

MINUTES

**ANN ARBOR CITY PLANNING COMMISSION**

REGULAR MEETING

7:00 p.m. – January 19, 2006

Time: Chair Hall called the meeting to order at 7:05 p.m.

Place: Council Chamber, Second Floor, 100 North Fifth Avenue, Ann Arbor, Michigan.

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ROLL CALL

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Members Present: Carlberg, Emaus, Hall, Kunselman, Lipson, Potts

Members Absent: None

Members Arriving: Bona, D'Amour, Pratt

Staff Present: Cheng, Foondle, Kahan, Kowalski, Lloyd

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INTRODUCTIONS

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None.

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MINUTES OF PREVIOUS MEETING

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None.

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APPROVAL OF AGENDA

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**Moved by Carlberg, seconded by Kunselman, to approve the agenda.**

A vote on the motion showed:

YEAS: Carlberg, Emaus, Hall, Kunselman, Lipson, Potts

NAYS: None

ABSENT: Bona, D'Amour, Pratt

**Motion carried.**

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REPORTS FROM CITY ADMINISTRATION, CITY COUNCIL,  
PLANNING AND DEVELOPMENT SERVICES, PLANNING COMMISSION  
OFFICERS AND COMMITTEES, WRITTEN COMMUNICATIONS AND PETITIONS

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None.

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AUDIENCE PARTICIPATION

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Karen Sidney, 100 Longman Lane, encouraged the Planning Commission to have all of the information on the William Street Station proposal (old YMCA building) before making a recommendation. She believed most significant was the missing affordable housing agreement and said she did not know how the public benefits could be decided without the specifics of that agreement. She also expressed concern about support services, stating that she did not think the City could house the proposed population without adequate support services.

Enter Pratt.

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PUBLIC HEARINGS SCHEDULED FOR NEXT MEETING

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None.

Enter D'Amour.

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REGULAR BUSINESS

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a. Public Hearing and Action on Anderson Annexation and Zoning, 0.22 acre, east side of Glenwood Street, south of Dexter Road. A request to annex this parcel into the City and zone it for single-family residential use – Staff Recommendation: Approval

Cheng explained the proposal.

Noting no further speakers, Hall declared the public hearing closed.

**Moved by Carlberg, seconded by Potts, that the Ann Arbor  
City Planning Commission hereby recommends that the**

**Mayor and City Council approve the Anderson Annexation  
and R1C (Single-Family Dwelling District) Zoning.**

Kunselman stated that he would abstain from discussion and voting for personal reasons.

A vote on the motion showed:

YEAS: Carlberg, Emaus, Hall, Lipson, Potts, Pratt  
NAYS: None  
ABSTAIN: Kunselman  
ABSENT: Bona, D'Amour

**Motion carried.**

b. Public Hearing and Action on Kitchen Annexation and Zoning, 0.87 acre, 2590 Miller Road. A request to annex this parcel into the City and zone it for single-family residential use – Staff Recommendation: Approval

Cheng explained the proposal.

Noting no further speakers, Hall declared the public hearing closed.

**Moved by Pratt, seconded by Lipson, that the Ann Arbor  
City Planning Commission hereby recommends that the  
Mayor and City Council approve the Kitchen Annexation and  
R1C (Single-Family Dwelling District) Zoning.**

A vote on the motion showed:

YEAS: Carlberg, Emaus, Hall, Kunselman, Lipson, Potts, Pratt  
NAYS: None  
ABSENT: Bona, D'Amour

**Motion carried.**

c. Public Hearing and Action on Kingsley Lane PUD Zoning District and PUD Site Plan, 0.38 acre, southeast corner of Kingsley and Ashley Streets. A proposal to revise the approved PUD to construct a nine-story mixed-use building for general office and multiple-family residential uses, a four-story building for multiple-family residential use, and the reuse of an existing building for general office and retail uses, with a maximum of 28 parking spaces – Staff Recommendation: Table

Kowalski explained the proposal.

Connie Dimond, of JJR, representing the petitioner, provided background information on this proposal and explained why it was back before the City in revised form. She stated that the petitioner believed this new configuration would make it possible to provide up to five affordable housing units on the site. She distributed a record of the meetings the petitioner has had with property owners and residents in the vicinity of this project.

Enter D'Amour.

Laura Rubin, executive director of the Huron River Watershed Council, believed this was a great opportunity for the City to begin discussing the transfer of development rights. She saw an opportunity with these types of developments to link increased density in urban areas with the protection of land outside of the City. She noted that the greenbelt funds would be running out in five years and this was an opportunity to start replenishing those funds with by creating a transfer of development rights program. She hoped the Planning Commission would take this into consideration and said the Huron River Watershed Council would be happy to work with the City on this.

Jim Mogenson, 3780 Greenbrier, expressed concern about PUD projects and the open-ended negotiation process that seemed to be occurring with revisions coming back after initial approval. He questioned when PUD projects would be considered truly done and expressed concern about tradeoffs being decreased with each iteration of the proposal.

Marc Rueter, of Rueter Associates Architects, representing the petitioner, presented the revised version of the proposal. He explained that following approval of the original PUD, it was discovered that the amount of required infrastructure would cost about \$100,000 per unit to just begin construction. As a result, he said, they determined that a nine-story tower would be the best and most feasible approach. The relationship between the two new buildings would be improved, he said, and noted that they were not increasing the size of the footprint. It was their hope that Commission would make a recommendation on the nine-story building this evening and not table action.

Petey Robey, director of Home Place Community Land Trust, stated that when a developer provides a cash contribution in lieu of actually providing affordable housing units, the downtown did not get the affordable housing units. She thought it was very important to the community to offer that type of diversity in the downtown area. She liked this project because the difference in price between affordable and market rate was not so incredible that there would be a big difference in the incomes of the residents. She asked the Planning Commission to favorably consider the increased density, as it would provide more affordable units.

