

MEMORANDUM

TO: City Planning Commission
FROM: Wendy L. Rampson, Planning Manager
DATE: December 3, 2013
SUBJECT: **Downtown Zoning Evaluation Recommendations**

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council adopt the "Resolution Regarding Recommended Downtown Zoning Amendments" dated December 3, 2013.

STAFF REPORT

On November 19, 2013, the Planning Commission continued its discussion on the downtown zoning recommendations to the December 3, 2013 meeting due to the lateness of the hour. The revised resolution, as amended at the November 19th meeting, is attached.

Subsequent to the Commission's last meeting, the Design Review Board (DRB) met to discuss the proposed recommendation to require compliance with DRB comments to receive any premium. DRB members agreed that there is a role for the board in the project approval process, but they were concerned about being selected as the sole gatekeeper for attaining premiums. In particular, they noted that the current design guidelines were purposely drafted to be flexible for use in an advisory process and may not work well as part of a mandatory process.

The DRB expressed interest in continuing the discussion about how to improve the design review process, and suggested that the DRB and the Planning Commission discuss this topic at a joint meeting. Staff will work to schedule this meeting in the next few months.

Please note that the property owner of the 425 S. Main site has submitted a packet of information for your review. This information may be found in the Correspondence to the Planning Commission section of your packet.

Attachments: 12/3/13 Draft Resolution Regarding Recommended Downtown Zoning Amendments
11/19/13 Staff Memorandum (with attachments)

c: City Attorney's Office

**Resolution Regarding
Recommended Downtown Zoning Amendments
December 3, 2013**

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, 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, and add include a tower diagonal maximum and consider a step-back /or “shadow setback” requirement to limit reduce the shading of on adjacent residential properties to the north.
- 3) ~~Rezone the block bounded by Huron, Division, Ann and Fifth Avenue from E. Huron 2 Character Overlay District to East Huron 1 Character Overlay District.~~
- 4) 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.
OR
Change the maximum height in the Main Street Character District to 100 feet when within 20 feet of a residential zoning district and add a tower diagonal maximum and/or “shadow setback” requirement to limit shading on adjacent residential properties.
- 5) Revise the premium conditions to require compliance with Design Review Board recommendations for a project to receive any premium in the D1 or D2 districts.

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- 6) ~~Revise the residential use premium to be more specific about the types of units that will be eligible for premiums.~~
- 7) Reduce the residential use premium with the goal of from 0.75 sf to 0.25 sf per square foot of residential use to encourage 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.
- 8) 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. ~~Revise the affordable housing premium so that the provision of affordable housing or a contribution-in-lieu of affordable housing is mandatory for receiving any premiums in the D1 or D2 districts.~~
- 9) Eliminate the affordable housing 900% FAR “super premium”.
- 10) ~~Include other types of premiums in addition to the ones currently available.~~
- 11) 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 the above changes to City Code and the Zoning Map; 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.

MEMORANDUM

TO: City Planning Commission
FROM: Wendy L. Rampson, Planning Manager
DATE: November 19, 2013
SUBJECT: **Downtown Zoning Evaluation Recommendations**

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council adopt the "Resolution Regarding Recommended Downtown Zoning Amendments" dated November 19, 2013.

STAFF REPORT

On November 6, 2013, the Planning Commission postponed action on the downtown zoning recommendations to allow for additional discussion and public commentary at a working session. At the working session of November 12, 2013, Commission members considered a number of refinements to the draft resolution that will be provided to City Council.

Based on this discussion, the draft resolution (attached) has been revised and includes the following substantive changes from the October 15, 2013 draft resolution:

- Removes the recommendation to rezone the Municipal Center parcel from PL to D2.
- Adds a recommendation for including a "shadow setback" requirement in the East Huron 1 Character Overlay District to limit shading on adjacent residential properties.
- Provides two potential options for the parcel at 425 S. Main:
 - 1) Rezone 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.
OR
 - 2) Change the maximum height in the Main Street Character District to 100 feet when within 20 feet of a residential zoning district and add a tower diagonal maximum and/or "shadow setback" requirement to limit shading on adjacent residential properties.
- Revises the recommendation for requiring affordable housing units as a condition of premiums to add the option of providing a contribution-in-lieu of affordable housing units.
- Adds a recommendation to reduce the residential use premium from 0.75 sf to 0.25 sf per square foot of residential use to encourage the use of other premiums.
- Adds a recommendation to evaluate the downtown real estate market to determine the effectiveness of premium incentives every 2-5 years.

