

## **The Library Block**

A Planning and  
Urban Design Study

Prepared for  
The City of Ann Arbor, Michigan

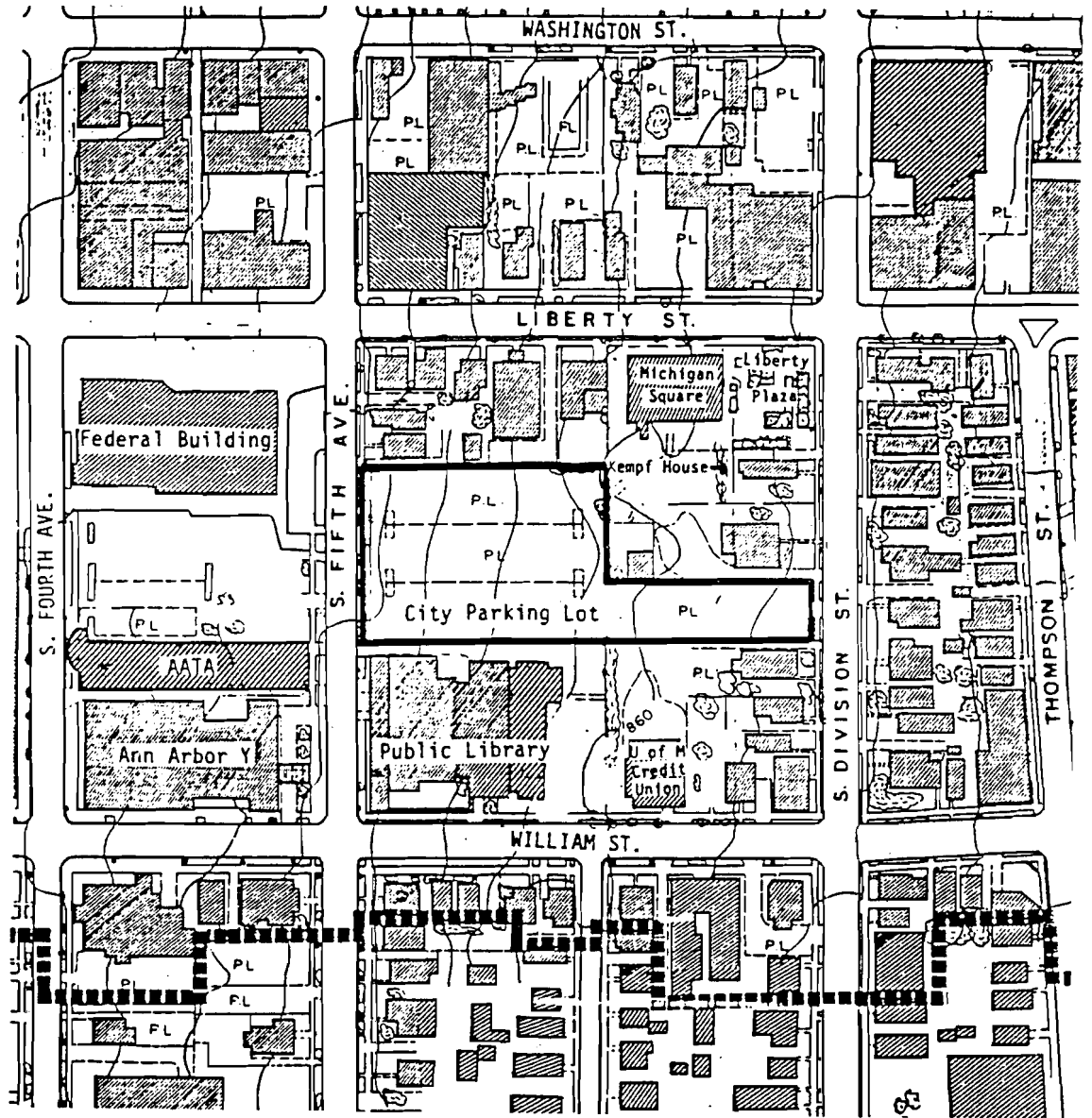
Luckenbach | Ziegelman and Partners Inc  
Architects  
115 West Brown Street  
Birmingham, Michigan 48009

Coopers & Lybrand  
Economic Consultants  
400 Renaissance  
Detroit, Michigan 48243

Walker Parking Consultants/Engineers  
Traffic and Parking Consultants  
2121 Hudson  
Kalamazoo, Michigan 49008

June, 1991

# THE LIBRARY BLOCK AND SURROUNDING AREA



<b>TABLE OF CONTENTS</b>	<b><u>Page</u></b>
<b>Introduction</b>	1
<b>The Block Today</b>	5
Land Use	
Urban Design Qualities	
Owner/Tenant Perceptions	
<b>Economic Environment</b>	16
Residential Overview	
Overview of Market Performance for Alternative Uses	
Residential Overview	
Non-Downtown Residential Trends:	
Rental Multiple-Family and Elderly Housing	
<b>Urban Design Goals</b>	26
Pedestrian Experience	
Public Open Space	
New Development	
<b>Development Recommendations</b>	32
<b>Implementation</b>	41
Project Budget	
Timetable for Implementation	
<b>Appendix</b>	
A. Survey of Library Lot Block Merchants	A1
B. Residential Overview: Case Studies	B1
C. Parking Requirements	C1

<b>ILLUSTRATIONS</b>	<b><u>Page</u></b>
Figure 1. - Ownership and Land Use	6
Figure 2. - East Liberty	7
Figure 3. - South Division	9
Figure 4. - The Kempf House	10
Figure 5. - Liberty Plaza	11
Figure 6. - The Parking Lot	12
Figure 7. - Urban Design Analysis	13
Figure 8. - Public Open Space	26
Figure 9. - Pedestrian Connection	27
Figure 10. - Development Opportunities	31
Figure 11. - Circulation and Parking	33
Figure 12. - Underground Garage	34
Figure 13. - Perimeter Parking	35
Figure 14. - Drive-in Banking	37
Figure 15. - Retail Court	38
Figure 16. - Site Plan	39
Figure 17. - Site Sections	40

**INTRODUCTION**

**BACKGROUND**

City Council adopted a charge to the Library Lot Task Force, and on June 20, 1988, the Mayor and City Council appointed the members to the Task Force. The Council resolution read as follows:

**RESOLUTION TO FORM LIBRARY LOT ASK FORCE**

Whereas, The Library Parking Lot Is a City-owned and operated parking site;

Whereas, Inquiries have been received by the Mayor's Office as to the possibility of developing this site for a variety of uses;

Whereas, This site has been designated as an area that should contain additional underground parking, plus open public space;

Whereas, The Task Force studying a Downtown Events Facility is also considering the Library Lot;

Whereas, The Ann Arbor Board of Education has announced plans to construction an addition to the Library facility adjacent to this City parking lot; and

Whereas, This site could be developed for public and private uses to provide economic benefit for the entire City;

RESOLVED, That the City Administrator be hereby directed to convene the Library Lot Task Force with members from the following organization:

- Two City Council (Councilmember Schleicher, Chair)
- One Downtown Development Authority
- One Midtown Merchant Group
- One Chamber of Commerce
- One Main Street Merchants Association
- One Board of Education
- One League of Women Voters
- Four Citizens-at-Large

Non-voting members -

- One Transportation Department
- One Engineering Department
- One Planning Department
- One Parks and Recreation Department

and;

RESOLVED, That the Library Lot Task Force be directed to evaluate public and private development possibilities for the Library lot. If the Task Force believes that the development of additional parking, housing, retail or other uses on this site will be beneficial to the City of Ann Arbor, it is to develop a Request for Proposal (RFP). The draft RFP will list the objectives, evaluation criteria, general specifications and submittal information in substantially the same form as on file in the City Clerk's Office. The Task Force should make a recommendation to City Council by July 1, 1988.

As Amended  
May 2, 1988

The Task Force held its first meeting on July 11, 1988. During the following six months, the Task Force met ten times. A public input meeting was held on November 10, 1988 at which several comments and suggestions were received.

#### **LIBRARY LOT TASK FORCE REPORT TO MAYOR AND CITY COUNCIL**

During the review process, the Task Force learned of the plans of several major land owners in and around the City-owned surface parking lot. The Library addition was to begin construction in the spring of 1989 with the Ann Arbor Y housing addition project starting in the summer or fall of 1989. The University of Michigan Credit Union located on William Street expressed both a need for more office space and a willingness to cooperate with the City if an underground parking facility were to be built on the Credit Union Property. First Martin Corporation, owner of the property south and west of the Kempf House, was working with the Committee on Senior University Housing for a 60 to 100-unit condominium project and also expressed a willingness to coordinate that development with the construction of public underground parking. Other public uses discussed as possibilities for the block included a public park or plaza, a senior citizens center, and Ann Arbor Board of Education administrative offices.

At the conclusion of that series of meetings, the Task Force's findings were divided into the following three categories:

- I. GIVENS - There are no significant disagreements on the Task Force concerning the following:
  - a. The present use of the Library Lot as a surface parking facility is not the best use to which the parcel can be put.
  - b. For various reasons, the following structures will be assumed to remain in any plans for the Library parking lot and Library block:
    - Ann Arbor Public Library
    - U of M Credit Union Building
    - Michigan Square Building
    - Liberty Plaza
    - Kempf House
    - 344 South Division (apartment building at corner of William)
    - 320 South Division (Queen Anne House south of Kempf House)
  - c. Pedestrian access should be provided from East Liberty to the Library parking lot. Pedestrian access and movement should be accommodated and facilitated in the development of the block.
  - d. There should not be any net loss of short-term parking for public use (when compared to the present number of cars accommodated by the Library parking lot) as a result of changes on the Library block.
  - e. The Liberty Street frontage of the Library block should remain of a commercial character.
  - f. A park or public plaza space should be included on the Library block in addition to Liberty Plaza.

- g. New construction on the Library block should be of a mixed-use nature.
  - h. Additional housing could be included as part of the overall mix of uses on the Library block.
  - i. The area for development consideration could be expanded beyond the Library lot property to include additional parcels shown on the map on the next page.
- II. **GENERALLY AGREED** - There is substantial consensus of the Task Force about the following issues:
- a. Parking developed on the Library block should be placed underground and cover at least the area now covered by the Library parking lot.
  - b. The underground parking developed on the Library block should be two or three levels below grade.
  - c. The parking developed on the Library block must be sufficient to accommodate any new construction.
  - d. The Library block should not be used for an events center.
- III. **OPEN ISSUES** - There is no consensus on the Task Force at the present time concerning the following issues:
- a. Should all structures on the Library block that are in the proposed East Liberty and East William historic districts be preserved?
  - b. Should the commercial frontage on Liberty Street be redeveloped through new construction or substantial renovation of existing structures?
  - c. Should commercial frontage be developed along the rear of the East Liberty parcels to front on the Library lot?
  - d. Should a local public administration center be developed on the Library block?