Newcombe Clark, a resident on West Liberty Street, said he did not have a problem with the proposed nine stories. Having places for people to live in the downtown was a goal of the City, he said, and if this allowed that goal to come to fruition and not create a big impact on the neighborhood, he thought Commission should consider a recommendation of approval. He stated that the City would not get people of diverse age, income, religion, etc. to live in the downtown if it continued to allow projects with a luxury level of units.

Kay Kendall, 122 West Kingsley Street, stated that he has lived in this nice, quiet neighborhood for 14 years and planned on continuing to live here. While she did not particularly care for this site being developed as proposed, she trusted that the petitioner would develop it properly and said she was supportive.

Peter Allen, 2224 Applewood Court, one of the petitioners, believed this was a much more improved project, stating that the whole Calthorpe project public debate triggered a number of issues that were important to incorporate in this design. He explained three reasons why the City should approve nine stories for this site: 1) it was a better design and created better overall shape and massing; 2) having affordable housing units in the development, as well as income

diversity, was good; and 3) it brought up the opportunity for the transfer of development rights. He stated that the City needed to find a way to connect higher density in the downtown to open space on the outside of town and said that he would provide a \$50,000 check to such a program if nine stories were allowed on this site. He said they have held several public meetings with the neighbors, noting that this proposal would create more liveliness and activity on the street.

Noting no further speakers, Hall declared the public hearing closed.

**Moved by Pratt, seconded by Carlberg, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the amended Kingsley Lane PUD (Planned Unit Development) Zoning District and Supplemental Regulations, and PUD Site Plan and Development Agreement.**

Bona clarified that her past connection to this proposal no longer existed and that there would be no need to abstain.

Carlberg stated that the addition of on-site affordable units was laudable. She liked going with smaller units because they would appeal to a variety of people who choose to live downtown without a car. While she would be happy with six stories, the impact of a nine-story building would be less because of the proposed setback, she said.

Potts stated that she supported this creative project the first time it was before Commission. Following Commission action on that project, she said, there were many changes made by Council and many changes made administratively, so the project was changed from what Commission approved. She found that unsettling. She believed one of the fears here was that the downtown would be extended into the residential neighborhood. As much as she liked the proposed architecture and the construction methods for this project, she would have difficulty supporting it because when she voted for the original proposal, she was not counting on a downtown-sized building being constructed on this site.

D'Amour asked if there were a formalized relationship between municipalities on the transfer of development rights (TDR).

Rubin replied no. Because the City already had a temporary structure where it held development rights (Greenbelt Commission), she believed a program could be set up where developers contribute to a certain purchase, not necessarily the purchase of development rights.

D'Amour was glad to see this issue brought up. He said that one of the concerns he has had all along regarding increased density, he said, was the notion that if bigger and more dense development occurred in the downtown, development outside of town would then magically stop. It did not work that way, he said, adding that the City needed a formalized program in place to make that happen. One of his concerns with this proposal was that there were many new concepts as part of the Calthorpe report that the City was dealing with and he was not sure there was a consensus about that, nor was he sure he had legal standing as a Commission member to use that in terms of consideration since the report had not yet been adopted. On the other hand, he said, the Calthorpe report talked about feathering new construction into the community. It would be his preference to see something smaller for this site, he said.

Emaus stated that he liked the contrast of the buildings on the site and the lightness of the development from the corner. He did not think people would see a big mass of building when standing at street level. He thought this proposal seemed to work well for this site. He expressed concern about making sure that what is approved is what will be built on the site, referring to the final product of the building at the old Olga's site at State and Washington. He asked for clarification on the number of affordable housing units that would be part of this development.

Allen stated that their proposal was to provide four affordable units with an eight-story building or five affordable units with a nine-story building. He said the Community Development office has recommended that six units be provided regardless of the building height.

Bona understood the concern for and was supportive of protecting the residential neighborhood. She noted that the only residential neighborhood was to the north and that the properties surrounding the rest of the site were zoned for commercial use. She asked to see the sun/shade study results for noon on both March 21 and September 21, because the morning and evening results already shown missed the north side of the site. One of the reasons she was not as concerned about the shadow effects on the commercial zones was because those properties had the same right to develop a building such as this.

Rueter showed the sun/shade study and explained the results.

Bona said she had a sense of the scale of the proposed building, stating that the height and massing were quite appealing. She was not concerned about that as long as excessive shading was not being forced on residents to the north. She was struggling with the issue of floor area ratio (FAR) in that the underlying zoning for the previously approved project allowed a 300 percent FAR and now the petitioner was proposing 365 percent FAR. In exchange for this increase in FAR, she said, she would need to be more comfortable with the community benefit. She noted that affordable housing units on this site were a big benefit, but said she would be more at ease if there were a way to prevent the petitioner from obtaining approval in the future to pay a cash contribution in lieu of providing the units. The fact that the buildings along the edges of the property were relatively short and a feathering effect was proposed was reasonable, she said. She was very close to being supportive of the project and said she would vote for it assuming the height did not affect the neighbors.

Lipson also expressed concern about the proposed building shading the residential homes to the north, although he said some of his concern was allayed by the support from the long-term resident who lived across the street on Kingsley. He also noted that the sun/shade study indicated that the shade patterns at midday would have a minimal impact. He was less concerned about the commercial properties, noting that they may actually gain more light from reflection from the panels. While the building was a bit tall, he said, the impact should be minimal with the 100-foot setback and the open space that surrounded it. He said there has been continual discussion about on-site affordable housing and here was a petitioner willing to provide it. He found the proposed architecture to be pleasing and supported the innovative techniques to keep costs down while maintaining quality. He planned to recommend approval.

Pratt stated that he also liked the proposed architecture but wondered if there were a way to guarantee that this is what would be constructed.

