

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT - CORRECTED

For Planning Commission Meeting of May 16, 2023

**SUBJECT: South Town (1601 South State Street)
Conditional Rezoning – File No. REZ22-0002
Site Plan for City Council approval – File No. SP22-2017
Street Vacation – File No. SV22-2001**

PROPOSED CITY PLANNING COMMISSION MOTION¹

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the South Town Rezoning Petition to C1A/R (Campus Business Residential) district and accept the conditions that the maximum building height is limited to 100 feet, the maximum vehicle parking limit is one space per four dwelling units, and the minimum active open space requirement is 50 square feet per dwelling unit, subject to executing a Conditional Zoning Statement of Conditions.

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the South Town Site Plan at 1601 South State Street and Development Agreement, subject a variance granted by the Zoning Board of Appeals to exceed the maximum FAR of the C1A/R district due to the enclosed parking garage and combining all lots prior to issuance of any permits.

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council vacate the unimproved platted alley in Block 3 of the Hamilton, Rose and Sheehan's Addition to the City and Town of Ann Arbor.

¹ Originally published incorrectly as maximum building height limit is 90 feet. The offered condition is a maximum building height limit of 100 feet and is corrected here.

STAFF RECOMMENDATION:

Staff recommends that the petitions be **postponed** to allow time to resolve outstanding staff comments and for the City Planning Commission to provide feedback on the appropriateness of the requested zoning designation and strict adherence to its dimensional standards.

LOCATION:

The subject site includes all 10 lots of the block bounded by South State Street, Henry Street, White Street, and Stimpson Street. It is more generally located south of East Stadium Boulevard between South State Street and South Industrial Boulevard in the central part of the city.



Figure 1: Location Map

SUMMARY:

The proposed project has three parts:

- 1) A petition to rezone the 1.7-acre block bounded by South State/Henry/White/Stimpson from R4C (Multiple-Family Dwelling) to C1A/R (Campus Business Commercial) WITH CONDITIONS. The offered conditions are: a) impose a maximum height limit of 100² feet; b) impose a maximum vehicle parking limit of one space per four dwelling units; and c) impose a minimum active open space requirement of 50 square feet per dwelling unit.
- 2) A site plan to redevelop a residential block with a building having two multi-story towers on top of a single-story podium, creating a development of over 200,000-square feet including ground floor commercial and resident amenity space, 216 dwelling units on upper floors, and a 54-space parking garage within the podium.
- 3) A street vacation petition to vacate the public alley in the northern half of this block.

EXISTING CONDITIONS:

The 1.7-acre site consists of ten lots and ten buildings built between 1901 and 1964. All lots are zoned R4C. Only two of the ten are conforming lots having at least 8,500 square feet of lot area as noted by the shading in the table below. Seven curb cuts serve the site as some lots share a curb cut. The public alley is unimproved and appears as the gravel driveway of 1601 S State.

² Originally published incorrectly with 90 feet. The offered condition is 100 feet and is corrected here.

South Town Site Existing Conditions					
	Address	Lot Area	Zoning	Year Built	Current Use ³
1	714 Henry S	7,488 sq. ft.	R4C	1950	Multi-family 7 units
2	1601 S State St	7,475 sq. ft.	R4C	1920	Multi-family 4 units
3	1605 S State St	4,986 sq. ft.	R4C	1920	Multi-family 3 units
4	1606 White St	5,011 sq. ft.	R4C	1920	Multi-family 5 units
5	1607 S State St	4,999 sq. ft.	R4C	1920	Single-family 1 unit
6	1608 White St	5,002 sq. ft.	R4C	1920	Multi-family 5 units
7	1609 S State St	8,616 sq. ft.	R4C	1901	Multi-family 3 units
8	1610 White St	5,655 sq. ft.	R4C	1954	Multi-family 4 units
9	1611 S State St	14,138 sq. ft.	R4C	1964	Multi-family 13 units
10	1612 White St	6,433 sq. ft.	R4C	1950	Multi-family 4 units

The northern half of the site is part of Block 3 of the 1890 Hamilton, Rose and Sheehan's Addition to the City and Town of Ann Arbor. The southern half are Lots 1, 2, 3 and 4 of the 1924 Stimpson Subdivision of Ann Arbor Township.