Attachments: 11/19/13 Draft Resolution Regarding Recommended Downtown Zoning Amendments
10/15/13 Staff Memorandum (with attachments)

c: City Attorney's Office

**Resolution Regarding
Recommended Downtown Zoning Amendments
November 19, 2013**

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 and November 19, 2013;

Whereas, The City Planning Commission, at its meeting of November 19, 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 and add a tower diagonal maximum and/or "shadow setback" requirement to limit shading on adjacent residential properties.
- 3) Rezone the block bounded by Huron, Division, Ann and Fifth Avenue from E. Huron 2 Character Overlay District to East Huron 1 Character Overlay District.
- 4) 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.
OR
Change the maximum height in the Main Street Character District to 100 feet when within 20 feet of a residential zoning district and add a tower diagonal maximum and/or "shadow setback" requirement to limit shading on adjacent residential properties.
- 5) Revise the premium conditions to require compliance with Design Review Board recommendations for a project to receive any premium in the D1 or D2 districts.

**Resolution Regarding
Recommended Downtown Zoning Amendments
November 19, 2013**

- 6) Revise the residential use premium to be more specific about the types of units that will be eligible for premiums.
- 7) Reduce the residential use premium from 0.75 sf to 0.25 sf per square foot of residential use to encourage the use of other premiums.
- 8) Revise the affordable housing premium so that the provision of affordable housing or a contribution-in-lieu of affordable housing is mandatory for receiving any premiums in the D1 or D2 districts.
- 9) Eliminate the affordable housing 900% FAR "super premium".
- 10) Include other types of premiums in addition to the ones currently available.
- 11) 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 the above changes to City Code and the Zoning Map; 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.

DRAFT

MEMORANDUM

TO: City Planning Commission

FROM: Wendy L. Rampson, Planning Manager

SUBJECT: **Downtown Zoning Evaluation Recommendations**

DATE: October 15, 2013

STAFF REPORT

The Ann Arbor Discovering Downtown (A2D2) initiative provided a comprehensive update of the City's downtown zoning, transportation, urban design and historic preservation plans and codes. The A2D2 effort culminated in the adoption of downtown zoning amendments in 2009, in coordination with amendments to the Downtown Plan.

In March and April 2013, City Council passed resolutions (attached) directing the Planning Commission to review several aspects of these downtown zoning changes 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 provides a summary of the public input and the consultant's final recommendations for zoning changes.

Please note the following substantive changes that have been made to the October 4, 2013 draft report:

- Ann Street site: expanded the area recommended for D2 zoning to include the Municipal Center site and recommended the extension of the E Huron 2 character area westward
- Huron Street site: provided new visuals for the diagonal, and included specifics on the maximum diagonal (130')
- William Street site: provided new visuals and included specifics on the maximum diagonal (50% of the maximum parcel diagonal); also included the idea of split zoning on the parcel

Attachments: 3/18/13 Council Resolution
4/1/13 Council Resolution
10/15/13 Draft Resolution
10/10/13 Final Downtown Zoning Evaluation Recommendations Report with
Appendices (separate files)

c: City Attorney's Office



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
[http://a2gov.legistar.com/
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

Council Action

Resolution: R-13-078

File Number: 13-0170

Enactment Number: R-13-078

Resolution to Direct the Ann Arbor Planning Commission to Review D1/D2 Zoning and Make Recommendations to Amend the Current D1 Zoning Regulations

Whereas, The hybrid zoning standards provided in D1 (Downtown Core) zoning for the downtown have been established since 2009;

Whereas, A sufficient number of projects have been proposed under the new zoning to provide the necessary data; and

