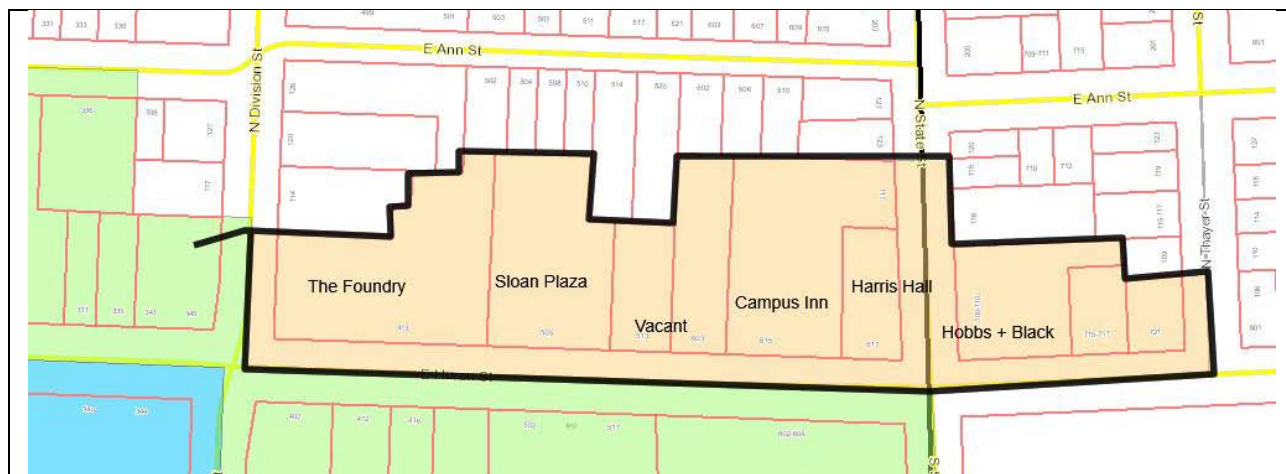
Figure 1: Historic Districts Adjacent East Huron Corridor



CURRENT CONDITIONS

The **East Huron 1** character overlay district includes the area north of East Huron Street between North Division Street and North Thayer Street (see Figure 2). Between North Division and North State, the base zoning district is D1 (Downtown Core). The base zoning district east of North State is PUD (Planned Unit Development). The overlay district contains nine parcels and has five significant developments: The Foundry (413 East Huron Street); Sloan Plaza (505 East Huron Street); Campus Inn (615 East Huron Street); Harris Hall (617 East Huron Street); and Hobbs + Black PUD (100 North State Street). There are two vacant parcels within this overlay district, both currently owned and used for surface parking by Campus Inn. The East Huron 1 character overlay district is bordered to the north by the Ann Street and Old Fourth Ward Historic Districts, which are characterized by two- and three-story residential dwellings, often containing multiple units, zoned R4C (Multiple-Family Residential).

Figure 2: East Huron 1 Character Overlay - Current



The **East Huron 2** character overlay district includes the area south of East Huron Street between North Division and North State as well as the block north of East Huron between North Division and North Fifth Avenue (see Figure 3). The base zoning district for all of the East Huron 2 character area is D1 (Downtown Core). The portion north of East Huron contains one significant development, the Ann Arbor Municipal Center, and two smaller developments, a restaurant and an office/apartment building, as well as one surface parking lot owned and used by the nearby University of Michigan Credit Union headquarters. The north portion abuts parcels zoned O (Office) that are located in the Old Fourth Ward Historic District and are across the street from two- to three-story multiple-family residential buildings on East Ann Street, zoned R4C and located in the Old Fourth Ward Historic District.

Figure 3: East Huron 2 Character Overlay - Current



Immediately west of the East Huron 2 character overlay district, the block bounded by East Huron on the south, North Fifth on the east, Ann Street on the north, and North Fourth on the west is in the Main Street character overlay district. This block is entirely base-zoned D1 (Downtown Core). The block contains Fire Station No. 1, 111 North Fifth Avenue; the Hands-On Museum including both the newer addition and the historic downtown fire station, 220 East Ann Street; the County Administration Annex Building, 110 North Fourth Avenue; and several two- and three-story commercial storefront buildings forming an almost-unbroken streetwall with the significant exception of the converted gas station at the northeast corner of East Huron and North Fourth. North of this block are one- to three-story buildings, including The Ann Arbor Armory (multiple-family residential) and attached and detached commercial buildings.