## **RECOMMENDATION**

The Task Force recommended to the City Council that a consultant be hired "To prepare a preliminary conceptual design and feasibility study for a mixed-use development". In the fall of 1990, the Task Force recommended a team lead by Luckenbach|Ziegelman and Partners Inc and including Coopers & Lybrand and Walker Parking Consultants.

## LIBRARY LOT TASK FORCE ROSTER

At the conclusion of this study, the Task Force consisted of the following: Those identified with an asterisk have served since the inception.

Vic Adamo\*  
Steve Bellock\*  
Joe Borda\*  
Peggy Ann Charipar\*  
David Copi  
Fred Mayer\*  
Franz Mogdis\*  
Nelson Meade  
Ingrid Sheldon  
Claire Turcotte\*  
Mona Walz\*

### Ex-Officio Members (non-voting)

Ron Olson \*  
Martin Overhiser\*  
Jim Valenta\*  
Sabah Yousif\*

### Former Members

Dan Halloran  
Alan Jones  
Jerry Schletcher  
Liz Brater  
Kent Whiteman  
Rod Benson



## **THE BLOCK TODAY**

### **LAND USE**

The existing land uses on the Library Block fall into five categories. The principal use, and the one that gives the block its name, is the Ann Arbor Public Library. With a major expansion and renovation nearing completion, the Library is expected to serve over 100 patrons at one time and up to two hundred when the bookstore is in operation. The maximum number of staff the Library will hold at one time is 50 and the Library will be open 74 hours per week. It has on-site parking for 22 employee cars.

The second major use is public parking. The existing lot has 197 spaces and is accessible from both South Fifth Avenue and South Division Street. Meter limits range from one to ten hours.

The third major use is retail, which is concentrated along East Liberty and in the first two buildings around the corner on South Fifth Avenue. All of the businesses could be categorized as specialty retail shops or restaurants, and with two exceptions, all operate out of converted houses. Several of the buildings have either commercial or residential occupancy of the upper floor(s). Back and side yards are typically used for parking.

The fourth major use is residential. In addition to the upper-story residential units, there is one house behind the East Liberty retail frontage, facing the parking lot, and four residential structures on South Division Street running north from East William. One of these is a four-story, boxy, modernist structure and three are houses. Only one of these remains a single-family home.

The fifth and last major use of land on the Library Block is financial services. The University of Michigan Credit Union occupies 9,250 square feet in a one and one-half-story brick building, plus basement, and has office space in a converted residence next door at 337 East William. The Credit Union provides on-site customer parking spaces, but offers no drive-in banking.

These land use patterns are shown in Figure 1.

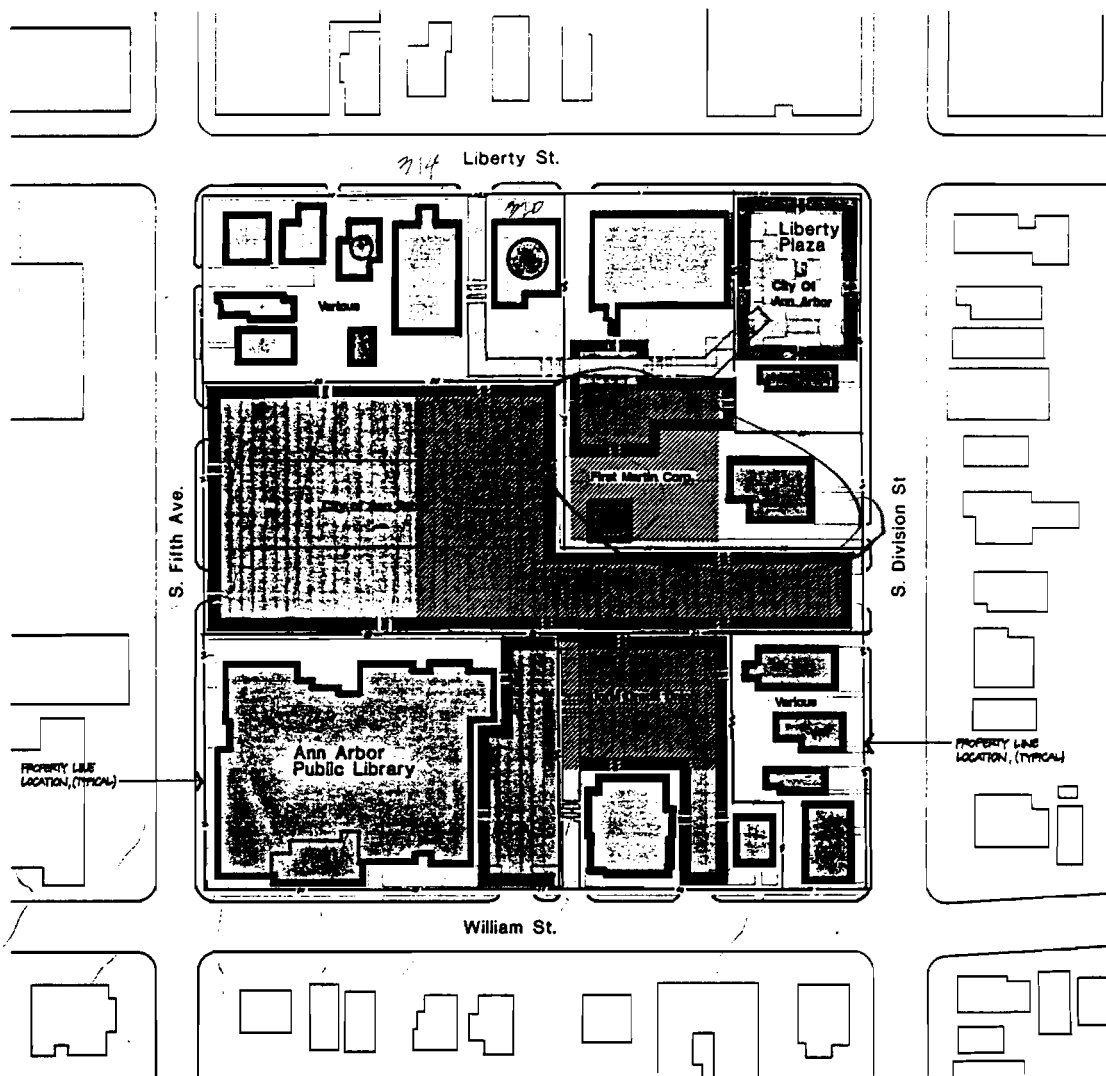
### **URBAN DESIGN QUALITIES**

#### **East Liberty**

Just as East Liberty plays a unique role in the Ann Arbor retail community, the streetscape has a personality and character of its own. It is situated almost equidistant between the State Street and Main Street retail centers and offers a selection of goods and services of interest to both students and permanent residents not found in either retail district.

The north side of the street provides a sympathetic retail image that is friendly to pedestrians. The one exception, however, is the building at 301 East Liberty. It is of large scale in comparison with other buildings on the block, somber color and has its retail space both raised above and set back from the sidewalk. This effectively divorces it from pedestrian traffic. That space has been vacant for several years.

East Liberty is generally viewed as the major connector between the State and Main Street retail areas for both vehicular and pedestrian traffic. On-street parking and the recent pedestrian improvements enable both forms of traffic to co-exist for virtually the entire six-block length. Closer to the ends of this link, the scale of the buildings



 **Ownership & Land Use**

0 5 10 15

**Legend**








- |   |             |   |   |
|---|-------------|---|---|
|  | Commercial  |  | Parking                                   |
|  | Open Space  |  | Public                                    |
|  | Residential |  | Potentially Shared                        |
|   |             |  | Proposed Easements<br>for Pedestrian Path |

Figure 1. - Ownership and Land Use. Potentially shared areas are those where the City and private property owners might exchange development rights above and below ground.

increases, and they tend to rise directly at the sidewalk edge. The change of scale and setback at the Library Block is a welcome relief and contributes significantly to the pleasure of walking between the two districts.

With the exception of the Michigan Square Building, which was built in the late 1970's, all of the Library Block businesses operate out of older structures, most of which began life as houses. One of these, 320 East Liberty, is one of only five or six surviving Ann Arbor examples of stuccoed-brick, Greek Revival houses built in the 1840's, but it has been so crudely altered over the years that it requires close scrutiny to reveal its ancestry.

*now gone - "Demoli" pending 2007*

The only non-residential, older structure is 314, built in the late 1940's as the VFW Hall and is now occupied by the Seva Restaurant and Market, Earth Wisdom Music and the Main Street Comedy Showcase. Located in the middle third of the block, its driveway functions as a key pedestrian connector between the Library Lot and East Liberty.

As is typical with single family residences, the older structures on this block are set back from the sidewalk. The more recent buildings have followed this pattern. The result is an unusually generous-feeling sidewalk with space for selected outdoor displays. Combined with the separation from traffic that parked cars provide, the pedestrian scale and ambiance is superior. See Figure 2.



Figure 2 - The south side of East Liberty, looking east.

## **South Fifth Avenue**

Of the four streets surrounding the Library Block, South Fifth Avenue is the least satisfactory as a visual and pedestrian experience. Beginning at the corner of Liberty, there are three retail businesses, each with its own distinctive character. However, this is followed by almost two hundred feet of surface parking lot. Beyond, at the corner of East William, is the Public Library. Although it is a significant generator of activity, there is little visual interest for the passing pedestrian.

The opposite (west) side of the street is even more problematical. The block begins with the narrow and poorly defined Federal Building Plaza, and then the Federal Building itself. The Fifth Avenue side is a totally blank masonry surface, completely devoid of windows, detail or interest of any sort, stepping its way ever higher to the south. At the base of this wall is a narrow strip of surface parking.

On the south side of the building is a loading dock and storage area for the post office delivery vehicles. Beyond this is a parking lot that runs through to Fourth Avenue, opening a wide view of the Fourth and William parking structure, which is arguably the most unloved (and unlovely) building in Ann Arbor.

