



City of Ann Arbor

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Title

Resolution to Approve Ann Arbor Discovering Downtown (A2D2) Zoning
Recommendations

Memorandum

Attached for your review and approval is a resolution to approve recommendations for zoning changes, developed by the A2D2 Steering Committee, the Downtown Zoning Advisory Committee, staff and the Design Guidelines Advisory Committee to implement the Downtown Development Strategies Final Report. The original recommendations were postponed by City Council on July 16, 2007 and August 20, 2007 to allow for coordination with the A2D2 Urban Design Guidelines Project.

Background

On March 20, 2006, City Council approved the Implementation Plan for the Downtown Development Strategies Final Report and directed staff to begin work on priority elements of the plan.

On July 17, 2006, City Council approved the work plans for the following initiatives:

- Create special overlay zoning for the downtown that identifies areas of similar character
- Streamline the development proposal process (process mapping and technology improvements)
- Incorporate a set of essential design standards
- Pursue a comprehensive parking strategy for the downtown
- Work with the Historic District Commission to clarify criteria for development

In the development of the work plans, City Council requested that each project be completed by June 2007. The Council appointed advisory committees for each project in October 2006 to assist staff and the Steering Committee in developing these recommendations.

Advisory Committee Review Process

The Downtown Zoning Advisory Committee has worked since November 2006 to accomplish the following objectives:

- Simplify the underlying zoning to make the regulations more understandable for both property owners and public and support City goals for the downtown;

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- Reach agreement on height and density recommendations, reviewing recommendations from both the 1988/1992 Downtown Plan and the 2006 Vision & Policy Framework;
 - Revise floor area premiums to provide incentives for desired public amenities not currently provided by the marketplace;
 - Coordinate with the Urban Design Guidelines Advisory Committee to develop a framework upon which design objectives can be overlaid.

The committee met 12 times over eleven months to review data collected by staff and the urban design consultant team to develop zoning scenarios for consideration. The committee sponsored two public workshops on potential zoning changes in May 2007. All of the committee's working documents and background materials have been made available on the A2D2 website, and members of the public regularly attended the advisory committee meetings.

After the original recommendations to Council were tabled on June 18, 2007, the Committee met in July 2007 to discuss Council concerns about height and setback requirements. The Committee recommended changes to establish a Core height limit and revised setback requirements, which were forwarded to Council on July 16, 2007. These changes have been incorporated into the attached recommendations.

On August 20, 2007, City Council postponed action on the zoning recommendations to allow for additional coordination of the zoning recommendations with those being developed for the Urban Design Guidelines project. In response to public input gathered at a series of three community workshops, the design guidelines consultant team and advisory committee has developed a design framework that includes standards for building massing and frontage, in addition to design guidelines (see separate report).

Three of the seven members of the Committee met on September 20, 2007 to review the massing and frontage overlay requirements proposed as part of the design guidelines recommendations and provided the following comments:

- Members felt that the proposed design standards (dated September 7, 2007) for frontage and character areas were reasonable additions to the committee's original zoning recommendations.
- Members expressed concern that the proposed massing districts were unduly complex and resulted in too many small districts.
- Members requested that the consultant team re-examine the proposal with an eye to ensuring the combined design standard and design guideline process is simple and easy to understand.
- Members indicated that they would support moving the proposed design standards

forward to City Council, with the understanding that further refinement is needed as the implementing zoning amendments are considered by Planning Commission.

Unless otherwise noted, the recommendations represent a consensus of the committee members.

Zoning and Planning Context

Local governments use zoning regulations to protect the public health, safety and welfare of the community. These regulations govern the use of land, in addition to the size and placement of development on that land. In Ann Arbor, these regulations are found in Chapter 55 (Zoning), in addition to Chapter 59 (Off-Street Parking) and Chapter 62 (Landscaping and Screening).

Zoning regulations should be consistent with the City Master Plan. Currently, the 1988 Downtown Plan (amended in 1992) and the 1992 Central Area Plan govern. Additional guidance has been provided by the 2006 Recommended Vision and Policy Framework for Downtown Ann Arbor, prepared by Calthorpe Associates.

In the downtown Ann Arbor study area, which represents the non-residentially zoned land within and adjacent the Downtown Development Authority District, there are currently 10 distinct zoning districts. Two districts, the PL (Public Land) and P (Parking District) are used for publicly owned property; the remaining districts are O (Office), M1 (Limited Industrial), PUD (Planned Unit Development) and the C2A, C2A/R, C2B, C2B/R and C3 commercial districts. This zoning provides a patchwork of regulations that were identified as a source of confusion in the 2006 Vision and Policy Framework.