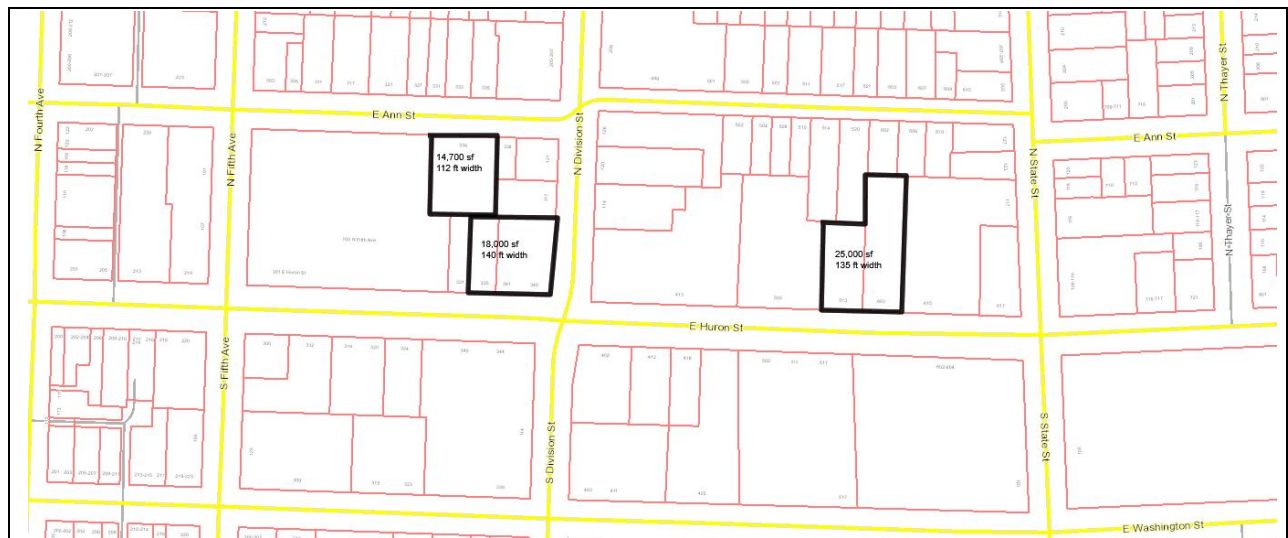
DEVELOPMENT CONSIDERATIONS

Upon reviewing the existing conditions of the area, the ORC concluded any amendments should consider development and redevelopment of three sites: the Campus Inn surface parking lot on East Huron Street, the UM Credit Union parking lot at 336 East Ann Street, and the restaurant and office/apartment building at 341 and 337 East Huron Street. These sites have potential for development/redevelopment that will most impact their immediate surroundings and downtown overall.

The Campus Inn surface parking lot covers over 25,500 square feet and is over 135 feet wide. It is similar in size and shape to the other parcels on its block and could accommodate a new development similar to Sloan Plaza and Campus Inn in terms of floor area, but around 40% less floor area than The Foundry. (Sloan Plaza has 78,000 square feet of floor area, Campus Inn has 122,000 square feet, and The Foundry has 265,000 square feet.)

336 East Ann Street is 14,700 square feet and is 112 feet wide. 341 and 337 East Huron Street are owned separately and have a combined lot area of 18,000 square feet and lot width of 140 feet. Each of these sites abuts Office- zoned parcels in the Old Fourth Ward Historic District containing office uses in converted original residential buildings.

