Recommended Vision & Policy Framework for Downtown Ann Arbor

Downtown Development Strategies Project

Prepared for the City of Ann Arbor

By Calthorpe Associates and Strategic Economics

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Introduction

This Report has been prepared to address the complex issues affecting Downtown Ann Arbor and their impacts in its adjacent neighborhoods. The Report provides strategies to identify and encourage change, while placing an emphasis on building upon the stability of core areas and the Downtown’s unique characteristics. More than a simple land use plan or streetscape enhancement program, the Report takes a broader, more integrated approach to balancing economic development, land use, environment, mobility, and urban design in order to reach the Downtown’s true potential.

This Report outlines a series of recommended goals and policies that sets a direction for future growth in Downtown Ann Arbor; however, future decisions will be made within the context of all city-wide issues. The complexities of issues facing this area require new approaches to problem-solving. While the Downtown is part of Ann Arbor, it is in itself unique. Where necessary to achieve a community vision, specific policy or ordinance amendments are recommended.

As described below in greater detail, this Report is the product of numerous public design workshops, stakeholder input, and data gathering. Much of the vision and policy direction is a compilation from citizens and other stakeholders.

This document has been designed to allow readers to quickly and easily understand important recommendations and the rationale for their suggestion. It addresses both Downtown-wide concerns and site conditions. The following describes the document organization.

Fig. 1. Main Street Mixed Use Area

Project and Outreach Summary: Describes the public and stakeholder outreach effort used to prepare and refine the plan’s recommendations.

Vision and Goals: An annotated list of priorities for Downtown.

Downtown Opportunities and Challenges: Describes the opportunities and challenges for Downtown by topic area: land use, urban design, housing, economic conditions, public space, and mobility. Each section concludes with a series of general policy recommendations. Steps to achieve each policy recommendation are listed in the appendix.

Vision Plan and Specific Opportunities: The section describes one potential vision for Downtown Ann Arbor and a series of specific opportunities for areas illustrated in the Structural Plan.

Appendix. The appendix includes a matrix of implementation steps for each policy topic described in the Downtown Opportunities and Challenges section, a series of Downtown housing case studies, and 11x17 maps produced for the Public Design Workshops.
Project and Outreach Summary

This report is the product of a wide range of exercises - community design workshops, stakeholder meetings, data gathering, research analysis and professional opinion. This section describes the outreach strategy for the Downtown Development Strategies Project and how it has shaped the recommendations of this report.

Downtown Development Strategies Project Summary

In 2003, the Downtown Residential Task Force began to explore four types of barriers to residential development: economic, City policy, zoning, and livability. After the completion of the Downtown Residential Task Force work in the fall of 2004, Calthorpe Associates was retained to assess whether Downtown Ann Arbor zoning and development policy met the future desires of Ann Arbor residents. Calthorpe Associates developed the following strategy to assess Downtown zoning and community desires during initial meetings with City Staff and the project Steering Committee:

- Convene a series of public design workshops and informational meetings with City Council, Project Steering Committee, Downtown Development Authority, and Planning Commission;
- Review existing site and zoning conditions;
- Establish a potential Illustrative Vision to assess the existing zoning;
- Conduct a Downtown market analysis;
- Recommend updates to existing documents or policies; and
- Consider a sequence of implementation strategies.

Though the Report touches on a significant number of topics, it is by no means exhaustive. The Report primarily focuses on potential zoning changes and the market demand for new housing and commercial development; however, the report brings to catalog many topics and concerns that are related to this process.

Public Design Workshops Summary

Several hundred community members participated in three Public Design Workshops held on July 28, September 22, and November 3, 2005. The workshops built upon one another moving from big picture development issues to specific Downtown policy questions and implementation issues. In preparation for these workshops, Calthorpe Associates and City staff compiled existing data on various opportunities and constraints in Downtown Ann Arbor. Data gathering included Downtown tours, local advisory panel discussions; and reviewing previously prepared studies including the existing zoning code (particularly Chapter 55), the Downtown Master Plan, and final recommendations by the Downtown Residential Task Force. Data was compiled into presentation and workshop materials.

Interactive Public Design Workshop #1

On July 28, 2005, over 200 citizens attended the first public design workshops. Citizens listened to several presentations then participated in a facilitated table exercise. The exercise allowed participants to choose one of three potential growth scenarios that highlighted three different
ways for Downtown Ann Arbor to grow. Participants were seated at 20 tables and given a proposed Armature Plan – an enhanced downtown-wide base map with streets, public spaces, natural features, and existing buildings. In addition to the map, participants were given a series of land use chips which represented various land uses and amenities that could be encouraged in Downtown.

With the assistance of facilitators, teams of 6-10 citizens worked together at tables to identify where future development would be appropriate. The final result was a preferred plan for each table. All maps were posted at City Hall for public display. Not all tables reached a full consensus; however, small table dialogue allowed a large number of issues and concerns to be discussed.

**Interactive Public Design Workshop #2**
On September 22, citizens engaged in a similar process to Workshop #1 with a presentation period and a facilitated table exercise. Participants were asked to comment on a map-based representation of the commonalities from Workshop #1 maps. Though no two Workshop #1 maps were alike, common themes emerged from the first workshop exercise. These common density and design themes were synthesized into a single Conceptual Land Use Diagram. The diagram showed Downtown split into six areas of intensity (North Main / Kerrytown, South Main / William, Huron Corridor, Downtown Core / Liberty Street, South University, and West Downtown / Ann Arbor Railroad).

Again with the assistance of facilitators, participants commented on the overall Conceptual Land Use Diagram and gave detailed input on one of six areas highlighted by the Conceptual Land Use Diagram. Participants used a more detailed series of land use chips to give specific input on identified opportunity sites.

Finally, participants discussed characteristics that they felt encompassed the unique qualities of Ann Arbor and how future development might impact these qualities.

**Interactive Public Design Workshop #3**
On November 3, citizens engaged in a similar process to Workshop #1 and #2 with a presentation period and a facilitated table exercise. Participants were asked to evaluate, annotate, and modify the updated Conceptual Land Use Diagram – later the diagram is referred to as the Structural Plan because it went through a series of refinements – and a sketch Illustrative Vision. The participants were asked to answer a series of questions designed to solicit input on the draft plans. In addition to draft plan input, participants made general policy and implementation comments. The question topics (land use and urban design, housing, circulation, and open space) were identified as critical topics during the previous workshops.
Stakeholder Meetings

Calthorpe Associates worked extensively with the City Planning Staff and Project Steering Committee to seek direction on the Downtown Development Strategies Project. Presentations to the City Council, the Downtown Development Authority, and the Planning Commission also provided Calthorpe with policy direction.

Calthorpe Associates worked closely with Strategic Economics during two Local Advisory Panel meetings to engage developers, brokers, community housing advocates in discussions about Downtown economic drivers, current and future demand, affordable housing, and development constraints in Downtown Ann Arbor. Results of the panel discussions are highlighted later in the document (Downtown Opportunities and Challenges Section).

After the first public workshop, Calthorpe Associates recommended that the City convene a Task Force to study the potential for a greenway along the Ann Arbor Railroad and Allen Creek. The first workshop illustrated the desire of Ann Arbor residents to see a transportation and open space amenity along the western edge of Downtown. The New Greenway Task Force work is on-going and the task force will recommend potential alignments and designs of the Downtown amenity by November 2006.
Vision and Goals

Downtown Ann Arbor is currently a place to live, a place to work, a place to shop, and a place to attend university. It is both region-serving, providing good office jobs and destination retail and entertainment, and it is local-serving, providing cafes and bookstores that neighbors frequent. Those who regularly visit Downtown are familiar with its strengths – the best places to eat, the pleasant bicycling routes, the historic architecture, the neighborhood hangouts – those qualities that make city-life appealing. Those who frequent Downtown also understand its less appealing side – expensive rents, speeding traffic, difficult parking, and many examples of non-pedestrian-scale architecture. These aspects reduce the livability of Downtown Ann Arbor and make the Downtown less people-orientated. It is both the appealing and unappealing aspects that have brought hundreds of citizens together to discuss the future of Downtown and work towards improving the quality of life of all Ann Arbor residents.

Our approach to Downtown Ann Arbor is embedded in a few basic principles. First is an acceptance that growth and change are inevitable. Downtown Ann Arbor is a desirable place to live and regional development pressures will continue attempting to change Ann Arbor. It is healthy for Downtown to be flexible to those changes. Second, if change is to be constructive, we need to tackle issues comprehensively, considering economic and physical change in tandem. Third, change should aim to encourage and multiply the successful aspects of the community and aid in improving the area’s unique character and quality of life.

Ann Arbor is and should always remain a place that has a unique character different from other cities in Michigan and the Midwest. It is a place with a diversity of residents – students and professionals, rich and poor, young and old, singles and families. Ann Arbor is an attractive city dotted with busy shops and public spaces that encourage social interaction. Downtown should be a place that represents the best of Ann Arbor’s social, economic, and ecological values.

With this vision in mind, the following goals guided the Downtown Development Strategies Project:

**Goal #1:** Encourage a transparent process with public input, debate, and consensus building:
- Convene public workshops that allow participants to discuss future development in Downtown Ann Arbor;
- Emphasize neighborhood involvement; and
- Listen to and incorporate community input.
**Goal #2:** Increase the diversity of housing types and uses in the Downtown:
- Reinforce and build upon the importance of Downtown as a center for jobs, cultural, and housing activities which would help keep it vibrant all day and active all year round;
- Create a balance of uses;
- Encourage a housing strategy that provides a balance of all income levels including below market rate capture;
- Encourage the rehab of existing historic buildings; and
- Promote a safe, attractive place for new residents to live.

**Goal #3:** Recommend a plan that connects land use, transportation, and pedestrian-friendly design:
- Reinforce and create prominent mixed use corridors with housing, jobs and commercial uses within the existing land use pattern;
- Evaluate current city transportation systems, encourage transit routes to connect housing with jobs and commercial uses and to link with the regional transportation systems;
- Link Downtown to the adjacent historic, single-family neighborhoods; and
- Consider potential locations for Transit-Oriented Development.

**Goal #4:** Recommend a set of Downtown development standards which are easy to follow and enforce:
- Streamline the development process so it is more transparent;
- Determine the criteria of evaluation up-front;
- Consider a set of essential urban design guidelines that are easy to follow and encourage street-edge building with active and interesting first floors; and
- Set up a system of status checks, so the developers are able to monitor the progress of their permitting process.

**Goal #5:** Provide the City Council with clear direction on a Downtown Development Strategy:
- Consider a strategy for implementation steps. Identify catalyst sites for short term and long term development.
Downtown Opportunities and Challenges

This section identifies a broad range of issues affecting the livability of Downtown Ann Arbor and its surrounding neighborhoods. Many of these issues arose during the outreach and data-gathering phases of the Downtown Development Strategies Project. The section addresses these concerns by topic area: land use and zoning, urban design, housing, economic conditions, public spaces, and mobility. Each section concludes with a series of policy recommendations and/or interventions.

Land Use and Zoning

The Downtown as it exists today is anchored by a series of mixed-use commercial areas (Figure 6): the historic Main Street retail area, the historic State Street retail area, the Kerrytown retail area, and the South University retail area. These areas are bound by historic residential neighborhoods, the University of Michigan, and light industrial uses.

Fig. 6. Core Downtown Mixed-Use Areas
Each of the four retail areas serves a distinct function. Main Street is primarily a regional destination providing unique shopping and dining experiences as well as parking and office employment. State Street serves a local, student-centric retail need adjacent to the University’s Central Campus. The State Street district also contains the regional attractions of the State and Michigan theaters. South University, situated on the southeast corner of the central campus, supports the entertainment and dining needs of the adjacent student neighborhoods. The Kerrytown retail area is centered on some of Ann Arbor’s original buildings and the neighborhood’s popular farmer’s market. The neighborhood center provides specialty retail for surrounding communities.

The University of Michigan is the largest landowner in Ann Arbor and consequently has a significant impact on the Downtown. Nearly 40,000 students attend the University of Michigan and the University provides over 5,000 faculty positions and 30,000 additional jobs. Many residents expressed an interest in working with the University to make it more accessible to the Downtown and the surrounding community – to remove the Town and Gown separation.

Supporting these core commercial and entertainment areas is a diversity of land uses. Downtown Ann Arbor contains a significant inventory of county, city, and local-serving civic facilities mostly concentrated around Huron and Fifth streets. These facilities serve important community functions including the provision of services to low to moderate income families and the homeless as well as the provision of educational opportunities in museums (i.e. the Hands On Museum). These civic areas along with university land comprise approximately one-third of the Downtown area and provide locations for important jobs and daily social interactions.

A survey of the Downtown and adjacent area shows a significant inventory of public spaces. The Huron River Greenway is readily accessible to the Downtown as well as West Park, Wurster Park, Hunt Park, and the University of Michigan Diag. In addition, Downtown has a significant number of small plazas and meeting places. The Kerrytown Urban Sculpture Plaza, Dean Promenade along historic Main Street, Liberty Plaza, and pedestrian space within Braun Court provide urban alternatives to the large open spaces.
Along the western edge of Downtown, a band of warehousing and light industrial follows the Ann Arbor Railroad Right-of-Way. These areas provide a low-intensity job base for the City and are increasingly becoming attractive for new development; though many of the parcels fall within the floodplain and/or floodway.

Downtown Ann Arbor also includes a smaller but supportive residential component. Over 1,600 households currently live in the Downtown Development Authority (DDA) district, while many thousands live in residential areas directly adjacent to Downtown. If anything is missing from the Downtown core, it is a viable, mixed residential component that includes units affordable to a larger portion of the population. New housing could help to create a vibrant, around-the-clock, and year-round atmosphere that is lacking today.

Additional analysis of the Downtown land use data illustrates the significant amount of land devoted to parking facilities. In many cases, these parking facilities create pedestrian dead-zones - particularly along Huron Street - and many residents found these areas unappealing. Other parking facilities, such as the 4th and Washington Structure, are well integrated into the urban environment. Future parking should be carefully integrated into the urban form and will be discussed during the Mobility section later in the document.
Zoning

Current Downtown zoning (Figure 11) is a patchwork including commercial districts (C1, C2, and C3), industrial (M1), office (O), parking (P), public land (PL), planned urban development (PUD), and residential districts (R2, R3, and R4). The Downtown Development Strategies Project expanded the Downtown Study area (derived from the Downtown Development Authority District) to include several pockets of C1A and C2A located in areas adjacent to the tax district and the city-owned maintenance facility at 721 North Main. In addition, care was taken to remove existing residential zoning districts from the downtown discussion. These zoning districts included R3 and R4.

