

## PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of February 18, 2010

**SUBJECT: Heritage Row PUD Zoning District and PUD Site Plan (407-437 South Fifth Avenue) File Nos. SP09-033 and Z09-030**

### PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Heritage Row PUD (Planned Unit Development District) Zoning, Supplemental Regulations, PUD Site Plan (conditioned on City Council approval of the PUD Zoning), and Development Agreement.

### STAFF RECOMMENDATION

Staff recommends that the Heritage Row PUD Zoning District and Supplemental Regulations be **postponed** following a public hearing and Commission discussion to allow the petitioner time to incorporate comments received.

Staff recommends that the Heritage Row PUD Site Plan be **postponed** following a public hearing and Commission discussion to allow the petitioner time to incorporate comments received.

### LOCATION

The site is located on the east side of South Fifth Avenue, south of East William Street and north of East Jefferson Street. The site is comprised of seven parcels: 407, 411, 415, 419-21, 427, 433, and 437 South Fifth Avenue. The site abuts the East William Street Historic District to the north (Central Area, Allen Creek Watershed).

### DESCRIPTION OF PROJECT

Existing Conditions – Currently, there are seven residential structures on seven separate parcels containing a total of 21 units. A brief history of the houses is listed below. There are a total of five curb cuts for the site and vehicle parking is provided in informal parking lots along the rear of the site and there is no formal bicycle parking provided. There are four landmark trees and there are no storm water controls for the site.

PUD Zoning District and Supplemental Regulations – The petitioner seeks to rezone seven lots (1.23 acres) currently zoned R4C (Multiple-Family Dwelling District) to PUD (Planned Unit Development District). A PUD Zoning District is proposed and Supplemental Regulations have been drafted to allow multiple-family use and outdoor plaza use. Highlights of the proposed Supplemental Regulations include:

- Multiple-family residential is the permitted **principal use**. Accessory uses permitted under the R1 residential districts.
- Minimum **front setbacks** averaging 19 feet along South Fifth Avenue.

- Minimum **side setbacks** are 2.5 feet (north) and 10 feet (south).
- Maximum **height** is 39.6 feet at the west elevation-stairwell parapet only; 38.5 feet average height.
- Minimum 650 square feet of **lot area per dwelling unit** (density) and 329 square feet of lot area per bedroom.
- The total **floor area** limited to 133 percent of the lot area.
- Minimum 0.75 off-street **vehicular parking** spaces per unit required or 62 spaces total.
- Minimum of 112 Class A, 6 Class B, and 28 Class C off-street **bicycle parking** spaces.
- Minimum of 18 percent (15% is required) of all dwelling units are **affordable** units to lower income households.
- **Landscape, screening** and **architectural design** standards.
- Energy Star certification is required for **energy and environmental design**.

PUD Site Plan – The petitioner is proposing to preserve and restore the seven existing houses, built between 1838 and 1902, on the site. Three of the houses (407, 411, and 415 S Fifth) will remain where they are currently located, with approximately 19-foot front setbacks, and the remaining four houses will be moved in order to match the averaged 19 foot front setback. Numerous additions on the rear of each of the houses will be removed. All houses will have new foundations constructed. The aboveground portions of the foundations will utilize the original foundation stones currently on the existing houses. The new foundations will have ingress/egress window wells constructed of landscape timbers added. The renovated houses will contain a maximum of 38 residential rental units containing a maximum of 55 bedrooms. The unit mixture will range from a minimum of 11 efficiency apartments, and will include one-bedroom apartments, two-bedroom apartments, three-bedroom apartments, and possibly one five-bedroom apartment.

The petitioner is also proposing to construct three buildings in the rear of the site behind the restored houses. The area between the houses and new buildings will be finished with brick pavers and benches. These buildings will be 3½ stories high and will contain a total of 44 units (99 bedrooms) with a mixture of 33 two-bedroom apartments and 11 three-bedroom apartments. A maximum of 82 units are being proposed for the site; 18% of the total units will be designated as Affordable Housing units; 15% is required by City Code. If the maximum of 82 units are constructed, a total of 15 units will be designated as affordable housing.

The maximum height of the new buildings will be 39.8 feet, with an average height of 38.5 feet. The total height could be lowered approximately one foot by the removal of an architectural accent parapet wall around the exterior edge of the roof. The petitioner has indicated this can be removed if desired by Planning Commission. The only purpose of this wall is for aesthetics, and it does not increase ceiling heights within the buildings.