Figure 4: Potential Future Development Sites



PROPOSED ORDINANCE AMENDMENTS

Map Amendments - The following amendments are proposed to the Zoning Map (see Figure 5):

Figure 5: Areas of Proposed Zoning Map Changes



1. Base Zoning District Map Amendment – Rezone the base zoning district of 336 East Ann Street from D1 (Downtown Core) to D2 (Downtown Interface) base zoning district

From the ENP report (paraphrased):

The location of this site is unique from other D1 properties in the East Huron 2 character overlay district in that it does not have frontage on Huron Street. Rather, the property faces Ann Street and the multi-family residences to the north and is adjacent to small offices to the east.

To facilitate a better transition to the neighborhood, we recommend rezoning the site to D2. Rezoning will accomplish several objectives: making the property's zoning more consistent with other properties fronting Ann Street; allowing for the development of the property at a height that is a better transition between City Hall and the adjacent neighborhood, part of the intent of the D2 (Downtown Interface) base district; and, continue to allow the mix of uses that was envisioned for the area in the Downtown Plan.

With this rezoning and the related text amendments to the East Huron character overlay zoning districts, future development on this site will have a normal FAR maximum of 200% and up to 400% FAR with premiums, a two- to three-story streetwall requirement, a 60-foot maximum height limit, no minimum and a 10-foot maximum front setback, and a 10-foot east side setback. No minimum setback is automatically applied to the parcel's west side or rear (south) lot lines as those abut D1 zoned parcels, however, some amount of setback is required by the Building Code if windows are desired on the exterior walls of future development. No nonconformities will be created by this rezoning.

2. Character Overlay District Map Amendments – Rezone 219 North Fifth Avenue and 211 East Huron Street from Main Street to East Huron 1 character overlay district and the Municipal Center block from East Huron 2 to East Huron 1 character overlay district

One of Council's additional charges to Planning Commission when implementing the ENP report recommendations was to consider rezoning the north side of East Huron Street between Division and Fourth to East Huron 1 character overlay. The ORC readily concluded that the portion between Division and North Fifth is more in keeping with the East Huron 1 character than its current classification of East Huron 2. The ORC also felt that the established developments the Fire Station No. 1 and the Hands-On Museum are most like East Huron 1 rather than 2. However, they felt strongly that the 100 block of North Fourth Avenue, the western edge of Council's suggested expansion, is properly included in the Main Street character overlay district.

Text Amendments - The following amendments are proposed to the Character Overlay Zoning District Building Massing Standards (see Figure 6):

3. Downtown Character Overlay Zoning District Text Amendments – Amend the East Huron 1 character overlay district standards to add standards for D2-zoned parcels; add a maximum tower diagonal standard, reduce allowable height for D1-zoned parcels and establish setback requirements for D1- and D2-zoned parcels.

The proposed amendments reduce the maximum height in the East Huron 1 character overlay district from 150 feet to 120 feet in the D1 base and create a maximum height of 60 feet in the

D2 base. A 130-foot tower diagonal standard is added, and a 10-foot side setback is newly required when abutting other than D or R (such as O). The requirement that the tower be entirely within 150 feet of the East Huron Street property line and the requirement for a 30-foot setback from any R zoning district boundary remain unchanged but have been reworded for clarity.

Figure 6: Proposed Zoning Text Changes

Overlay Zoning District	Streetwall Height		Offset at Top of Streetwall	Max. Building Height		Massing Articulation	<u>Maximum Tower Diagonal</u>	Side and Rear Setback
	Max. Height	Min. Height		Required Average	D1 District			
East Huron 1	3 stories	2 stories	None	150 feet <u>3 stories, except 120 feet in any area extending 150 feet from the East Huron Street property line</u>	Not applicable <u>60 feet</u>	None	<u>130 feet</u>	Rear or side exterior wall of the tower shall be located no further than 150 feet from the East Huron property line. Rear or side exterior wall of the base and the tower shall be located no closer than 30 feet to a lot line abutting a residential zoning district. <u>For D1 and D2, a minimum 30 foot setback shall be measured from any exterior walls of the building to any R zoning district boundary or a minimum of 10 feet shall be measured from any exterior walls of the building to any zoning district boundary other than D and R.</u> In no case shall the required setback reduce the width or depth of a lot suitable for building to less than 25 feet.