Lloyd stated that language would be added to the development agreement to ensure that the building would be constructed to comply with the elevations.

Kunselman asked if there were different regulations for alleys, noting the proposal to use up to 600 square feet for office or retail use in place of the three parking spaces adjacent to the alley.

Lloyd stated that alleys were regulated no differently from streets. He said two-way traffic was permitted as long as there was adequate space.

Kunselman asked if the alley would be used by pedestrians to access the retail space.

Allen replied yes.

Kunselman stated that his initial reaction was that a nine-story building would be out of scale in this neighborhood, but said he was swayed by the discussion about building's significant setback. He noted that the Calthorpe report did talk about transitional zones to neighborhoods. He expressed concern about parking and asked about the likelihood of the neighborhood streets being used for parking.

Allen explained that there would be on-site parking, they were on the DDA's waiting list for parking in the Ann-Ashley parking structure, and they would provide drop-off zones for residents unloading such items as groceries. He said they were exploring car-share programs and said the DDA offered permits at the Ann-Ashley parking structure for weekend parking. Ideally, he said, they would like residents to eliminate a car payment and put that money toward a mortgage payment, with necessary services being within walking distance.

Kunselman asked how the petitioner would distribute the eight allotted parking passes if the neighborhood were converted to a residential parking permit program.

Allen stated that if the neighborhood qualified for the parking permit program, they would be open to funding the permit process for the neighborhood parking zone.

Hall liked the proposed design and did not have a problem with the proposed height given the sun/shade studies. She thought this was an innovative project, one that would attract residents who were interested in riding bicycles and car-share programs. She believed it met the spirit of what has been discussed during the community meetings on the Calthorpe project. She appreciated the comments about transfer of development rights, stating that she thought such a program was a good idea.

Emaus asked if the petitioner were willing to commit to six affordable housing units with the nine-story building, in addition to the already proposed \$50,000 contribution toward the transfer of development rights. He also asked if the proposed building would be accessible to people with special needs.

Allen replied that the proposed nine-story building would be handicapped accessible. He said they were willing to commit to the \$50,000 contribution and six on-site affordable housing units.

Rueter added that the residential units could be converted to completely handicapped accessible units and that the open space between the two buildings would have a barrier free surface.

Potts stated that both the Central Area Plan and Downtown Plan, as well as the Calthorpe study, recommended respect for central neighborhoods, which was important to her. She said one of her main concerns was what Council perceived to be affordable, because many of the people she

knew would not be able to afford homes based on that level. She also expressed concern about the changes that were made to projects, both administratively and at the Council level, following recommendation by Planning Commission and suggested that this be discussed at a future working session.

Carlberg stated that affordable unit sale prices would be limited to \$81,000, which was affordable. Someone just getting out of college could probably afford this, she said. She suggested that the second motion be changed to include the six units, but said the final negotiation would be done by Community Development and finalized by City Council.

Kunselman suggested that paragraph P-5 of the development agreement be revised to eliminate the option of contributing \$578 per unit for area park improvements. He would like the contribution to be \$31,223, which was for 54 units, which would eliminate the need for future debate.

**Moved by Kunselman, seconded by D'Amour, to amend paragraph P-5 of the development agreement by deleting the following, "or \$578.00 per residential unit."**

A vote on the amendment to the agreement showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

Kunselman expressed his support for a donation from the petitioner to start a transfer of development rights program. He applauded the petitioner for being the first to offer this. He believed the parking issues would resolve themselves in the future. He agreed that affordability of units was debatable, but said six on-site affordable units would be good. As long as there were proper agreements and the petitioner was held to what was proposed, he would support this. He expressed concern about cash contributions for park improvements, noting that he did not see any capital improvement projects in line with these donations. He suggested that the Farmers' Market be added to the list of park improvements or starting a recreation scholarship program for lower income children.

**Moved by Kunselman, seconded by Bona, to amend paragraph P-5 of the development agreement by adding the following language following the words "North Main Park," "or toward scholarship programs for lower income children of the community for parks and recreation programs."**

A vote on the amendment to the agreement showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

**Moved by D’Amour, seconded by Pratt, to amend the development agreement by adding a new paragraph, as follows: “To make a contribution to the City of \$50,000 for the purchase of development rights in the Ann Arbor Greenbelt District.”**

A vote on the amendment to the agreement showed:

YEAS: Bona, Carlberg, D’Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

D’Amour had concerns about possibly setting a trend of building taller buildings in the neighborhood fringes, but said he was swayed by the comments of his fellow Commissioners. The proposed nine-story building would have significant setbacks, he said, and the point tower was something Commission has been talking about. He also supported the contribution for a transfer of development rights program.

A vote on the main motion showed:

YEAS: Bona, Carlberg, D’Amour, Emaus, Hall, Kunselman,  
Lipson, Pratt  
NAYS: Potts

**Motion carried.**

**Moved by Lipson, seconded by D’Amour, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve affordable residential units on-site.**

**Moved by Emaus, seconded by Lipson, to add the following language to the main motion, “a plan with six small affordable residential units on-site for a nine-story building.”**

Kunselman said he would like to hold the petitioner to six units regardless of the number of stories.

Carlberg stated that according to the ordinance, the petitioner would be required to provide a certain number of units and make up the rest in a contribution to the Affordable Housing Trust Fund. She said the final determination would be made by Council, with a recommendation by the Planning Commission.

A vote on the amendment showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

A vote on the main motion as amended showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously, reads as follows:**

**Moved by Lipson, seconded by D'Amour, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve a plan with six small affordable residential units on-site for a nine-story building.**

d. Public Hearing and Action on William Street Station Site Plan, 1.2 acres, 200 East William Street. A proposal to construct a 320,000-square foot, mixed-use building with an AATA bus station and retail uses on the ground level, commercial or office uses on floors two through four, two residential towers (12 and 14 stories total height) with a maximum of 190 apartment units, and 76 underground parking spaces – Staff Recommendation: Table

Kahan explained the proposal.