The block ends with the YMCA, which has recently grown from four to seven stories. Because it is setback from the street and has a driveway, the "Y" presents a vehicular rather than a pedestrian orientated image to the street.

The pedestrian experience is further diminished by both the volume and the speed of traffic. Fifth Avenue is a major southbound artery through Downtown Ann Arbor. The absence of on-street parking means that fast-moving cars, trucks and buses pass within a few feet of pedestrians on the sidewalks, without any form of physical or psychological separation.

## **East William**

Recent developments along the frontage of East William have been disappointing. A major addition to the Library has changed its character from a pedestrian-scaled, two-story facility to a far more massive building with sheer, windowless brick walls that rise four stories above the sidewalk. Further, this addition, with its adjacent parking lot, has required the demolition of the last two retail business properties remaining on this frontage. Where until recently there were store windows to engage the pedestrian's eye, there is now a parking lot and loading dock.

The University of Michigan Credit Union is the last remaining generator of pedestrian traffic, but its street-facing windows are so heavily tinted that it is impossible to see into the building, and thus is of little interest to passers-by.

To the east of the Credit Union is a pleasant, well-kept house which dates back to the late Nineteenth Century and which is in near-original condition. Although protected by inclusion in the East William Street Historic District, its impact is minimal due to its isolation and visual dominance by larger and unsympathetic neighbors.

The south side of East William substantially retains its traditional scale and residential character. One major exception is the highly distinctive Raja Rani Restaurant at the corner of South Division. The remainder of the block, with the exception of the four-story apartment building at 332, is comprised of frame houses, most of them converted to multiple-occupancy residences. All are included in the East William Historic District.

## South Division

Just as East Liberty is a distinctly retail street, South Division projects a strong residential image. The east side is a virtually unbroken line of residential structures, primarily houses, but also includes a 1960's apartment building. At the north end of the block a few businesses operate in residential buildings, but in a manner that does not seriously compromise the scale and character of the block. These are illustrated in Figure 3.

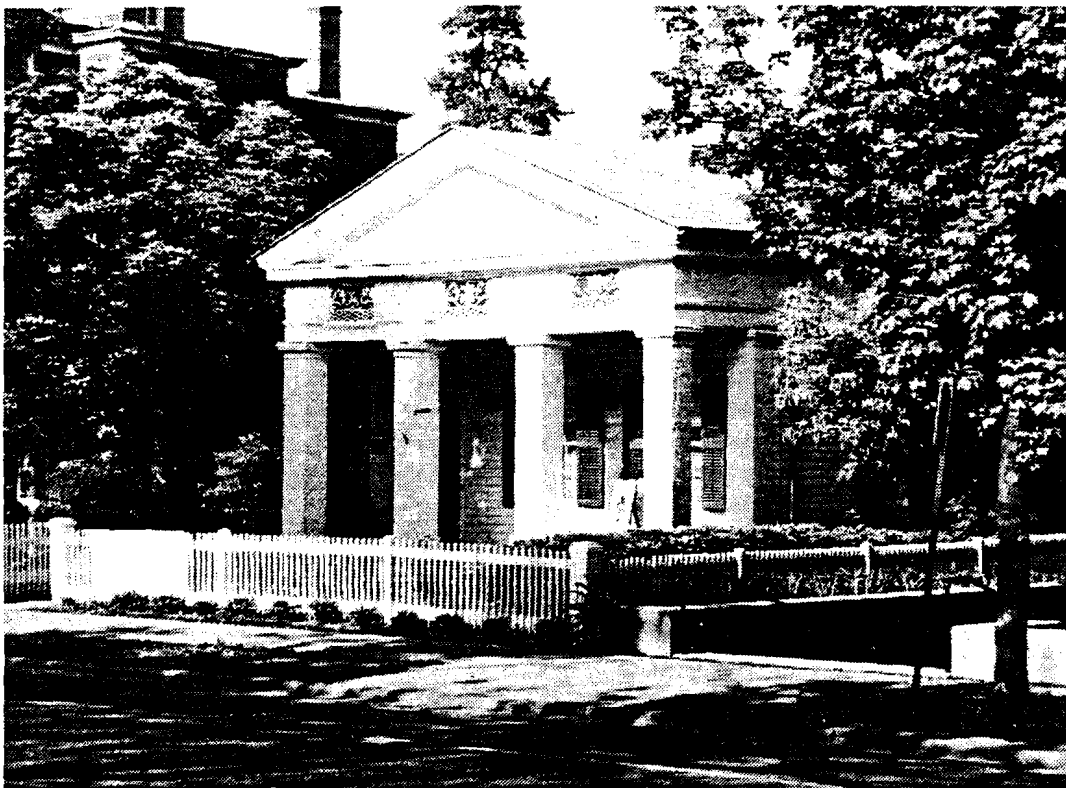


*Figure 3. - The east side of South Division, looking south.*

The west, or Library Block side, has a less consistent character, but one that is strong in its own way. At the south end is another 1960's four-story apartment building but the remaining five structures are traditional residential buildings. Three of these immediately north of the apartment building are pleasant, but unremarkable houses. Beyond these houses is a sixty-foot gap, the eastern "panhandle" of the parking lot.

Adjacent to the parking lot on the north side is the imposing, three-story Victorian variously called The Luick or Noble House, and next to it, surrounded by greenspace,

is the Kempf House, the Greek Revival gem which is home to the Ann Arbor Historic District Commission, and which is shown in Figure 4.



*Figure 4. - The Kempf House.*

## Interior Paths

In addition to its perimeter walks, the block currently handles a significant volume of interior pedestrian traffic. The normal coming and going to and from parked cars accounts for much of it, but a significant amount is attributable to short-cutting across a very large block. Most of the paths are informal, *ad-hoc* routes created by resourceful pedestrians. A somewhat more formalized route connects Liberty Plaza to the parking lot. Although a paved sidewalk covers the distance, the experience changes dramatically from the mature landscaping at Liberty Plaza to the crumbling concrete and bent chain-link fence at the western terminus. The Liberty Plaza end of this walk is shown in Figure 5.



*Figure 5. - Liberty Plaza, looking from the west.*

From within the lot, the views are primarily of the backs of the properties facing the perimeter streets. These include unimproved parking lots, restaurant coolers and dumpsters, fire escapes and mechanical equipment. The view to the west is across a sea of cars, terminated by the Fourth and William Parking Structure. See Figure 6.



*Figure 6. - The Parking Lot, looking across the Federal Building parking lot to the Fourth and William Parking Structure.*

One of the most used paths is the driveway on the east side of the Seva Restaurant and Market. It is a key connector between the parking lot and East Liberty.

Additional comments on the urban design qualities are included in Figure 7.



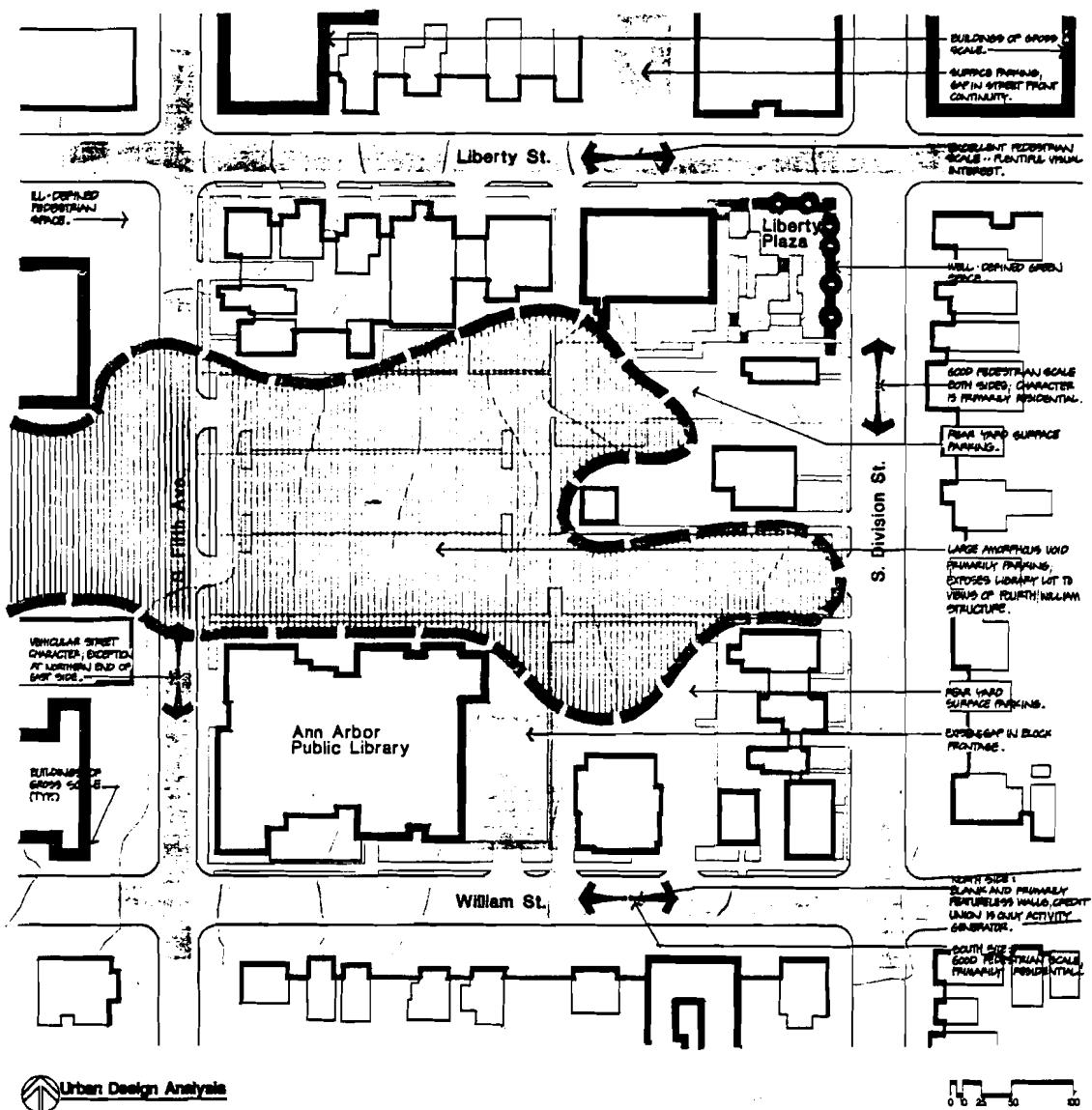


Figure 7. - Urban Design Analysis. The relative width of building outlines indicate relative scale.