Analysis of the zoning shows that several commercial districts are particular to the Downtown (C1A, C1A/R, C2A, C2A/R, and C2B/R). These commercial zones permit the highest commercial floor area ratios (FAR*) allowed in Ann Arbor, ranging between 200 to 600% (FAR of 2.0 - 6.0) of the parcel area. Other commercial uses permit significantly lower FARs of only 50% (FAR of 0.5) of the parcel area. Residential uses, particularly within the C2B and C2B/R districts, are permitted at significantly lower densities.

*FAR is the maximum usable floor area as a percentage of the parcel total.

FAR = Gross Floor Area / Parcel Area
Although several significant mixed-use projects using existing zoning have recently been approved or are currently under consideration, a perceived discrepancy exists between the community desire to create a healthy, vibrant Downtown and the existing zoning. Mixed-use development with a residential focus is viewed as difficult to achieve under the current zoning policies. Most development proposals of this nature utilize the Planned Unit Development designation (henceforth called PUD). PUD is a useful tool that allows developers to build mixed-use or residential buildings within the Downtown without some of the restrictions associated with traditional zoning. In addition to the benefits provided by a PUD development, the PUD process allows the City to negotiate for the provision of community needs such as affordable housing and open space.

However, the drawback is that the PUD process is time-consuming and costly. The process triggers rezoning which, when combined with the complexities associated with a PUD, could add over a year to the development review process. Time lost plus additional fees administered to PUD (i.e. affordable housing and open space) increase the cost of the subsequent residential units provided by the developer. Nearly all new for-sale units cost between $300,000 and $1,000,000.

These zoning costs are coupled with high land, construction, and development costs. These additive costs, along with demand for single-family product types, drive new, moderately-priced home-building into the Washtenaw County townships (further discussed in the Housing Section). These cost factors include the provision of structured parking outside the DDA, meeting federal, state, and local requirements for the provision of stormwater detention, competition with the University for construction crews, and global price fluctuations for the cost of steel.

Analysis of the current zoning and regional development patterns suggests Downtown Ann Arbor should seek to update its zoning code and development review process. The existing policy framework works against many of the goals of the community and the Downtown Development Strategies Project by making new affordable development difficult to achieve in Downtown. A new set of flexible zoning standards coupled with an updated review process is necessary to enhance and foster the vibrant, mixed-use Downtown and potentially lower costs for development in Downtown Ann Arbor. This project team recommends establishing a new zoning overlay and set of design guidelines that:

- Creates a dense, mixed-use core area that is connected to adjacent neighborhoods. The Downtown core will be anchored by four retail and entertainment centers, Main Street, State Street, Kerrytown, and South University and should attempt to strengthen the connection between the centers while retaining their distinct identity;
- Establishes flexible land uses within the mixed-use core area allowing response to market cycles;
- Builds on the pedestrian scale of the Downtown urban fabric by placing the pedestrian first;
- Respects the different adjacent single-family neighborhoods by decreasing new development intensity away from the Downtown Core;
- Provide a gradual framework for the transformation of vacant and underutilized properties;
- Proposes incentives for the provision of amenities including affordable housing, parks and open space, and ground-floor retail; and
- Works to lower the cost of Downtown development by recommending changes to Downtown and city-wide policies.
Zoning Overlay

The Recommended Downtown Structural Plan (Figure 14) shows a series of suggested overlay zones: Kerrytown / North Main Street area, Huron Corridor area, Downtown Core / Liberty Street area, South Main / William Street area, West Downtown / Ann Arbor Railroad area, and South University area. The overlay zones provide specific form-based requirements but allow increased land use flexibility over the existing zoning ordinance. Figures 12 and 13 illustrate these recommended uses and form characteristics.

The Structural Plan specifies minimum and maximum building heights and floor area ratios (FAR) that should be established to reinforce the existing historic urban fabric. Development proposals that meet specific community goals (Figure 20) should be allowed to build above these maximum heights.

Unlike the existing zoning ordinance, land use type is not required but recommended to allow maximum flexibility to market changes; however, the City should target ground-floor retail along Liberty Street and portions of Washington Street. The Plan also establishes maximum lot coverage and upper floor setbacks. Upper floor setbacks should be enacted above the minimum height (described in the table in stories) and again above the recommended maximum height if the developer pursues density bonuses. Corner buildings should not be subject to these upper floor front setbacks.

These tables do not require specific build-to lines; however, these lines are critical to the development of a pedestrian-oriented environment. The City should develop a map (integrated with the Structural Plan) that shows build-to lines on a street by street basis. These build-to lines should encourage building to the right-of-way.

This zoning should not supersede building code and life safety requirements that protect the health and safety of the public.

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Fig. 12. Zoning Overlay Recommended Land Uses*

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Fig. 13. Zoning Overlay Recommended Form Requirements*

*Figures 12 & 13 should be used in conjunction with accompanying, descriptive text.
Fig. 14. Recommended Downtown Structural Plan

Note: A larger version of the plan is included in the Appendix.
The **Downtown Core / Liberty Street** area is the mixed-use core of Downtown Ann Arbor spanning the area from 1st Street on the West to the University of Michigan campus on the East. Anchored by the Main Street and State Street retail districts, the east-west Downtown Core is connected by the trio of Liberty, Washington and William streets. Future efforts in the area should focus on maintaining and enhancing the diversity of uses and historical fabric within the area. New development on Liberty Street and portions of Washington should require ground-floor retail to strengthen pedestrian connections.

The **Huron Corridor** area is a major gateway into Downtown Ann Arbor bringing high volumes of commuter traffic into the city. Its curb-to-curb width and high traffic capacity make the street an auto-dominated environment with large surface parking lots and auto-oriented commercial uses. Future investment along Huron Street should contain a mix of uses with a primary focus on residential use. In particular, new development should enhance the pedestrian scale of the street. Street improvements should minimize the physical barrier separating the Kerrytown / North Main area and Old Fourth Ward from the Downtown Core, while understanding that Huron will remain an important auto connection.

The **Kerrytown / North Main Street** area occupies the space from Ann Street north to Kingsley and bound by Division and North 5th. The area includes one of the four downtown retail anchors as well as significant portions of both the Old Fourth Ward and the Ann Street Historic Districts. New uses and buildings in this area should blend into and protect the historic fabric and pedestrian scale of the neighborhood as well as transition between the Downtown Core and Huron Corridor areas to surrounding residential neighborhoods.

The **South Main / William Street** area includes portions of William Street from State Street to Main Street and from Main Street South to Madison Street. The area is a transition between the traditional Downtown Core, the University, and residential areas.

The **West Downtown / Ann Arbor Railroad** area includes the area directly adjacent to the Ann Arbor Railroad. The area runs north to south along the entire edge of Downtown and could be defined by the potential Allen Creek Greenway. The area is a mixture of commercial uses with a significant amount of industrial land along the rail right-of-way. In addition, the area contains the new YMCA, Fingerle Lumber, and two City-owned maintenance yards as well as
portions of the Old Westside Historic District. New development in the area should focus on the transition between the Downtown core areas and Westside neighborhoods and allow edge-sensitive development along the Allen Creek and potential greenway amenity.

The South University area is a small area southeast of the Central Campus. The area includes Washtenaw west to East University and Willard Street north to Washtenaw. The area is defined by South University and its student-serving retail. New development in the area should focus on mixed-use, particularly along South University, with a significant emphasis on residential development.

**Urban Design Guidelines**
As a complement to the form-based development requirements, a series of essential design guidelines should be prepared to guide physical development in Downtown Ann Arbor. The guidelines should encourage high-quality building design and prioritize the pedestrian within any environment. Design guidelines should complement and be incorporated into the recommended overlay zones. Guidelines should be as objective as possible with clearly stated goals and standards for each requirement. In addition, a senior-level member of the planning staff with design experience should oversee the design review process.

The guidelines should specify a minimum number of essential design elements including but not limited to building and street orientation, pedestrian orientation, parking, building facades, lighting and signage, historic preservation, contextual design, and open space development. Figure 19 illustrates an example set of design guidelines. The figure lists the category on the left and one or two specific standards relating to the category.

<table>
<thead>
<tr>
<th>Design Guideline Category</th>
<th>Standard 1</th>
<th>Standard 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and Street Orientation</td>
<td>Unobstructed Building Access</td>
<td>Building Entrance Facing the Street</td>
</tr>
<tr>
<td>Pedestrian Orientation</td>
<td>Blank Wall Minimum Distance</td>
<td>Bottom Floor Architectural Detail</td>
</tr>
<tr>
<td>Parking</td>
<td>Surface Parking Oriented Behind Building</td>
<td>Parking Garages that Contribute to Pedestrian Activity</td>
</tr>
<tr>
<td>Building Facades</td>
<td>Building Frontage and Setback</td>
<td>Corner Building Detail</td>
</tr>
<tr>
<td>Lighting and Signage</td>
<td>Exterior Lighting Plan</td>
<td>Safety and Visibility</td>
</tr>
<tr>
<td>Contextual Design</td>
<td>Preserve Historic Facades</td>
<td></td>
</tr>
</tbody>
</table>

In addition to these essential design elements, the City should consider a green building element that encourages energy efficiency, solar orientation, and minimizing storm water runoff. The Green Building element could be optional and it could be provided as an incentive to developers.
Incentives

Development incentives should be awarded to proposals that meet or exceed specific community goals. Not only will these goals provide community amenities, but the incentives could help to lower Downtown development costs attracting new development to Downtown. Some of these goals described during the Public Design Workshops include the provision of quality design, affordable housing, underground parking, ground-floor retail, and accessible open space.

First, the City of Ann Arbor should consider an expedited development review process. Downtown development proposals should be prioritized, moving these proposals ahead of proposals outside the Downtown.

Second, if a development proposal meets the criteria established in the Structural Plan and Design Guidelines as well as completing the necessary project documents, the development should be reviewed and receive permits within a specified time frame. This approvals process should be transparent and predictable with timelines and fees clearly spelled out.

If the proposed development occurs in a historic district, the development proposal should continue to be evaluated by the Historic District Commission but within the same timely and predictable manner.

Third, incentives in the form of density bonuses should be provided for other community goals such as provision of on-site open space/pedestrian amenities, ground-floor retail, and underground parking (Figure 20). Density bonuses should be awarded on top of the heights regulated within the Structural Plan. Each incentive should be calculated separately from other incentives. The City should regulate a minimum requirement to obtain the bonus and also place a total maximum bonus on an individual development proposal. Maximum bonuses should be applied separately for each structural zone area allowing larger maximums along the Huron Corridor or in the Downtown Core (200-300%) and lower maximums within surrounding areas (100-200%).

Several interesting opportunities arise to provide density incentives to proposals. The transfer of development rights could be a tool to promote compact urban development. Development rights from the adjacent townships could be purchased for an additional height bonus. Washtenaw County is already considering a TDR measure, and this incentive would complement the 2003 passage of the Greenbelt measure.

Citizens and stakeholders alike mentioned the provision of affordable housing as one of the most important community goals. The City should provide density incentives for development proposals that include built affordable housing.

Developers should receive a bonus for proposing slender tower designs. These small-footprint buildings would minimize the impact on pedestrian landscape, fit on uncommonly-sized parcels, and allow Ann Arbor to selectively increase density. Separate tower design guidelines should be established to evaluate proposals.

The City should consider a green building incentive that minimizes stormwater runoff.

<table>
<thead>
<tr>
<th>Community Goal</th>
<th>Estimated FAR Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing (10%)</td>
<td>100%</td>
</tr>
<tr>
<td>Ground Floor Retail</td>
<td>Corresponding FAR</td>
</tr>
<tr>
<td>Open Space / Pedestrian Amenities</td>
<td>50%</td>
</tr>
<tr>
<td>Tower Design</td>
<td>50%</td>
</tr>
<tr>
<td>Transfer of Development Rights</td>
<td>200%</td>
</tr>
<tr>
<td>Underground Parking</td>
<td>300-350 SF per stall</td>
</tr>
</tbody>
</table>

Fig. 20. Example Community Incentive FAR Bonuses
The stormwater detention requirements could be restructured to encourage green building and stormwater management practices that could reduce the amount of stormwater retention required. In addition, if the City moves forward with a shared detention facility, developers could receive a payment reduction for an in-lieu fee to the shared detention facility. If the City chooses not to move in this direction, an additional density bonus could be appropriate.

**Policy:** Strengthen Downtown Ann Arbor as a mixed-use center. Concentrate high-density mixed-use residential and commercial development in central Downtown and encourage medium-density residential and mixed-used development between the central Downtown and the surrounding, historic single-family neighborhoods:

- Create special overlay zoning for the Downtown that identifies areas of similar character. This overlay should address the physical appearance of new buildings and general land use characteristics;
- Encourage housing with ground floor retail allowing flexibility for a building to change use in the future;
- Set minimum and maximum height limits for new buildings. Additional maximum heights may be granted if other community goals for affordable housing, ground floor retail, open space, and transfer of development rights are met; and
- Incorporate a set of essential design guidelines.

**Policy:** Work with the University to integrate building proposals and transportation improvements into the City’s Master Plan:

- Continue regularly scheduled meetings between City and University Planners to discuss development timing; and
- Develop a shared implementation strategy for future capital improvement and development projects.

**Policy:** Work to lower the development cost in Downtown:

- Consider ways to provide stormwater detention for all new Downtown development rather than building by building;
- Remove regulatory barriers to constructing dense urban housing and expedite the development review process;
- Administer development fees for affordable housing and open space on all new developments and adjust fees appropriately; and
- Provide incentives for community amenities.
Urban Design

The urban design issues affecting Downtown Ann Arbor encompass a broad variety of topics: improving the functional and visual appearance of streets like Huron and South University, balancing the relationship between historic structures and new development, providing public amenities such as a central “Town Square” and maintaining and designing new public spaces like Liberty Plaza and the Allen Creek Greenway. Both the street and its buildings must be considered in order to create healthy and safe public spaces. Specific issues include:

Lack of Gateway Markers

Downtown Ann Arbor is entered from at least 6 major corridors (Main, Division, State, Huron, Washtenaw, and Packard) but lacks any identifiable entry. Future development and civic improvements at these gateway points might include a special structure, distinctive landscaping, building height change, or special streetscape design including but not limited to special street lighting with area/event banners, built-in sidewalk seating, and/or creative sidewalk paving.