The ENP report suggested an alternative to rezoning properties on the north side of East Huron was to reduce the maximum height and add a “maximum tower diagonal.” A tower diagonal is the longest horizontal dimension of a tower, as measured from corner to corner of the largest story of the tower (see Figure 7). Establishing a maximum tower diagonal regulates how slender or bulky a tower can be. Some of downtown’s most bulky buildings (the Ameritech Building at 316 East Huron Street, Ashley Terrace at 202 West Huron Street) have a tower diagonal dimension of over 200 feet, while the most slender buildings (First National Building at 201 South Main Street, 201 East Washington) have tower diagonals of less than 100 feet.

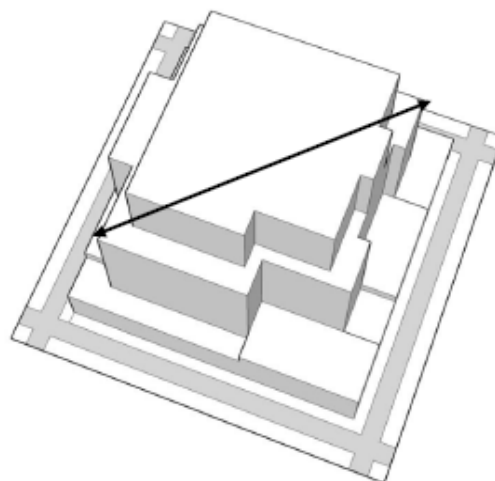


Figure 7: Maximum Tower Diagonal

Prepared by Alexis DiLeo
Reviewed by Wendy Rampson

Attachments: City Council Resolution R-14-025

c: City Attorney's Office



Legislation Details (With Text)

File #: 14-0013 **Version:** 2 **Name:** 01/21/14 Downtown Zoning Amendments
Type: Resolution/Public Hearing **Status:** Passed
File created: 1/21/2014 **In control:** City Council
On agenda: 1/21/2014 **Final action:** 1/21/2014
Enactment date: 1/21/2014 **Enactment #:** R-14-025
Title: Resolution Regarding Recommended Downtown Zoning Amendments (CPC Recommendation: Approval - 9 Yeas, 0 Nays)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 10/10/13 Downtown Zoning Evaluation Report, 2. Appendix A - City Council Resolutions, 3. Appendix B - Summary of Downtown Projects, 4. Appendix C - Public Input Results

Date	Ver.	Action By	Action	Result
1/21/2014	1	City Council	Held and Closed	
1/21/2014	1	City Council		
1/21/2014	2	City Council	Amended	Pass
1/21/2014	2	City Council	Amended	Pass
1/21/2014	2	City Council	Approved as Amended	Pass

Resolution Regarding Recommended Downtown Zoning Amendments (CPC Recommendation: Approval - 9 Yeas, 0 Nays)

In March and April 2013, City Council passed resolutions (see Appendix A) directing the Planning Commission to review certain aspects of the downtown zoning ordinance and provide recommendations for any necessary amendments. In July 2013, the planning firm of ENP & Associates was hired to assist in this evaluation.

Between July and October 2013, ENP & Associates provided a variety of opportunities for the public to comment on the effects of the 2009 amendments and offer suggestions for changes. The consultants met with the Planning Commission’s Ordinance Revisions Committee throughout the process. The attached report and appendices provide a summary of the public input and the consultant’s final recommendations for zoning changes.

The City Planning Commission reviewed the ENP & Associates final report and received additional comments from the public at meetings on October 8, October 15, November 6, November 12, November 19 and December 3, 2013. After evaluating the information it received, the Commission developed eight recommendations for changes to the zoning map, the zoning ordinance and the development review process.

At its December 3, 2013 meeting, the Planning Commission recommended that the Mayor and City Council adopt the following resolution to begin the process of implementing the recommended downtown zoning changes.

