Legislation Details (With Text)

File #:	24-0990	**Version:**	1	**Name:**	7/15/24 - First Amendment to Southtown Development Agreement (1601 S State St)
Type:	Resolution			**Status:**	Passed
File created:	7/15/2024			**In control:**	City Council
On agenda:	7/15/2024			**Final action:**	7/15/2024
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Title:	Resolution to Approve the First Amendment to Southtown Development Agreement (1601 S State St)				
Sponsors:					
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Attachments:	1. 2024-7-11_1601 S State DA First Amend COUNCIL.pdf, 2. May 7, 2024 Planning Staff Report (Southtown Amendment), 3. May 7, 2024 Planning Staff Report Attachments (Southtown Amendment)				

Date	Ver.	Action By	Action	Result
7/15/2024	1	City Council	Approved	Pass

Resolution to Approve the First Amendment to Southtown Development Agreement (1601 S State St) This resolution will approve additional components to the Southtown Development Agreement between the City of Ann Arbor and South Town by 4M LLC, the developer of a site planned project to construct a 246,670-square foot building having two multi-story towers.

The development includes commercial and residential amenity space on the ground floor, 216 apartments on upper floors and a 54-space vehicle parking garage within the building podium. The project was originally planned to use DTE Electricity as the sole utility provider for the building, using DTE Gas service to only power its on-site emergency back-up internal combustion generator when the DTE Electricity grid was down. The project now intends to operate an on-site fuel cell to generate its own electricity. Fuel sources for the fuel cell include renewable natural DTE Gas (RNG).

Additional components to the Development Agreement are proposed to address operating and maintaining a continuous microgrid at 60-75% less carbon intensity than DTE Electric, as required by the separately petitioned amendment to the Southtown Conditional Zoning Statement of Conditions.

A Development Agreement requires approval by City Council. The First Amendment to the Southtown Development Agreement provides the operations, fuel sources, transitions, and penalties related to operating and maintaining a continuous microgrid from on-site fuel cells.

Ordinance 23-24, rezoning the block bounded by South State Street on the west, Henry Street on the north, White Street on the east, and Stimson Street on the south, from R4C (Multiple-Family Dwelling) to C1A/R With Conditions (Campus Business Residential) and incorporating the Southtown Conditional Zoning Statement of Conditions, was approved by City Council on September 5, 2023 and became effective on September 24, 2023. Resolution 23-325 approving the 1601 S State “South Town” Site Plan and Development Agreement was also approved on September 5, 2023.

Attachments: First Amendment to Southtown Development Agreement
Southtown Development Agreement (unsigned)
May 7, 2024 Planning Staff Report and Attachments
Prepared by: Alexis DiLeo, City Planner
Reviewed by: Brett Lenart, Planning Manager
Derek Delacourt, Community Services Area Administrator
Approved by: Milton Dohoney Jr., City Administrator

Whereas, South Town by 4M, LLC petitioned to amend the Southtown Conditional Zoning Statement of Conditions to change a condition on limiting natural gas connections to a requirement to operate a carbon-efficient continuous electricity microgrid;

Whereas, On May 7, 2024, the City Planning Commission recommended approval of the amended conditions; and

Whereas, A First Amendment has been prepared to address establishing, operating and maintaining a continuous microgrid at the Southtown development, including penalties for failure;

RESOLVED, That the Mayor and City Clerk are authorized and directed to sign the First Amendment to the Southtown Development Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.