All entrances to the new buildings will be located in the front (west) and no direct access to the rear is proposed. The north building will be 128 feet long, the center building will be 80 feet long and the southern building will be 81 feet long. The northern building and

the center building will be separated by 50 feet and an approximately 1,500-square foot plaza area. This landscaped plaza area will contain elevator and stairway access to the underground parking as well as benches, tables and a grill for use by the residents. The center and southern building will be separated by 12 feet.

Parking will be provided in one underground parking structure accessed from a single curb cut on South Fifth Avenue. This structure will be located directly under the three new buildings in the rear of the site. This structure will contain a total of 62 vehicle parking spaces and 112 bicycle parking spaces. Additional bicycle parking will be located on the ground level at several locations between the remaining houses and the new structures. The site currently has five curb cuts on Fifth Avenue; two will be removed and three will remain and be modified in order to comply with City Code. Of the remaining curb cuts, one will provide access to the underground parking structure, one will be used for the solid waste/recycling facility and one will remain for use solely by the adjacent residential property to the south (441 Fifth Avenue). The petitioner is proposing to relocate and restore one of the existing garages on the site to contain the solid waste and recycling facilities.

The new buildings are proposed to be clad in brick veneer with limited metal face panels and cable rails around stairs and entrances. The new buildings will have flat roofs with parapets accents and awnings over entrances. The petitioner is proposing to restore the original siding, windows, doors and trim on the preserved houses.

Storm water runoff from impervious surfaces is proposed to be collected in an underground system located under behind the new buildings and a small underground tank located in front of 411 and 415 South Fifth Avenue. The storm water management system will function both as a detention and retention system. Some storm water collected will be re-used for all on-site irrigation of landscaping.

There are four landmark trees on the site, two are proposed to be removed (26-inch Sugar Maple and 28-inch Sugar Maple) and two will have disturbance within their critical root zones. All tree removal/disturbance will be mitigated as required by City Code. The 101 inches of landmark trees to be removed or impacted require 50.5 inches of replacement.

### **SURROUNDING LAND USES AND ZONING**

	<b>LAND USE</b>	<b>ZONING</b>
<b>NORTH</b>	Multiple-Family Residential/Office	D2 (Downtown Interface District)
<b>EAST</b>	Multiple-Family Residential	R4C (Multiple-Family Dwelling District)
<b>SOUTH</b>	Multiple-Family Residential	R4C
<b>WEST</b>	Multiple-Family Residential, Parking, and Church	R4C and P (Parking District)

### ZONING COMPARISON CHART

		EXISTING	PROPOSED	REQUIRED BY CURRENT ZONING
Zoning		R4C	PUD	R4C
Gross Lot Area		7 lots, ranging from 5,200 sq ft to 10,300 sq ft	53,579 sq ft MIN (1.23 acres)	8,500 square feet (2,175 sq ft per dwelling unit) MIN
Open Space		N. A.	59% MIN	40% MIN
Setbacks	Front	Varies from approx 14 ft to 28 ft	19 ft MIN	25 ft MIN * (19 ft averaged front setback per Section 5:57)
	Side: North	Varies from 3 ft to 15 ft	2.5 ft MIN	Total of two 38 ft MIN* (12 ft MIN, total of two 26ft + 12ft per Section 5:62)
	Side: South	Varies from 3 ft to 15 ft	10 ft MIN	
	Rear	Varies from 45 ft to 80 ft	15 ft MIN	41 ft MIN * (30 ft min + 11 ft additional per 5:62)
Height		Varies – 38.88 feet MAX	39.6 ft MAX to parapet wall	30 ft MAX (to mid-point between eaves and ridge)
Parking – Automobiles		Varies	62 spaces MIN	122 spaces (1.5 spaces/dwelling unit) MIN
Parking – Bicycles		Varies	112 spaces Class A MIN 6 spaces Class B MIN 28 spaces Class C MIN	9 spaces MIN - Class A 9 spaces MIN - Class C (1 space/5 units) MIN

\* Chapter 55, Section 5:62: Additional front, side, and rear setbacks for buildings over 50 feet in length.

### SITE HISTORY

The seven existing houses make up the bulk of one of the most intact late 19<sup>th</sup>-early 20<sup>th</sup> century streetscapes in the City of Ann Arbor. The following are brief descriptions of the properties (more information is available from staff upon request).