Michael Jacobson, managing member of HDC LLC, petitioner, said they endeavored to present a proposal that could be developed under the existing zoning, which they were able to do. He stated that they conducted five public meetings with groups throughout the community, making changes to the proposal based on discussions at the various meetings. He stated that all of the units in the East Tower would be identical and that the affordable housing units would be marketed to people with incomes that were 60 percent or less than the median income. He stated that there were still issues that needed resolution with City Council and the DDA, but that they had been narrowed down. He was confident that they would have a parking plan that would suit this project and asked that the Planning Commission recommend approval of this proposal based on that. He said they were prepared to provide 76 parking spaces underground if this were determined to be necessary after further discussions. It was important to move forward with this project, he said, because they were in the middle of funding rounds for MSHDA tax credits and site plan approval was very important to that process.

Jim Mogenson, 3780 Greenbrier, believed there were two issues here: 1) zoning and the actual building itself, and 2) everything else. He believed the question of whether AATA had sold the Blake Transit Center and the issue of tax credits were uncertainties related to issues other than the building itself. He thought it was important to consider the question of what would happen if any of those issues were not resolved.

Susan Pollay, director of the DDA, explained the discussions that were held between the petitioner and the DDA. She stated that this was an extraordinary project and that these types of projects did not come up very often. She said it was an opportunity to retain 100 housing units for

some of the community's most fragile members, an opportunity to create more retail presence on William, an opportunity to create more residential density in the downtown, and an opportunity to create as many community benefits as possible. She stated that depending on what the Planning Commission and City Council determined for parking for this project, the DDA would be able to work to meet that need. She said there was a great deal of support on the part of the DDA to do whatever it could to meet the goals of the site.

Hal Bowen, property manager of the Federal Building, stated that they have met with the petitioner and architects for this project and expressed appreciation for the reorientation of the towers to provide a clear line of sight from the rear of the Federal Building. He said there were discussions about the 70 parking spaces in the Federal Building lot and the possibility of decking the lot. However, he said, there were security and legal issues that entered into this and that the federal government was not contemplating any projects to improve or change the parking lot at this time.

Noting no further speakers, Hall declared the public hearing closed.

**Moved by Pratt, seconded by Carlberg, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the William Street Station Site Plan and Development Agreement, subject to providing adequate sanitary sewer capacity, subject to reaching agreement with the Downtown Development Authority (DDA) regarding parking, and subject to obtaining necessary variances.**

D'Amour asked if the federal government still felt there were security issues involved with this proposal.

Bowen replied no, stating that most of the security issues had to do with decking the parking lot. He said they had no problem with the location of the proposed building.

D'Amour asked if there were any further information on noise and air quality studies.

Kahan said staff was anticipating further information on these studies to be provided by the petitioner.

D'Amour stated that this was an extremely ambitious project and he appreciated the need to move forward. He expressed concern about all of the elements of this proposal, such as providing workforce housing; rebuilding a transit center with a very unusual building over the current depot, which brought up issues of noise and exhaust; and providing office/retail and market rate condominiums, stating that it seemed like the petitioner was trying to juggle a lot. He said he had many questions, such as how attractive the market rate condominiums would be on this site. He stated that such a large scale project would dramatically change the downtown and, because of all the concerns he had, he was uncomfortable with where the proposal stood right now.

Kunselman asked about references made about the petitioner asking for money from the DDA for improvements, such as sewer, etc.

Pollay stated that the petitioner has asked the DDA for assistance and said discussions began from the dialogue involved in the application for brownfield funding. She stated that in the past, the DDA has made grants available to fund improvements for extraordinary projects. She stated that the elements of those projects that provide a public benefit were what the DDA considered in providing grants. This was a chance to support a project that brought environmentally friendly elements to the site, she said, such as a green roof and environmentally friendly windows. She said it was anticipated that the DDA board would take action on this in February.

Kunselman said he was leery about the street infiltration basins being identified as a public amenity, stating that they would have to be maintained by City staff, with costs possibly escalating because of special maintenance requirements. However, he said, the other proposed elements were on this property and sounded good as long as the petitioner maintained them.

Hall did not believe those elements were part of the site plan before Commission this evening.

Kunselman said there was indecision because the petitioner needed site plan approval for the tax credits, yet the recommendation was to table action until unresolved issues were addressed through various studies.

Carlberg thought it would be helpful if Commission concentrated on the form and elements of the building, with the understanding that many issues would be resolved in the near future. She stated that the affordable housing element of the proposal would most likely be worked out at the last moment, and that it would be City Council doing that. She said the purview of the Commission was the building and how it would function. In looking at the aerial photograph of the proposal, she said, it was clearly in a zone of public buildings and, because of its location, the residential areas to the south would experience minimal shadow impacts. The parking structure to the west would be impacted by shade, she said, but she was not concerned about that. She thought Commission needed to look at whether it was comfortable with 12 and 14-story towers with green space in between. She noted that City Council was absolutely committed to replacing the 100 residential units that were in the old YMCA building and would not approve this proposal without them. She liked the proposed William Street façade and thought that the ground floor retail would bring vitality and economic activity, adding that the City was getting the best of both worlds with this proposal.

Hall stated that noise and exhaust were a concern of the Planning Commission and suggested that perhaps a contingency could be added to the motion to address that.

Potts thought this was a creative proposal and that the two towers were a good solution, rather than a solid-block building. She also thought this location was suitable for the proposed uses and for this type of architecture. Her main concern was with making a recommendation on the building without knowing what was happening with the parking because the whole building could end up being redesigned based on the parking outcome. In her mind, she said, this was a theoretical building and there was no use voting on it until the unknowns were finalized. She stated that this was a partnership building and the Planning Commission had heard from only one of the partners so far, the DDA, which would be taking action next month. She did not know if the AATA had taken action yet. She thought it was important to table action until it was known that this would be a viable development.