Pedestrian Amenities

While many of the streets in Ann Arbor have pedestrian amenities, new civic investments should focus on connecting Downtown retail and entertainment attractions to civic cores and to adjacent neighborhoods. Civic improvements including pedestrian enhanced sidewalk crossings and area-highlighting street furniture, as well as private improvements in ground floor retail and optional outdoor patio seating, would reinforce the urban fabric between the districts.

Traffic Calming

The community has repeatedly cited the lack of a safe pedestrian experience along Huron Street as well as parts of Main and Washtenaw. Speeding cars and trucks, and the dominance of auto-oriented establishments that have large expanses of parking lots and numerous curb-cuts, are common criticisms.

Building Design

New development or building improvements should consider the pedestrian first. Improvements should focus on enhancing the pedestrian environment by providing amenities such as building façade design, window and entrance awnings, signage, and adequate lighting but not requiring a homogenous environment that fails to reflect the area’s character or quality. The recommended design guidelines should specifically address these issues.

Ash Tree Removal

Approximately 10,500 dead or dying ash trees will be removed from the city of Ann Arbor due to infestation by the Emerald Ash borer. Over 5,000 of these trees are located in public rights-of-way and 5,000 are located within city parks. Before beginning the process of replanting the trees, the
city might consider implementing other urban design elements including better lighting, gateway elements, and central median strips in the certain Downtown locations.

**Historic Districts and Structures**

Historic Ann Arbor has a unique character that provides a distinctive charm as well as a source of civic pride for Ann Arbor’s residents. Historic Districts, particularly the Main Street and State Street districts, form the commercial and entertainment core and nurture the best pedestrian environments in the City. These architecturally rich buildings and districts remind the residents and visitors of the strong historic society upon which the modern Downtown Ann Arbor is built.

![Fig. 23. Historic Old Fourth Ward Signage](image)

In addition to the Main and State Districts, nine other historic districts are located in and around Downtown. The study area includes portions of nine historic districts that cover between 20 to 30 percent of the study area land area. The nine districts include the Old West Side, Main Street, Liberty, Division Street, East Liberty, East William, Fourth and Ann, Old Fourth Ward, and State Street. Though not within the study area, the Ann Street and Washtenaw Hill historic district are directly adjacent to the study area. Two smaller historic districts are located outside the study area.

The majority of the buildings in historic districts are of outstanding architectural heritage.

An effort needs to be made to preserve the structures of exceptional merit and build upon this unique Downtown fabric. A balanced development approach needs to consider the impacts to these historic structures and districts as well as developing a transparent strategy to assess those impacts. A balanced approach to new development should also include the creation of an adaptive reuse ordinance. By allowing historic structures to change use and function, some development pressure could be alleviated.

Some of the buildings within historic districts are of ordinary quality. The City and the Historic Commission could allow the removal of these historic structures to provide for new development. New development should reflect the existing historic neighborhood through its architectural vocabulary as well as the goals of the community as a whole.
**Policy:** Use Streetscape enhancements to help improve pedestrian connections between core retail, civic, and adjacent residential neighborhoods:
- Phase in a series of gateways to Downtown Ann Arbor;
- Consider bulb-outs or other traffic calming features and pedestrian features along Huron and Washtenaw;
- Consider the use of human-scale streetlights which light the street and sidewalk but reduce ambient light;
- Improved transit shelters along potential new transit routes;
- Consider new public art projects;
- Provide pedestrian amenities such as benches, drinking fountains, bicycle racks; and
- Consider alternative strategies to Ash removal and replacement along rights-of-way.

**Policy:** New buildings should be designed with pedestrians and safety in mind:
- Apply an essential set of urban design guidelines to all new development with Downtown Ann Arbor. The design guidelines should encourage street-edge building with active and interesting first floors; and
- Require all new buildings built within Downtown to be at minimum 2 to 3 stories in height. Maximum building heights vary by overlay zoning area, but should be increased if the development proposal meets specific and targeted community goals. Buildings taller than the minimum height should have upper floor setbacks.

**Policy:** Encourage the renovation and preservation of historic buildings by actively using an adaptive reuse policy:
- Create an adaptive reuse ordinance to reduce development pressures on buildings within the district; and
- Reduce the time necessary to obtain a building permit allowing the conversion of commercial or industrial building to a residential structure.

**Policy:** Create transparent and objective criteria for evaluating development proposals and the proposal’s impacts:
- Work with representatives from all thirteen historic districts, including the four districts that fall outside of the Downtown Development Authority;
- Establish a transparent and objective development proposal review process; and
- Create and publish a common set of evaluation criteria to which development proposals must adhere.
Housing

While population growth in Washtenaw County has lagged behind the national average, the city of Ann Arbor experienced even less population growth from 1990 to 2000 than the surrounding region. At the same time, the population within the DDA boundaries has increased at a faster rate than Ann Arbor as a whole.

Between 1990 and 2000 19,813 new housing units were added in Washtenaw County. Sixty-six percent of these units were built in unincorporated portions of the County, suggesting that the majority of growth in the region has been absorbed at the edge of existing development. Population in the unincorporated areas grew 24 percent between 1990 and 2000. Growth projections developed by the Southeast Michigan Council of Governments (SEMCOG) expect the pattern toward development on the edge of urbanized areas to continue, showing continued absolute population loss in Detroit, the region’s center, and the greatest increases in population on the edge of already urbanized areas (Figure 24.)

The simultaneous trend of faster growth in the downtown indicates a housing preference at work where those that do choose to live in “built-out” areas are choosing the downtown. At present Ann Arbor is the largest town in Washtenaw County, followed by Ypsilanti which contains 22,398 persons.

Ann Arbor added 4,087 households between 1990 and 2000. Of this amount, 274 households, or 6.7 percent were captured in the downtown. While this share may appear modest, the growth rate of downtown households is more than double that of Ann Arbor as a whole. Single-person households drove eighty-eight percent downtown household growth in the years from 1990 to 2000, resulting in a decrease in household size from 2.00 to 1.75 persons. This is substantially smaller than the City’s average household size, which was 2.49 persons in 2000. Very few (11 percent) of the households within the DDA are comprised of families with children.

The median age of households in the region will continue to increase, following national trends as the Baby Boomer generation, the largest population group, ages. From 1990 to 2000, the percentage of the nation’s households between 55 and 64 years old dropped only slightly from 13.5 percent to 13.2 percent, but from 2000 to 2010, this percentage is expected to jump to 17.4 percent. This effect...
is augmented by the declining proportion of growth that will be driven by the population in younger age brackets. During 1990s, household growth between ages 35 and 44 and 45 and 54 amounted to two or three million nationally every five years. In the coming decade growth in this age bracket will drop off markedly, even posting negative absolute household growth in the 35 to 44 age bracket from 2000 to 2010.

Defined here as the population born between 1945 and 1964, the Baby Boomer generation will drive housing trends nationally, regionally, and in downtown Ann Arbor. Strategic Economics’ review of national literature points to a preference among this demographic for attached ownership (condominium) housing, located near cultural, retail and entertainment amenities. Within this market, there is a growing niche of retirees who are seeking locations in College towns such as Ann Arbor, which provide access to culture, art, athletic events, educational opportunities and the vibrancy associated with student populations.

While the downtown can expect to benefit from housing demand generated by the empty-nester and Baby Boomer demographic, it needs to be made clear that the increase in Baby Boomer or empty nester households in the downtown is not only a function of household preference but of regional and national demographic shift. In other words, while the downtown will tend to attract these older age-groups, this increase is also due to the reality of regional demographic shifts.

The 2000 Census indicates that 87 percent of the Downtown housing stock is rental housing. Since 2000 few rental properties have been developed in the downtown and at least 129 ownership (condo) units have been constructed. At this point in the development cycle, the rate of condominium construction is “catching up” to demand. As demand is met and the cycle slows, the balance of ownership to residential units will equalize. Ensuing construction cycles will continue to match building stock with demand. It is therefore important to not view the pace of condominium construction as a straight-line trajectory for the downtown over the next 25 years.

Nevertheless, the City should be mindful of the type of housing that is created in the downtown. Strategic Economics developed household projections for the downtown based on SEMCOG regional projections, growth capture rates from case study cities included in the appendix, and interviews and focus groups with individuals with knowledge of local economics and real estate. The demand estimates examined the percentage share of regional growth from case study downtowns to estimate the expected capture of new growth that may be expected in downtown Ann Arbor. For example, downtown Iowa City added 233 units since 2000, accounting for 3.3 percent of the growth in region in the period of 2000 to 2005.

Because of the range of regional growth “capture” that occurred in the downtown case studies, Strategic Economics modeled growth in

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**Fig. 25. Household Growth, Washtenaw County (Source: SEMCOG)**
downtown Ann Arbor based on low, medium and high growth capture scenarios, illustrating the breadth of outcomes that are possible and the influence that policy and regulatory change may have on this capture rate (Figure 26).

**Fig. 26. Cumulative Housing Demand Estimate, Downtown Ann Arbor**

Strategic Economics applied SEMCOG income projections for the City of Ann Arbor to its downtown housing demand estimate to assort the demand for new housing into a distribution of four income classifications (Figure 27).

**Fig. 27. Target Home Prices and Rents**

The fastest growing income group will be those households falling in the top income quartile. Growth in the higher-income quartiles is projected not only for the downtown, but Ann Arbor and Washtenaw County as well, so these projections do not necessarily predict gentrification of the downtown. Nevertheless a review of current trends in the downtown, case studies, and literature suggests that the growth in the downtown will be driven primarily by higher-income household segments, i.e. young professional singles, couples without children, empty-nest professionals and retiring Baby Boomers.

While the SEMCOG’s income quartiles do not provide the detail necessary to adequately estimate the depth of demand in the upper-most income quartile, 58 percent of households are expected to earn less than $88,936 annually, or in housing terms, will comprise a market for homes worth $325,000 or less, or $2,594 or less in monthly rent. To keep the downtown income distribution on par with the City of Ann Arbor, at least 58 percent of the new units would need to be priced at less than $325,000 or at rental rates less than $2,599.

Conversations with area brokers confirm the existence of a market for housing units below $300,000. Developers working in Ann Arbor however, indicate that providing units at these prices will be impossible without subsidy from the City. The City needs to look more closely at the question of affordability in the downtown. To date, most programs have targeted low and very-low income households. To maintain the economic structure in the downtown that reflects the population of the greater city, additional policies will need to address the gap between demand for moderate-income households and the cost to developers in providing this housing.

**Policy:** Encourage a diversity of new housing opportunities in Downtown:

- Continue to seek a range of age groups and income levels in Downtown Ann Arbor and attract apartment, senior housing, townhome, and condominium housing in Downtown; and
- Work with the University to provide adult educational opportunities.
Policy: Pursue an affordable housing policy that aims to match income distribution in Downtown to that of Ann Arbor:
- Establish a common set of definitions for affordability and short and long-term goals (units or dollars) for each definition of affordable in Ann Arbor;
- Require all new residential development to include affordable housing or provide in-lieu payments in Ann Arbor;
- Regularly evaluate and reset the per-unit in-lieu of payment figure for affordable units;
- Affordable housing projects developed from City in-lieu fees should address underserved segments of the housing market (for example, if very low income households, or, housing for persons with disabilities); and
- Affordable housing projects developed from City in-lieu fees should be located so as to encourage a mix of incomes in the downtown.

Policy: Provide incentives for developers to building new housing in Downtown:
- Create a series of economic and other incentives aimed at encouraging new development in the Downtown. Incentives could include reduced parking requirements and expedited development proposal processes; and
- Streamline the development proposal process.

Policy: The design of new and renovated housing in Downtown should contribute to Downtown character without negatively impacting residents of adjacent residential areas:
- Recommended overlay zoning and design guidelines should be applied to all new and renovated projects in Downtown.

Footnotes
4 “College Towns that Make the Grade” Where to Retire. May/June 2004.
5 Targeting the Suburban Urbanites: Marketing Central-City Housing, Robert E. Lang, James W. Hughes, Karen A. Danielsen.
6 Figures in this section are expressed in 2005 nominal dollars.
**Office / Industrial**

Office vacancy rates in Washtenaw County show some sign of recovery since their peak in 2003, currently hovering around 15 percent, just slightly below the national average of 16.6 percent. Vacancy rates have increased in Ann Arbor due primarily to a few major vacancies near the South State Street/I-94 interchange. In the Downtown, the vacancy rate has remained relatively stable at 13 percent, adding less than 4,000 square feet of office space since 2003, whereas Washtenaw County as a whole added approximately 241,000 square feet in the last year (since September 2004). As 2005 comes to a close, occupancy rates have fallen short of expectations.

Downtown Ann Arbor has lost several professional and financial firms over the last 10 years for newer suburban developments offering larger floorplates, free-parking, freeway access and modern amenities. In their place, smaller firms have moved in taking advantage of the vibrancy of the downtown. In the 1990s hi-tech startups drove vacancy rates down to a low of 5 percent. Paula Gardner, who writes for the Washtenaw-Livingston Business Review, notes that following the dot com collapse a virtual “groundswell” of activity in the downtown is occurring once again but this time with small, creative start ups that are more modest in their growth aspirations and produce real products. This emerging creative class is composed of young entrepreneurs with a preference for a lively downtown. The depth of this particular market is difficult to quantify, however the trend points toward the value of urban amenities that will also draw traditional tenants.

Like many cities, Ann Arbor witnessed the departure and downsizing of many hi-tech firms following the stock market collapse in 2001. However, Ann Arbor and Washtenaw County fared relatively well in comparison to the spike seen in most cities with a tech sector. Ann Arbor’s prospects remain promising as witnessed by the recent arrival or expansion of several well-established firms such as MapInfo and Google. While few, if any, of these employers will occupy space downtown, the increasing concentration of technology and life-sciences firms contributes to a climate of innovation that is supportive of the smaller firms identified by Gardener.