#### **407 South Fifth Avenue – c.1899**

This Dutch Gambrel style house was built around 1899. The first occupant listed in the Polk Directory was Ms. Richmond Bannister (widow of William) in 1902.

**411 South Fifth Avenue: Andrew Reule House – c.1901**

This house is a fine example of the Queen Anne style and features cross-gabled roofs and varying sized windows, including unusual oval and Diocletian shapes. Mr. Reule, a downtown clothier, occupied this house from 1902 until at least 1940.

**415 South Fifth Avenue: Clayton Gaskell (Beakes) House – c. 1838**

This Greek Revival style house is believed to be one of the oldest surviving houses in the city. Though it has been altered over the years, particularly the interior, it remains architecturally significant. It features a pedimented gable-front orientation, lunette in the attic, well-defined cornice, corner pilasters, and classical side entry. The house was the home of two important Ann Arbor mayors: Hiram Beakes, from 1860 until the late 1880s; and a short time later Samuel Beakes (no relation), for whom Beakes Street is named.

**419 South Fifth Avenue: Henry & Mary Mann House – 1902**

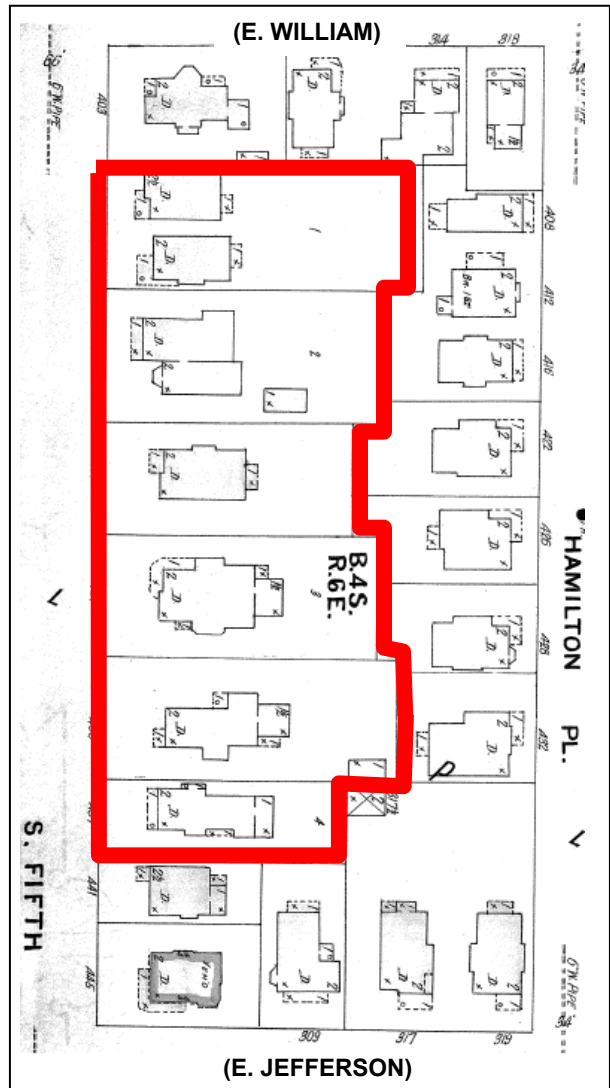
This late Queen Anne style house is symmetrical in form, with fancy shingle and fan patterned siding in the gables and brackets and upper spindles on the front porch. The house also features returns in the front gable and a full pediment and plain round Doric posts on the porch.

**427 South Fifth Avenue: Francis M. Hamilton House - c.1894**

This house first appears in Polk Directories in 1893 or 1894. Francis Hamilton moved in 1896, and Hamilton descendants lived there until 1938. Mr. Hamilton was a Mayor of Ann Arbor, and the developer of Hamilton Place, in his Fifth Avenue backyard. The house is a restrained and symmetrical Queen Anne, with cross-gables, a cutaway corner and an open front porch.

**433 South Fifth Avenue – c. 1850s(?)**

This very old and very charming house with its low pitched roof and symmetrical eaves appears on the 1880 Panorama View of the City of Ann Arbor, and could date back to the 1850s. Herbert Slauson lived here for many years after the turn of the 20<sup>th</sup> century. He was the Superintendent of Ann Arbor Public Schools, and the namesake of Slauson Middle School.