Emaus asked what would be put in the lower level if underground parking were not provided on-site.

Jacobson replied that some type of use would go in the basement, but said it would have no impact or cause changes to what was proposed above ground. If the parking were not to be provided underground, he said, they knew they needed a certain number of spaces nearby, which were the 60 spaces in the Fourth and William parking structure they had requested of the DDA. From the beginning of this project, he said, they have requested that this parking be accomplished through an arrangement with the DDA.

Emaus asked what would happen to the space where the ramp was proposed if there were to be no underground parking.

Connie Dimond, of JJR, representing the petitioner, replied that this space would be used for retail, thereby increasing the ground floor retail space by about 2,000 square feet.

Bona asked for clarification regarding parking. She thought she heard a comment about the Fourth and William Structure having a wait list, but that without an additional floor being added to the structure, the DDA could accommodate 60 spaces for this development.

Pollay stated that the wait list was a living creature and that the 60 spaces for this development could be added to the wait list and accommodated given the amount of time that would be involved in actually constructing the project.

Bona stated that the DDA members possessed great integrity and community commitment, but said they were also very astute business people. She believed this kind of parking management was more from a business perspective and not a community perspective. She questioned what would happen to those who would in the future occupy vacant floor areas in the downtown only to find that there were waiting lists for the parking structures. She was concerned that the DDA might be getting ahead of itself. She stated that this was an exciting project, but she wasn't sure she could vote this evening because of the parking issue, where there would be 60 or 163 spaces needed. She believed the Planning Commission was also responsible for planning parking and, if the density in the downtown were going to be increased, the DDA would need to start producing parking for future projects, not after projects were built. If the DDA could provide the City something in writing stating that it was committed to building 125 parking spaces on top of the Fourth and William parking structure, the only other issue that caused her concern was that of noise and exhaust from the bus transit center. She said she would like the Planning Commission to be able to help the DDA put pressure on the entire community to build more parking.

Lipson stated that another issue to consider was that the housing population on this site would be in need of a significant amount of support services. He asked for more information on the level of Hope Network staffing, which would be providing the support services, and the type of space that would be allocated toward that.

Jacobson stated that this building would contain space dedicated for offices, meeting rooms and consultant rooms. He explained that no resident seeking support services could have a service provider impose on them, that the resident would have a choice. He stated that Hope Network would not be able to provide the services, but would manage the building and provide consultants who would be there to help facilitate and arrange for the provision of services.

Lipson expressed concern about the four full-time staff people who would be in charge of operating the building for the 100 residents. That number of staff people seemed a little low to him. With regard to parking, he believed every extra space was needed and said he would like to

see the 76 parking spaces provided on-site. He asked if there would be a major funding problem for this project if the DDA were to not participate in the funding of those spaces.

Jacobson replied that he was unable to determine that at this point in the funding process. He recognized that parking was an issue, adding that balancing their need to move this forward was why they were before Commission this evening. He said they were requesting that the Commission allow them to satisfy the parking issue after the site plan recommendation, recognizing that the parking would be made available either on-site, through the DDA off-site, or a combination of on and off-site.

Lipson stated that this put the Planning Commission in the position of making a decision without having enough information and he was uncomfortable with that, regardless of the positives about the proposal. He had no problem with there being no parking for the 100-unit tower; however, he thought at least 76 parking spaces were necessary on the site.

Jacobson reiterated that they were working to finalize this.

Carlberg pointed out that with regard to support services, the old YMCA did not provide support services for its residents. Since the recent crisis, she said, the City and County have worked together and were now providing support services. She was very confident that by the time this building was built, there would be a good program to meet the needs of the residents. It was already underway, she added.

Lipson found it reassuring that the City was making a commitment in that direction.

Hall asked if there were a mechanism in Chapter 59 that would allow for a variance on the number of parking spaces, or if City Council would have the authority to reduce the number of spaces.

Kahan replied that Council had the ability to reduce the number of parking spaces upon a recommendation from the Planning Commission.

Hall asked about the comparable studies done to develop an analysis for how much parking would be needed.

Jacobson stated that in talking with commercial real estate brokers, it was determined that 60 parking spaces would be more than adequate for the proposed commercial and office square footage. He stated that the location of those spaces, either on-site or in close proximity to the site, was also assessed. With regard to the potential need for additional spaces, he said, that issue was still being considered, as they have been unable to find comparable development in a community this size. He said they have recognized that the potential for additional spaces was there, which is what they presented to the DDA.

Hall expressed frustration that decisions seemed to always come down to parking because the community continually states that it supports non-motorized transportation, yet for every project before Commission, a major issue is parking. The public parking system could not be relied upon, she said, because it was filled to capacity. She thought parking in the downtown was very much of the "if you build it they will come" mindset. She noted that communities in Michigan were particularly attached to cars, but this was not the case for other communities and she did not want the Planning Commission to get hung up on the parking issue. She thought this was an

incredibly innovative project that would be a leader for other communities around the country and that the City needed to operate outside of the box, not within the confines of the parking ordinance. She would be comfortable waiving the parking ordinance requirements for this proposal, given its location on top of a public transit center and the fact that there already was evidence that 100 of the residents did not own cars. If people could not be relied upon to be an urban dweller and take the bus, she did not who could be relied upon to do so. She was ready to recommend approval of this tonight and recommend that Council reduce the parking requirement.

Kunselman referred to the parking ordinance as a “pretend” parking ordinance, because there was no mechanism to require the occupants of this development to purchase leases for the parking spaces the petitioner would be required to provide. He questioned why the issue of parking was even being discussed. He stated that both AATA and the DDA were tax exempt public entities and asked how property tax assessment would be handled.