Figure 2 - Existing Conditions

³ Number of dwelling units according to City Assessor's data. Note the total number of units provided in this table (49) differs from the applicant's count provided in the site plan cover sheet development program statement (38).

Surrounding land uses include residential to the north and east. To the south are commercial and light industrial land uses and the University of Michigan golf course is west of the site.

REZONING PETITION:

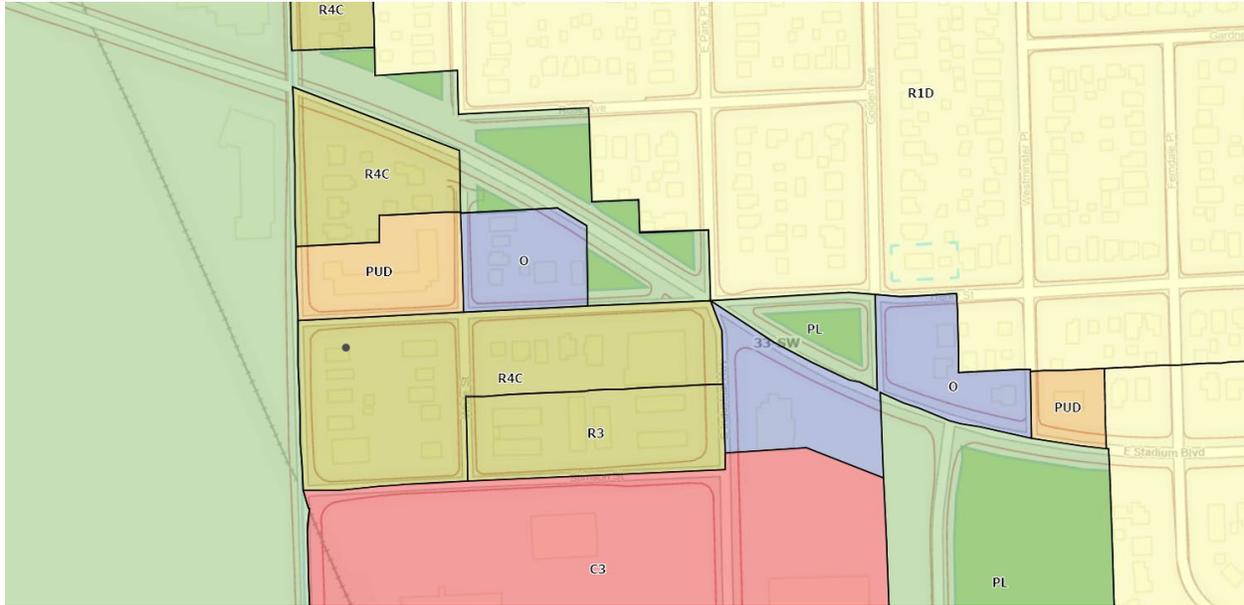


Figure 3: Current Zoning Map

Current Zoning – The lots that make up the South Town site are currently zoned R4C (Multiple-Family Dwelling). This district has a minimum lot size of 8,500-square feet. Conforming lots in this district can have multiple-family dwellings at a density of 10 dwelling units per acre. Nonconforming lots in the R4C district may be developed with a single-family dwelling. Any dwelling in the R4C district may have up to 6 unrelated persons in each household.

Proposed Zoning – The applicant requests rezoning the site from R4C to C1A/R (Campus Business Residential) with the conditions that a maximum height limit of 90 feet, a maximum vehicle parking limit of one space per four dwelling units, and a minimum active open space requirement of 50 square feet per dwelling unit are imposed.

The conditional zoning offer letter can be found on the Stream system at www.stream.a2gov.org as an attachment for plan number REZ22-0002.