Attachments: 10/10/13 Downtown Zoning Evaluation Recommendations Report, Appendix A - City Council Resolutions, Appendix B - Summary of Downtown Projects since 2000, Appendix C - Public Input Results

Prepared by: Wendy Rampson, Planning Manager

Reviewed by: Sumedh Bahl, Community Services Area Administrator

Whereas, Downtown zoning amendments were adopted in 2009 as a result of the Ann Arbor Discovering Downtown initiative;

Whereas, The City Planning Commission and City Council recognize the value of evaluating these zoning changes to determine if the resulting development is consistent with the goals and recommendations of the Downtown Plan;

Whereas, City Council passed resolutions R-13-078 and R-13-093 in March and April 2013 that requested the City Planning Commission to address the following issues:

- (i) Whether D1 zoning is appropriately located on the north side of Huron Street between Division and S. State and the south side of William Street between S. Main and Fourth Avenue;
- (ii) Whether the D1 residential FAR premiums effectively encourage a diverse downtown population;
- (iii) Whether a parcel on the south side of Ann St. adjacent to City Hall that is currently zoned D1 should be rezoned to the appropriate zoning for this neighborhood;

Whereas, ENP & Associates was hired by the City in July 2013 to conduct an evaluation of the downtown zoning changes;

Whereas, ENP & Associates provided a variety of opportunities for the public to comment on the effects of the 2009 amendments and offer suggestions for changes and used this feedback to develop a final report with recommendations, dated October 10, 2013;

Whereas, The City Planning Commission reviewed the ENP & Associates final report and received additional comments from the public at meetings on October 8, October 15, November 6, November 12, November 19 and December 3, 2013;

Whereas, ENP & Associates recommended extending the East Huron 1 Character District to Fourth Avenue;

Whereas, ENP & Associates also recommended further study to consider whether D1 zoning is appropriate on other sensitive properties not identified in the City Council resolution, including some areas of South University and Thayer St.; and

Whereas, The City Planning Commission, at its meeting of December 3, 2013, recommended the following changes to City Code and the Zoning Map:

- 1) Rezone the parcel located at 336 E. Ann from D1 (Downtown Core) to D2 (Downtown Interface).
- 2) Reduce the maximum height in the East Huron 1 Character District to 120 feet, include a tower diagonal maximum and consider a step-back requirement to reduce the shading of residential properties to the north.

- 3) Rezone the parcel at 425 S. Main from D1 (Downtown Core) to D2 (Downtown Interface) and establish a maximum height of 60 feet for D2 zoning in the Main Street Character District.
- 4) Revise the premium conditions to require mandatory compliance with core design guidelines for a project to receive any premium in the D1 or D2 districts.
- 5) Reduce the residential premium with the goal of encouraging the use of other existing or proposed premiums to compensate for this reduction, such as increased energy efficiency certification, open space with landscape, active ground floor use, balconies and workforce housing.
- 6) Review options in D1 and D2 districts, with the Housing and Humans Services Advisory Board, for providing additional affordable housing within mixed income projects or through other funding mechanisms.
- 7) Eliminate the affordable housing 900% FAR "super premium".
- 8) Evaluate the downtown real estate market to determine the effectiveness of premium incentives every 2-5 years.

RESOLVED, That the City Council, after reviewing the consultant's and Planning Commission's recommendations and considering comments presented at public hearings, directs the Planning Commission to begin the process of implementation of their recommended changes to City Code and the Zoning Map, save (4) with respect to which Council requests that the Planning Commission review and consider methods to achieve compliance with core design guidelines in a manner that achieves Design Review Board support, reporting back to Council on these changes by October 20, 2014;

RESOLVED, That the City Council directs the Planning Commission to consider rezoning that portion of Huron Street from Division to Fourth Avenue to conform with the East Huron 1 Character District, and consider incorporating 25 foot minimum side setbacks and 10 foot front setbacks where feasible in the East Huron 1 Character District, reporting back to Council on their recommendation by October 20, 2014;

RESOLVED, That the City Council directs the Planning Commission to consider whether other D1-zoned areas which do not have buffering from adjacent residential neighborhoods, including some areas of South University and Thayer Street and Ann Street between Fourth and Fifth Avenue, should be rezoned to D2, reporting back to Council on their recommendation by October 20, 2014; and

RESOLVED, That this resolution completes the downtown zoning review and report to City Council requested in Resolutions R-13-078 and R-13-093.

As Amended by Ann Arbor City Council on January 21, 2014