## OWNER/TENANT PERCEPTIONS

Interviews conducted by the consultants of property owners, tenant business owners, employees and selected customers and patrons revealed a broad range of concerns, but with a surprising degree of unanimity. Three major concerns emerged.

The first is parking, with issues of quality and quantity closely linked. Merchants perceive a shortage of short-term (1-2 hour) parking for customers, with the Library Lot being virtually full from around 10:30 am to 5:00 pm. Many of the spaces potentially available for customers are pre-empted by employees who dislike the existing parking structures. They believe they are dangerous and refuse to use them. The specific problems cited include dingy appearance, poor sanitation, vagrants seeking shelter and urinating in the stairs, robbery and assault.

Employee use of the surface lot is further encouraged by a relatively large number of part-time employees for whom purchasing monthly permits (if available) makes no economic sense. For full-time employees, waiting time for monthly permits can be long, and the Library Lot is the only alternative. The availability of ten-hour meters also serves as an inhibitor to apply for monthly permits.

The reliance on parking meters was seen as a problem. Meters require that customers arrive with sufficient change in the proper denominations, accurately predict the length of their stay and return in a timely manner even if all business has not been completed. If all of this is not done exactly right, a parking ticket is the likely result. It is this threat of a ticket, rather than the actual cost of parking, that is seen as a subtle psychological deterrent to shopping downtown as opposed to the malls and strip centers where no such threat exists. When the system is one where the patron pays an attendant when leaving for the actual time spent, all of the above problems disappear. An added advantage of attended parking is the option for merchants to validate customer parking if they so choose.

The second major concern is safety and personal security. The principal threats are seen as coming from individuals and small groups generally described as "the homeless". On further discussion it is clear that this is too broad a term, and that it is a sub-group consisting of the unemployed mentally ill and/or substance abusers that are, in fact, the source of perceived problems.

Liberty Plaza is generally described as a problem, not an asset. Its design, with intimately scaled subdivisions, and its overgrown plantings prevent easy surveillance from the perimeter, makes it an intimidating place for most users. It is seen by some as having become virtually the sole province of vagrants.

At the west of the Library Block is the Federal Building. Its plaza has been a popular congregating place for street people during good weather, and its lobby is a warm place for them in the winter. Some East Liberty property owners and merchants feel strongly that they are sandwiched between the two principal gathering places for Ann Arbor's street people, with intimidating consequences for customers and patrons.

Clustered at the corner of South Fifth Avenue and East William are the Library, the "Y" and the AATA Bus Station. These buildings offer winter warmth and access to bathrooms. Just west of the "Y" is the Fourth and William Parking Structure which, correctly or not, is perceived as a refuge for vagrants. Combined with Liberty Plaza and the Federal Building, these facilities define a triangle that covers the northwest half of the Library Block. Not surprisingly, there is significant skepticism about the wisdom

for providing new open space that will become yet another congregating place like Liberty Plaza.

The third major concern is the illusive issue of "character". Virtually without exception, those interviewed expressed concern that new development not destroy the attractive pedestrian qualities of parts of the block. The building at 301 East Liberty was frequently cited as an example of a new development that was too tall, too bulky and too monumental. Most agreed that relatively intensive development could take place toward the center of the block without changing the character of the streets. Historic preservation ranks high in importance with the Noble/Luick and Kempf Houses, the Christian Science Reading Room and the Herb David Guitar Studio frequently mentioned.

The East Liberty retail strip attracts labels such as "funky", "eclectic" or "a mixed-bag", more as an observation than criticism. Many acknowledge it to be typical of better university towns, with analogies drawn to Berkeley, Madison and Cambridge. The occasional person perceived the area as "seedy" or "tacky", but they were a distinct minority. Most though the existing character deserved maintaining and strengthening.

## **ECONOMIC ENVIRONMENT**

### **AN ECONOMIC OVERVIEW**

The following presents a summary of recent demographic and economic trends in the Ann Arbor area. These trends provide an understanding of the basic determinants of development demand for alternative uses.

It is anticipated that the major portion of the Library Block's retail development potential will be derived from current and future downtown employees and residents and University of Michigan students on the main campus. Office potential is likely to result from proximity to the University and to the existing concentration of governmental and financial offices in the downtown. Residential potential is drawn from the City of Ann Arbor, the County as a whole, and to a large extent, from people moving into the area having strong pre-existing ties to the University.

### **Population and Households Trends**

The City's population has increased by approximately less than 1,300 people since 1980. It is anticipated to increase by almost 2,500 people over the next five years. Population growth within the County is expected to add more than 9,000 people by 1995, although the recent economic slowdown in Michigan and the nation may delay this increase.

Since 1980, household growth in the City has resulted in the addition of almost 4,200 new households or more than 13 percent of the total County household gain. By 1995, almost 2,900 additional households are anticipated to reside in the City and account for nearly 36 percent of the total county household gain.

Census data reflects that both population and housing declined from 1980 to 1990 for the census tract which encompasses the largest portion of the downtown area. In 1980 the population and number of housing units in this tract were 1,142 and 793 respectively. These figures declined to 1,115 and 750 in 1990. This reflects a decline of 2.4 percent in population and 5.4 percent in the number of housing units.

### **Age Trends**

The median age of City residents in 1990 was estimated to be 26.1-years-old, which was almost two years younger than the County median. The presence of more than 36,300 University of Michigan students in Ann Arbor, many of whom live in the city, is a major contributor the city's youthful age profile.

The major future growth in households will be found among households headed by people 35 to 54-years-old. This pattern is similar for household gain both in the city and the county. Household gain within the city of people 45 to 54-years-old is expected to account for 43 percent of all gain in this age group countywide. This age group is commonly called "empty nesters", and often contains high concentrations of two income households without children at home.

### **Income Trends**

Household income increases with the age of the householder through the pre-retirement years. In the city, median incomes of \$59,307 are currently estimated from households aged 55 to 64, with incomes nearly as high for slightly younger households, between 45 and 54-years-old.

Household income information for younger households in the city is strongly distorted by the high incidence of student-headed households. A 1988 household survey

conducted by the Ann Arbor Planning Department identified 12.2 percent of the City's households as student-headed. That survey found single student household incomes to be only 36 percent of single non-student household income, with student roommate household incomes only 53 percent of the incomes of non-student roommate household situations.

While incomes for the younger households in the city are lower than countywide levels, households headed by people 35 years or older have incomes that exceed countywide levels. This differential between city and county income levels is greatest among people in their retirement years, reflecting the high concentration of retired University of Michigan faculty and administrators and Ann Arbor Public Schools teachers residing in the city. These two educational institutions are frequently cited by area residential Realtors and leasing agents as accounting for the major portion of market-rate congregate care housing occupants and owners of some of the City's higher priced downtown condominium housing.

Earnings are generally at their peak among households in their middle years, as indicated by the projected increase of almost 2,300 households earning more than \$75,000 by 1995 in the city and nearly 7,500 such households countywide. Households with these income levels are able to qualify for the purchase of homes priced at least \$200,000 or consider paying monthly rents of \$1,200 or more.

Households headed by people more than 75-years-old are often prime prospects for retirement housing, especially developments offering a meal service. A substantial increase of people more than 75-years-old is expected countywide in the next five years.

Incomes of at least \$30,000 are generally considered to be the minimum to afford market-rate, congregate elderly housing. Approximately 700 of the City's senior households currently have earnings of \$30,000 or more. By 1995, about 1,070 of the City's oldest senior households will have incomes necessary to afford market-rate congregate housing. There will be less than 2,500 such households throughout the County.

While the proportion of elderly households with incomes able to afford market-rate congregate housing is increasing in the area, the Ann Arbor market contains high concentrations of elderly households earning less than \$25,000. This puts these households at income levels which may qualify them for assisted housing. Approximately 32 percent of the City's households headed by people more than 65-years-old earn less than \$25,000 per year. This proportion increases among oldest senior households.

## **Employment Trends**

Currently, the University of Michigan employs 20,400 people in Ann Arbor, of which approximately 6,400 are employed at The University of Michigan Hospital. University employment has increased more than 12 percent since 1987. It is estimated that a major portion of these University employees live in the City. In 1980, 31.3 percent of the city's residents were employed in the educational services while 21.8 percent were County residents.

Besides the University, the other major downtown area employers are the City of Ann Arbor and Washtenaw County, whose offices are within a three-block walk of the Library Block.

The Ann Arbor area has consistently had one of Michigan's lowest unemployment rates in both boom and recession times. The October 1990 unemployment rate for both the City and the County was 4.2 percent, compared to 6.9 percent for the State.

Employment gain in both the City and the County has generally been strong, with gains of 3.3 percent in the total number of people employed between September 1989 and September 1990. That's 4,950 additional jobs in the County, of which almost 43 percent were located in the City.

### **Downtown Development Authority District Demographic Trends**

The Downtown Development Authority Area includes all or major portions of ten neighborhoods. The Library Block is in Neighborhood 21, which extends from East William to Ann Street, and State Street to the Railroad. The Ann Arbor Planning Department reports the following recent demographic findings for Neighborhood 21, based on the City's biennial 1988 household survey:

- The proportion of owner-occupied households increased since 1980 from 3.0 to 10.8 percent and household size increased from 1.19 to 1.43 percent.
- Almost no Downtown households contain children, and recent trends indicate a decrease in Downtown households that contain the elderly.
- Downtown household income continues to be less than city-wide income levels, reflecting the concentration of student and other low income households in the area. One development, containing nearly 40 percent of the core downtown housing units has 75 percent student occupancy, according to its sales and leasing agent.
- A comparison of 1986 and 1988 Neighborhood 21 trends finds the area gaining on the City average in terms of household income, with a rate of the increase in home ownership surpassing the city-wide gain.
- The core Downtown area, represented by traffic analysis zones 4,5,6 and 7 contained, in 1988, an estimated 5,400 employees or approximately one half of the total downtown employment. This core area is bounded by Huron Street, East William, State Street and Main Street.

## **OVERVIEW OF MARKET PERFORMANCE FOR ALTERNATIVE USES**

### **Introduction**

This section provides a review of the market experience for office, retail, and residential uses. The research was conducted through interviews with area Realtors, site visits and interviews with development leasing or sales agents, field observations, review of various reports of the Ann Arbor Planning Department and Downtown Development Authority, and surveys and reports by selected private real estate brokers and developers.