Recommendations

The Downtown Zoning Advisory Committee reviewed the existing zoning regulations and an analysis of all downtown development projects approved since 2000 and determined that implementation of the recommendation to “create special overlay zoning for the downtown” needed to start first with a fresh slate for the underlying zoning, based on recommendations from the Downtown Plan and the Vision and Policy Framework. Changes are recommended to:

- Underlying zoning districts
- Permitted uses
- Maximum floor area in percentage of lot area (FAR)
- Floor area premiums
- Height
- Setback and lot coverage
- Off-street parking
- Parking lot design

These recommendations are summarized in the attached report. The Downtown Zoning

Advisory Committee and staff acknowledge that the concepts identified in the recommendations need additional detail to be fully implemented, but the concepts are sound and worth pursuing.

Next Steps

The recommendations outline a framework for regulatory changes to be made to the zoning and off-street parking ordinances. As a first step in moving forward with these changes, the master plan should be amended to reflect the concepts contained in this report. The Planning Commission would oversee this process, and amendments could be drafted in a relatively short time period after action on the recommendations by City Council. After initial approval by City Council for distribution, the master plan amendments would need to be sent to adjoining jurisdictions for mandated review. After this review, which takes approximately 4 months, Planning Commission and City Council may adopt the amendments.

The drafting of ordinance language to implement the recommendations may occur concurrent with the review of the master plan amendments. Because of the complexity of the changes, particularly the drafting of two new zoning districts, this process could take from 6 to 9 months. These zoning and off-street parking amendments would be reviewed by the Planning Commission and approved by City Council. Once new districts have been adopted for the downtown, the process of rezoning existing parcels will begin.

As the amendments are being prepared, it will be important to develop and implement an evaluation tool that can be used to determine if the changes produce the desired results.

Staff

Wendy Rampson, Systems Planner

Jayne Miller, Community Services Administrator

Roger W. Fraser, City Administrator

Body

Whereas, On March 20, 2006, City Council adopted Resolution R-94-3-06 to approve the Implementation Plan for the Downtown Development Strategies Final Report;

Whereas, On July 17, 2006 City Council adopted Resolution R-332-7-06 to approve the work plans for high priority projects related to downtown zoning, urban design guidelines, historic preservation criteria; parking and development processes;

Whereas, On October 3, 2006, City Council adopted Resolution R-448-10-06, appointing five Ann Arbor Discovering Downtown (A2D2) advisory committees to work with staff on the A2D2 work plans;

Whereas, The Downtown Zoning Advisory Committee has met since November 2006 to review changes to the Downtown Plan and Chapter 55 to support downtown development goals; and

Whereas, The proposed recommendations were presented at two public meeting in May 2007, and comments from the public were received and reviewed by the Advisory

Committee throughout the process;

RESOLVED, That City Council approve the attached zoning recommendations dated October 15, 2007;

RESOLVED, That City Council requests City Planning Commission initiate supporting amendments to the Downtown Plan and Central Area Plan and amendments to the Zoning and Off-Street Parking Ordinances to implement the recommendations of the above report;

RESOLVED, That City Council requests the City Planning Commission reconcile any differences between the Design Guidelines Advisory Committee recommendations and those of the Downtown Zoning Advisory Committee as part of the master plan and code amendment process; and

RESOLVED, That City Council direct staff to provide a proposed evaluation process when code amendments are submitted to City Council for action.

Downtown Zoning Advisory Committee Recommendations October 15, 2007 Update

The Downtown Zoning Advisory Committee reviewed the existing zoning regulations and an analysis of all downtown development projects approved since 2000 and determined that implementation of the recommendation to “create special overlay zoning for the downtown” needed to start first with a fresh slate for the underlying zoning, based on recommendations from the Downtown Plan and the Vision and Policy Framework. Changes are recommended to:

- Underlying zoning districts
- Permitted uses
- Maximum floor area in percentage of lot area (FAR)
- Floor area premiums
- Height
- Setback and lot coverage
- Off-street parking
- Parking lot design

The Committee and staff acknowledge that the concepts identified below need additional detail to be fully implemented, but the concepts are sound and worth pursuing. These changes are summarized in the attached chart and described below.