Jacobson stated that the building would be subject to taxation, with the affordable housing portion taxed with credits.

Kunselman stated that he was comfortable with either of the site plan alternatives (with on-site parking or off-site parking) since it could not be projected who would buy the leases.

Carlberg stated that her interpretation of reaching an agreement with the DDA was that the DDA would need to agree with the required number of spaces and then agree to fill that requirement in the existing, to-be-expanded parking system. She did not have a problem with this and said the plan would be back before the City if it could not be worked out. She also noted that if the AATA had concerns about this project, then they would have been present this evening.

**Moved by Carlberg, seconded by Pratt, to amend the main motion by adding the following language, “...and with the added conditions that 1) noise and exhaust effects from the transit station be satisfactorily addressed for the health of the residents and other users of the facility, and that 2) green building and storm water best practices will be implemented to the greatest extent possible,” and to amend the main motion by adding the following language after the words “(DDA) regarding parking,” “which may include a reduction in the required number of spaces.”**

Hall noted that any reduction in the parking requirement needed to be recommended by the Planning Commission.

Bona reiterated her concern about the DDA giving away parking spaces that should be allocated to others. Because she believed the number of required spaces would be reduced, with which she agreed, she would remove her concern but would like to send a strong message to the DDA that she did not want to see this situation for future developments.

Potts stated that a site plan was a specific legal document and she was concerned about whether or not there were commitments from the DDA. She was concerned about adopting a site plan without a specific number of parking spaces and without a program for handling the program. She did not think this was the proper way to process a site plan.

D'Amour expressed concern about the issue of noise and exhaust. While he recognized that the petitioner was trying to qualify for MSHDA funding and that there were deadlines in terms of funding, he believed the Planning Commission would be remiss if it did not do due diligence with regard to proper site plan review.

Kunselman stated that he originally was very concerned about noise and exhaust issues, but said there was technology to take care of this. If this were to become a problem, he suspected AATA would purchase new buses, otherwise there could be lawsuits. He noted that there were hybrid-powered buses that cut certain emissions up to 90 percent. He asked if the City would be involved in the long-term partnership after the property was sold.

Carlberg stated that the City would no longer own the land, but said there would always be ordinance enforcement control to address noise and exhaust. Also, she said, the City would continue to be involved in the affordable housing aspect of the development, so this project would not fall off the City's radar screen. It was important to the entire community, she said.

Hall stated that this was a tremendous community project and would be an example for the whole country. She would not like to see the Planning Commission send forward a recommendation of denial because there were certain studies not yet finalized. She believed Commission was doing due diligence in terms of ordinance requirements and by recommending that Council not make its ruling until the certain issues were satisfactorily addressed. She did not believe the community would understand that a denial recommendation was because Commission did not have certain paperwork. She believed the major issues were whether Commission believed this proposal was too big or too tall or would generate too much traffic, and Commission did not have concerns with that.

Lipson believed the outstanding issues were being addressed and that the amendment to the motion was satisfactory because there were building code requirements for handling noise and exhaust issues. He stated that he was a bike rider and he disliked the fact that the urban environment has been shaped by the automobile. As a Planning Commission, he said, this reality needed to be addressed, in that the vitality of the downtown would be affected by the availability of adequate parking. He was leaning toward recommending approval of the proposal this evening, he said, recognizing that City Council would have make the final ruling.

Emaus said he supported reducing the parking requirement, given the special conditions of this site. He favored the amendment to regarding noise and exhaust, but thought paragraphs P-20 and P-21 of the development agreement already addressed that issue, although vibration was a concern of his.

A vote on the amendment to the main motion showed:

YEAS: Bona, Carlberg, Emaus, Hall, Kunselman, Lipson, Potts, Pratt  
NAYS: D'Amour

**Motion carried.**

**Moved by D'Amour, seconded by Lipson, to amend paragraph P-20 of the development agreement by adding the words "and vibration" after "To install necessary noise."**

A vote on the amendment to the development agreement showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman, Lipson,  
Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

D'Amour appreciated this ambitious project and wished the petitioner success. He was not comfortable with the plan before Commission, as there were too many unknowns and too many contingencies. He had a difficult time believing that the scale of this project would be particularly attractive for market-type housing. He thought too much was being asked of the City and that it was the City who put the petitioner in this position. He was not happy with what he saw for the long term and said he could not recommend approval.

**Moved by Potts, seconded by D'Amour, to table action.**

A vote on the motion to table showed:

YEAS: D'Amour, Potts  
NAYS: Bona, Carlberg, Emaus, Hall, Kunselman, Lipson, Pratt

**Motion failed.**

A vote on the main motion as amended showed:

YEAS: Bona, Carlberg, Emaus, Hall, Kunselman, Pratt  
NAYS: D'Amour, Lipson, Potts

**Motion carried, reads as follows:**

**Moved by Pratt, seconded by Carlberg, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the William Street Station Site Plan and Development Agreement, subject to providing adequate sanitary sewer capacity, subject to reaching agreement with the Downtown Development Authority (DDA) regarding parking, which may include a reduction in the required number of spaces, and subject to obtaining necessary variances, and with the added conditions that 1) noise and exhaust effects from the transit station be satisfactorily addressed for the health of the residents and other users of the facility, and that 2) green building and storm water best practices will be implemented to the greatest extent possible.**

e. Public Hearing and Action on Metro 202 Rezoning and Planned Project Site Plan, 0.2 acre, 202 South Division Street. A request to rezone this site from C2B/R (Business Service/Residential District) to C2A/R (Commercial/Residential District) and a proposal to construct a 53,454-square foot, nine-story, mixed-use building with retail/commercial uses at the ground level and 44 residential units on floors two through nine – Staff Recommendation: Approval

Cheng explained the proposal and showed photographs of the site.