Rezoning Analysis – Changes to the referenced Zoning Map of Chapter 55, Unified Development Code, of the Ann Arbor City Code may be made pursuant to Section 5.29.10. To assist the Planning Commission and City Council with their decision, applicants are provided with a petition to submit. The petition addresses:

1. The extent to which the rezoning is necessary.
2. How the rezoning will affect the public welfare and property rights of persons located in the vicinity.
3. How the rezoning will be advantageous to the City.
4. How this particular location will meet the convenience and service requirements of potential users and occupants.
5. Any changed or changing conditions in any particular area, or in the City generally, which may have bearing on the request.

6. Other circumstances and factors which further justify the request.

With a conditional rezoning, the Planning Commission has the authority to review the offered conditions against the rezoning standards to ensure that such standards are met. The Planning Commission may recommend approval with the conditions as submitted, may recommend approval with revised conditions provided that the revised conditions are voluntarily offered by the applicant, or may recommend denial of the rezoning.

Zoning District Comparison		
	Existing	Proposed
	R4C	C1A/R With Conditions
Intent	The R4C district is intended to be located in the central area of the City in close proximity to the central business district and the University of Michigan campus.	This district is designed to encourage the orderly clustering and placement of high-density residential and complementary commercial development near the campus business district.
Lot Area	Minimum 8,500 sq. ft.	No minimum
Density or FAR	2,175 sq. ft. per dwelling unit (for conforming lot)	Maximum 300% FAR
Setback – Front	Minimum 25 ft. or average established front building line	Minimum 10 ft.
Setback – Side	Minimum 12 ft plus additional depending on building length and height	None
Setback – Rear	Minimum 30 ft plus additional depending on building length and height	None
Building Spacing	Minimum 20 feet	None
Height	Maximum 30 feet	None, proposed condition maximum 100 ft ⁴ .
Open Space	Minimum 40% including minimum 300 sq. ft. per dwelling unit	None, proposed condition minimum 50 sq. ft. per dwelling unit
Off-Street Parking	No minimum (vehicles) Min. 1 per 5 units (bicycles)	No minimum (vehicles) Maximum 1/4 dwelling units (vehicles) Min. 1 per 5 residential units or 1 per 3,000 sq. ft. most nonresidential uses (bicycles)

⁴ Originally published incorrectly with 90 feet. The offered condition is 100 feet and is corrected here.

Staff Comments – The Comprehensive Plan, as a whole, encourages more dense development with a particular emphasis on more housing overall and a wider range of housing types, and encourages more sustainable developments, living arrangements that enable less or no reliance on personal vehicles, and reduced vehicle miles traveled. City Council and the City Planning Commission have supported rezoning petitions for both traditional zoning designations and planned unit developments that achieve those goals.

Therefore, staff support the proposed rezoning from R4C to C1A/R With Conditions with two stipulations: first, the proposed development conforms to the standards of the C1A/R district without variance; and second, the proposed development provides at least 19 feet of setback from the back of curb to the building face.

The proposed C1A/R designation is a reasonable choice given the site's proximity to the University of Michigan campus. However, it increases the development of the block about three times over what is currently allowed. For argument's sake, the R4C district is 100% FAR (a typical development on a conforming lot is a two-story building covering about half the site). The C1A/R district is 300% FAR. The maximum height limit in the R4C district is 30 feet, a conditional height limit of 100 feet⁵ is proposed for this C1A/R designation. While staff feel these increases are acceptable in order to meet the goals of the Comprehensive Plan, exceeding them is not.

And, although the city's utilities and our current desires can support the rezoning request, the scale of the sidewalks and public realm are firmly residential. Fully-realized development in the C1A/R district is decidedly more urban than low or mid-density residential.

With these two stipulations, to meet but not exceed the development standards of the proposed district and a streetscape design based on downtown guidelines, the proposed rezoning will be in keeping with all of the applicable goals, policies, and standards for development.