Underlying Zoning Districts – To simplify the zoning and bring it closer into conformance with the master plan, the Committee recommends that the existing commercial and parking zoning districts be consolidated into two new districts (see attached map). These new districts have been initially labeled as the “Core” district and the “Interface” district, which are the terms used in the Downtown Plan.

In comparison with the “overlay zones” identified in the Vision and Policy Framework, the Core district encompasses the Huron Corridor and Downtown Core/Liberty zones, in addition to the South University zone. The Interface Area encompasses the North Main/Kerrytown, West Downtown/Ann Arbor Railroad, and South Main/William overlay zones.

The two-district approach to the underlying zoning is consistent with the Vision and Policy Framework recommendation to “concentrate high-density mixed-use residential and commercial development in central Downtown and encourage medium-density residential and mixed-use development between the central Downtown and the surrounding, historic single-family neighborhoods.”

Historic districts remain as overlay districts in these areas.

Permitted Uses – The Committee determined that the existing mix of uses in the downtown was working well, and these uses should continue to be allowed by right.

The noted exception is auto-oriented uses such as drive-up windows and repair and fueling stations. These types of uses are recommended to become subject to special exception use approval by the Planning Commission.

The Committee recommended that properties located on shopping streets identified through the A2D2 urban design project should be required to provide a majority of the street level floor area for retail use.

Maximum floor area in percentage of lot area (FAR) – Consistent with recommendations from both the Downtown Plan and the Vision and Policy Framework, the Committee recommended that the Core area contain the greatest amount of allowable floor area, and the Interface area contain an intermediate amount of allowable floor area.

In the Core, the proposal is for 400-500% maximum by right and 700-800% maximum with premiums, or up to 900% if affordable housing units are provided on-site. In the Interface area, the proposal would provide 200% maximum by right and 400-500% maximum with premiums.

An area of concern with existing zoning regulations identified by the Committee was the counting of above grade structured parking toward a building's floor area limitation. As part of a larger parking strategy (described below), the Committee agreed (with one opposed) that required parking should not be counted toward a building's floor area total.

Premiums – Premiums are floor area bonuses that allow additional floor area over the "by right" floor area limit if a development includes specific public benefits identified in the code. Currently, floor area premiums are permitted in downtown commercial districts for projects that provide certain open space amenities or residential use. Since 2000, premiums have been used to exceed the by right floor area limits in 15 projects, which represents 28% of the total downtown projects approved in that time period.

The Committee agreed that premiums were a good tool to incentivize public benefits in new development, and recommended expanding them to include other desired amenities. The recommended premium options are:

- Residential use
- On-site affordable housing (targeted to 80% area median income and below)
- Leadership in Energy and Environmental Design (LEED) certification
- Public or shared parking (Core only)
- Transferred development rights
- Historic preservation on parcels outside of historic districts

The Committee also agreed that a developer should be required to provide a certain level of energy-efficiency in a building to qualify for premiums. This might take the form of a set of City-identified standards, or a national or international code standard.

Height – The Committee recommended that height limits be applied to the Interface area to implement the Downtown Plan recommendation for a transition in scale between the core and adjacent neighborhoods. The recommended limit is 60 feet.

A majority of the Committee recommended a 240-foot height limit in the Core, to allow maximum flexibility in the design of larger buildings. The Committee recognized that the recommendations of the A2D2 Design Guidelines Committee would address visual impacts of tall buildings.

Setbacks and Lot Coverage – The Committee recognized that the A2D2 Design Guidelines Advisory Committee would be providing recommendations for building form that would correspond to areas of differing character in the downtown, and provided initial general recommendations for setbacks and lot coverage.

In the Core, no ground level setbacks are recommended to allow development to be built to the street and to allow for full use of the parcel at ground level. In the interface area, no front setback requirement is recommended, but a minimum open space requirement of 10% and a maximum lot coverage requirement of 80% is recommended. The Committee recommended that side and rear setback requirements for those properties adjacent to residential zoning districts be that required in the adjacent residential zoning district for a building of the same height (per existing Section 5:62).

Off-street Parking – Currently, the “by right” floor area of downtown development is exempt from off-street parking requirements. Off-street parking is required, however, for premium floor area. This arrangement was established in the late 1960’s as a way to prevent demolition of structures for surface parking lots. Since that time, the City and DDA have pledged to provide shared parking structures to address parking needs in the downtown.