### **Office Overview**

According to the Downtown Development Plan, in 1986, there were 1.9 million square feet of public and private office space in the Downtown Development Authority District. This office space represented 38 percent of the estimated five million square feet of office space within the City. Since 1986, as a result of major office construction activity occurring in the Briarwood and Plymouth Road areas of the City, it is estimated that downtown's market share of the city-wide office supply has decreased.

There were several major findings resulting from the review of office-market conditions within the downtown and in the larger Ann Arbor market area. The most significant and general finding is that the overall office market in the Ann Arbor area is over saturated, with supply exceeding demand. Area office Realtors report office vacancies increased from 11.8 percent at the end of both 1988 and 1989 to 15.5 percent in December 1990. The most active areas for office leasing are the southern and northeastern sections of the Ann Arbor area. Much of the recent space occupied in the Ann Arbor area has been technology-oriented firms, most of which are interested in leasing high-tech type buildings rather than traditional office space.

An annual average of approximately 43,000 square feet was absorbed in downtown Ann Arbor buildings in 1989 according to area office leasing agents. This pace is slower than the estimated annual average of 46,000 absorbed in the 1980-1988 period. During 1990, minimal new space absorption in the downtown area was reported. Should no additional space become available, brokers anticipate absorption of the majority of the remaining vacant space within the next few years, a process slowed considerably by the recent decline in the financial services industry and current economic conditions in the State and Nation.

Asking rents for newer downtown office space generally range between \$14.00 to \$19.50 per square foot, gross, plus electricity. In the last year, substantial tenant concessions in the form of free rent, tenant improvements, parking and other incentives have been offered. These concessions and the willingness of the property owners to negotiate on rents results in lower rent levels in practice than those that are being asked for.

At this time, approximately 110,000 square feet of office space is available in three new (or substantially renovated) downtown office buildings. This space is primarily concentrated in One North Main, Market Place, and the Handicraft Building. The latter, located directly north of the Library Lot block, has almost 45,000 square feet of office space available. There is also 13,000 square feet available to 301 North Main due to Johnson Johnson & Roy's decision to develop and move into a new building. In addition, large areas of vacant space remain available in several other older structures. Further, 515 East Liberty (Liberty Square) is being marketed for a mix of office and retail space and has 50,000 square feet available. Also, through renovation and expansions, other smaller office buildings are in the process of adding to the supply in the downtown area.

An office building of approximately 160,000 square feet was planned for partial occupancy by Comerica Bank on Huron, near City Hall. Comerica was to have utilized 40,000 square feet of the new space, leaving available 120,000 square feet available. However, after receiving the necessary approvals in September 1990, the project was put on hold for an indefinite time. Currently, there is no development schedule for the project. However, it is probable that the building, should it be developed, will be significantly scaled down from the 160,000 square feet initially planned. The office market in Ann Arbor is too soft to justify the addition of a major amount of speculative office space.

The downtown office market primarily consists of financial and legal service companies that are drawn to the Area by the courts and banking institutions on Main Street. The University of Michigan is another member of the downtown office market and is there simply for the location. Proximity to campus is a critical component for attracting the University as a tenant.

Office rents in the downtown area are higher and space leases more slowly than space located in the fringe areas of the City which have more convenient freeway access and offer on-site guest and tenant parking that is free.

### **Retail Market Overview**

While linking two strong retail environments on State and Main Street, East Liberty Street is a transitional street. It doesn't share any of the dining, entertainment and shopping environment of Main Street area retailers. Both Main Street and State Street are effectively pursuing niches as specialty clothes and home furnishings centers, each anchored by distinctly different department stores.

The portion of the downtown bordered by State Street, Washington, William, and Thompson forms the core of downtown comparison and convenience shopping appealing to persons of all ages and incomes. The State Street shopper is a mix of University employees, students and other residents of the Ann Arbor area.

The Main Street area, generally between Washington Street and East William, and along side streets within one block of Main Street offers some of the City's most established and highest quality dining and drinking outlets, as well as a concentration of art galleries and similar specialty shops, a limited selection of up-scale clothing stores, and a moderate priced department store. It is estimated that the primary customers of the Main Street businesses are downtown office workers and long-term residents of Ann Arbor. With exception of Main Street area lounges and restaurants, minimal draw is exerted by Main Street stores to the middle-and upper-level University employee or University student.

In contrast to these relatively distinct identities and customer profiles, East Liberty Street, particularly west of Thompson to near its intersection with Main, has no distinct retail identity or focus. Its retail environment consists of a miscellany of small, independently-owned retail and personal service establishments with a scattering of restaurants. Discussions with retail leasing agents and observation indicates that pedestrian traffic along the portion of East Liberty between South Fourth Avenue and Thompson Street is less than along the core retail areas of Main and State Streets.

The transitional nature of the central portion of East Liberty and its relative lack of pedestrian traffic is reflected in reported retail leasing rates. Main Street retail space is reported to be leasing between \$13 and \$21 in contrast to rates between \$19 and \$30 for space fronting State Street. Retail leases along East Liberty Street from State Street west to the Thompson Street area tend to range between \$15 and \$19 while further west, generally to Main Street, rates may be as low as \$11 and rarely exceed \$15.

East Liberty Street retail establishments on the Library Lot Block are generally destination-type stores rather than stores which attract casual drop-in pedestrian traffic. This is in contrast to the mix of stores found along both Main and State Streets. The several breaks in pedestrian draws along Liberty created by office and governmental buildings further serve to separate the two shopping areas and contribute to the Library Lot Block' destination shopping orientation. The block's existing merchants tend to draw on each other's shopper base as a result of their unique merchandise and service mix. As a result, there may be potential for the addition of a couple of similarly unique establishments through conversion of existing structures to the rear of the existing retail in a courtyard arrangement.

Vacant retail space in the Thompson Street to Main Street area is reported to remain on the market for periods substantially in excess of space closer to either Main or State Streets. Tenant turnover is reported to be similarly more rapid on Liberty Street than in the State or Main Street areas. Further, with an emerging mix of similar store



types in the State Street and Main Street shopping districts, there is an increasing disincentive for the casual shopper to travel from one area to the other.

No major retail development has been planned for the area surrounding the Library Lot block, according to information provided by the Ann Arbor Planning Department. However, scattered throughout the downtown area are building upgrade and renovation efforts either currently in process or in planning stages.

Liberty Square's approximately 50,000 square feet of net leasable area continues to have occupancy problems, with almost the entire building available for office, retail or a mix of both. Their problems, combined with the Handicraft Building's vacant retail space, creates an adverse marketing image for future retail use on the Library Block.

Downtown commercial Realtors, and selected building managers and owners report that the pace of inquires by both national and local tenant prospects has slowed in the last year or so. While no actual measure of downtown retail vacancy is available, retail space is leasing slowly. The most active areas within the downtown for both re-lease and new space leasing activity are along State Street, South and North University Streets, and the southern edge of the downtown on Main Street. Elsewhere downtown, a retail space oversupply appears to exist.

Approximately 10,500 square feet of retail space at the Market Place mixed-use building at 201 East Catherine remains unleased since marketing began in 1987. This is despite the continued reporting of high occupancies and a tenant waiting list by the adjacent Kerrytown Market.

While owners of 1200 South University rapidly leased 15,624 square feet following the building's 1985 opening and continue to receive inquiries into space availability, the building has a vacancy rate of almost 27 percent. The adjacent South University Galleria, is less than 50 percent leased since marketing efforts began in 1987 and plans for future construction appear to be on hold. Nearby, plans for a second and third story retail and office addition to the Village Corner were abandoned in 1988. The owner was unable to obtain sufficient pre-construction leases to obtain financing. The most successful downtown area retail effort found in the last few years has been at South Main Square, at Mosley and South Main Streets. This 19,450 square foot neighborhood convenience strip center with 60 free on-site parking spaces has achieved an occupancy of 83 percent in one year of marketing. Proximity to concentrations of residential, free parking, and easy and highly visible access have been the key ingredients in marketing the space. Further, reported rent levels are equal to or below renovated or new space elsewhere in the downtown area.

## **RESIDENTIAL OVERVIEW**

### **Residential Construction and Home Resale Trends**

Over the last five years, authorized residential construction in Ann Arbor accounted for 32 percent of new construction county wide. 1989 showed a 50 percent decrease in the number of building permits issued in the City compared to 1988. The pace of new construction, as indicted by permits issued, has rapidly slowed in recent months. Countywide, the slippage in new construction was not as great, with 1989 construction at 74 percent of 1988 levels. Permits issued through August 1990 indicate a continuation of construction decline.

The Ann Arbor Board of Realtors reports the housing market in the County is weakening, with month-to-month increases in the time it takes to sell a home. Sales reported by the Board are heavily weighted by home resales rather than total sales. Home resales are an important indicator of "move-up" potential since most purchasers of new homes have a current home to sell.

While resales countywide appear to be weakening in terms of length of time it takes to sell a home, the number of homes sold from January to October 1990 increased by 2.6 percent over the same period in 1989. In Ann Arbor, home resales from January to October 1990 increased 18 percent from the same period in 1989. However, Ann Arbor condominium resales have decreased by 12 percent during the same periods. A major share of the new residential construction in the City has been condominium units. However, during periods of economic downturn, condominium sales are often the first type to weaken.

### **Recent Downtown Condominium Experience**

Within the last ten years, the primary form of new downtown residential development has been condominium multiple-family housing. Small-scale residential conversions of former upper floor commercial or office space to rental apartments also has been occurring in the downtown. Between January, 1983 and January, 1986 there was a net dwelling unit gain in the Downtown Development Authority District of 41 units, according to Appendix B of the Ann Arbor Downtown Plan, July 1988. Since 1986, the completion of 14 units at One North Main and the ongoing conversion activity is estimated to have added additional units to the downtown housing stock.

Based on interviews with specific properties several conclusions are drawn relating to the residential market in Downtown Ann Arbor.