*1906 Sanborn Map showing neighborhood with building footprints very similar to their appearance in 2008. Project area outlined.*

**437 South Fifth Avenue: John McCarthy House – 1866**

This house is an example of the simplest and most typical form of the Italianate style. It features a plain three-bay façade with the entrance at the right. The door is flanked by pilasters and a modified entablature.

**PLANNING HISTORY**

In January 2008, the City Planning Commission (CPC) recommended denial of a site plan and conditional zoning petition for this site. In May 2008, CPC recommended denial of a PUD site plan that was nearly identical to the original site plan and conditional zoning request. The applicant withdrew both applications before they were scheduled for City Council review. After a second, slightly smaller PUD petition was submitted, CPC recommended denial and City Council denied the petition at its December 2008 meeting.

On April 21, 2009 staff and CPC recommended approval of a site plan that consisted of two large apartment buildings with a parking lot located in the middle of the buildings. This site plan was approved by City Council on September 21, 2009.

In August 2009, City Council approved a historic district moratorium on construction, addition, alteration, repair, moving, excavation and demolition, for these and other properties along South Fourth and South Fifth Avenues. This moratorium was established to allow a Study Committee appointed by City Council to research the appropriateness of establishing a new historic district in this area. The moratorium was extended to August 2010 at the February 1, 2010 City Council meeting.

The petitioner has conducted three public meetings to present the current plan to the general public. The first meeting was held in accordance with the Citizen Participation Ordinance on August 12, 2009. Subsequent meetings were held on October 12, 2009 and December 14, 2009

**PLANNING BACKGROUND**

This project lies within the Central Area but outside of the Downtown Development Authority boundary. The City of Ann Arbor Master Plan: Land Use Element (Chapter 7, Central Area) recommends multiple-family residential for future land use of the entire subject site. This land use classification includes areas on the edge of downtown and in the campus area where higher density development such as apartments and group quarters is appropriate, although the preservation of existing single and two-family structures in this area is encouraged as well. Several Goals in Section III (Goals in the Central Area) of the Central Area Chapter are particularly relevant to the proposed petition, *Goal A – ‘To promote sound and attractive residential neighborhoods which meet the housing needs of the current and future population, which are adequately served by urban services, infrastructure and facilities and which conserve environmental quality.’* and *Goal B – ‘To encourage sensitive, attractive, and innovative development and renovation in downtown Ann Arbor and in adjacent neighborhoods.’*

In the area of *Goal A*, the desire and need to preserve the existing character, scale and integrity of the existing housing stock and established neighborhoods is a repeated theme in many of the action statements. In addition, the Plan recommends encouraging more affordable housing, achieving and maintaining a balance of rental and owner-

occupied dwellings, and increasing rental and ownership opportunities for lower income persons and families.

Regarding *Goal B*, most action statements are focused on compatibility, appropriateness, and sensitivity.

The following are some of the specific applicable objectives found in Chapter 7, Central Area Section III:

- To protect, preserve, and enhance the character, scale and integrity of existing housing in established residential areas, recognizing the distinctive qualities of each neighborhood.
- To encourage the development of new architecture, and modifications to existing architecture, that complements the scale and character of the neighborhood.
- To ensure that new infill development is consistent with the scale and character of existing neighborhoods, both commercial and residential.
- To protect housing stock from demolition or conversion to business use, and to retain the residential character of established, sometimes fragile, neighborhoods adjacent to commercial or institutional uses.
- To encourage the construction of buildings whose scale and detailing is appropriate to their surroundings.
- To pay special attention to the interface zones between downtown Ann Arbor and Central Area residential neighborhoods; and to insure that projects in these areas both contribute to downtown liveliness and help buffer established neighborhoods from further erosion.

The following are some of the specific applicable objectives found in Chapter 7, Central Area Section IV (Historic Preservation):

#### Historic Preservation

- To encourage the preservation, restoration or rehabilitation of historically and culturally significant properties, as well as contributing or complimentary structures, streetscapes, groups of buildings and neighborhoods. To preserve the historic character of Ann Arbor's Central Area.
- To encourage preservation, restoration or rehabilitation while allowing for technological advances in building materials and techniques that may encourage preservation by making it more affordable without forsaking historical integrity.
- Where new buildings are desirable, the character of historic buildings, neighborhoods and streetscapes should be respectfully considered so that new buildings will complement the historic, architectural and environmental character of the neighborhood.