SITE PLAN PETITION:

The proposed development has two multi-story towers (Building A and Building BCD) on top of a single-story podium to create a development with over 200,000-square feet. The development includes approximately 24,000-square feet of ground floor commercial and resident amenity space and 216 dwelling units on upper stories. Also included in the design is an approximately 23,000-square foot, 54-space parking garage within the podium.

The development as shown on the proposed plans has 246,670 square feet and an FAR of 345%. A variance has been requested to not include the parking garage, which will reduce the FAR calculation to 222,404 square feet of floor area and an FAR of 308%.

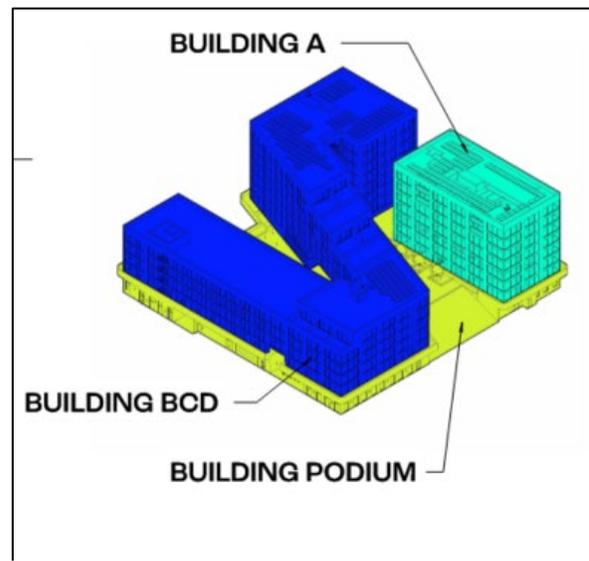


Figure 4 - South Town Podium and Building Tower Sketch (White & Henry corner at bottom, looking SW)

⁵ Originally published incorrectly with 90 feet. The offered condition is 100 feet and is corrected here.

The normal FAR maximum in the C1A/R district is 300% and an additional 8,000 square feet may be allowed from the pedestrian amenity premium. The normal FAR maximum corresponds to a 216,444-square foot development and up to 244,444 square feet is permitted with pedestrian amenities.