- . Strong interest in downtown residential development is exhibited by empty nesters and younger, more active retirees, many of whom continue working part-time or on occasional contract engagements. Interest appears strongest among persons having strong ties to the University of Michigan, either as alumni or as current or retired employees. Downtown residential developments have also proven popular with non-University medical and legal professionals.
- . With the exception of One North Main, absorption of condominium housing of all price ranges offered in the downtown area within the last ten years has ranged between 1.1 and 3.5 units per month and averaged 2.1 units per month. Absorption at One North Main has been less than 0.2 units per month.
- . In general, there has been a strong relationship between pace of unit absorption and unit asking price, with absorption most rapid for the more moderately priced units. It has also been common for moderately priced units to subsequently receive substantial upgrade by their owners following move-in. Unit upgrades as part of initial unit sales rather than following move-in are more common for the higher priced units. This situation is found throughout all downtown area condominium projects and most outlying developments surveyed as well.
- . Unit sizes are generally spacious, generally ranging between 1,100 and 2,500 square feet, with two-bedroom units with balconies or patios the most common unit type for new construction condominiums. Condominiums with on-site parking, specifically secured and covered, are more desirable than those without.
- . The ability to own a unit is important, since the majority of unit purchaser were previous home-owners. They want to continue to enjoy the tax benefits of owning a home and defray capital gains from the sale of their former home.
- . Developments emphasizing residential rather than the non-residential components in mixed-use projects appear to be better received. This emphasis

is measured by allocation of floor area, building design orientation, and service amenities. Prospective purchasers seem to be quite sensitive to their environment and would rather be where the feel is more residential. Included in this desire is the need to feel safe and secure and to have the ability to enjoy the views of parks and trees and other open spaces, and proximity to low-density uses. Proximity to downtown activity generators is also cited as an important marketing factor. Proximity to the University is important for almost all purchasers, but particularly so among alumni and retirees.

## **NON-DOWNTOWN RESIDENTIAL TRENDS: RENTAL MULTIPLE-FAMILY AND ELDERLY HOUSING**

A survey of selected newer residential developments in the Ann Arbor area outside downtown was conducted to determine recent market trends for development types generally unrepresented downtown. Among the residential types reviewed were rental multiple-family, subsidized elderly, and market-rate elderly congregate housing. Trends observed are summarized in the following sections.

### **Rental Multiple-Family**

With the exception of ongoing conversions of single-family homes into two or more unit dwellings or conversion of commercial space to apartment use, there has been no construction of new rental multiple-family housing downtown in the last ten years. Despite this, multiple-family construction accounted for 77 percent of the 3,651 residential building permits in the City issued between 1985 and August, 1990. Annual surveys of rental developments within one mile of the main campus by University of Michigan's Housing Information Office indicates that the rental market near campus has had major increases in development vacancy rates, from less than one percent in 1985 to over seven percent in 1990. This increase in vacancy rate among student-oriented rental developments is echoed by leasing agents for the area's upper-middle and luxury market developments completed during the late 1970's and through the 1980's.

Four rental projects containing almost 1,100 units constructed and marketed since 1987 were surveyed. The vacancy level at these new projects range from 10 to 50 percent, with an average vacancy of 25 percent. Base rent levels for one-bedroom apartments range between \$610 to \$685 or \$0.75 to \$0.91 cents per square foot. Two-bedroom units rent between \$710 and \$755, with square foot rents ranging between \$0.67 to \$0.74. Two-bedroom rental units tracked by University of Michigan near campus have an average rent of \$734. These reported rent levels are generally associated with older, relatively small units in developments with a minimal amount of unit or site amenities. University of Michigan information and our survey of comparables finds that newer projects, located further away from campus tend to have a higher level of unit and site amenities, with often minimally higher rental levels compared to those units available near campus.

Leasing agents at all surveyed projects report the market as saturated, with absorption quite slow. This slow rate of absorption is estimated to be not so much a reflection of the current economic slowdown as a result of the major increase in the supply of upper-middle and luxury market units in the last few years. Such units have minimal appeal to the student market and more to young working singles and couples, most in their 20's and early 30's, generally employed in professional or technical positions. The rent levels asked for these new construction units generally require household incomes of \$30,000 or more to afford the units.

## **Elderly Housing**

Area housing officials and agents for both market-rate and subsidized elderly housing indicate there is strong demand for "affordable" housing oriented to seniors. Waiting lists of several years are common at projects with government subsidies while market-rate units have had a more difficult experience in achieving lease-up for higher-priced units. Subsidized projects such as Cranbrook Tower near Briarwood or Carpenter Place (Pittsfield Township) were fully occupied shortly after their opening and continue with full occupancy today. Rents are limited to 30 percent of the occupant's income, with maximum income limits of \$23,400 for one-person elderly households or a maximum gross rent (plus phone) of \$585 per month.

In contrast to the fast lease-out and continuing high occupancies at subsidized elderly projects, projects like Brookhaven Manor, a 139-unit market-rate congregate project near Briarwood and near Cranbrook Tower remains 92 percent occupied almost 1.5 years after opening. This pace of lease-up has been faster than projected by the developer, primarily due to the relative lack of other comparable projects in the area. However, resistance to rental levels of \$1,200 or more which are necessary to support the project's many physical and service amenities has been encountered.

Higher income older senior citizens are often more able to pay for in-home assistance and are less likely prospects for market-rate congregate housing until assistance needs become more extreme, at which point the move is often to nursing homes rather than to apartment-style living.

## **Future Downtown Residential**

According to information provided by the Ann Arbor City Planning Department, few plans are currently active for future residential development downtown. Scattered small-scale efforts of converting upper floors of commercial buildings to residential use are ongoing for projects of nine or fewer units. A particular project in the works is located on South Fourth Avenue, between Liberty and Washington. The project will have none or 11 units that will be a mix of studios, one- and two-bedroom units, with anticipated rents for loft-style units between \$750 and \$1,200. Those units will range between 800 and 1,800 square feet. The target market for this development is young professionals rather than students.

A University of Michigan Faculty Committee has been exploring the development potential for University faculty retirement housing for several years. As part of the research efforts of that committee, a survey of potential purchaser prospects was performed in 1987. Of 430 faculty and alumni surveyed, the results found 52 percent indicated moderate to extreme interest in a downtown location and 69 percent indicated interest in a northeast Ann Arbor location. More than 38 percent of survey respondents indicated interest in both locations. Preference was strong for relatively spacious units, generally larger than those presently offered at existing market-rate retirement housing in the area. Strong interest was also expressed in housing facilities offering a full dining room and other group meeting and activity areas. Such features are typical of congregate care facilities and generally attract an older and often more frail occupant than developments offering only apartment-style living, with few group-oriented amenities other than recreation space. The Committee concluded that approximately 100 units were desirable.

## **Market Related Urban Design Issues**

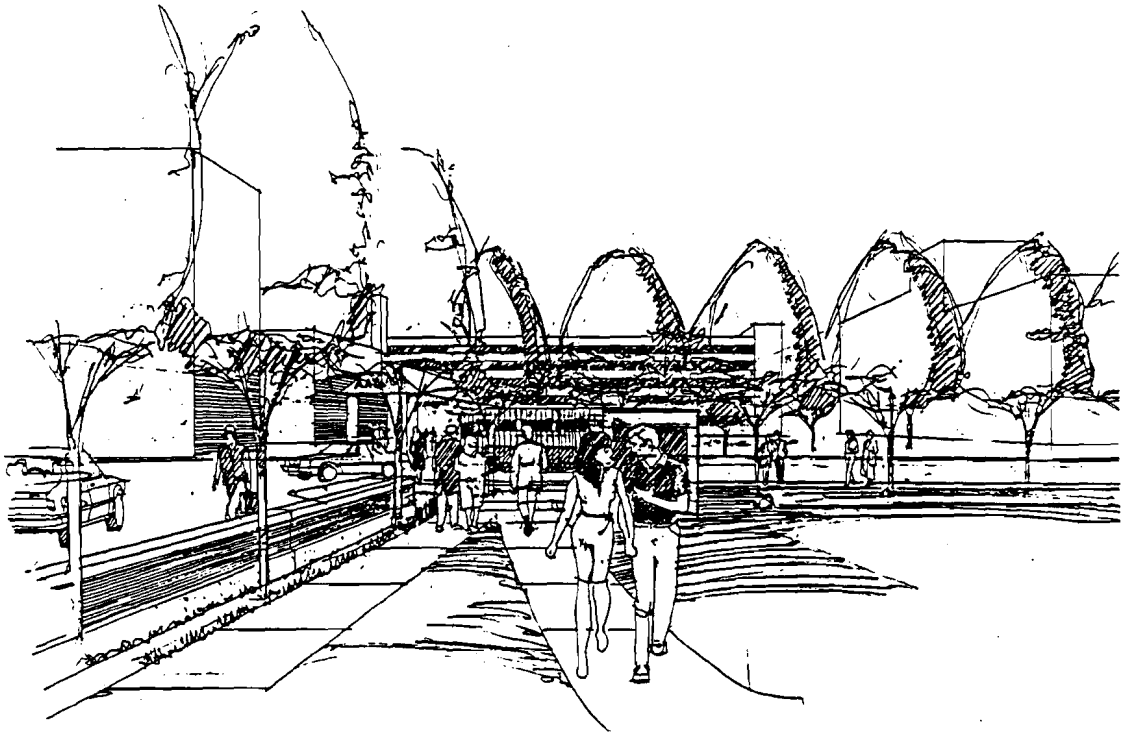
There are several urban design considerations which could affect the economic viability of existing and potential development on the Library Lot Block. These considerations include the following:

- . The overall design plan should create an environment which presents an image of quality in the downtown.
- . Public or open space development should complement and enhance residential use.
- . The block provides a unique locational opportunity in the downtown to provide needed market-rate residential units to support downtown retail and service establishments.
- . The Division Street edge should have a residential orientation--quiet, protected, and in scale with the historic buildings located there. Liberty should retain its retail orientation, while providing pedestrian linkage to open space and rear yards.
- . The potential for a small courtyard development through reuse of rear buildings in the proposed East Liberty Historic District should be enhanced.
- . South Fifth Avenue should be treated as the "public" entrance to the block, because of the vehicular traffic; public uses on the opposite side; and position as a transition from the downtown to campus area.
- . South Division and East William Street building frontage and pedestrian improvements should be residential in scale.
- . Future development, including parking, should be at a scale which complements existing historic buildings on the block and does not present a "blank wall" to pedestrians.
- . Entrances to future parking and residential areas will require design sensitive to the need to create a secure and attractive environment.
- . Future residential developments should have secured parking separate from parking areas available to the public at large.
- . Future residential development should include balconies or terraces to maximize an open-air feeling. Buildings should be placed to optimize views.
- . Residential building design and placement should encourage a phased construction and marketing program responsive to anticipated modest levels of unit absorption.