A climate for innovation is also supported by the expansion of the University in the applied sciences and through the availability of capital in the region. A State initiative to support life-sciences start-ups and research will provide $27.3 million annually, much of it to be captured by Ann Arbor businesses. The state has also set up a $150 million venture capital fund to invest in small start-ups and Ann Arbor itself has a number of non-profit and public institutions. In 2003, Governor Granholm launched the Cool Cities program, a grant-backed economic development program aimed at attracting and retaining an innovative workforce characterized by the amenities of cool cities – arts, culture, diversity, urbanism, and a variety of retail and entertainment options. Overall, Ann Arbor possesses a supportive environment for entrepreneurial

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Fig. 28. Employment Occupancy/Vacancy Rates
activity. The downtown and downtown property owners should market itself to start-up firms, which themselves contribute to the exciting environment that makes the downtown attractive. Recent experience has shown that though, these spaces may see more turnover, the talent that this activity fosters does not depart the area altogether.

Figure 29 summarizes employment growth trends The total increase in Countywide demand was estimated by multiplying estimated growth in office employment by the average square feet of office space per worker. The increase in total supportable space was estimated by applying a 5 percent structural vacancy. As shown, SE estimates demand for an additional 1,711,789 square feet of office space by 2010, an additional 2,551,934 square feet by 2015, and an additional 3,070,013 square feet by 2020.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4,549</td>
<td>4,039</td>
<td>4,377</td>
<td>4,602</td>
<td>4,751</td>
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<tr>
<td>Manufacturing</td>
<td>34,517</td>
<td>38,330</td>
<td>41,032</td>
<td>43,048</td>
<td>44,292</td>
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<td>Transportation</td>
<td>8,916</td>
<td>9,216</td>
<td>9,745</td>
<td>10,187</td>
<td>10,411</td>
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<tr>
<td>Wholesale Trade</td>
<td>6,618</td>
<td>7,614</td>
<td>8,181</td>
<td>8,762</td>
<td>9,172</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>38,888</td>
<td>39,590</td>
<td>42,628</td>
<td>45,560</td>
<td>47,211</td>
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<tr>
<td>FIRE</td>
<td>10,729</td>
<td>11,779</td>
<td>12,366</td>
<td>12,736</td>
<td>13,163</td>
</tr>
<tr>
<td>Services</td>
<td>119,988</td>
<td>125,327</td>
<td>134,283</td>
<td>138,225</td>
<td>140,323</td>
</tr>
<tr>
<td>Government</td>
<td>7,960</td>
<td>8,318</td>
<td>9,508</td>
<td>10,101</td>
<td>10,418</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>232,175</strong></td>
<td><strong>244,213</strong></td>
<td><strong>262,120</strong></td>
<td><strong>273,221</strong></td>
<td><strong>279,741</strong></td>
</tr>
</tbody>
</table>

Fig. 29. Washtenaw County Growth Projections by Sector, SEMCOG

Strategic Economics identified a primary market area for office as the 7 Traffic Analysis Zones (TAZs) whose boundaries fall within the DDA boundaries. This primary market area is from hereon referred to as “Central Ann Arbor”. (Figure 31). This trade area falls significantly outside of the DDA boundary, distinguishing it from the secondary trade area, the County, which encompasses newer suburban office locations. Strategic Economics evaluated the past and projected capture rates of County growth in the primary trade area to estimate the potential demand for new office in the downtown.

SE estimated a range of potential demand for office space in the central Ann Arbor by applying capture rates to the projected increase in supportable office space in the County (Fig. 32).

In the post-2001 economic recovery, Ann Arbor is seeing a number of successful startups locate in the downtown. The younger, entrepreneurs are drawn to the downtown for many of the same amenities that have the potential to draw residents: access to goods and services, after work entertainment and eating options, a central location, and a pedestrian-oriented environment. As these entrepreneurs lease up space in the downtown, they are seeking out offices that are generally smaller than the floorplates being vacated by downtown’s traditional tenants. There is a growing concern that the large downtown office floorplates that are becoming vacant or have recently been vacated are going to be very difficult to fill.

This may indicate a niche for smaller, more flexible spaces that can easily follow the growth path of start-ups, and may also signal the need for downtown retrofits.
In addition, there may be an opportunity for small office condominiums, which are becoming increasingly popular nationwide.

<table>
<thead>
<tr>
<th>Employment</th>
<th>Assumed Office %</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>10%</td>
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<td>4,103</td>
<td>4,305</td>
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<tr>
<td>Transportation</td>
<td>25%</td>
<td>2,304</td>
<td>2,436</td>
<td>2,547</td>
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<tr>
<td>Wholesale Trade</td>
<td>25%</td>
<td>1,904</td>
<td>2,045</td>
<td>2,191</td>
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<tr>
<td>Retail Trade</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FIRE</td>
<td>100%</td>
<td>11,779</td>
<td>12,366</td>
<td>12,736</td>
<td>13,163</td>
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<td>Services</td>
<td>60%</td>
<td>75,196</td>
<td>80,570</td>
<td>82,935</td>
<td>84,194</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>95,016</strong></td>
<td><strong>101,521</strong></td>
<td><strong>104,713</strong></td>
<td><strong>106,682</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Increase in Office Employment | 6,505 | 3,193 | 1,969 |
| Occupied Office Space / Employee | 250 | 250 | 250 |
| Increase in Office Space Demand | 1,626,200 | 798,138 | 492,175 |
| Increase in Supportable Space Including 5% Structural Vacancy | 1,711,789 | 840,145 | 518,079 |
| Annual Average Increase in Supportable Space By Period | 342,358 | 168,029 | 103,616 |
| Cumulative Increase in Supportable Office Space | 1,711,789 | 2,551,934 | 3,070,013 |

Caution is in order however, as generally, employment trends suggest continued decentralization of jobs to locations not only outside of the downtown, but in locations, outside of the city boundaries. SEMCOG data indicates that in the last 15 years, 84% of Washtenaw County employment growth has occurred outside of the City of Ann Arbor. SEMCOG figures anticipate slower growth in the downtown than in the County, including negative growth the FIRE sector, which traditionally preferred downtown locations.

Strategic Economics developed three scenarios to express the range of demand for office space that may be expected in the downtown. The moderate scenario uses SEMCOG’s growth forecasts for the primary trade area, central Ann Arbor. Under this scenario, the downtown may expect to add just over 500,000 square feet of office in the next 10 years. Assuming the central Ann Arbor could capture between 17.5 and 22.5 percent of the increase in demand, SE forecasts demand for between 300,000 to 385,000 square feet of office space in central Ann Arbor by 2010. Assuming a moderate capture rate scenario, projected demand for office in central Ann Arbor is 342,358 square feet by 2010, 501,985 square feet by 2015, and 595,240 square feet by 2020.
Retail

While downtown Ann Arbor has long since seen the disappearance of retail establishments dealing in staple goods, more recently ground floor commercial space in the downtown has given way to a bustling scene of eateries, cafés, bars and clubs, and specialty shops, representing the downtown’s emerging role as the cultural and entertainment center in the region.

Demand for retail and entertainment uses in the downtown may be organized into the following districts and market segments.

<table>
<thead>
<tr>
<th>District</th>
<th>Primary Market Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberty/State Street</td>
<td>University students, faculty, staff and visitors</td>
</tr>
<tr>
<td>Main Street</td>
<td>Daytime office workers, regional destination for higher-income shoppers</td>
</tr>
<tr>
<td>Kerrytown</td>
<td>Residents within walking distance, office workers</td>
</tr>
<tr>
<td>South University</td>
<td>Primarily University students with faculty, staff and visitors</td>
</tr>
</tbody>
</table>

Rents for ground-floor retail in the downtown range from $30-$40 per square foot annually. The downtown’s student base provides stability for retailers targeting this market segment. The downtown’s most profitable retail district along North Main sees rents between $37 and $40 per square foot annually, supported primarily by shoppers coming from outside of the downtown.

Expansion in the downtown retail market in coming years will be driven simultaneously by 1.) the increase in the residential population in the downtown; and, 2.) an increase in the downtown’s capture of regional shopping/entertainment spending. This simultaneous expansion will require that the mix of retail respond equitably to both local and regional markets. Providing goods and services for residents need not come at the expense of intensifying the downtown’s regional draw, and vice-versa. A coordinated master plan for retail in the downtown will help to ensure that the character of these districts is preserved and enhanced while maximizing the benefit to all market segments. A retail master plan should build upon the existing retail districts named above. New development not located directly within these districts should not accept the addition of ground-floor retail as de facto. Instead, the City should help to intensify weaker areas of retail in the downtown, such as the East Liberty Street and Washington Street Corridors between State Street and Main Street. For example, in some locations, single-tenant office buildings with street frontage may be reconfigured into a mixed-use format with retail on the ground floor. In other areas, underutilized properties may be upgraded to strengthen the gravity of retail in the area.

The downtown has the potential to expand its role as the entertainment and cultural heart of the County. Destinations such as the existing theater district at State Street and the emerging nighttime entertainment scene centered along South First Avenue present opportunities to develop distinct and rich activity nodes in the downtown. On Ashley, the success of Babs Underground Lounge and the Firefly Club suggest that for the younger 20 to 30 year old professionals that are expected to move to the downtown, South Ashley may well fit into Ann Arbor’s expanding downtown entertainment scene.

Another specialty retail district that may pose some potential for the downtown includes home furnishings and improvements. Higher-end decoration and home furnishing stores are attracted to expanding downtown housing markets, yet also draw from a broader, more regional trade area. Existing stores near South Ashley and Liberty such as Three Chairs, Anderson Paint, Mir’s Oriental Rugs, and Downtown Home and Garden, point to the possibility to build on the home furnishings and improvement niche.
**Destination Retail**

The landscape for destination retail has become increasingly competitive in recent years. Lifestyle centers, factory outlets, power centers, and main street retail are models of regional retailing that attempt to create an identity within the region as a destination. With Detroit developers eyeing a site at US-23 and M-59 for a “lifestyle center”, the Taubman Company hinting at plans for six new lifestyle projects in the region, and continued upgrading of existing malls such as Arborland and Briarwoods Center, downtown Ann Arbor will have to develop its own strategy to retain its place as a regional destination. Many of the qualities that shoppers look for in destination retail—a variety of shops, a pleasant walking environment, entertainment and dining combined with shopping opportunities and a memorable sense of place—already exist in the downtown. The downtown should look to build on these strengths, competing on the basis of its distinct shopping districts, sense of place, and inimitable cultural and entertainment scene.

The downtown is currently characterized by a lack of national chain retailers, and it would appear that this has not negatively impacted the existing retailers in the area. However, as the downtown increases its role as a regional destination, the role of national retailers should not be dismissed entirely. National retailers have access to capital which may used to update obsolete retail formats and provide the quality exterior improvements that contribute to the “sense of place” that is a component of successful destination retail. Chain retailers also bring expertise in merchandising, operations and marketing that influence the shopping experience for regional consumers. Finally, chain retailers bring a network of co-tenants that have established synergies and operational relationships.

However, the benefits of local and independent ownership are valuable to the Ann Arbor economy as well as its identity (which is also important to its role as a destination). National chain retailers may undermine Ann Arbor’s distinct identity and are likely to create a more competitive retailing environment in the downtown, which may impact local retailers that are valuable to the community, but that cannot compete with chain retailers. Deliberate and strategic planning for downtown retailing can allow the city to create a balance of retailers in the downtown that maximizes the benefit to downtown residents and businesses. Strategic placement of specific national or regional brands may send a recognizable signal to regional consumers. Community Benefits Agreements with key retailers, can be used to augment other aspects of the downtown economy such as living wages, local sponsorships, trainings for area retailers, capital improvements. By approaching national retailers as a potential for partnership, the City may be able to both build the local economy and compete regionally. In lieu of chain retailers, the City should provide the benefits that chain retailers bring, namely assistance with capital improvements, technical assistance, tenanting assistance and regional marketing of the downtown.

**Local-Serving Retail**

The downtown lacks some local-serving goods and services such as grocery and hardware stores, important amenities that help market living in the downtown. Currently there is not enough demand in the trade area to support these retailers. Figure 35 summarizes the current purchasing power driven by residents and office workers in the downtown and estimates the number of new households that will be required to support a grocery store.

Figure 35 indicates that a substantial increment of new housing is required to ensure the profitability of new stores. To break this Catch-22 the City should identify opportunities to
jump-start the formation of local-serving retailers, in particular grocery, hardware and drug stores. Subsidy in the form of a capital subsidy for new development with ground floor retail, loan securitization, tenant improvement assistance, or assistance with tenant negotiations may be required to advance the opening local-serving stores in the downtown.

In addition to increasing the number of households in the primary trade area (the Downtown), it is important to understand that the success of a store is sensitive to both an understanding of competitive supply and the characteristics of the customers that may support the store. Local-serving retailers in urban areas do not compete on proximity alone. Merchandising, branding, parking and pricing are drive consumer preferences, which is expressed as the percent of area consumers that retailers are able to “capture” in downtown. The success of pioneering urban-format stores such as the mid-sized grocery depends on identifying have the appropriate operators as tenants in the space.

Local-serving retail should be clustered close to residential districts. Local-serving retailers tend to generate more frequent trips than destination retail and offer synergistic opportunities to generate other sales from linked trips. Clustering local-serving retail together to maximize this potential and improves the overall accessibility of goods and services to downtown residents.

Figure 30 also indicates that the purchasing power of downtown employees should not be underestimated for local-serving retailers. While local-serving retail district should first and foremost be located near residential concentrations, consideration should be given to capturing daytime office worker sales. A recent study by the International Council of Shopping Centers indicates that downtowns with “ample” shopping opportunities have the potential to capture 35 percent more spending per employee than downtowns with “limited” shopping opportunities. For example, the ICSC estimates that the average downtown office worker spends $16 weekly on groceries near his or her workplace in a downtown characterized by limited retailing. In downtowns with ample retail, s/he will spend a weekly average of $31 on groceries.

Footnotes
1 Colliers International Market Report: Detroit.
**Policy**: Enhance the competitive advantages of Downtown retailers:
- Work with the Chamber of Commerce to develop a coordinated marketing program emphasizing Downtown as a regional shopping and entertainment destination;
- Encourage merchant participation in events like Art Fair, etc;
- Identify national and regional chain retailers that will compliment and the advance existing retail mix and draw regional consumers to the downtown; and
- Identify locally-owned and independent retailers that would benefit from the presence of certain chain retailers.