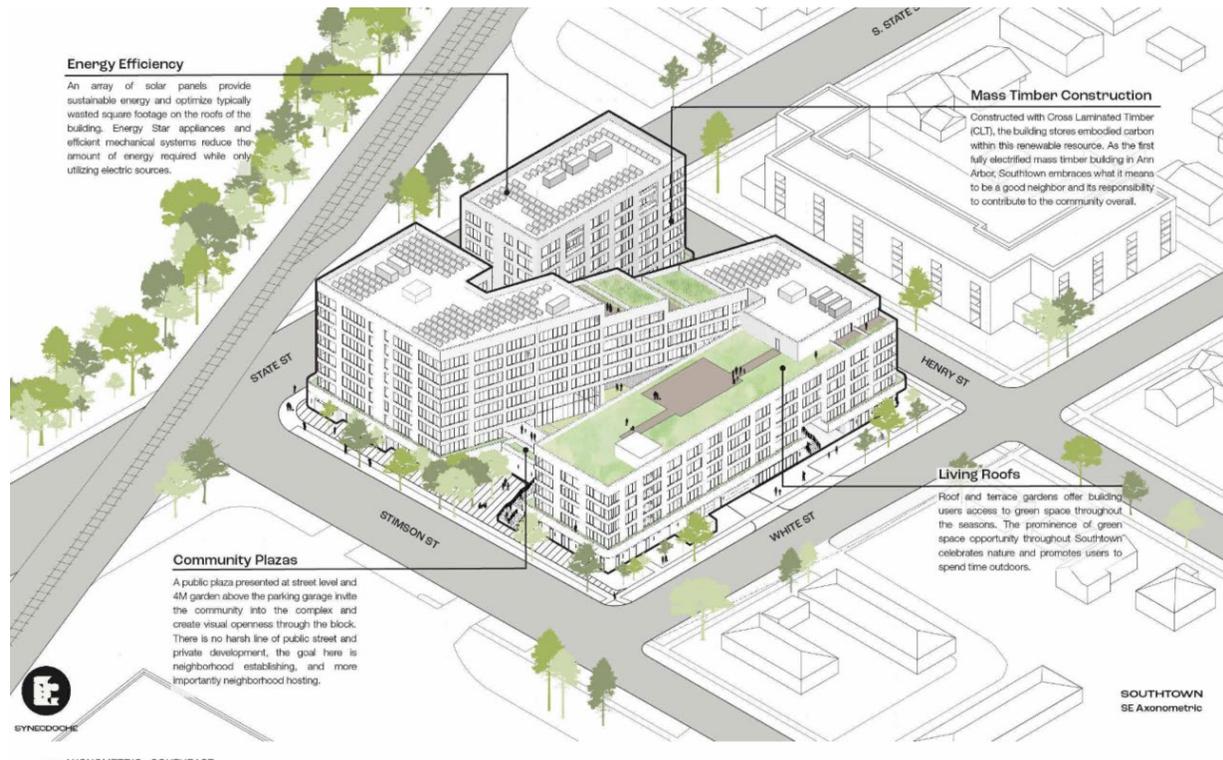


Figure 5: Axonometric Site Layout (from Stimpson/White corner looking NW)

A development standards review is provided below. Notable site plan details include:

- **Setbacks from Lot Line** – The proposed building is set back a minimum of 5 feet from the South State Street front lot line, a minimum of 10 feet from the Stimpson Street front lot line, a minimum of 9 feet from the White Street front lot line, and a minimum of 6 feet from the Henry Street front lot line. The C1A/R district requires a 10-foot minimum front setback, but per Section 5.18.3.C, Setback Line and Yard Alternatives, a minimum required setback can be decreased up to 50% when another required setback is increased such that the total setback area for the site remains equal to the normally required measurement.
- **Setbacks from Curb** – Setback measurements are taken from a lot line. However, staff required the proposed development to be set back at least 19 feet from the back of the curb, based on the Downtown Street Design Manual guidelines for destination streets, to allow sufficient pedestrian and amenity zones for the proposed high-density development. This is because the existing streets, sidewalks, and lawn extensions surrounding the site and its neighboring blocks were sized for low or mid-density residential uses. Given the significant increase in density with the proposed rezoning and site plan for 216 dwelling units plus additional ground floor commercial uses, more space for pedestrian circulation is warranted.



Figure 6 – Axonometric Site Layout (Henry/South State corner looking SE)

- Pedestrian Amenities – The proposed development is surrounded by public sidewalks offering at least 8 feet of pedestrian walking zones and additional space for amenities (bicycle hoops, streetlights, traffic signs, etc.). The development also includes a pedestrian plaza on its south side, adjacent to Stimpson Street. In addition, pedestrians can use stairs from Stimpson and Henry Streets to access an elevated plaza with hardscape and raised planting beds.
- Active Open Space – The proposed C1A/R With Conditions district requires a minimum of 50 feet of active open space per dwelling unit (whereas none is normally required in the C1A/R district) and the proposed site plan includes 91 square feet per unit. Active open space is open space suitable for outdoor recreation and can include lawns, sidewalks and pathways, playground and fields, decks, balconies and accessible portions of roofs.
- Driveways – The proposed development has two driveways, one on White Street to access the parking garage, and one on Henry Street for solid waste and recycling service.
- Parking – Fifty-four vehicle parking spaces are proposed in the parking garage, approximately 1 for every 4 apartments. Eight electric vehicle charging stations will be installed (10%) and the remaining spaces will be “plumbed” for easy installation of future charging stations. On-street parking is available on South State, Henry and White Streets. One bicycle parking space is proposed for every apartment and for every 2,100 square feet of commercial floor area for a total of 224 spaces.

