

PLANNING STAFF REPORT

For Planning Commission Meeting of April 7, 2026

**SUBJECT: Southtown Site Plan for Planning Commission Approval
SP25-0028 (1601 S State St)**

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby approves the Southtown Site Plan v3 dated February 23, 2026.

STAFF RECOMMENDATION:

Staff recommend **approval** of the **site plan** because the contemplated development complies with all applicable local, state and federal law, ordinances, standards and regulations and limits the disturbance of natural features to the minimum necessary to allow a reasonable use of the land, the criteria for site plan approval.

LOCATION:

This site is a block bounded by South State Street, Henry Street, White Street, and Stimson Street. It is more generally located in the central part of the city, on the east side of South State Street and south of East Stadium Boulevard.

SUMMARY:

The Southtown Site Plan for Planning Commission approval is a proposed development for a 230,000-square foot, 8-story residential building with 289 apartments and a 41-space parking garage. The building design includes a one-story podium and a C-shaped tower open to the west. Approval of this site plan will replace the currently approved site plan for a comparable development mass in a different design. The site is 1.7 acres, assembled by combining all individual lots in the block and a portion of a vacated platted alley. It is zoned C1A/R With Conditions.

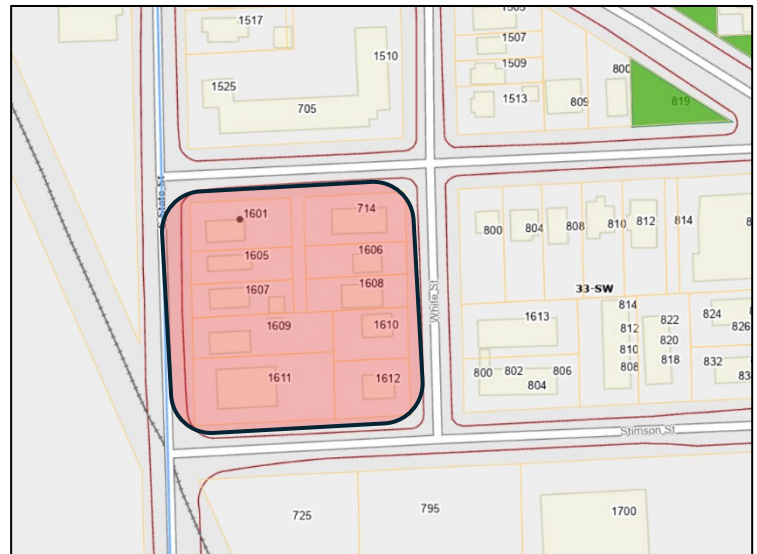


Figure 1: Location Map

BACKGROUND:

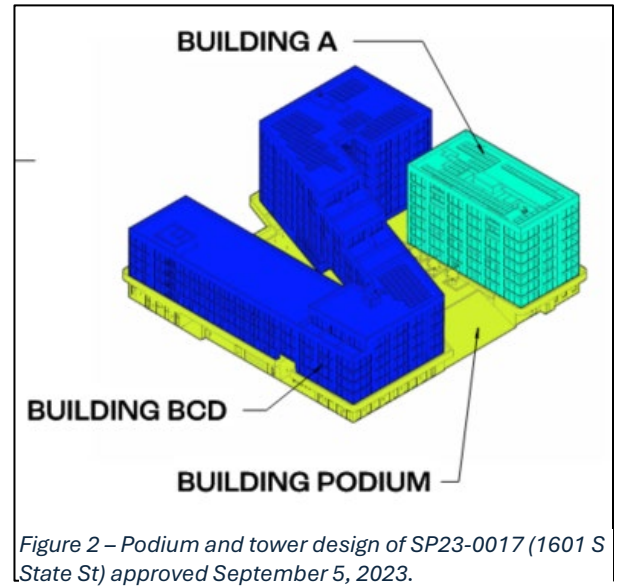
The Southtown project began in 2023 when the platted alley in the block was vacated¹, the site was rezoned from R4C to C1A/R With Conditions², a variance was granted to exclude above grade floor area used for parking from FAR calculations³, and the Southtown Site Plan and Development Agreement was approved⁴. The site was rezoned again from C1A/R With [2023] Conditions to C1A/R With [2024] Conditions⁵ and a First Amendment to the Southtown Development Agreement was approved on July 15, 2024.

Approval of the proposed site plan will replace Southtown Site Plan SP23-0017, and include these changes:

- A redesigned tower above the podium,
- Elimination of commercial uses on the first floor,
- Reconfigured site access, and
- Increased number of dwelling units from 216 to 289.

PROPOSED PROJECT:

The proposed site plan is to construct a 228,787-square foot, 8-story building providing 289 apartments and 15,000-square feet devoted to parking use with 41 spaces. The building is 100 feet tall and has a one-story podium and single seven-story C-shaped



¹ SV22-0001 (16001 S State St); R-23-326; September 5, 2023 – Vacate part of alley in Block 3 of Plat of Hamilton, Rose, and Sheehan’s Addition

² REZ22-0002 (1601 S State St); ORD-23-24; September 5, 2023 – Rezoning of 1.66 acres from R4C to C1A/R With Conditions to limit maximum height, limit maximum number of parking spaces, limit the principal uses, and limit power sources in district.