**Policy**: Increase the capacity of existing businesses in the Downtown to ensure that businesses can remain viable and take advantage of opportunities for future growth:
- Establish an education and training program to enhance small merchants’ ability to find and obtain private capital financing sources;
- Work with the Chamber of Commerce in educating merchants regarding potential funding sources and providing technical assistance;
- Provide assistance with capital improvements for key locally-owned retailers that are known to create a regional draw; and
- Provide tenant improvement assistance for ground floor grocery stores larger than 10,000 square feet.

**Policy**: Attract a variety of new businesses to Downtown Ann Arbor:
- Target both local and regional serving businesses. Identify opportunities for expansion and assist landowners in tenanting or in expanding both local and regional retailers;
- Develop relationships with independent, regional and national grocers to identify location opportunities in the downtown;
- Assist in the creation of small business start-ups by targeting new growth in the Downtown; and
- Support initiatives and organizations such as the Ann Arbor IT Zone as a means of encouraging the development of innovative industry in Ann Arbor.
Public Spaces

Situated within the Huron River Valley, Ann Arbor was shaped by this important ecological resource. Not only does the Huron River preserve important wildlife habitat and riparian vegetation, the river shaped the landscape and viewsheds of Downtown Ann Arbor.

The unique topography created by the Huron River and tributary systems makes storm-water runoff an important issue. During large storms, water runs toward the Huron River via a system of tributaries. Impervious surfaces (both paved and grass lawns) in both the Downtown and adjacent neighborhoods expedite the process. The City needs to consider ways to minimize the impact of runoff by reviewing it's Downtown-wide strategy to capture storm-water runoff and update it's stormwater management strategy.

The Huron River is a unique ecological resource that also provides the framework for the regional open space network. The Huron River Greenway and park system is a short distance from Downtown. Enhanced pedestrian and bicycle connections to the Huron River Greenway should be prioritized in the open space plan, making the route to the river easy for Downtown residents and workers.

The Ann Arbor Greenbelt will provide additional regional open space at the edge of the city. With the first greenbelt purchase underway, Ann Arbor should consider how Downtown residents will access the greenbelt properties via the Huron River Greenway and other regional bicycle and pedestrian networks.

In addition to the region-serving Huron River Greenway and park-system, the Downtown and surrounding area is served by the following types of public spaces: pedestrian ways, hard-scaped plazas, and formal parks.

Some of the most used public spaces are the pedestrian ways and plazas that are concentrated in Downtown. Pedestrian networks form the backbone for travel between places of residence, employment, parks, and entertainment. Some of these pedestrian networks become more than just sidewalks, creating pedestrian-first spaces like Nickels Arcade, the Dean Promenade along Main Street, and Braun Court.

Two of the most used public spaces in Ann Arbor are the Kerrytown Urban Sculpture Plaza and Liberty Plaza. Both hard-scaped plazas provide locations for people to congregate and interact.
Other public spaces include the larger green spaces such as West Park, Wurster Park, Hunt Park, and the University of Michigan Diag, as well as the small pocket parks and civic spaces like Community High. These parks provide locations for impromptu soccer matches, playground equipment, and social interaction.

As new parks and open space resources are added to the City and regional inventory, careful consideration needs to be given to edge treatments. Edge treatments will vary depending upon the surrounding context, but new residential and commercial development along the edge of open space will provide mutual benefits for both. Development could provide the much-needed eyes-on-the-open space, and adjacent development will benefit from increased social interactions and property values.

**Policy:** Develop a Downtown specific stormwater retention and detention for Downtown to be included in the stormwater management plan:
- Consider expanded and permeable tree planters during the removal and replacement of the ash trees;
- Provide incentives to construct green buildings that minimize the impact of storm water runoff;
- Distribute information to developers regarding how to construct green buildings that minimize the impact of storm water runoff;
- Provide additional permeable areas within central medians along Huron and portions of Main Street;
- Consider including water capture and water quality improvement technologies and plantings within potential parks along the Allen Creek; and
- Consider using DDA and City funding to finance a large-scale retention/detention area that development proposals can pay into.

**Policy:** Encourage the creation of new public spaces within the Downtown and rehabilitation of existing spaces:
- Pursue and design a Town Square or central civic area that incorporates an outdoor meeting place, an art center, underground parking, an indoor facility, and mixed-use buildings;
- Use streetscape improvements to create pedestrian friendly spaces;
- Reinforce pedestrian and bicycle connections to the Huron River Greenway along Division and Main streets;
- Rehabilitate Liberty Plaza;
- Encourage and provide incentives for development proposals that include publicly accessible open space; and
- Study and pursue the final Allen Creek Greenway Task Force recommendations.
Policy: Reconsider the park-land-per-capita calculation for Downtown:
- Include community-gathering spaces like the Kerrytown Market and Community High School; and
- Include pedestrian ways and pedestrian-oriented streets such as Braun Court, Nickels Arcade, and Washington Street.

Policy: Encourage sensitive edge development along new open space acquisitions and development:
- Mix uses to encourage eyes-on-the-open space during all hours; and
- Require new development to provide a relatively transparent building façade along the new open space.
Downtown Opportunities and Challenges

**Mobility**

Downtown Ann Arbor is served by a variety of transportation resources. Limited-access roads, arterials, local-serving streets, and alleys create the framework for Downtown circulation. Bus transit, bicycle, and pedestrian connections use the street grid to move people, and Amtrak provides regional connections north of Downtown. Though the Downtown is served by these non-auto uses, it is designed more for automobiles than for the pedestrian.

Downtown Ann Arbor presents a unique opportunity to create a multi-modal center. Students, families, and seniors increasingly use non-auto forms of transportation and the City should build on this momentum.

**Pedestrian**

For Downtown Ann Arbor residents, non-motorized transportation is a crucial component of mobility. Residents of Ann Arbor are much more likely than the national average to walk to work (20% compared to 3%), and this is reflected in the high-quality pedestrian and bicycle networks.

New local-serving pedestrian and streetscape improvements should focus on connecting the core mixed-used districts (Kerrytown, Main Street, State Street, and South University) and alleviating pedestrian dead zones and barriers (Huron Street). Civic improvements including, sidewalk crossings and street furniture as well as private improvements in ground floor retail and building façade design, need to enhance the urban fabric between the districts. Streetscape improvements are often cited as the catalyst for reinvestment.

In addition to these local improvements, pedestrian ways and trails need to connect Ann Arbor residents to the Downtown and the larger region. The City should prioritize connecting Downtown to both the Huron River Greenway and the Amtrak station, potential future commuter rail stations.

**Transit**

Public transportation links Downtown Ann Arbor both to regional centers and local, adjacent neighborhoods. Amtrak serves central Ann Arbor with a station several blocks north of Downtown. The current station is situated adjacent to the Huron River and is significantly lower in elevation than Downtown and consideration should be given to better integrate these.
A future commuter rail connection from Ann Arbor to Detroit via the Wayne County Airport is currently being studied. The Ann Arbor to Detroit Rapid Transit Study should be closely monitored and potential station locations - current Amtrak or otherwise - should be carefully integrated into the existing transit and pedestrian network. In addition to the Detroit connection, Ann Arbor should consider rail transit along the Ann Arbor Railroad ROW. If these rail linkages occur, transit supportive development must be nurtured at the stations. Higher density, transit-supportive uses need to be carefully integrated into the surrounding communities as well as station area access.

**Parking**

Parking is a very complex issue because the City needs to manage parking supply and demand while balancing the realities of the local climate and commuting patterns. The City has already made a strong commitment to managing Downtown parking.

Members of the community expressed concern for the number of existing surface parking lots that are visually unappealing and detract from the pedestrian experience in Downtown; however, many were also concerned that new development would increase the need for new parking stalls.

The City of Ann Arbor needs to complete a comprehensive Downtown Parking Strategy. The strategy should assess the supply of existing parking facilities and the future demand for residential and commercial parking. The supply of parking is an important determinant underlying choice of travel mode. Generally, with greater parking supply fewer drivers consider using alternative modes. The City should continue to pursue policies that manage the demand for new parking stalls. Shared-parking, transit vouchers, off-peak parking in structures, parking cash-out policies, and car-sharing are just a few demand management techniques the City should include within the parking strategy.

Currently, bus service is the public transit option. Two transit agencies, the Ann Arbor Transportation Authority (AATA) including the Link and the University of Michigan bus service provide service in Downtown. The agencies provide a range of service including medium and short-haul routes as well as Downtown circulators. Future Downtown bus service should focus on creating Downtown legibility by providing an easily understood transit spine on commercial streets connecting the core retail and entertainment areas.

**Auto**

Business Loop 23 - as well as high capacity routes on Huron, Washtenaw, Main, Packard, State, Miller, Liberty, and Broadway - provide essential regional auto access to Downtown Ann Arbor. Local-serving streets and alleys connect the short distance trips.
Policy: Use Streetscape enhancements to help improve pedestrian connections between core retail, civic, and adjacent residential neighborhoods:
- Phase in a series of gateways to Downtown Ann Arbor;
- Consider alternative strategies to Ash tree removal and replacement along rights-of-way;
- Consider bulb-outs or other traffic calming features and pedestrian features along Huron and Washtenaw;
- Consider the use of human-scale street lights; and
- Improved transit shelters along potential new transit routes.

Policy: Improve transit service within the Downtown connecting existing and regional transit facilities:
- Work with AATA and the University to study connections between Downtown and the potential future commuter rail station;
- Provide easily understood circulator service in Downtown that reinforces key retail streets like Washington and Liberty;
- Work with the appropriate agencies to implement rail service along the Ann Arbor Railroad ROW; and
- Encourage companies and the University to expand the number of employees using the transit voucher programs (go!pass).

Policy: Improve bicycle access with the Downtown:
- Continue to implement the current program to provide additional bicycle racks and other bicycle amenities; and
- Integrate the bicycle access and amenity upgrades in the Downtown streetscape master plan.

Policy: Implement improvement to tame traffic on Downtown streets, but protect adjacent neighborhoods from excessive traffic:
- Work with the Michigan Department of Transportation on state maintained streets like Huron and Washtenaw; and
- Consider bulb-outs or other traffic calming features and pedestrian features along Huron and Washtenaw.

Policy: Pursue a comprehensive parking strategy for Downtown:
- Eliminate parking requirements on new projects in Downtown Ann Arbor outside the DDA;
- Provide incentives to development proposals that incorporate underground parking into the proposal;
- Work with AATA and the University to increase the attractiveness of transit options;
- Encourage companies and the University to expand the number of employees using the transit voucher programs (go!pass);
- Require the unbundling of parking from residential unit sales and rents;
- Promote the purchase or renting of off-peak parking stalls within Downtown structures; and
- Encourage a car-sharing program with free, priority parking Downtown.
Vision Plan and Specific Opportunities

This section begins to apply the vision, goals, and policies of this report to Downtown Ann Arbor. The section begins with a description of an Illustrative Vision Plan presented during Public Design Workshop #3 and finishes with a series of recommended opportunities for areas highlighted in the Structural Plan.

Illustrative Vision Plan

Calthorpe Associates designed an Illustrative Vision Plan to show one future development scenario for Downtown. The Illustrative Vision illustrates the vision, goals, and policies proposed within these recommendations and shows potential new building form and intensity derived from the Structural Plan. The plan demonstrates many best practices for planning and design.

The Illustrative Vision builds on several key features. First, the Vision reinforces the existing retail core areas and public spaces by organizing new development and streetscape amenities around the areas, linking them to each other and the surrounding residential areas. Second, the Vision proposes new development on opportunity sites (vacant, surface parking, and underutilized properties). Third, the Vision Plan recognizes the need of a Greenway Task Force to investigate the potential of a greenway along Allen Creek. The results of the process could alter the vision plan. This Vision Plan illustrates the balance between greenway corridor, public spaces, and edge-sensitive development.

The Illustrative Vision Plan highlights the following ideas:

- Consider large parking lots as catalyst sites for new development. The plan shows the existing Brown, Kline, and First & Washington parking structure potential locations;

- Maintain a future rail station option between Washington and William Street along the Ann Arbor ROW. Trains could connect the Downtown to the Amtrak Station on Depot Street and neighboring cities;

- Present design ideas for redevelopment of city-owned parcels at 721 North Main and 415 West Washington as well as Fingerle Lumber. The Illustrative Vision shows 721 North Main as an Artist Village providing an opportunity for local artists to reside and work and 415 West Washington as a mixed-intensity development. Fingerle Lumber is proposed as a neighborhood serving mixed use retail center; and

- Incorporate gateway elements announcing entrance into Downtown. These elements could include physical enhancements like historic and public area signage, area specific street paving, decorated banner lighting, and creative street planting and furniture.
Fig. 44. Illustrative Vision Plan

Note: A larger version of the plan is included in the Appendix.
In tandem with the Illustrative Vision Plan, Calthorpe Associates created several building massing studies to analyze the physical conditions before and after the proposed new development. The four massing studies show the relationship between the proposed building, the street, and the Downtown as a whole.

Huron Street serves as a major gateway street to Downtown. Currently, the street is overwhelmed by a large curb-to-curb radius and many large surface parking lots. The Vision Plan attempts to bring the human-scale back into focus by encouraging pedestrian-friendly, high-density development. The development addresses the street and provides open space amenities as well as introducing traffic calming measures like pedestrian bulb-outs, on-street parking, and landscaped medians.

Existing South Main and William Streets have expansive surface parking lots and long, unbroken blocks that degrade the pedestrian environment. The Vision Plan illustrates one-way to reenforce the pedestrian environment by adding new buildings to surface parking lots and orienting those new buildings to street.
South University is one of the most important gateways to the University and Downtown accessible by Washtenaw Avenue. The area contains low-rise, student-oriented retail facilities. The Vision Plan illustrates higher intensity development along the South University corridor that caters not only to the needs of the students but also the community as a whole.

The Fifth Avenue civic core within the downtown is dominated by surface parking lots and inhuman building scale. The Vision plan demonstrates how the City might add a much needed “Town Square” or central plaza. A combination of civic uses including an outdoor amphitheatre as well as mixed-use retail and office with upper-floor residential would add much needed housing, pedestrian activity, and safety to the area. The Vision also shows an improved Blake Transit Center and a redeveloped YMCA site that should retain affordability.
Focus Area Opportunities and Challenges

The following section lists recommended interventions for the areas illustrated in the Structural Plan. For the purposes of this report, these opportunities and projects listed in the following section met the goals and vision and are extensions of the recommended policies listed above. City Council should consider these as potential first steps in implementing these policies.