- **Landmark Trees** – There are nine landmark trees on the site and two landmark street trees. All nine landmark trees are proposed to be removed and replaced with mitigation trees. Two alternatives for new development without impacting the landmark trees were analyzed on Sheet C-204 of the Site Plan.
- **Sustainability** – The development team has focused on three major components to prioritize sustainability. In summary, 1) the building is proposed to be constructed using mass timber and cross laminated timber sourced from sustainably managed forests, 2) the building will not use any gas equipment or connections, and 3) the building location prioritizes multi-modal transportation. A full description is provided on Sheet A700 of the Site Plan.

Development Standards Review Chart		
	South Town	C1A/R Standard
Lot Area	Combined Lot Area 69,888 SF Site Area (inc. alley vacation) 72,148 SF	No minimum
FAR	345% of site area, Or 308% of site area with variance	Maximum 300%, Or 311% including premium floor area
Floor Area	246,670 SF, Or 222,404 SF with variance	Normal Maximum 216,444 SF Premium + 8,000 SF Total With Premium 224,444 SF
Open Space	19,656 SF (91 SF per Dwelling Unit)	Minimum 50 SF per Dwelling Unit*
Building Height	85'	Maximum 100 ft ⁶ *
Front Setback	S State: 5.1' to 6.3' Stimpson: 10.4' to 48.5' White: 9.5' to 15.5' Henry: 6.4' to 53.9'	Minimum 10' (can be reduced 50% with balance)
Parking – Vehicles	54 (8 EV-1, 48 EV-C)	Maximum 1 per 4 Dwelling Unit* (if, then 10% EV-I, 90% EV-C)
Parking – Bicycles	Total 224 124 Class A 48 Class B 44 Class C	Minimum Total 57 27 Class A 0 Class B 30 Class C
* Per Conditional Zoning Statement of Amended Conditions		

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STREET VACATION PETITION:

The site includes part of Lots 8 and 18, and all of Lots 9, 10, 19, and 20 and an alley in Block 3 of the 1890 Hamilton, Rose and Sheehan's Addition to the City and Town of Ann Arbor. The alley was never developed or improved and contains no public utilities except for electric lines serving the current buildings, which are proposed to be demolished.

The applicant has requested the alley be vacated and the land attached to each of the adjacent lots in accordance with State platting procedures.

An application for street/public right-of-way vacation has been submitted, see attachment file name "20221021_SouthTown_Street Vacation Application.pdf" of project SV22-2000.

CITIZEN PARTICIPATION:

A citizen participation meeting was held on Wednesday, September 21, 2022. Residents and property owners within 1,000 feet of the site were invited. The applicant's report of the meeting can be found on the Stream system at stream.a2gov.org for plan number SP22-2017, file name: 20220921_SouthTown_Citizen Participation Report_v1.pdf

CITY MASTER PLAN:

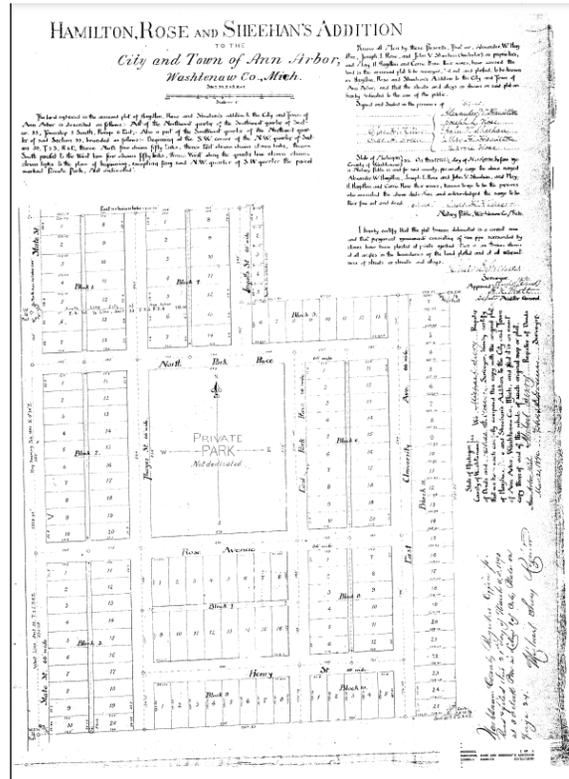
The elements that constitute the current Comprehensive Plan include the:

- 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.

