### PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of February 5, 2019

SUBJECT: South Ashley Street (West side of 600 Block) Rezoning

### PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council rezone 7 lots on the west side of the 600 block of South Ashley between 606 to 628 S. Ashley from C2B (Business Service) to R2A (Two-Family Dwelling District) after studying the area as directed and as recommended by the Future Land Use chapter of the <u>City of Ann Arbor Master Plan</u>: Land Use Element.

### **STAFF RECOMMENDATION:**

Staff recommends **denial** of the proposed rezoning of 7 lots from C2B to R2A because it reduces the likelihood of remediating contaminated soils, would create a non-conformity related to use, and would result in the parcels becoming more non-conforming with regard to lot size.

### **SUMMARY:**

On September 4, 2018, City Council directed staff to study portions of the west side of the 600 block of South Ashley for a possible rezoning from C2B (Business Service) to R2A (Two-Family Dwelling) by approval of Resolution R-18-361.

The study area generally corresponds to an area called out in the <u>City of Ann Arbor Master Plan: Land Use Element</u> (page 74) where the zoning designation "should be changed to protect the existing lower-density development." There are 7 lots in the study area, all but one of which are non-conforming lots (having less than 4,000 square feet of lot area). Staff conducted an analysis of the proposed rezoning and is recommending that the zoning remain C2B.

## **BACKGROUND:**

Most of the buildings on the west side of this block were built in the late 19<sup>th</sup> century or early 20<sup>th</sup> century with the exception of the Armen Cleaner building which was built in the middle of the 20<sup>th</sup> century. Commercial uses exist on the northernmost property (Washtenaw Dairy) and the southernmost property (Armen Cleaners). The Central Area Plan recommended that the 7 parcels in the middle of the block (not the parcels with commercial uses at the north and south ends of the parcels) be rezoned from C2B to residential zoning to encourage residential use and character. The block is within the Old West Side historic district.

The study area covers approximately .6 acres and contains 7 small lots. Most lots have a single family home but one is used for a business. Only 628 S. Ashley conforms with the minimum lot size requirement of the C2B zoning.

In 2018, one of the residential property owners wanted to build an addition to their property which would have required a site plan (additions in commercial zoning districts require site plan approval since they can be converted to commercial uses). The property owner asked their City Council representative to initiate rezoning of their property consistent with the recommendation of the <u>City of Ann Arbor Master Plan: Land Use Element</u>. After direction by City Council through Resolution 18-361, staff analyzed the request.

### **ANALYSIS:**

# **Environmental Information:**

This area is subject to some environmental concerns, based on the historic operation of a dry cleaning business at the south end of the block:

- PERC is in the soil from Armen Cleaners and is flowing north.
- PERC was getting into the basement of the house immediately north of Armen Cleaners.
- Using emergency response funds, the EPA conducted work in the early 2000's and retested the air at 628 S. Ashley.
- The MDEQ has not identified anyone as a responsible party.
- Groundwater is high in this location.
- Testing took place in early 2000's and within last few months.
- Estimated cost of cleanup might be \$2,000,000 not including acquisition of properties.

Staff is of the opinion that downzoning the 7 parcels might reduce the likelihood that the block will be acquired for new development and the contamination cleaned up.

Zoning Analysis: The total size of the 7 residential parcels (without the Dairy and Armen properties) is approximately 23,910 sq/ft. The lot depth is approximately 99 feet (from the S. Ashley ROW to the back of each lot). C2B allows 200% FAR and buildings to be up to 4 stories in height; it requires a 30' rear setback when abutting residential while R2A allows approximately 10 du/acre and 30' in height with 30' rear setback which would allow a maximum of 5 dwelling units (max of 20 beds) in 2 duplexes and 1 single family house on the site between Armen Cleaners and the Dairy if a developer acquired all lots and proposed a development project. Parking would be required of any project. Since a high water table exists, parking would likely be part of the first floor in garages or on a surface lot. A minimum of 1 parking space would need to be provided per dwelling unit in the C2B district. An owner-occupied condo project in the C2B might have around 30-40 units with 30-40 parking spaces. These spaces would likely be on the ground level or in garages. A 5 unit project in the R2A would require at least 8 parking spaces which could be surface spaces or spaces in garages.

Rezoning to R2A would also result in creating a non-conforming use of one of the parcels which currently functions as a business. It would also result in creating parcels that are even more non-conforming is size than they already are. R2A has a minimum lot size requirement of 8,500 square feet compared to the minimum lot size requirement of the C2B (4,000) square feet).

<u>Benefits Analysis</u> – As with any policy decision, the proposed rezoning has both pros and cons as well as secondary benefits.

- Pro: Preserve Existing Character. The R4A zoning district would likely result in very few changes for the block since a property owner or developer would need to assemble at least 3 parcels to construct a duplex.
- Con: Rezoning would likely result in soil cleanup not likely take place. Federal, state, county, and local governments do not have mechanisms to clean up contaminated sites such as this. Brownfield legislation is structured for developers to clean up soil contamination.
- Secondary: A new development project could provide visual impacts to residents
  who live on the east side of the 600 block of South Second Street since the C2B
  could accommodate a building that has greater height and massing than the
  current structures. However, any new development would require a developer to
  obtain approval from the Historic District Commission, which would be interested
  in maintaining historic character of the neighborhood as well as the Planning
  Commission and City Council.

### PLANNING STAFF COMMENTS:

C2B has the potential to incentivize redevelopment (and therefore Brownfield cleanup) more than the R2A. R2A zoning is not a dense enough zoning district to incentivizes redevelopment on the site which includes Brownfield cleanup. Downzoning to R2A would decrease the likelihood of Brownfield cleanup. The historic district currently discourages any type of redevelopment. Any redevelopment would need to be sensitive to maintaining historic character and scale. Staff recommends keeping the C2B zoning in place for the entire block to provide an opportunity for future site cleanup.

Prepared by Jeff Kahan Reviewed by Brett Lenart 2/1/19

Attachments: Aerial Zoom

Zoning Map

**Proposed Zoning Map** 

c: City Attorney's Office Project No. Z19-002