## URBAN DESIGN GOALS

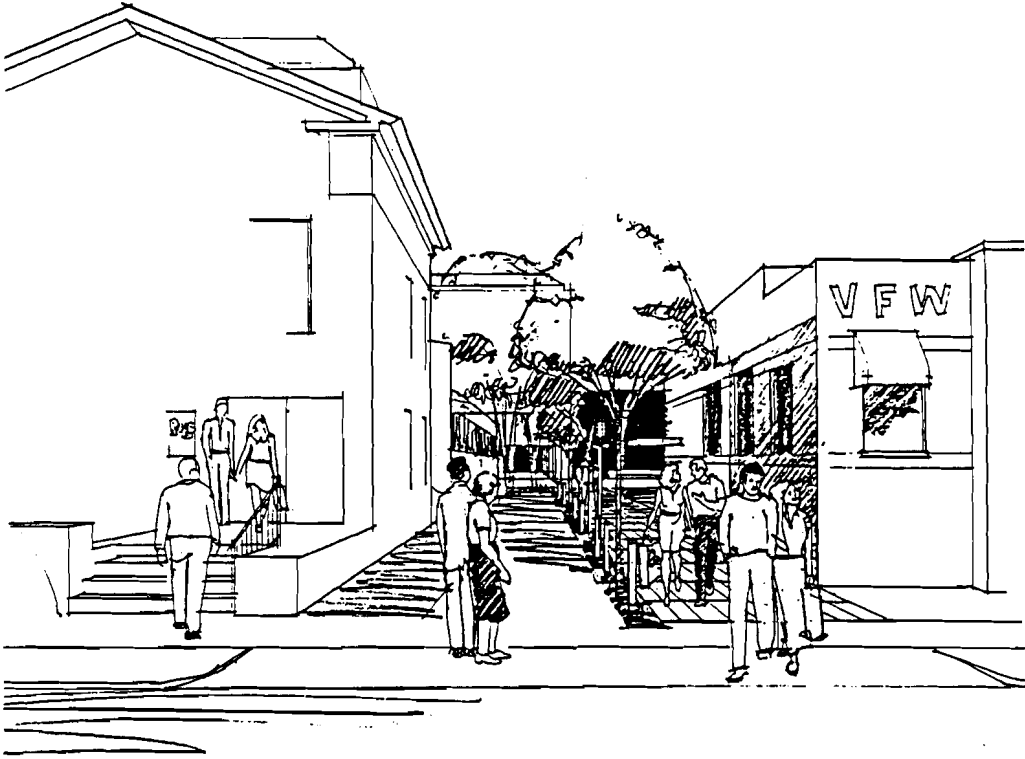
### PEDESTRIAN EXPERIENCE

The framework for upgrading the pedestrian experience is contained in the 1988 "Master Plan for Pedestrian Improvements". The East Liberty portion of this work has been completed, but the other streets have yet to be started. Special attention and supplemental plantings are required along the South Fifth Avenue edge of the parking lot. Dense tree plantings on the east side, and supplemental trees on the west side to the extent possible, will aid in visually defining and containing the space on the block, and in screening the visual prominence of the Fourth and William parking structure. See Figure 8.



*Figure 8 - Looking west from within proposed public open space.*

Establishment or upgrading of three internal paths is recommended. The first is the route from Liberty Plaza to the parking facility passing over property of the First Martin Corporation. The second is the existing driveway along the east side of the VFW Building (Figure 9) and the third is from East William between the Credit Union and the Library's new parking lot. The latter could be combined with the Credit Union's existing drive or be a separate walk between the drive and the lot. The key attributes of these paths should be decorative paving, pedestrian scale lighting, and appropriate landscaping where space permits.



*Figure 9. - An example of an enhanced pedestrian connection between the parking lot and East Liberty.*

In addition to the scheduled pedestrian improvements, which are typically confined to a four foot band behind the curb, the City needs to pay closer attention to the actual walking surface. In the past, major sums have been spent on trees, brick paving and decorative lights while cracked and heaved concrete walks remain.

The installation of on-street metered parking on South Fifth Avenue and Division Street will significantly enhance the pedestrian experience on these streets. The value of parked cars as both a physical and psychological protection from moving traffic should not be underestimated. Parking undoubtedly will have to be prohibited during the morning and afternoon rush hours, but during the balance of the day and evening it will be a major benefit to the pedestrians.

## **PUBLIC OPEN SPACE**

One of the major directives from the Task Force was for the development of a new park or public space on the block in addition to Liberty Plaza. Like motherhood and apple pie, parks and open space are often viewed as inherently desirable, positive ingredients in urban areas, but regrettably this is not always the case. The seclusion within Liberty Plaza attracts and semi-conceals street people; the size, access and darkness of West Park have turned this amenity into a threatening place for its neighbors and a venue for drug transactions; Gallup Park has frequently been the scene of large, rowdy gatherings, facilitated in part by its vehicular access and parking areas. Clearly, for open space to be an amenity on the Library Block, certain principles must be observed.

Firstly, the open space must be visible. There must be no place to hide. Surveillance of the entire space by police should be possible from the street. Informal surveillance by private citizens is also a detriment to criminal and anti-social behavior, and thus the space should be visible to motorists and pedestrians in the course of their normal travels. This dictates that open space be adjacent to a street, not buried in the center of the block, and that it be designed as a single, large entity as opposed to a cluster of smaller spaces.

Secondly, it should be an active space with as much foot traffic as can reasonably be generated. People are far more vulnerable to unwanted contact in a relatively deserted space than in a well populated one. Facilities that generate pedestrian traffic should be encouraged around the perimeter, and pedestrian paths through the block should pass through the open space.

Thirdly, there must be a clear program of the intended uses of the space, and conversely, an understanding of uses that are to be discouraged. The space must fulfill its own unique purpose and not duplicate or attempt to supplant other existing facilities. For example, there is an established format for holding festival-type events on Main Street. The Farmer's Market is a traditional site for flowers, fruit and vegetables that has recently been growing as a crafts market. The Library Block should complement, not compete with events and facilities such as these.

With the exception of a temporary county park at the corner of North Main and Ann Streets, Downtown is almost totally devoid of grass. There is no grass to sit on or to eat lunch; no grass for young children to play on; no grass to provide a welcome change of ground plane from the concrete, brick and asphalt of Downtown.

There is no outdoor place to hold a civic ceremony or for elected officials to make a speech. There is no good place to hold a musical performance for an audience of more than a few. Ann Arbor has a remarkably rich urban and cultural life, but there are always opportunities for more.



## **NEW DEVELOPMENT**

### **Potential Uses**

Another Task Force mandate was that new construction on the Library Block be of a mixed-use nature, and there was general agreement that this should include housing on the central portion of the block. The Market Overview clearly shows that there is an oversupply of general office space, with more already in stages of the development process. While at one time the Ann Arbor Public Schools considered relocating administrative offices to the block, they are now established in the Balas Administrative Center on South State Street and plan to remain there for the foreseeable future. Further, bonding capacity at the present tax rate has been fully used by the recent building program.

One prospect for increased office use comes from the Credit Union. Its management is currently looking at options ranging from relocation to expansion on site at 10,000 to 40,000 square feet. Its existing site is not large enough for any significant expansion and there are no drive-in facilities or easy way to develop them. Meeting the Credit Union's needs will require extensive cooperation by the City.

As with office space, the Market Overview shows that there is no need for, or any way to justify new retail space. Rather, the existing retail requires support in the form of better parking, pedestrian improvements, and perhaps cooperative marketing efforts.

Two possibilities for public uses exist. One is for a continuing education center operated jointly by Ann Arbor Public Schools and Washtenaw Community College. Both have identified advantages in a downtown facility, and the possibility of connecting to the Library and the proximity of the AATA station make the Library Block a potentially excellent site. The schools, for reasons stated above, are not in a position to build anything but would consider renting. Such a facility would be a strong candidate for inclusion in a mixed-use development. It could probably be accommodated in 20,000 square feet.

The second public possibility is a senior citizens center. Although those citizens responsible for planning this facility have expressed a preference for a site away from the Downtown, their millage proposal was soundly defeated in the April, 1991 City election. Opposition may have resulted from a controversy about the proposed site, from misgivings about the 30,000 square foot-size, or for some other reason, but the project is on hold, and a facility on the Library Block could possibly receive more favorable attention in the future.

Of all possible uses explored, housing appears to be most promising. The Market Overview indicates the existence of a market. Housing is generally perceived as being the use most beneficial for downtown and additional housing is required to support downtown's existing fragile retail establishments. There is a major private-sector land-owner (First Martin Corporation) who has expressed interest in the past in developing housing, and given the appropriate economic conditions, would be interested again. With the present dearth of housing support programs, the size and selling price of new units will almost certainly have to be dictated by the market.

### **Location**

The optimum locations for new developments are logical and straightforward. With its requirement for visibility, the park or public open space should be developed on the South Fifth Avenue frontage of the existing parking lot.

Parking will logically be developed under the existing lot, and under certain other undeveloped adjacent private properties where justified by proposed above-ground development and the geometric and dimensional requirements of parking design. These private properties are currently owned by the Credit Union and First Martin Corporation

Housing, and public uses to the extent they are included, should be developed above the parking and the First Martin Corporation property west of the Luick/Noble House, and on air rights over certain City property to the south and west. These areas requiring reciprocal easements are shown on Figure 1.

The University of Michigan Credit Union will logically expand on its own property, but to do so it will require that its existing surface parking be replaced and augmented by new underground parking. Further, expansion will undoubtedly require relocation of the house at 337 East William. The development opportunities and their relative locations are illustrated on Figure 10.