Concurrent with the A2D2 zoning project, an analysis of downtown parking was completed and discussions about parking and transportation policy followed. The Committee expressed an interest in revisiting the parking exemption, as a way to address perceived parking needs.

After reviewing the recommendations of the parking consultant, the Committee recommended that the existing parking requirements remain in place. However, to encourage the development of shared parking, the Committee recommends (with one objection) exempting shared or public parking in excess of the minimum requirement from counting as floor area.

Parking Design – The Committee recommended additional requirements to mitigate the visual impact of structured parking. Structured parking, if constructed at grade, should be “wrapped” with occupiable space to avoid blank spaces along the street.

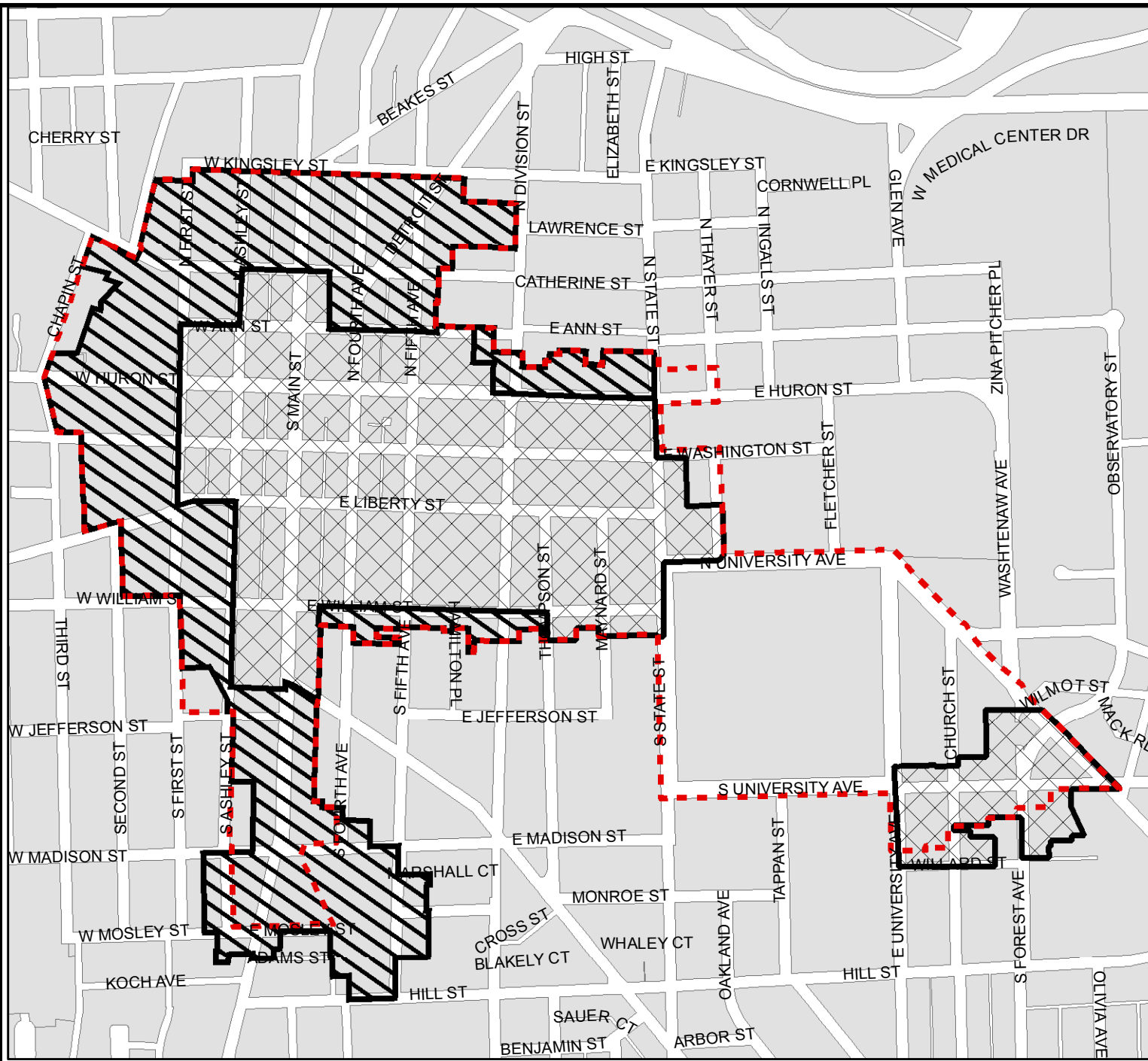
The Committee also recommended eliminating minimum parking stall and width requirements for private structured parking.