³ ZBA23-0012 (1601 S State St); May 24, 2023 – Variance from Section 5.37.2 to exclude the parking structure from the FAR calculation.

⁴ SP23-0017 (1601 S State St); R-23-325; September 5, 2023 – Southtown Site Plan and Development Agreement for building with two multi-story towers on top of a single-story podium, 200,000 square feet, 54 parking spaces.

⁵ REZ24-0003 (1601 S State St); ORD-24-13; July 15, 2024 – Rezoning of 1.66 acres from C1A/R With [2023] Conditions to C1A/R With [2024] Conditions to maintain first three conditions, change limit on power source to operate a carbon-efficient continuous electricity microgrid.

tower open to the west. Applying the variance granted to exclude all floor area devoted to parking from FAR calculations, the proposed site plan has 299% FAR.

The main entrance to the building is on the south side, on Stimson Street, while the main vehicular entrance is on the north side, on Henry Street. Service functions such as solid waste container storage and collection are also on the north at the northeast corner of the block. The required microgrid system detailed in the site's zoning conditions is along the east side of the site, screened from the White Street sidewalk by a masonry wall.



Figure 3 – Rendering of proposed Southtown development from WSW.

A development standards analysis is provided below. Other notable site plan details include:

- Natural Features – The site has 9 landmark trees, with a combined total of 168 inches DHB, which will all be removed. An alternatives analysis demonstrates the development limits the disturbance of natural features to the minimum necessary to allow a reasonable use of the land. Mitigation for half of the total removed inches, the required rate, is proposed by planting 23 new trees each 4 inches minimum.
- Sustainability Features –The project incorporates bioswales as a key green infrastructure strategy to manage stormwater sustainably. Vegetated channels are designed to slow, capture, and filter runoff, reducing pollutant loads and

improving water quality before entering into the public storm sewer system. It is an approach that promotes long-term environmental resilience while aligning with low-impact development (LID) principles.

- **On-Site Microgrid System Details** – The self-contained, on-site energy system will allow the building’s HVAC system to operate with substantially less source energy than typically supplied systems. Fuel cells in the microgrid convert renewable natural gas produced by wastewater sewer systems to electricity chemically (not via combustion). The CO2 generated by chemical conversion process is captured, liquified, stored, and sold into the commercial CO2 market. Waste heat is captured and reused for the building common area heating, domestic hot water, snow melting and geothermal field priming. On-site batteries will store power to manage peak loads and support more efficient capital costs.
- **Bicycle Parking** – The proposed site plan has been designed to meet the proposed Ordinance 26-01 (Vehicle and Bicycle Parking) passed at first reading by City Council on January 20, 2026. The proposed ordinance would have almost tripled the required number of bicycle parking spaces for multiple-family residential use in mixed-use districts, changing the requirement from a minimum 1 for every 5 dwelling units, half being Class A and half being Class C, to 1 Class A required for every 2 dwelling units and 1 Class C required for every 25 dwelling units, and introduced additional design and placement standards. The proposed ordinance was postponed at second reading on March 19, 2026 and referred back to Planning Commission for further revisions.
- **Transportation Mitigation and Improvements** – The proposed site plan includes several transportation mitigation and improvement features such as angled building design at the southwest corner for compliant sight triangle, converting Henry Street to two-way traffic, and new or relocated crosswalks at all four street corners.
- **Park Contribution** - \$180,000 will be donated to the Parks system based on the number of proposed dwelling units for improvements at nearby parks.

Development Standards Review Chart		
	Southtown Site Plan	C1A/R Standard
Lot Area	72,148 sq. ft.	No minimum
FAR	299%	Maximum 300% (excluding parking floor area per ZBA23-0012)
Building Height	100 ft.	Maximum 100 ft (per ORD-24-13)

Development Standards Review Chart		
	Southtown Site Plan	C1A/R Standard
Front Setbacks	At least 11 ft	Minimum 10 ft.
Parking – Vehicles	41 spaces (41 EV-I)	Maximum 1/4 Dwelling Units (per ORD-24-13) = max. 72 (of which 10% EV-I, 90% EV-C)
Parking – Bicycles	175 Spaces 145 Class A 29 Class C	Minimum 1/5 Dwelling Units = min. 58 50% Class A = 29 50% Class C = 2

DEVELOPMENT REVIEW TEAM COMMENTS:

The development review team has reviewed the submitted materials for Fire, Engineering, Solid Waste, Stormwater, SESC (soil erosion and sedimentation control), Urban Forest/Natural Resources, Park Planning, Planning, Transportation Engineering, and GIS.

The recommended site plan version, V3 dated February 23, 2026, complies with all applicable development standards. No development review offers additional comments for this project beyond standard notations.

Prepared by: Alexis DiLeo, Principal Planner
 Reviewed by: Hank Kelley, Deputy Planning Manager

Attachments:

- Southtown Site Plan v3 2026-02-23
- First Amendment to Southtown Development Agreement
- South Town Development Agreement
- ORD-24-13 Southtown Conditional Zoning Amendment

C:

- Applicant and Engineer: Brandon Chaney, Nederveld, Inc.
- Architect: Jeff Hrubec, SmithGroup
- Owner and Developer: Heidi Poscher, Southtown by 4M, LLC
- Other: Darren McKinnon, DMC Real Estate Services
- Development Review Team
- File SP25-0028