Frances Todoro, of McKinley Associates, provided an overview of how this proposal fit into plans to activate this block of Liberty and Division. She said she looked forward to eliminating an under-utilized site and adding the nine-story residential building with retail on the first floor. She said it would be pedestrian-oriented, which would help bring this corridor back to life.

Noting no further speakers, Hall declared the public hearing closed.

**Moved by D'Amour, seconded by Pratt, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Metro 202 Rezoning from C2B/R (Business Service/Residential District) to C2A/R (Commercial/Residential District) and Planned Project Site Plan and Development Agreement, with proposed modifications to the front setbacks, subject to executing the agreement with the Downtown Development Authority for 27 automobile spaces off site, a completed study of the impacts to the downstream sanitary sewer system as a result of this development, and a Traffic Impact Study on the distribution and impact on nearby intersections.**

Potts expressed concern about the driveway behind the furniture store and the plan to share it. She noted that this driveway was the only access to the house back behind Washington Street (Burkhardt house) and she could envision delivery and garbage trucks blocking the access.

Kenneth Polsinelli, of McKinley Associates, stated that the furniture store had a 20-foot easement and the Burkhardt house had a six-foot easement on this site to use the driveway. He stated that this development would actually improve the driveway and the amount of impact would be lessened because the number of vehicles that currently use this driveway would be reduced. He also noted that Mr. Burkhardt has never voiced concern about this proposal's impact on his site.

Potts believed the diagonal parking for the furniture store and the loading dock would remain, which would cause problems backing up onto Division Street.

Polsinelli stated that the diagonal parking and loading dock was on the furniture store's property and they were unable to change that. However, he said, they were doing everything possible on their property to reduce the amount of traffic by reducing the number of curb cuts and reducing solid waste pick-up to one garbage truck. He believed the current situation would be improved.

Hall did not think this was a site plan issue, but thought it would be appropriate to have staff check into whether parking was occurring illegally on the furniture store site.

Potts was concerned about the curb cut being blocked by users of this new development.

Albert Berriz, of McKinley Associates, stated that he was duty-bound to grant access through these easements. He stated that McKinley would be the owner and operator of this new building, which would be different from what currently existed, and that they would be thoughtful of and work with their neighbors. He stated that all of the retail in the new building would be front-loaded retail and that only solid waste pick-up trucks would be using the driveway. As part of the DDA's plan for traffic calming and revitalization of Division Street, he said, one side of Division Street was being considered for parking. He said they supported this, regardless of what side of the street the parking would be located, because traffic calming and parking were important on this corridor.

Kunselman asked if the DDA were considering closing a lane on Division Street.

Pollay stated that efforts to create a more pedestrian-friendly Fifth Avenue and Division Street have been studied extensively and that the design phase was just beginning. She stated that there was more than enough capacity on the streets to reduce them to two traffic lanes to add a dedicated bike lane from Beakes to Packard and parking on one side of the street. She added that this would be a positive for the proposed retail use. It would be presented to Planning Commission for review when the design was in a more final phase, she said.

Berriz stated that with regard to parking, they had an agreement with the DDA, which was approved by City Council, for a 20-year lease for parking.

Kunselman stated that after 20 years, the parking would go back to a first-come, first-serve basis.

Berriz stated that they obtained the longest lease possible. He said they were keenly aware of the importance of securing that parking before coming before the Planning Commission. He said they were a large property manager of properties throughout the downtown and were cognizant of their responsibility to police their properties.

Kunselman thought this was a great project. He liked the location and thought the parking was a future issue that would need to be resolved.

Lipson stated that the petitioner's good neighbor policy would be helpful. He said this new building would shade the buildings to the west to some extent and asked how it would impact the foundation of the property to the west.

Bill Meier, of The Meier Group Architects, stated that they would only be excavating four to five feet and would not be driving piles, as the building would be constructed on a concrete slab, so there would be no vibration to cause impact to adjacent sites.

Lipson stated that a single garbage truck at 6:00 in the morning everyday could be a significant impact and hoped the petitioner would address that so those types of functions would take place at a more reasonable time.

Polsinelli stated that their control over City operations was very limited, but they would see what they could do. He said they would be sensitive to loading times and would work with their retail tenants on that.

Bona asked about the 44 off-site parking spaces.

Pollay stated that McKinley Associates possessed 252 parking permits and the DDA approved a resolution enabling them to put those spaces into a contract, which was needed for financing purposes. She stated that these spaces already existed and were approved by the DDA and City Council.

Bona wanted to be sure that when the proposal for the other McKinley site at the corner diagonal to this site came before Commission for consideration, the parking to serve that development would not take parking away from others.

Polsinelli stated that current plans for that site called for underground parking to serve that development.

Bona thought this was an excellent project for this location. She stated that creating pedestrian activity on Division Street was a risk, but it would not come from just this site, it would come from a combination of what was happening on other properties and what the DDA would be doing. She was supportive of this proposal.

Pratt stated that developing this surface parking lot with a mixed use and pedestrian-oriented development was a positive for this site. He suggested that provisions be added to the development agreement to address the concern about the impact construction might have on adjacent historic buildings and about compiling information before the construction process to eliminate the issue of debate.

**Moved by Pratt, seconded by D'Amour, to amend the development agreement by adding a new paragraph P-11: "To perform periodic settlement surveys of adjacent historic buildings, subject to permission of those owners, including prior to excavation or any other construction," and by adding a new paragraph P-12: "To provide written notification to properties within 300 feet prior to construction offering the opportunity for the PROPRIETOR to perform video or other form of documentation of the foundation or other structural elements."**

A vote on the amendment showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman, Lipson,  
Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

Hall commended the petitioner for using the City's existing zoning and putting this proposal together, which would enliven the downtown.

