



Legislation Text

File #: 24-0513, **Version:** 2

Resolution to Direct the City Administrator to Implement New Processes and Programs to Support Sustainability in the Built Environment

On December 18, 2023 the Administrator's Office provided to the Council a report titled *A New Approach to Economic Development*, wherein a series of reforms to our economic development and land development processes were recommended to the Council. The report is the result of more than a year of work directed by the Economic Development Corporation of Ann Arbor with support from members of Council to examine how the city could become more effective and efficient at pursuing economic development initiatives. The report can be found at the following link:

<https://a2gov.legistar.com/LegislationDetail.aspx?ID=6455353&GUID=9953264D-8091-454D-8178-7E569BF0A22C>

The City Council was briefed on the contents of the report in meetings on December 11, 2023 and February 12, 2024. In addition, individual briefings were offered to each member of the Council and the Mayor.

Following these discussions, four resolutions have been prepared for Council's consideration endorsing the findings of the report and providing direction back to the City Administrator to implement certain recommendations provided in the report. This resolution addresses the creation of an economic development office and the implementation of policy directives to guide the organization's approach to land development writ large. Accompanying resolutions will direct 1) strategies for supporting housing affordability by pursuing housing development at all income levels, 2) strategies for supporting sustainability in the built environment, and 3) strategies for supporting place-making and tax base improvements.

Prepared by: John Fournier, Deputy City Administrator

Reviewed by: Milton Dohoney Jr., City Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, In December of 2023 the City Administrator's Office provided a report to the City Council and the board of the Economic Development Corporation with a comprehensive analysis of the city's economic development processes and recommendations for improvement, and the City Council was briefed on the findings of this report at its planning session on December 11, 2023, at its work session on February 12, 2024, and in individual briefings with Councilmembers starting in January of 2024;

Whereas, Among the key findings of the report are that the city of Ann Arbor requires stronger strategic direction from the Council on what to prioritize in our approach to land development, that an office of economic development should be established, that the city should be more engaged in acquisition and disposition of property interests to achieve our public policy objectives in the built environment, that the city's site plan requirements are too extensive and our civil plan review processes too burdensome, and that a series of investments and process improvements should be pursued to improve our overall performance in these areas;

Whereas, One of the most important purposes of this report is to provide guidance on how to better support sustainability in the built environment, especially in housing;

Whereas, The city has several important powers to support sustainability, however there are important limitations under state law which must be changed to support a truly pro-active carbon neutral agenda in our housing development;

Whereas, Until such time as these changes in state law are achieved, the city shall exert maximum effort to support sustainability where it can while not hindering housing development where it is allowed by-right throughout the city; and

Whereas, Four resolutions have been prepared to provide direction to the city administration on these important issues, this being the third among them;

RESOLVED, That the City Council directs the City Administrator to pursue the following changes to City processes in an effort to encourage sustainable development that align with our community's climate action goals:

1. Create and define "Fully Electrified Development" in the Unified Development Code;
2. Create and define "Energy Efficient Development" in the Unified Development Code;
3. Create a fast-track approval process that prioritizes staff resources to any development that is Fully Electrified and/or energy efficient, to expedite review, permitting, and response over other non-Fully Electrified projects;
4. Amend Section 5.29.6 of Chapter 55 to designate any development activity previously identified for Planning Commission Review to be reviewed by the Planning Manager when meeting the definition(s) of Fully Electrified Development and/or Energy Efficient Development.
5. Modify all site plan review and related fees so that they are waived for development activity that meets the definition of Fully Electrified Development and Energy Efficient Development.
6. The UDC shall be altered to eliminate the requirement for a traditional level of service evaluation, and in its place, developments shall instead be evaluated based on a score of their multi-modal value to the city's transportation network;
7. The city's Legislative Policy Agenda shall be amended to include changes in state law that will allow local governments to implement tax abatements specifically for electrified or carbon neutral buildings that would otherwise not be built but for the city's participation, and to create tax increment financing districts to support with the same "but-for" test for their application;

RESOLVED, That unless otherwise specified these changes shall be communicated to the Council no later than December 31, 2025;

RESOLVED, That the City Administrator shall explore hiring a consultant to help research and write these ordinances and process changes if staff capacity does not exist to do so within the timeframes

specified; and the City Administrator shall endeavor to provide an estimate to the Council for the cost of such services as soon as is feasible;

RESOLVED, That the City Council is directing these changes to be implemented in a timely manner, and directs City staff to provide community engagement insofar as is prescribed by ordinance and to emphasize efficient use of resources to achieve the desired goals; and

RESOLVED, That the City Administrator is authorized to bring forth any ordinance changes and budget amendments and other resolutions that require the action of Council to execute the provisions of this resolution, and is otherwise authorized to take any necessary administrative action to implement this resolution.

Sponsored by: Briggs, Cornell, Disch, Eyer, Akmon, and Song

As Amended and Approved by Ann Arbor City Council on April 1, 2024.