Whereas, City Council seeks to ensure that all development in the D1 zoning district is consistent with the adjacent residentially-zoned districts and that all new buildings fit sensitively into the existing development context as noted in the City's Master Plans;

Whereas, City Council also seeks to ensure that high rise buildings have minimum negative impacts in terms of scale, shading and views as noted in the City's Master Plans;

Whereas, City Council recognizes the irreplaceable physical, cultural and historical attributes of the City's downtown and surrounding neighborhoods that the City could lose if the underlying review and subsequent modification of the City's zoning ordinances do not take place;

Resolved, That the City Council directs the Planning Commission to review recently approved and recommended site plans in the D1 zoning district to determine whether these zoning standards provide clear, understandable requirements regarding both form and use and at the same time conform to and carry out the goals of the City's Master Plan, Downtown Plan and Character Overlay Districts; and

Resolved, That City Council provide the Planning Commission with a scope of work and a timeline by April 1, 2013.

Sponsored by: Briere and Kunselman

As Amended by Ann Arbor City Council on March 18, 2013

At a meeting of the City Council on 3/18/2013, a motion was made by Sabra Briere, seconded by Stephen Kunselman, that this Resolution R-13-078 be Approved as Amended. The motion passed.



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
[http://a2gov.legistar.com/
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

Council Action

Resolution: R-13-093

File Number: 13-0354

Enactment Number: R-13-093

Resolution Directing the Ann Arbor City Planning Commission to Review Specific D1 Zoning

Whereas, Ann Arbor City Council passed Enactment No: R-13-078 on March 18, 2013, a Resolution to Direct the Ann Arbor Planning Commission to Review D1/D2 Zoning and Make Recommendations to Amend the Current D1 Zoning Regulations, as amended (the "Resolution");

Whereas, The Resolution provides general direction to the Ann Arbor City Planning Commission as to the nature and timing of the requested review; and

Whereas, City Council wishes to provide more specific requests to the Planning Commission to better facilitate their consideration;

RESOLVED, That City Council requests the City Planning Commission to specifically address these 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; and (iii) consider a parcel on the south side of Ann St. adjacent to north of city hall that is currently zoned D1 to be rezoned to the appropriate zoning for this neighborhood; and

RESOLVED, That City Council requests that Planning Commission complete its review and report to the City Council by October 1, 2013.

Sponsored by Councilmembers Higgins, Taylor and Briere

At a meeting of the City Council on 4/1/2013, a motion was made by Sabra Briere, seconded by Chuck Warpehoski, that this Resolution R-13-093 be Approved. The motion passed.

Proposed Resolution regarding Downtown Zoning Recommendations

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 developed a report with recommendations, dated October 10, 2013;

RESOLVED, the City Planning Commission, after reviewing the consultant's recommendations and considering comments presented at a public hearing on October 15, 2013, forwards the following recommendations to City Council:

- 1) Rezone the parcel located at 336 E. Ann from D1 (Downtown Core) to D2 (Downtown Interface).
- 2) Rezone the Municipal Center parcel from PL to D2 (Downtown Interface)
- 3) Reduce the maximum height in the East Huron 1 Character District to 120 feet and add a tower diagonal maximum of 130 feet.
- 4) Rezone the D-zoned parcels on the block bounded by Huron, Division, Ann and Fifth Avenue from E. Huron 2 Character Overlay District to East Huron 1 Character Overlay District.
- 5) Change the maximum height in the Main Street Character District to 150 feet when within 20 feet of a residentially zoned area and add a tower diagonal requirement of 50% of the maximum parcel diagonal.
- 6) Rezone the south half of the parcel at 425 S. Main from D1 (Downtown Core) to D2 (Downtown Interface).
- 7) Require approval of the Design Review Board for a project to be eligible for any premium.
- 8) Revise the residential premium to be more specific about the types of units that will be eligible for premiums.
- 9) Revise the affordable housing premium so that the provision of affordable housing is mandatory for receiving any premiums.
- 10) Eliminate the affordable housing 900% FAR "super premium".
- 11) Include other types of premiums in addition to the ones currently available.