**Moved by Kunselman, seconded by Lipson, to amend paragraph P-6 of the development agreement to include Hanover Square and Kempf House.**

A vote on the amendment showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman, Lipson,  
Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

A vote on the main motion showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman, Lipson,  
Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

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**Moved by Bona, seconded by Pratt, to continue the meeting  
past 11:00 p.m.**

A vote on the motion showed:

YEAS: Bona, Emaus, Hall, Kunselman, Lipson, Potts, Pratt  
NAYS: Carlberg, D'Amour

**Motion carried.**

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f. Public Hearing and Action on FY 2007-2012 Capital Improvements Plan (CIP). The CIP details the City's anticipated major capital projects for the next six fiscal years and includes a capital improvement budget for the next two fiscal years. Upon adoption by the City Planning Commission, the CIP becomes a supporting document for the City's master plan. The CIP is also used as the source document for the City's capital budget planning – Staff Recommendation: Approval

Slotten stated that he was available to answer questions.

Karen Sidney, 100 Longman Lane, stated that she would like to see the replacement of the dead ash trees added to the CIP, noting that Ann Arbor needed its trees. She also suggested that Allens Creek storm water data collection be added to the CIP, stating that the City should not waste money on a consultant analyzing outdated data. She expressed concern about the priorities of the plan changing and said Ann Arbor residents should be taken care of first. She questioned if the \$5.3 million recommended for expanding the recycling/composting facilities were to extend services to rest of the county and, if so, she asked why the City should pay for this. She also noted that City water and sewer pipes were sorely in need of repair. She also wondered if an attempt had been made to determine if footing drain disconnections were making

a difference because the City was spending a lot of money on them. She hoped the Planning Commission would recommend that these amendments be made.

Jim Mogenson, 3780 Greenbrier, stated that it was important to provide the CIP in a form so citizens could understand what the reality was. He reminded Commission about the public process that was started several years ago, where very informative forums were held for the public.

Noting no further speakers, Hall declared the public hearing closed.

**Moved by Carlberg, seconded by Kunselman, that the Ann Arbor City Planning Commission hereby approves the following resolution:**

**WHEREAS, Section 1:185 of the Ann Arbor City Code requires that the City Planning Commission annually prepare a Capital Improvements Program for the ensuing six fiscal years;**

**WHEREAS, The FY2007-2012 Capital Improvements Plan (CIP), which was prepared with the guidance of the CIP Review Subcommittee and through the efforts of staff in the Community Services, Financial Services and Public Services Areas, has been submitted to the Ann Arbor City Planning Commission for consideration; and**

**WHEREAS, A duly-noticed public hearing was held by the City Planning Commission on January 19, 2006,**

**RESOLVED, That the City Planning Commission hereby approves the FY2007-2012 Capital Improvements Plan as a supporting document for the City's Master Plan.**

Potts expressed concern about the change in process, noting that she did not receive the document with enough time to propose changes and provide input. She suggested that Commission be involved earlier in the process for next year's document.

Lloyd noted that the document was provided to Commission members in November 2005 in order to begin review and consideration and suggested that, if there were specific suggestions regarding additional review time, they be provided to staff.

Carlberg believed it would be appropriate for Commission members to submit suggestions to Cresson Slotten, of the Public Services Area, for consideration.

D'Amour stated that he was uncomfortable moving ahead with the document at this very late hour. Because there were some issues he believed merited more discussion, he suggested that Commission table action, adding that he did not think waiting to take action for two more weeks would be a problem.

**Moved by D'Amour, seconded by Potts, to table action.**

A vote on the motion to table showed:

YEAS: D'Amour, Potts  
NAYS: Bona, Carlberg, Emaus, Hall, Kunselman, Lipson, Pratt

**Motion failed.**

Pratt believed the Planning Commission's purview was reviewing the document more for consistency in policy than for specific projects. In general, he said, the document seemed to address the goals of the community. A good example of a change in the document was many projects along Stadium Boulevard being combined into one project, which created more efficiency and was less burdensome.

Kunselman said it was important to keep moving forward with this plan, noting that identifying projects and budgeting for them was necessary. He asked if it would be possible to add the ash tree replacement program to the document.

Slotten stated that the City's immediate focus was on removing the trees. He believed the replacement program would be something to consider during the upcoming CIP process to identify whether it should be a part of the CIP or part of the City's operations function.

Bona wondered how the CIP would deal with projects contained in the City's non-motorized plan, since that plan had not yet been adopted.

Slotten replied that the City was in a better position to handle this through the new Systems Planning Service Unit, to make sure those projects did not fall through the cracks and to make sure that projects proposed in the CIP were not contradictory to recommendations in other documents.

D'Amour asked if the storm water study for Allens Creek would address the issue of rain water.

Slotten stated that this project was introduced in 2005-2010 CIP, to obtain monitored flows in the creekshed. He said a resolution was presented to City Council in early 2004 to undertake that study with the Huron River Watershed Council, but said the resolution was not approved by Council.

A vote on the main motion showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

g. Commission Discussion and Action on Resolution to Send Comments to Council on the Downtown Development Strategies Report.

**Moved by D'Amour, seconded by Potts, that the Ann Arbor City Planning Commission hereby forwards to City Council**

**the attached comments regarding the Downtown  
Development Strategies Final Report.**

A vote on the motion showed:

YEAS: Bona, Carlberg, D'Amour, Emaus, Hall, Kunselman,  
Lipson, Potts, Pratt  
NAYS: None

**Motion carried unanimously.**

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AUDIENCE PARTICIPATION

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None.

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COMMISSION PROPOSED BUSINESS

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None.

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ADJOURNMENT

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Bona declared the meeting adjourned at 12:14 a.m.

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Mark Lloyd, Manager  
Planning and Development Services

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Bonnie Bona, Secretary