Downtown Core / Liberty Street Area

- Maintain and enhance the mixed-use focus of the area. New residential and entertainment uses should be encouraged within the area.
- Strengthen the connection between Main Street and State Street retail cores. Consider street interventions such as widening the sidewalks, adding bicycle lanes, and creating flexible parking/sidewalk space. Frequent east-west circulator service should reinforce this connection. Target new mid to high-rise development along the street, particularly between 5th and State Streets, requiring ground floor retail.
- Consider moving or rehabilitating historic buildings in the East Liberty Historic District.
- Consider the Old YMCA site redevelopment proposal. The project meets or exceeds many of community goals (including provision of affordable housing, open space, ground floor retail, slender tower form, and underground parking) described during the public workshop series.
- Redevelop the library parking lot. This lot might be appropriate for a design competition and should include a central “town square,” underground parking, and residential uses.

- Improve the physical appearance of the Blake Transit Center and encourage integration of the Greyhound Station into one transit center (this could be integrated into the old YMCA site proposal).

Fig. 53. Old YMCA Site

- Redesign Liberty Plaza to encourage greater use.
- Provide better signage and connection between South University and the Downtown Core across the University Diag. Work with the University to provide benches and seating areas at the northwest corner of the Diag to encourage community use of the park facility.
- Redevelop the structured parking lot at 1st and Washington.

Huron Corridor Area

- Work with the Michigan Department of Transportation to calm automobile traffic along Huron Street. Timed lights, central medians, and bulb-outs could slow traffic and make pedestrian crossings significantly easier.
- With the appropriate corridor improvements, target higher density residential development along Huron Street.
**Downtown Development Strategies Project**

- Develop the Brown Lot at 1st and Huron Street as a gateway feature for the Downtown. The development proposal should include a mix of uses.
- Incrementally develop surface parking lots along Huron Street with more intense uses – this includes surface lots at City Hall and at the Washtenaw County building.
- Work to integrate the new YMCA with Downtown and the potential new residents along Huron.
- Work with the owners of the Division and Huron Street node to develop a 3 site redevelopment proposal.

**Kerrytown / North Main Street Area**

- Improve physical connections between Kerrytown to the Downtown Core. Frequent waits and mid-block crossings along Huron Street put pedestrians, particularly high school students, at risk. Consideration should be given to street interventions including a central median, bulb-outs at specific intersections, and timed pedestrian crossings.
- Promote small, residential infill projects like Kingsley Lane lofts that relate well to the surrounding neighbors and topographic environment.
- Nurture small neighborhood businesses like the People’s Co-op and Zingermann’s and attempt to expand these small, locally-owned businesses along Main Street and around the Kerrytown central area.
- Encourage the rehabilitation or redevelopment of older buildings and housing stock along North Main Street and create a distinctive gateway into Downtown.
- Provide additional signage and wayfinding devices to the Huron River Greenway. Consideration should be given for the appropriate bicycle and pedestrian routes to the river.
- Restrict additional gas stations in the areas and work to redevelop the station at the corner of Main Street and Miller Street.

**South Main Street / William Street Area**

- Target mid-rise residential development in the area to provide a transition between higher density Downtown uses and adjacent multi-family neighborhoods.
- Incrementally redevelop surface parking lots along South Main Street.
- Restrict additional gas stations in the area and work to redevelop the gas station at the corner of Main Street and William Street.
- Enhance the appearance of South Main Street.

**West Downtown / Ann Arbor Railroad**

- Encourage infill with small-scale office, live-work, and residential uses within the areas. Target areas outside the floodway for new residential development.
- Work with the New Greenway Task Force to finalize plans for the Allen Creek Greenway.
Work with the appropriate agencies to implement rail service along the Ann Arbor Railroad ROW. Provide land use and urban design flexibility that will allow current uses and buildings to mature over time to more intense uses. A central transit node should be located between Washington and Liberty Street.

South University Area

- Focus new mixed-use development along the South University corridor.
- Provide building façade incentives to business owners along South University and work to create longer-term redevelopment plans for the low intensity retail uses.
- Provide a gateway feature into the City and University along Washtenaw Avenue. Consider holding a design competition within the University for this gateway element.

Work with developers/public to create development proposals for 415 West Washington and 721 North Main that include the potential greenway and small public spaces on floodway land as well as residential, commercial, and community uses.

Target the Madison Street and Main Street intersection for a neighborhood-serving mixed use node.

Work with owners of Fingerle Lumber to create concept plans for future redevelopment of the site.
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Appendix

The following appendix includes an Implementation Matrix, Housing Case Studies, and Maps produced for the Public Design Workshops. Specific details regarding the goals, vision, or policy topics can be full within the Final Policy Framework.

Implementation Matrix

The following series of tables illustrates an estimated implementation schedule for policies described during the Downtown Opportunities and Challenges chapter. The policies are listed by topic area: land use and zoning, urban design, housing, economic conditions, public space, and mobility.

Under each topic area, action steps for each policy are listed in the order that they appear within the text. Approximate time-frames are suggested for each of these items to guide future City wide policy decisions. The tables show timing as either short, mid, or long-term. If action steps are completed prior to the time-frame listed, other action steps should be adjusted accordingly.

Note: Several items are listed as short, mid, and long-term. The items denote on-going processes that will cover multiple time periods.
## Downtown Development Strategies Project

<table>
<thead>
<tr>
<th>General Policy</th>
<th>Short-Term (1-2 Years)</th>
<th>Mid-Term (2-5 Years)</th>
<th>Long-Term (5-10 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Use</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create special overlay zoning for the Downtown that identifies areas of similar character.</td>
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<td></td>
<td>X</td>
</tr>
<tr>
<td>A. Define Downtown and special overlay areas.</td>
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<td></td>
</tr>
<tr>
<td>B. Set minimum and maximum form requirements for new buildings within each overlay area:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Establish minimum and maximum building heights;</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2. Establish maximum lot coverage, floor area ratios, and setbacks; and</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Establish build-to-lines based on design of individual streets.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>C. Finalize a list of recommended land uses within each overlay area.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Remove on-site parking requirements for new development.</td>
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<td>X</td>
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<tr>
<td><strong>Establish incentives for community amenities.</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>A. Define a final list of community incentives.</td>
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</tr>
<tr>
<td>B. Establish minimum requirements to reward community incentives.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Establish incentives for development proposals that meet community goals.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>D. Set a maximum allowable floor area ratio bonus for each project.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td><strong>Consider administering development fees for affordable housing and open space on all new developments and adjust fees appropriately.</strong></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>A. Add affordable housing fee to the Special Fees and Miscellaneous Services list.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>B. Calculate open space fee for all new development based on goals set by the Parks and Recreation and Planning Departments.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>C. Add open space fee to the Special Fees and Miscellaneous Services list.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>D. Recalculate affordable housing and parks fees on a semi-annual basis.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Set consistent meetings between City and University Planners to coordinate development timing.</strong></td>
<td></td>
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</tr>
<tr>
<td>A. Continue meeting to discuss construction updates.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>B. Work with University officials to develop a shared long-term implementation plan.</td>
<td>X</td>
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</tr>
<tr>
<td><strong>Streamline the development proposal process.</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Establish a specific time frame for the review and permitting process for all Downtown development proposals.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>B. Establish an expedited time frame for the review and permitting for Downtown development that adheres to the special zoning overlay and design guidelines.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>C. Produce final graphics that illustrate the review and permitting process.</td>
<td>X</td>
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</tr>
<tr>
<td>D. Post final graphics on the City’s Building and Development Services web pages.</td>
<td>X</td>
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<td>X</td>
</tr>
<tr>
<td><strong>Rewrite Zoning Code to incorporate special overlay zone, incentives, design guidelines, fee schedule, development review process.</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Update Downtown Master Plan</strong></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Incorporate and regularly update sections of the DT Master Plan. Several sections including the Housing Element should be updated more frequently than the current schedule.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
## Appendix

### General Policy

<table>
<thead>
<tr>
<th>General Policy</th>
<th>Short-Term (1-2 Years)</th>
<th>Mid-Term (2-5 Years)</th>
<th>Long-Term (5-10 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban Design</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Incorporate a set of essential design guidelines.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>A. Work with the community to design a series of essential design characteristics.</td>
<td></td>
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</tr>
<tr>
<td>B. Produce an illustrated template of urban design guidelines for the public and development proposals.</td>
<td>X</td>
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</tr>
<tr>
<td>C. Post design guidelines with development proposal administrative materials.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>D. Establish a planning staff review of development proposals.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>E. Establish an expedited review and permitting process for proposals that meet design guidelines and form requirements.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Prepare a Downtown streetscape improvement program that integrates capital improvement projects.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Install new street furniture, where appropriate, on key pedestrian linkages (benches, drinking fountains, bicycle racks) for example Liberty, Washington, Main, and the Diag.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Install human-scale streetlights which light the street and sidewalk but reduce ambient light.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>C. Improve transit shelters along potential new transit routes on Liberty, Washtenaw, Huron and Main streets.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>D. Phase in a series of gateways to Downtown Ann Arbor.</td>
<td>X</td>
<td>X</td>
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</tr>
<tr>
<td>1. Establish key entrance points into Downtown.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Conduct meetings with the community or design competitions to envision physical designs for gateway markers.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Complete physical designs for gateway markers.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4. Implement physical designs.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>E. Implement bulb-outs, central median and/or other traffic calming and pedestrian features along Huron, Washtenaw, and portions of Main Street north and south of the Dean Promenade.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>1. Meet with Michigan DOT officials to discuss the roadway’s future.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Establish key intersections that require pedestrian improvements.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Work with Michigan DOT, the community, and local planners to create physical plans for the corridor.</td>
<td>X</td>
<td>X</td>
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</tr>
<tr>
<td>4. Implement, over time, the physical plan changes.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>F. Create a public arts program for Downtown projects.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>G. Create a map of the streetscape improvement projects and capital improvement projects.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>H. Post the streetscape improvement project “map,” explanations, and timeline to the web.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>I. Integrate streetscape improvement program into the Downtown Master Plan.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Create an adaptive reuse ordinance to reduce the time necessary to obtain a building permit.</td>
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<td></td>
<td>X</td>
</tr>
<tr>
<td>Create objective and transparent development proposal evaluation criteria.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Convene a series of meetings with representatives from all historic districts.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Create a common set of evaluation criteria for inclusion within the historic districts.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>C. Establish a checklist for development proposals within the historic districts.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>D. Incorporate the Historic Commission development review into the streamlined process.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>E. Implement a clear set of evaluation criteria to determine the appropriateness of moving historic structures from the Downtown.</td>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>Institute a process to work with owners/developers to implement streetscape/building facade improvements.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>A. Work with local merchants to create an integrated public signage program.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>B. Fund a program that facilitates building facade improvements.</td>
<td>X</td>
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<td>X</td>
</tr>
</tbody>
</table>
## Downtown Development Strategies Project

<table>
<thead>
<tr>
<th>General Policy</th>
<th>Short-Term (1-2 Years)</th>
<th>Mid-Term (2-5 Years)</th>
<th>Long-Term (5-10 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office/Industrial/Retail</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhance the competitive advantages of Downtown retailers</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>A. Work with the Chamber of Commerce and neighborhood area associations to develop a coordinated marketing program emphasizing Downtown as a regional shopping and entertainment destination.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1. Create a Downtown website that lists and describes merchants and cultural attractions.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>2. Encourage Downtown merchants to participate in events like Art Fair.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>B. Identify national and regional chain retailers that will compliment and advance existing retail mix and draw regional consumers to the downtown.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Increase the capacity of existing businesses in the Downtown to ensure that businesses can remain viable and take advantage of opportunities for future growth.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Establish an education and training program to enhance small merchants’ ability to find and obtain private capital financing sources.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Work with Zingermann’s and other local merchants to expand their training programs and identify barriers to Downtown retail development.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2. Work with the Chamber of Commerce in educating merchants regarding potential funding sources and providing technical assistance.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>B. Provide assistance with capital improvements for key locally-owned retailers that are known to create a regional draw.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Support neighborhood area associations capital improvement projects.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Create a master list of funding sources for merchants.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Fund a program that facilitates building facade improvements.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>C. Provide tenant improvement assistance for ground floor grocery stores larger than 10,000 square feet.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Attract a variety of new businesses to Downtown Ann Arbor</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>A. Target both local and regional serving businesses.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>1. Identify regional serving businesses that would positively impact Downtown.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Support neighborhood area associations in contacting and attracting new businesses.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>B. Develop relationships with independent, regional and national grocers to identify location opportunities in the Downtown.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Conduct a forum that brings together grocers, city officials, key parcel owners, and developers and discusses barriers to grocery development in Downtown Ann Arbor.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Complete an internal report that recommends ways to address barriers to grocery development (building height, parcel size and multi-parcel assemblage, on-site parking).</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Assist in the creation of small business start-ups by targeting new growth in the Downtown.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1. Evaluate the size of Downtown floorplates and assess the need for tenet improvements.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Support initiatives and organizations such as the Ann Arbor IT Zone and Ann Arbor SPARK as a means of encouraging the development of innovative industry.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1. Work with the university to utilize students as resources for local industries.</td>
<td>X</td>
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</tr>
</tbody>
</table>
## Appendix