### **STANDARDS FOR PUD ZONING DISTRICT REVIEW**

As set forth in Section 5:80(6) of the Zoning Ordinance, there are eight criteria to consider when evaluating a PUD Zoning District petition. The criteria are paraphrased below in bold text. The petitioner has provided a detailed Project Narrative (attached) that contains information relative to each of the standards for review. Staff's responses to each criteria and the petitioner's Project Narrative are provided below in *italic* type.

- 1. The use(s) provide a beneficial effect for the City, which may include: innovation in land use; efficiency of land use, natural features and energy; providing usable open space; preserving and protection natural features; employment and shopping opportunities; expanding supply of affordable housing; use or reuse of existing sites.**

*Staff believes the proposed zoning district would provide several of the example beneficial effects for the City as well as satisfy goals and objectives of the Master Plan. Staff feels that this is an innovative development in a neighborhood adjacent to downtown. This project accomplishes the goal of preserving the historical streetscape in an adjacent downtown neighborhood while increasing density to contribute to downtown liveliness. The project is providing 59% useable open space, which is in excess of the code requirement of 40%, and will feature a central plaza with an area for the display of public art. The proposed development seeks to provide housing for niche market that is currently underserved, housing for entry level downtown workers, while providing a wide range of available living arrangements. Efficiency in land use and energy will be provided through the design of the development and its commitment to energy conserving features. The supply of affordable housing will also be expanded by the proposed development. Proposing 18% affordable housing on-site, near downtown, is a particularly beneficial effect for the City.*

- 2. Beneficial effect could not be achieved under any other zoning district and not required under any existing standard or ordinance.**

*The restrictions placed on the maximum number of bedrooms on the site and the minimum lot area requirements per unit, as well as the requirements for 18% of units designated as affordable housing, and architectural design of the development could not be achieved under any other zoning district and are not required under any existing standard or ordinance.*

- 3. Uses shall not have a detrimental effect on public utilities or surroundings.**

*The principal use of the district is multiple-family residential which will not have a detrimental effect on public utilities or the surroundings. A sanitary sewer impact study completed by the City's consultant indicated sufficient capacity exists to handle the proposed development.*

- 4. Uses shall be consistent with master plan or adequate justification is provided.**

*The proposed uses are consistent with the master plan.*

- 5. Residential density consistent with master plan or underlying zoning, or additional density has been proposed in order to provide affordable housing.**

*The proposed district will allow more residential density than the underlying zoning or future land use recommendation in the master plan, but 18% affordable housing (15 % is required) has been proposed as part of the increased density.*

- 6. Supplemental regulations include analysis and justification to determine what the benefit is, how it will be provided, and performance standards for evaluation.**



*Supplemental regulations have been drafted and continue to be refined by staff to ensure that sufficient analysis, justification and performance standards will be included so that the proposed beneficial effects are achieved and maintained.*

**7. Safe, convenient, uncongested, and well-defined vehicular and pedestrian circulation within and to the district, and alternative transportation is encouraged.**

*This criterion appears to have been satisfied. Vehicular and pedestrian circulation is well defined and access is safe. The traffic information provided for the project concluded there would be no congestion in or near the district as a result of the rezoning.*

**8. Minimum necessary disturbance to existing natural features and historically significant architectural features.**

*It appears the development has minimized the disturbance to the existing natural features. Staff believes that all seven of the existing structures on the site are considered historically significant and none of the structures should be demolished. While these structures will have new foundations constructed and some will be moved, the petitioner is working with a preservation architect to restore them to the original appearance by re-using exterior materials such as trim, siding, windows and doors. The petitioner is also working with the preservation architect to ensure compatibility of the three proposed buildings with the historically significant structures.*

### **STAFF COMMENTS**

This review and recommendation was based on the plan set dated 02/03/10.

Systems Planning – Fourteen footing drain disconnections are required to mitigate the impact of this development on the waste water treatment system. The sanitary sewer impact study conducted and provided by the petitioner during the previous site plan submittal (City Place) indicated sufficient capacity exists in the downstream local sanitary sewer system to support the development. The new development plan will result in less sanitary sewer flow from the previous proposal; therefore a new sanitary sewer study is not required at this time. The southernmost existing curb cut will be allowed to remain to service only the parcel to the south (441 S. Fifth Avenue) and will not be counted as a curb cut for this development.