SERVICE UNIT COMMENTS:

The application materials have been reviewed by staff from Land Development, Parks and Recreation, Transportation, Planning, Public Works, Engineering, Sustainability, Fire Marshal, Building, and Urban Forestry/Natural Resources.



Planning – Staff have no further comments on the proposed project other than what has been noted in this report: the development should provide at least 19 feet from the back of curb to the building face (which it does) and all the dimensional standards of the proposed C1A/R district without the need for any variances (which it does not).

A variance has been requested from the definition of FAR, which will effectively allow the project to have a greater FAR than the maximum permitted including premium floor area, and will be considered by the Zoning Board of Appeals on May 24, 2023. Staff do not provide recommendations in their reports to the ZBA, but the Board is provided with Planning Staff Reports such as this one and the minutes of relevant City Planning Commission meeting minutes.

Engineering – Engineering staff are still working to review site plan version 3, the most recently submitted site plans. Staff comments for version 2 are outlined below. Recommendation: postpone for results of review 3.

- A triangle at the corner of South State Street and Stimpson Street must be dedicated as right-of-way to compass existing sidewalk and traffic signal infrastructure.
- The proposed curb cut and drive approach to the solid waste service area does not meet the minimum dimension standard.
- The proposed bicycle hoops in the South State Street right-of-way should be moved onto the site. Bicycle hoops in the public right-of-way require a license agreement to address maintenance and replacement responsibility.
- The proposed site plan must clarify if and where fire walls are included as these impact the fire service and sanitary sewer service lead requirements.
- Modeling of the proposed sanitary sewer impacts is pending.

Transportation – Transportation impact analyses are required for proposed rezonings and proposed site plans meeting certain thresholds for peak hour trips. Transportation's review of the submitted transportation impact analysis found several general and specific concerns. Overall, the transportation impact analysis: does not address all modes of transportation in the recommended format, uses an unacceptable methodology for balancing traffic volumes, does not consider nearby developments, uses an unacceptable trip generation source data, and does not explore changes to operations to best serve the proposed development. Recommendation: revise and resubmit.

Parks – A contribution of \$625.00 per dwelling unit has been requested and will be made by the applicant. The contribution formula represents the dollar amount per dwelling unit to maintain 0.0125 acres of parkland per household, keeping pace with the current amounts, and the average cost to acquire an acre of parkland (\$50,000.00). For the proposed 216 dwelling units, the contribution to be provided prior to issuance of certificates of occupancy is \$135,000.00. The contribution will be used to benefit the residents of the development with improvements to nearby parks such as Graydon and Frisinger Parks.

Fire Marshal – The Fire Marshal's review of site plan version 3 indicated the need to acknowledge and comply with applicable codes for the stairway access to the roof and the rooftop gardens and landscaping. Recommendation: revise and resubmit or conditional approval.

Public Works – Public Work’s review of site plan version 3 asks for the solid waste collection containers to be larger sized and for some changes to ensure service access.

Recommendation: revise and resubmit or conditional approval.

Stormwater Management – Staff comments on site plan version 3 include requiring clarification or changes to the infiltration system from the permeable pavers and providing details of proposed bioswales.

Prepared by Alexis DiLeo
5/11/23; Corrected 5/15/23

Attachments: Site Plan
Zoning Map
Aerial Photo
Draft Conditional Zoning Statement of Conditions
Draft Development Agreement
[Link](#) to rezoning file REZ22-0002
[Link](#) to site plan file SP22-2017
[Link](#) to street vacation file SV22-2000

c: Applicant and Engineer – Nederveld Engineering (Brandon Chaney)
Architect – Synecdoche (Adam Smith)
Owner – Prentice Partners of Ann Arbor, LLC (Margaret Poscher)