<table>
<thead>
<tr>
<th>General Policy</th>
<th>Short-Term (1-2 Years)</th>
<th>Mid-Term (2-5 Years)</th>
<th>Long-Term (5-10 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encourage a diversity of new housing opportunities in Downtown.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Continue to seek a range of demographic and socio-economic levels in Downtown Ann Arbor.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1. Set unit goals for each demographic and socio-economic level that are evaluated annually.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Evaluate effectiveness of policies by comparing new units to unit goals.</td>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>B. Work with the University and local community colleges to provide adult educational opportunities.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>1. Evaluate adult extension and education programs from other Universities and colleges.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Work with the local school district to provide subsidized housing opportunities to district teachers.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Direct home-buyers to the federal Teacher Next Door Program.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Evaluate building subsidized housing for teachers using Santa Clara and as an example.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>3. Cultivate a relationship with a local developer to provide subsidized teacher housing.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>Pursue an affordable housing policy that aims to match income distribution in Downtown to Ann Arbor as a whole.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Establish a common set of definitions for affordability and short and realistic, long-term goals (units or dollars) for each definition of affordable in Ann Arbor.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Require all new residential development to include affordable housing or provide in-lieu payments in Ann Arbor.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Work with state and local organizations advocating for Michigan inclusionary housing measures.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Provide incentives to encourage affordable housing in Downtown Ann Arbor (density bonuses, removal of parking requirements).</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>C. Annually evaluate and reset the per-unit in-lieu of payment figure for affordable units.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>D. Affordable housing projects developed from City in-lieu fees should address underserved segments of the housing market (for example, if very low income households, or, housing for persons with disabilities).</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Study all housing segments in Ann Arbor and Downtown.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Determine which housing segments are underserved and target the provision of affordable housing for these segments.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E. Affordable housing projects developed from City in-lieu fees should be located so as to encourage a mix of incomes in the Downtown.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Target 50% of all Downtown in-lieu fees be spent on Downtown affordable housing projects.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2. Locate new affordable housing on City-owned parcels. Request for Proposals should include language specifying type and number of affordable units to be accommodated on-site.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3. Use a percentage of in-lieu fees for the maintenance of existing facilities.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Create a series of economic and other incentives aimed at encouraging new development in the Downtown.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Streamline the development process.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>B. Create an ancillary unit ordinance.</td>
<td></td>
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</tr>
<tr>
<td>B. Establish incentives for community amenities.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Remove on-site parking requirements for new development.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>D. Create an adaptive reuse ordinance to reduce the time necessary to obtain a building permit.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>General Policy</td>
<td>Short-Term (1-2 Years)</td>
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</tr>
<tr>
<td>----------------</td>
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<tr>
<td><strong>Public Space</strong></td>
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<tr>
<td>Develop a storm-water detention strategy for Downtown that is integrated into the city-wide storm-water management plan.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Implement expanded and permeable tree planters during the removal and replacement of the ash trees.</td>
<td>X</td>
<td>X</td>
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</tr>
<tr>
<td>B. Provide incentives to construct green buildings that minimize the impact of storm water runoff.</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>1. Establish minimum requirement for the stormwater incentive.</td>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>2. Determine the incentive awarded.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>C. Distribute information to developers regarding how to construct green buildings that minimize the impact of stormwater runoff.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Compile information of green building techniques particularly those techniques that minimize stormwater runoff.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2. Post green building techniques and incentive requirements on City website.</td>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>D. Provide additional permeable areas within central medians along Huron and portions of Main Street.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Meet with Michigan DOT officials to discuss the roadway’s future.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2. Work with Michigan DOT, the community, and local planners to create physical plans for the corridor.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3. Implement, over time, the physical plan changes.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E. Consider water capture and water quality improvement technologies within potential parks along the Allen Creek.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>1. Study water capture examples from Seattle and other park systems.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>F. Consider using DDA and City funding to finance a large-scale retention/detention area.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Complete a series of case studies and a feasibility study.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Encourage the creation of new public spaces within the Downtown and rehabilitation of existing spaces</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Pursue and design a Town Square or central civic area that incorporates an outdoor meeting place, underground parking, an indoor facility, and mixed-use buildings.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Conduct a design competition for the library lot site.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2. Study the impact of removing the surface parking stalls for the library lot and absorption into surrounding DDA structures.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>B. Use streetscape improvements to create pedestrian friendly spaces.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Install new street furniture on key pedestrian linkages (benches, drinking fountains, bicycle racks).</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Fund a program that facilitates building facade improvements.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>C. Reinforce pedestrian and bicycle connections to the Huron River Greenway along Division and Main streets.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1. Implement bicycle lane striping and wayfinding for routes to the Greenway.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Improve sidewalks and crossing to allow easy routes for all.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>D. Rehabilitate Liberty Plaza.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E. Encourage and provide incentives for development proposals that include publicly accessible open space.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>1. Establish minimum requirement for the stormwater incentive.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2. Determine the incentive awarded.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
### Appendix

<table>
<thead>
<tr>
<th>F. Study and pursue the final Allen Creek Greenway Task Force recommendations.</th>
<th>X</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Study the feasibility of the Task Force Recommendations.</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Create a phasing schedule for the implementation of the recommendations.</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>3. Make Task Force recommendations, feasibility study, and phasing schedule available to the public.</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Reconsider the park-land-per-capita calculation for Downtown. | X |

A. Include community-gathering spaces like the Kerrytown Market and Community High School. | X |

B. Include pedestrian ways and pedestrian-oriented streets. | X |

Encourage sensitive edge development along new open space acquisitions and development. | X | X |

A. Mix uses to encourage eyes-on-the-open spaces by allowing commercial, civic, and residential uses, where appropriate, along the new open space development. | X |

B. Require new development to provide a relatively transparent building facade along open space. | X | X |

1. Incorporate a design standard into a special appendix to the design guidelines. | X |

2. Require buildings to incorporate windows or other transparent features along new open space. | X | X |
## General Policy

### Mobility

- **Improve transit service within the Downtown connecting existing and regional transit facilities.**
  - **Short-Term (1-2 Years):** X
  - **Mid-Term (2-5 Years):** X
  - **Long-Term (5-10 Years):** X

- **A. Work with AATA to study connections between Downtown and the potential future commuter rail station.**
  - **Mid-Term (2-5 Years):** X

  - **1. Implement timed transfers between bus and rail.**
    - **Mid-Term (2-5 Years):** X

  - **2. Provide safe bicycle and pedestrian connections within the Non-Motorized Plan framework.**
    - **Mid-Term (2-5 Years):** X

- **B. Provide easily understood circulator service in Downtown that reinforces key retail streets like Washington and Liberty.**
  - **Mid-Term (2-5 Years):** X

- **C. Work with the appropriate agencies to implement rail service along the Ann Arbor Railroad ROW.**
  - **Mid-Term (2-5 Years):** X

- **D. Encourage companies and the university to expand the number of employees arriving in Downtown by automobile by sponsoring transit voucher programs (go!pass).**
  - **Mid-Term (2-5 Years):** S
  - **Long-Term (5-10 Years):** X

- **E. Integrate the Blake Transit Center and the Greyhound Bus Terminal into one facility.**
  - **Long-Term (5-10 Years):** X

- **Continue to implement the current program to provide additional bicycle racks and other bicycle amenities.**
  - **Mid-Term (2-5 Years):** X
  - **Long-Term (5-10 Years):** X

### Parking

- **Pursue a comprehensive parking strategy for Downtown.**
  - **Short-Term (1-2 Years):** X
  - **Mid-Term (2-5 Years):** X
  - **Long-Term (5-10 Years):** X

  - **A. Unbundle parking requirements on new projects in Downtown Ann Arbor.**
    - **Mid-Term (2-5 Years):** X

  - **B. Promote the purchase or renting of off-peak parking stalls within Downtown structures.**
    - **Mid-Term (2-5 Years):** X

  - **C. Encourage a car-sharing and van-pool programs with priority parking in Downtown parking structures.**
    - **Mid-Term (2-5 Years):** X

  - **D. Provide incentives to development proposals that incorporate public, underground parking into the proposal.**
    - **Mid-Term (2-5 Years):** X

  - **E. Work with AATA and the University to increase the attractiveness of transit options.**
    - **Mid-Term (2-5 Years):** X

  - **F. Encourage companies and the university to expand the number of employees arriving in Downtown by automobile by sponsoring transit voucher programs (go!pass).**
    - **Mid-Term (2-5 Years):** X

  - **G. Consider ITS parking signage to direct commuters to open garage spaces.**
    - **Mid-Term (2-5 Years):** X
Housing Case Studies

The following section includes housing case studies completed by Strategic Economics. The studies describe the demographic/market conditions and residential drivers for five cities: Berkeley, California; Urbana-Champaign, Illinois; Eugene, Oregon; Iowa City, Iowa; and Madison, Wisconsin.

Berkeley, California

The City of Berkeley has a population of 102,743 and has not had any significant population growth since 1990. Berkeley’s downtown area has a population of 6269. Berkeley is the home of the University of California, Berkeley whose 33,000 students account for roughly one third of the city’s total population. UC Berkeley’s campus borders the northern edge of the city’s downtown area that has resulted in a large student population that resides downtown and utilizes downtown services. As of 2000, 7.5% of Berkeley’s 45,007 households lived downtown. Comparatively, 9.15% of downtown households and 15.31% of city households have children under the age of 18. The city’s overall household density is 2.7 units per acre.

Berkeley has a diverse and healthy economy. The city maintains an active industrial base that includes wholesale trade, commercial and manufacturing. The city’s largest employers are the Lawrence Berkeley Laboratories, the University of California, the State Department of Health Services and the Berkeley United School District.

Downtown Berkeley’s residential development explosion was catalyzed by a pioneering local developer. The developer, Patrick Kennedy of Panoramic Interests first approached the City of Berkeley about pursuing a mixed-use development that included residential units and ground floor commercial space on an infill site near the University’s campus. Given the site’s existing restrictions and Mr. Kennedy’s desire to reinforce the urban streetscape, the greatest barrier to developing residential units in downtown Berkeley was the existing zoning code’s parking, setbacks and open space requirements. The city’s greatest development incentive was their willingness to relax problematic zoning requirements. Since 1995 residential development in Berkeley’s downtown has experienced a boom. Over the last five years in particular, 522 new units have been built, 1299 units are currently under construction, 262 units have been approved and an additional 491 units await permitting.

Bachenheimer Building - Berkeley

Today, developers from all over the country participate in Berkeley’s downtown residential development. Berkeley’s land values have skyrocketed from $35 per square foot in 1995 to $150 per square foot in 2005 and while construction costs average $250 square foot the rental rates downtown make the high construction cost worthwhile. New downtown
apartments in Berkeley are renting for $2-3 per square foot as opposed to $1.60 per square foot elsewhere in the city.

Conversely, home values the City of Berkeley are equal to those in Berkeley’s downtown and average $650,000. While the price points are similar, the products’ quality and size differ considerably. For-sale units in Berkeley’s downtown are typically smaller and lower quality construction than properties at the same price point elsewhere in the city. As a result of these conditions, people financially able to buy property downtown are generally uninterested in the downtown housing stock, and people likely to live downtown for its location and amenities are financially hindered. Downtown Berkeley’s proximity to the University results in high student populations and noise that might additionally deter non-student groups interested in living downtown.

While Patrick Kennedy initially developed mixed-use condominiums projects his recent development projects as well as the development projects of competing developers are almost exclusively rental units. Mr. Kennedy admits that a market exists for ownership housing downtown, however most developers shy away from ownership developments due to construction deficit litigation that requires insurance ranging from $50,000- $100,000 per unit.

While the City of Berkeley’s median age is 32, Berkeley’s student population provides adequate demand for existing downtown housing. The downtown district current atmosphere and proximity to the University reinforce developers’ focus on rental unit development.

New apartment construction in downtown Berkeley provides UC Berkeley’s student population with the highest quality rental units in the city, but does not include high-end amenities necessary to attract professionals or retirees who might be enticed to move downtown. New apartment developments such as the Berkeleyan apartments, the Fine Arts Building and The Pioneer all include hydraulic parking lifts that maximize parking space, interior courtyards and rooftop gardens but lack amenities such as a gym, concierge, and high quality interior materials including hardwood floors and granite.

The new apartment developments in downtown Berkeley assume that many residents do not own a car and are willing to pay high prices to live near the university campus. While the frenzy of residential construction in downtown Berkeley may have residents wondering whether the rental housing market downtown is nearing saturation, Mr. Kennedy feels the current housing market can continue to support new development into the foreseeable future.

**Affordable Housing Policy**

The City of Berkeley uses inclusionary zoning to require twenty percent of all new residential construction is built to be affordable units.
Urbana-Champaign, Illinois

The twin cities of Champaign and Urbana have populations of 67,518 and 36,395 respectively. Champaign and Urbana are home to the University of Illinois, Urbana-Champaign that unites the two cities and has a total student population of 50,360. The University’s student body makes up roughly half of the cities’ joint population. Champaign’s downtown area has become increasingly urban over the past 5-6 years. Champaign’s downtown core is small and the housing stock of surrounding neighborhoods is primarily single-family and small-scale multi-family dwellings. Champaign’s downtown neighborhood composition is important to consider when comparing households with children in Champaign’s downtown to other urban centers.

Champaign has a diverse economy increasingly based on high-tech and software development. Champaign’s technology industry is specifically focused on developing new technologies. Champaign has an industrial base that includes a Kraft Foods plant and a cap and gown plant. The University of Illinois’ new technology park has brought area anchors such as Motorola, a biotechnology company called iCyte, the National Center for Super Computing Applications, Wolfram Research, Volition, IBM and Intel to the city. In addition to Champaign’s high-tech industries, Champaign is also home to State Farm Insurance, the Illinois Geological Survey and the Illinois Natural History Survey. Lastly, over the past five years, downtown Champaign has blossomed as a regional entertainment center.

Residential development in Champaign’s downtown is the result of a citywide and University supported effort to revitalize the downtown region. Champaign’s first major step in redeveloping its downtown was a joint project supported by the Chancellor of the University of Illinois, Michael Aekin and the City of Champaign. The eight million dollar streetscape project was intended to link the campus and the City and bring students back downtown. The project’s success fueled further efforts to revitalize downtown Champaign.

Three policies helped shape downtown Champaign’s current residential market and character. The first policy awarded liquor licenses to redevelopment projects over $100,000 dollars. The city of Champaign distributes a limited number of liquor licenses each year. This policy resulted in the development of a number of restaurants and bars that have made Champaign an entertainment destination. Today the program’s monetary requirement has been raised to $500,000, but this policy has succeeded in bringing the student body back downtown and creating an entertainment district for the city.

In 2000, downtown Champaign had a population of 7,972, 12.8% of the city’s overall population. Downtown Champaign appeals to many families with children. 16.0% of families living downtown had children under the age of 18 as compared to 18.5% citywide. Additionally, 1.7% of downtown residents live in group quarters as compared to 10.7% in Champaign proper. The University’s dormitories and the downtown location of dormitories of the local community college account for the city’s large population living in group quarters. Urbana-Champaign has a joint land area of 27.5 square miles and a household density of .96 units per acre.
The second major policy that positively affected the city’s redevelopment effort was the creation of a tax-increment-financing district for downtown Champaign. The tax increment-financing district helped to define downtown Champaign’s borders and provided capital for redevelopment projects within the City’s core.