Other Recommendations: Floodplain Regulation – The recently adopted Flood Mitigation Plan outlines a variety of strategies for reducing the risk of property damage in floodplains. Subsequent to the plan's adoption, City Planning Commission has recommended that a floodplain ordinance be drafted to formalize these recommended strategies. While a floodplain ordinance will affect property in all of the City's floodplains, the portion of the Allen Creek watershed that is contained in the downtown is of particular interest to the A2D2 zoning effort, encompassing a large amount of property in the Interface area.




The Committee agrees that development of a floodplain ordinance, including an overlay zone, could support the recommendations of the Downtown Plan and the Vision & Policy Framework if it includes the following:

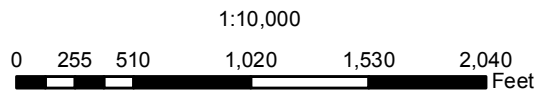
- Preservation of historic buildings in the floodplain. For those buildings at greater flood risk, the ability to floodproof while still maintaining the integrity of the historic structure should be an option for property owners.
- Flexibility in height and placement regulations to allow new development to be shifted to portions of a site that are located outside of the floodplain.
- Incentives to link open spaces in the currently developed floodplain area.
- Guidelines for site design to avoid creating 'dead zones' on private property if buildings are removed from the floodplain.
- The framework for a transfer of development rights program to shift development from the floodplain to appropriate receiving areas, such as the core area of downtown.

Proposed Downtown Zoning Districts



Map Features

-  DDA Boundary District
-  Core
-  Interface



Proposed Downtown Zoning Districts – Summary DRAFT

Zoning Changes	CORE	INTERFACE
Uses	Mixed uses allowed by right; Retail required on street level on designated shopping streets; Auto-oriented uses require special exception use approval	Mixed uses allowed by right, including residential; Auto-oriented uses require special exception use approval
Maximum floor area in % of lot area (FAR)	400-500% by right 700-800% w/premiums 900% w/affordable housing premiums Below-grade floor area not counted in FAR calculation Above-grade parking structures used for required parking not counted in FAR calculation Public or shared parking not counted in FAR calculation (see Premiums)	200% by right 400-500% w/premiums Below-grade floor area not counted in FAR calculation Above-grade parking structure used for required parking not counted in FAR calculation
Premiums *	Green building/LEED certification Public or shared parking Affordable housing (below 80% AMI) Residential Transferred development rights Historic preservation	Green building/LEED certification Affordable housing (below 80% AMI) Residential Transferred development rights Historic preservation
Height	240 feet – maximum 2 stories, 24 feet minimum	60 feet – maximum 2 stories, 24 feet minimum
Maximum lot coverage	100% **	80%; with a minimum of 10% green space **
Setback (front) min.	None **	None **
Setback (side or rear) min	None, except new construction abutting residential zones = setback required in the adjacent residential zoning district for a building of the same height (per existing Section 5:62)**	None, except new construction abutting residential zones = setback required in the adjacent residential zoning district for a building of the same height (per existing Section 5:62)***
Off-street parking (minimum)	No off-street parking required for by-right floor area. One space for each 1000 sq. ft of premium floor area (residential) and 500 sq. ft (commercial), to be provided on-site or by a fee-in-lieu payment.	No off-street parking required for by-right floor area. One space for each 1000 sq. ft of premium floor area (residential) and 500 sq. ft (commercial), to be provided on-site or by a fee-in-lieu payment.
Parking design	At-grade structured parking must be wrapped with occupiable space at street level; Maximum 20 spaces in surface parking lot(s), but in no case may the parking lot(s) exceed 25% of the lot area Structured private parking is not subject to parking stall and width requirements	At-grade structured parking must be wrapped with occupiable space at street level. Structured private parking is not subject to parking stall and width requirements

* Premiums are bonuses that allow additional floor area over the “by right” FAR limit if the development includes certain amenities. As proposed, a development must meet City-defined energy efficiency standards as a prerequisite for receiving any of the premiums noted.

** Initial proposal, to be reviewed and revised as necessary through the Urban Design Guidelines process.