Washtenaw County Water Resources Commissioner (WCWRC) – The storm water plan has been approved by the WCWRC.

Parks – A parks donation is not being requested due to the plaza and associated amenities being provided on the site.

Planning – Planning staff has worked closely with the petitioner to address neighborhood and staff concerns throughout the review process and, as a result, many concerns have been addressed through this process. However, staff has outstanding concerns regarding architectural design and materials on the exterior of the new buildings. Staff has requested more detailed information and examples of the design materials. If the intent of the petitioner is to design a background building, the current proposal represents a more prominent design and may overshadow the restored houses along

Fifth Avenue. Staff also has concerns regarding the height of the new buildings, particularly as it affects the neighborhood along Hamilton Place. Given the height of these new buildings and the minimal setback in the rear, it is recommended that the petitioner limit window exposure along the rear (east side) of the new buildings to protect the privacy of residents along Hamilton Place. Since minimal parking is being provided on the site, the petitioner should also consider providing additional options for vehicular parking off site.

Staff acknowledges that the proposed petition represents a significant increase in density over the existing land uses on the site. However, the proposed petition presents the City with the opportunity to address two of the main goals of the Central Area chapter of the City's Master Plan, while preserving and restoring a historically significant streetscape. These goals and supporting objectives are identified in the Planning Background section of this report and summarized here:

- Goal A: 'to promote sound and attractive residential neighborhoods which meet the housing needs of the current and future population, which are adequately served by urban services, infrastructure and facilities, and which conserve environmental quality.'
- Goal B: 'to encourage sensitive, attractive, and innovative development and renovation in downtown Ann Arbor and in adjacent neighborhoods; and to pay special attention to the interface zones between central Ann Arbor and residential neighborhoods, and to insure that projects in these areas both contribute to downtown liveliness and help buffer established neighborhoods from further erosion.'

The goal of Planned Unit Developments is to allow a project that does not exactly fit with the current zoning designation or the master plan future land use recommendations but does provide sufficient justification to deviate from those and does provide an overall beneficial effect for the City. In staff's opinion, the proposed development will provide sufficient beneficial effects for the City as summarized below:

- The project will provide 18% total or 15 affordable housing units (based on 82 units maximum) in new construction near the downtown.
- The wide range of units and number of efficiency, one and two-bedroom units will provide housing mixture not provided in many new projects. This unit mixture could be attractive to a unique mixture of future residents and provide more affordable housing than large multiple-bedroom units.
- This proposal represents an innovative type of project that mixes historical preservation and new development in a manner not previously proposed in the City.
- Development of the site as a single unit will provide for better quality and more quantity storm water management than if the lots were individually redeveloped.
- The preservation of a historical streetscape and restoration of the existing houses is complimentary of the existing character of the surrounding neighborhood.
- The proposed development includes tangible energy and environmental design elements.
- Underground parking and the provision of useable open space in excess of what is required by City Code is provided. The addition of a landscaped plaza with the display of public art can be enjoyed by all surrounding neighborhood residents.

The existing site is currently under a historic district moratorium while a Study Committee appointed by City Council researches the appropriateness of establishing a new historic district that would include this site. The moratorium is on construction, addition, alteration, repair, moving, excavation or demolition within the proposed district. If the historic district is approved by City Council, any project on this site would be required to be approved by the Ann Arbor Historic District Commission regardless of the actions of City Planning Commission and City Council regarding the PUD zoning district and site plan.

Prepared by Matthew Kowalski  
Reviewed by Wendy Rampson  
jsj/2/12/10

Attachments: Petitioner's Project Narrative  
2/11/10 Draft Supplemental Regulations  
2/11/10 Development Agreement  
Citizen Participation Report  
Zoning Map  
Aerial Map  
Ground Level Site Plan  
Lower Level Site Plan  
Landscape Plan  
Elevations  
Floor Plans  
Streetscape Drawings

c: Owner: Fifth Avenue Limited Partnership  
403 South Fifth Avenue  
Ann Arbor, MI 48104

Petitioner: Midwestern Consulting, LLC  
3815 Plaza Drive  
Ann Arbor, MI 48108

Systems Planning  
File No. SP09-007