Lastly, the City of Champaign put together a residential redevelopment incentive program as part of a larger redevelopment incentive program within downtown Champaign’s TIF district that defined goals for the downtown area and provides funding for renovation or addition of new residential units within the TIF district. The program’s goal was to increase the number of residential units downtown in order to create a 24-hour downtown. The program sets aside $300,000 of city funds annually to provide grants up to $100,000 per project for the redevelopment of historic buildings within the TIF district. This program’s success has shaped the physical appearance of Downtown Champaign.

Two and three story buildings on 20 by 100 feet footprints physically characterize downtown Champaign. The redevelopment program preserved many older buildings and has resulted in tremendous redevelopment without a large yield of new housing units. Since 2000 Downtown Champaign has added 65 residential units and 60 additional units are under construction. Local industry has played a part in new residential and mixed-use development. Volition, a local high-end video game developer, is the developer for One Main, Champaign’s high-end mixed-use project. One Main is the only new construction in Champaign’s downtown area in three decades. Office space for Volition’s headquarters is included in the development as well as commercial space and condominiums.

One Main and other newly renovated downtown residential units are selling and leasing well. While downtown sale prices range from $130,000-$260,000 as compared to a citywide average of $130,450 and rental rates downtown range from $800-$1200/month as compared to a citywide average of $435/month the demand for downtown housing continues to grow. Estimated construction costs in downtown Champaign average $114 per square foot. Despite higher construction costs, the downtown residential market targets young professionals willing to pay higher premiums to live downtown.

Champaign’s downtown residential market shows no signs of deteriorating, rather, the economy’s shift toward high-tech industry and Champaign’s comparable affordability to other urban centers suggests that residential development will transition to new construction as the redevelopment program becomes less applicable and the downtown residential market will continue to thrive.

**Affordable Housing Policies**

Urbana is currently considering adding inclusionary zoning that would require 10% of all new residential construction is affordable. The City is concerned that demand for affordable housing in the area would not support the new zoning. Currently 57.2% of all housing units in Urbana are affordable for residents making 60% of the area median income. Additionally, while the city of Urbana supports the concept of inclusionary zoning they are hesitant to require anything that might slow their already lagging development market. Both the cities of Urbana and Champaign offer section 8 housing vouchers, public housing, tenant-based rental assistance, shelter plus care and low income tax credit programs.
Eugene, Oregon

Eugene has a total population of 137,799. As of 2000, 8,157 residents resided in downtown Eugene. 3.59% of downtown Eugene households have children under the age of 18 as compared to 19.04% citywide. 4.40% of Eugene residents live in group quarters as compared to 21.66% of downtown residents. The University of Oregon’s close proximity to downtown Eugene accounts for the large city population living in group quarters. The University of Oregon has a student body of 20,339, nearly one-seventh of the city’s population. The city of Eugene has a land area of 40.6 square miles and a residential density of .914 households per acre.

Eugene’s economy has a strong industrial component. Eugene’s two largest industries are wood product manufacturing and recreational vehicle manufacturing. Eugene also manufactures Dynamic Random Access Memory. The City’s largest employers are Sacred Heart Hospital, the local government and the University of Oregon. Currently Bi-Mart is headquartered in Eugene and the Monaco Coach Corporation is headquartered in neighboring Coberg, Oregon. Eugene is the birthplace of Nike, Taco Time and Broderbund software.

Residential development in downtown Eugene has increased in popularity since 2000 and is the direct result of multiple 10-year tax abatement programs and motivated local developers. The City of Eugene is committed to revitalizing and developing its downtown. The City of Eugene offers a number of programs that offer tax relief and funding for development within city-defined zones. These programs include: a multiple-unit tax exemption, a vertical housing zone, commercial revitalization loans, New Markets tax credits and community development block grants. These programs encourage a specific type of downtown development. Eugene’s multiple-unit tax exemption provides a 10-year tax abatement for multi-unit developments within city-defined boundaries. Eugene has also created vertical housing development zones that allow 10-year tax abatement for projects that include residential development over ground floor commercial space. Commercial revitalization Loans use urban renewal money in specified urban renewal zones for building rehab, façade improvements, and historic preservation of other property improvements in urban renewal zones and new market tax credits use funds from tax credit sales for economic development and community development block grants specifically target blighted areas for job creation and revitalization.

Since 2000 an additional 230 residential units have been added to Eugene’s downtown. New units include units for ownership and rental and have targeted University of Oregon students, single professionals and empty nesters. The target audience influences the included amenities. Living in downtown Eugene as an empty nester is a conscience decision made based on lifestyle choices rather than convenience. Therefore, for ownership properties include many amenities targeting the desires of empty nesters.

Condominium development in downtown Eugene is high-end and offers extensive amenities. One such development the Tate Condominiums, named for the developer, local Eugene resident Jean Tate, is located in downtown Eugene and includes 47 condominiums units. This development is unique because its developer, Jean Tate and a number of her close friends began this undertaking after retirement in response to their own desire to move downtown. The Tate is scheduled to open in winter 2006 and has already sold over half of its units. The Tate is the redevelopment of Eugene’s public library and is currently selling units for $320 per square foot as compared to the City’s median sales price of $250,000.
Apartment development in downtown Eugene also offers numerous amenities. Broadway Place, a mixed-use development located on the edge of downtown Eugene includes 170 apartment units and 14,000 square feet of commercial space. Broadway Place is the redevelopment of a high school. The project is owned and was developed by Seattle based Lorig Associates LLC. The project’s construction cost was $97 per square foot and the units are currently leasing for between $595-$1295 per month as compared to citywide rents ranging from $400-800 per month.

While Eugene’s downtown condominium market is continuing to gain strength, Eugene’s downtown remains primarily rental. As of 2000 downtown Eugene was 96% rental, however since 2000 a significant number of downtown Eugene’s 230 new units are for ownership properties. The success of new residential units in Eugene’s downtown and the demand for both ownership and rental units as well as local enthusiasm on the part of buyers and developers suggest that residential development in downtown Eugene will continue to thrive.

Affordable Housing Policies
Oregon state legislators banned the use of inclusionary zoning practices in Oregon. Eugene does not currently provide any city-owned affordable housing, but has been recognized for its affordable housing practices. Eugene land banks property for affordable housing purposes and allocates money from federal, local and private sources for affordable housing development in Eugene. The City has a history of granting tax exemptions and fee waivers for public purpose housing projects. Additionally, Eugene participates in a housing assistance program that offers payment assistance to individuals that qualify for housing rehabilitation loans.
Iowa City, Iowa

Iowa City, Iowa has a total population of 62,220. In 2000, 7010 Iowa City residents lived in City’s downtown area. 5.9% of Iowa City’s downtown households have children under the age of 18 as compared to 19.6% citywide. Iowa City is home to the University of Iowa. The University of Iowa has a student body of 29,200 making up almost half of the City’s overall population. Due to the university’s presence in the city, group housing makes up a significant percentage of the City’s housing stock. 9.9% of Iowa City residents live in group quarters as compared to 7.7% of downtown households. Iowa City has a land area of 24.4 square miles and a household density of 1.7 units per acre.

Despite its small size, Iowa City has a healthy and diverse economy. The University and its medical facilities and the hospitals’ supporting industries make up a significant part of the local economy. Additional industries include the headquarters of General Mills, a number of large-scale manufacturing plants including: Proctor and Gamble’s north American health and beauty manufacturing plant, Oral-B Owens Illinois and a number of others, a branch of Moore North America, a national data collection and management company, Pearsons PLC, a software development company and Lear, a national leader in automotive product design and manufacturing.

Over the past five years Iowa City has experienced unprecedented growth in its downtown residential market. The City of Iowa City is credited with stimulating this growth by setting up a tax-increment-financing district in downtown Iowa City and selecting sites for redevelopment. The City sent out RFPs for specific site development projects that detailed desired uses for the sites. Local developers such as Mark Moen of the Moen group and Jim Clark of AUR Properties were eager to participate in downtown redevelopment projects and can be credited with successfully anticipating community demand for downtown housing.

Since 2000, downtown Iowa City has added 233 new units and two additional mixed-use residential developments are expected to begin work in the next few years. New construction has been a mix of rental and for-ownership units and targets both the student population and young professionals. The downtown residences are typically mixed-use and offer extensive amenities. Iowa City’s current downtown residential market does not require incentive programs although tax-increment-financing is currently available for commercial development projects within mixed-use projects.

One such project currently underway is Plaza Towers. Plaza Towers, developed by the Moen Group is located on a one-acre site that had previously been surface parking for the public library. The development targets young professionals and empty nesters interested in urban living. The 14-story development includes a 20,000 square foot grocery store, restaurant and addition commercial space on the ground floor, office space, an extended stay hotel, a gym, apartments and condominiums. The 25 million dollar project will be completed by December 2005 and is anticipated as Iowa City’s next signature building. Currently, the condominiums are sold out and the apartments have just become available to the public.
Jim Clark’s developments are typically small-scale two and three story mixed-use commercial and apartment buildings targeting Iowa City’s large student population. These developments have been very successful and have created access to downtown living for multiple demographics. Current rental rates in downtown Iowa City vary considerable. Studios, one-bedroom and two-bedroom apartments in Plaza Tower are leasing for $995-2925/ month and asking an additional $85/month for underground parking. Generally, downtown apartments range from $300-$1000 as compared to $300-$600 citywide. Downtown condominiums are selling for $200,000-$400,000 as compared to the City’s median sales price of $177,000.

Iowa City’s downtown housing market is continuing to strengthen as demand for residential units continues. Iowa City’s desire to create an urban downtown and the City’s existing job market support downtown residential development. While downtown housing prices are significantly higher than prices elsewhere in the city, the City and the public’s shared enthusiasm for downtown housing remains strong.

**Affordable Housing Policies**
Currently Iowa City does not have inclusionary housing policies. Iowa City’s affordable housing programs include: the section 8 voucher and homeownership program, tenant to owner, public housing and the Affordable Dream Homeownership program. Iowa City spends 6 million dollars annually on affordable housing programs and vouchers.
Madison, Wisconsin

Madison, Wisconsin is a city of 207,525 people. Madison is the capital city of Wisconsin and has a large downtown population. In 2000, Madison’s downtown had a population of 22,147. Downtown Madison is dominated by childless households and attracts a mix of young professionals, empty nesters and University of Wisconsin students. Statistically, 19.0% of Madison households have children under the age of eighteen as compared to 1.0% of downtown households. The University of Wisconsin is located in Madison and has a student population of 40,000, making up nearly twenty percent of the city’s overall population. Much of the downtown population resides in group quarters, primarily a result of the University’s close proximity to the downtown. Nearly 29% of downtown residents live in group quarters as compared to 6.2% citywide. Madison covers 84.7 square miles and has a household density of .81 households per acre.

Madison’s has a bright economic outlook.

Madison is one of few US cities whose economy has continued to thrive since its original technology boom in the 1990’s. Madison’s economy continues its evolution from a government services and manufacturing based economy to a high-tech and customer services based economy. The University of Wisconsin and the State government remain the two largest regional employers, but the biotechnology, healthcare and advertising industries all play important roles in Madison’s local economy. Madison’s is home to Mattel’s Pleasant Company headquarters, Sonic Foundry, a media technology company, Promega, a large biotechnology company, Epic Systems, a healthcare information systems developer and credit-related companies. The University of Wisconsin’s incubator and support services for local technology companies has helped to maintain Madison’s stable and healthy economy.

Madison’s downtown residential development has strengthened since 2000. In fact, between 2001 and 2002 455 new units were built downtown and 192 new permits were approved. Between 2003 and 2004 another 749 units were constructed and 207 permit were given. While Madison does have a large government population living downtown, the University of Wisconsin relays on non-university housing for nearly 75% of its student body. Additionally, like many cities nationwide, Madison is experiencing high demand for urban housing from empty nesters. This demographic has fueled demand for high-end ownership units and has added to the culture of Madison’s downtown. While the City of Madison has not implemented large-scale incentive programs, Madison’s large student population and its long term economic success has resulted in population growth particularly in the post-college young single professional. These people are typically drawn to urban living environments and have added to Madison’s downtown housing trend.
While demand exists for both rental and ownership units, downtown residential development has favored for-ownership properties. Local developers such as the Alexander Company have been instrumental in changing downtown Madison’s urban landscape. Capitol West, a 110 million dollar redevelopment of a city block in close proximity to the capital building offers an array of units ranging in size from 650-4000 square feet and ranging in price from $120,000-$800,000.

Sale prices of units for ownership downtown average $266,000 as compared to $195,000 elsewhere in the city. However, affordable units are available, as illustrated in the price ranges given for Capitol West and the number and quality of the amenities offered is competitive. Average rental rates across the city range from $500-$1000 a month as compared to $500-$1500 per month downtown. In comparing rental properties the lower price point is the same, but some downtown units offer more extensive amenities coupled with location and square footage.

In 2000, 97% of all downtown residential units were rental units. Since that time the majority of new units have been ownership. Additionally, the current projects that include residential units favor ownership units as well. This trend could potentially create a more permanent urban residential community. Community desire for for-ownership units in downtown Madison continues to drive development.

Affordable Housing Policies
Madison has an inclusionary zoning clause that requires 15% of new residential construction is set aside for affordable housing units. The zoning ordinance is intended for people making $35-$55,000 annually that may neglect very low income individuals. Rental units target individuals making below 60% of the area median income while homeownership targets individuals making 80% of the area median income.
REDEVELOPMENT
ANALYSIS

DEVELOPMENT
ANALYSIS MAP

LEGEND
Study Area
Downtown Development
Authority Boundary
Historic Districts

REDEVELOPMENT VALUE

[0] Vacant, Ideal for
Redevelopment
[0 - 0.25] Most Likely to
Redevelop
[0.25 - 0.5] Likely to
Redevelop
[0.5 - 0.75] Potential to
Redevelop

Redevelopment Value = Improved Value
Land Value

DOWNTOWN ANN ARBOR
REVITALIZATION PLAN
Ann Arbor, Michigan
July 28, 2005

City of Ann Arbor
Ann Arbor, MI
Caliburna Associates
Berkeley, CA