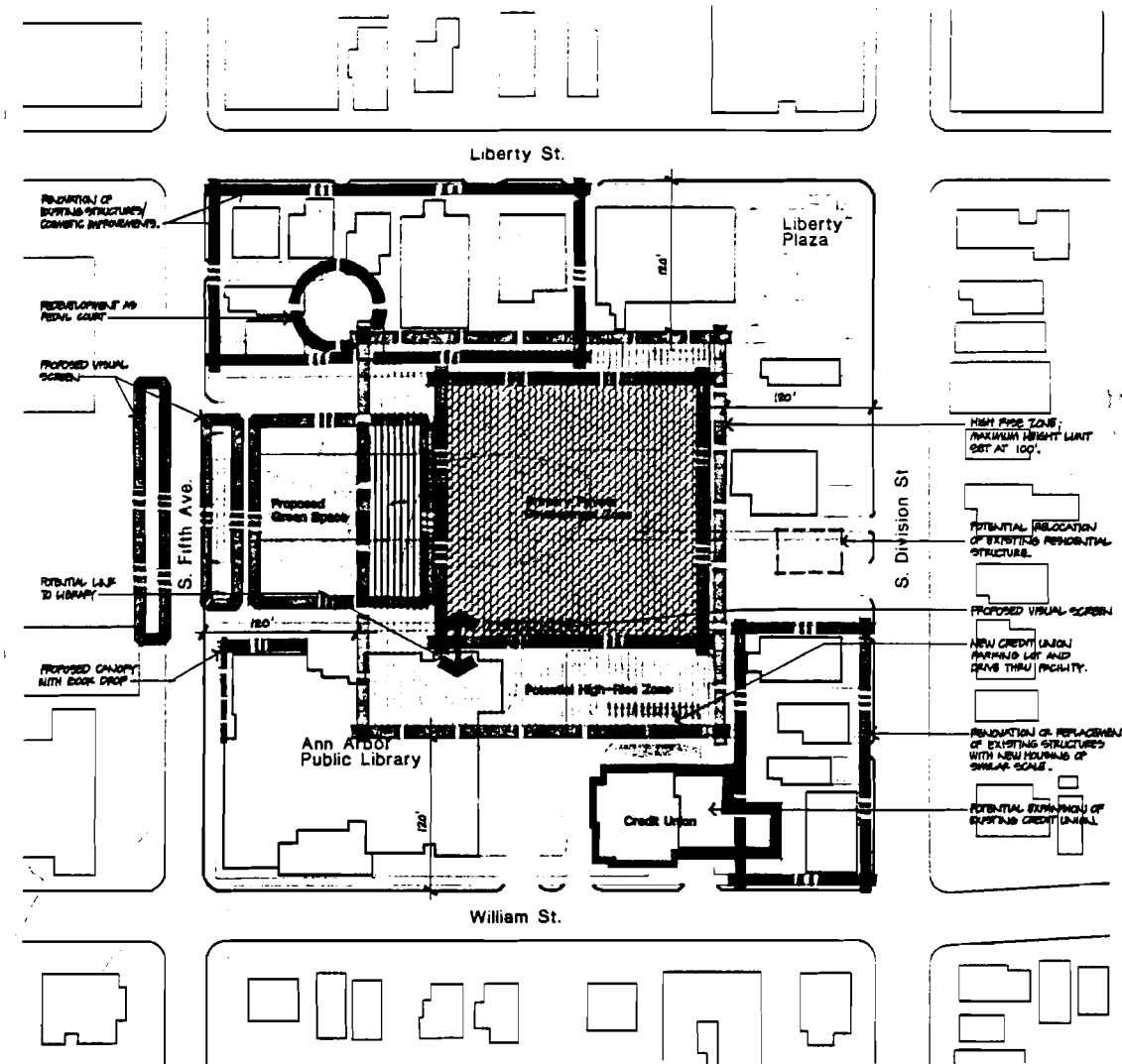
### **Massing**

Mass relationships should follow the principals of the Downtown Plan and should include the following specifics:

- . Maximum height of development should not exceed 100 feet, and buildings of this height should not be located closer to the perimeter of the block than 120 feet.
- . Buildings in the perimeter zone should not exceed 50 feet in height.
- . Housing should be limited to 50 dwelling units in any single building to maintain appropriate building mass.
- . Separate housing buildings should be of different heights.

### **Character**

Particular care should be taken with the housing and related uses to establish a character as compatible as possible with the existing buildings. This will require a high degree of articulation, and a sensitivity to the forms, materials, textures and scale of the best of the older buildings.



 **Development Opportunities**

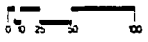


Figure 10. - Development Opportunities. Intensive, high rise development is recommended only within the gray square, with lower scale development at the block perimeter.

## DEVELOPMENT RECOMMENDATIONS

### **Parking**

Development of underground parking is a required precedent to any other major development on the block. The recommended scope of underground parking, as shown on Figure 6, is virtually the full width of the existing lot, approximately 198 feet, running east from the North Fifth Avenue right-of-way to a point just behind the Luick/Noble House, a distance of just under 400 feet. Additionally, the garage can include an area of approximately 110 by 120 feet underneath the existing Credit Union parking lot. Two levels of below-grade parking will accommodate approximately 500 cars. A third level is technically feasible, but at a higher per car cost, and a decision to go to this depth would have to be analyzed in the context of cost vs. need at the time of design.

By taking advantage of the approximately 10 foot grade change across the block, the garage can be accessed horizontally at its mid-point, a far more user-friendly approach than descending a ramp to an unseen destination. This is shown on Figure 17. Access to this mid-point entry would be by way of a one-way loop drive from South Fifth Avenue, penetrating about 200 feet into the block, as shown on Figure 11.

The loop drive, in addition to providing access to the garage, will serve several purposes.

- . It will serve diagonal surface parking on its left (inside) perimeter. This parking is seen as short-term to facilitate quick errands to the Library or shops.
- . It will provide service access to the rear of those properties on East Liberty which require it.
- . It will provide the Library with the possibility of a patron drop-off and pick-up facility, something that is not now possible.
- . It will offer the Library the possibility for a drive-up book return.
- . It provides off-street stacking space for up to ten vehicles waiting to enter the garage and thus avoid back-ups on South Fifth Avenue.
- . The prospect of surface parking will draw patrons onto the site, perhaps helping to overcome the threshold resistance to parking structures experienced by some.
- . The parking area can be used for booths, displays, or other temporary structures for special events when appropriate.

In addition to its horizontal entry, the garage should have other specific attributes to enhance its attractiveness to users and help overcome the generally unfavorable image of Ann Arbor parking facilities:

- . Parking for residential housing should be dedicated, segregated, secured parking accessible only by residents, with direct private elevator service.
- . The circulation and geometrics should be logical, clear, and readily understood.
- . Every possible opportunity should be used to allow daylight to stream into the garage.

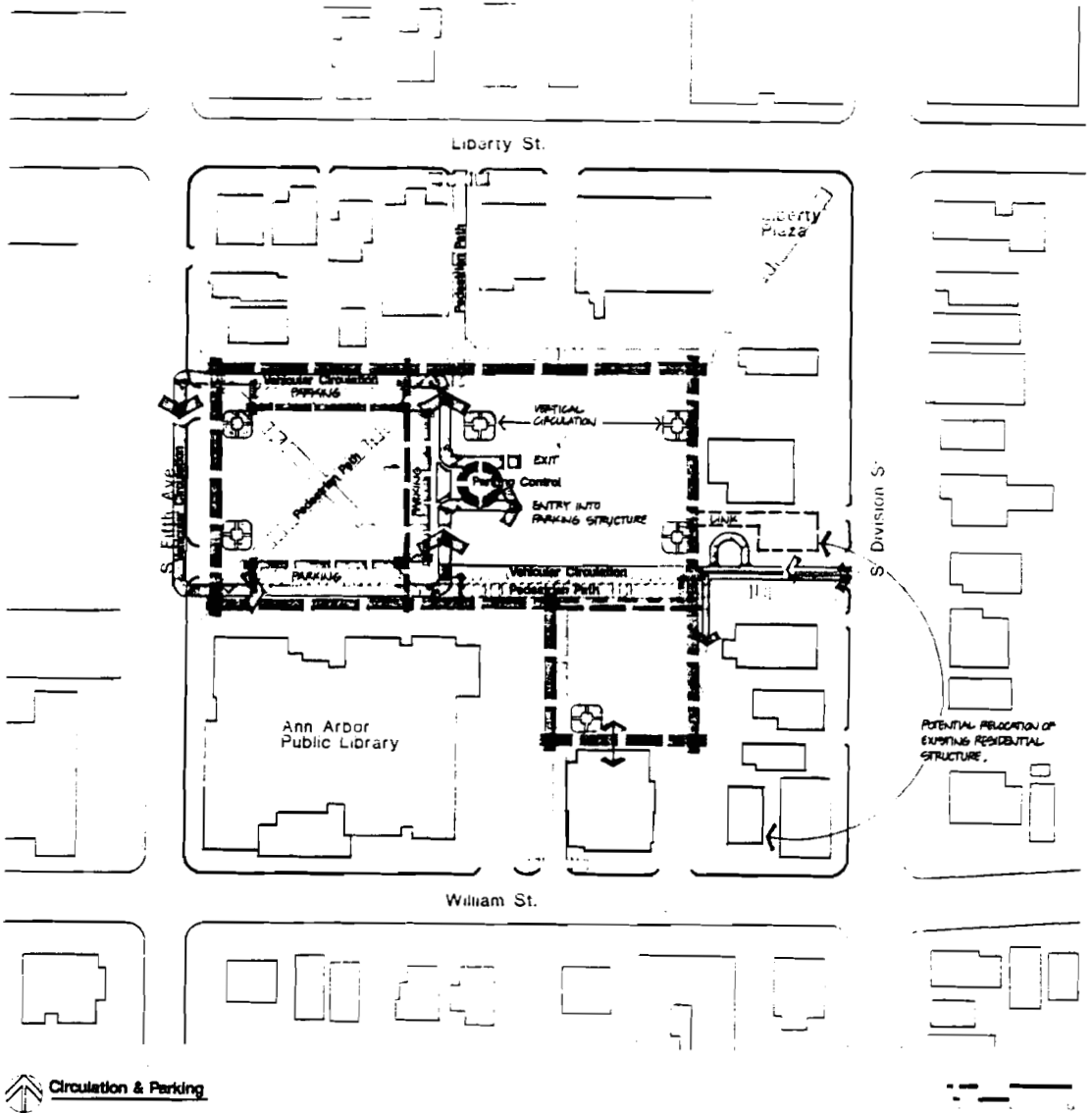


Figure 11. - Circulation and Parking. Vehicular access, shown in gray, is from South Fifth Avenue and South Division. The underground parking is outlined in red. Pedestrian routes are shown in yellow.

Stairs and elevators should be located so as to maximize convenient access to destinations and they should be brightly lit, open and transparent to the maximum extent that is feasible and legal. See Figure 12.

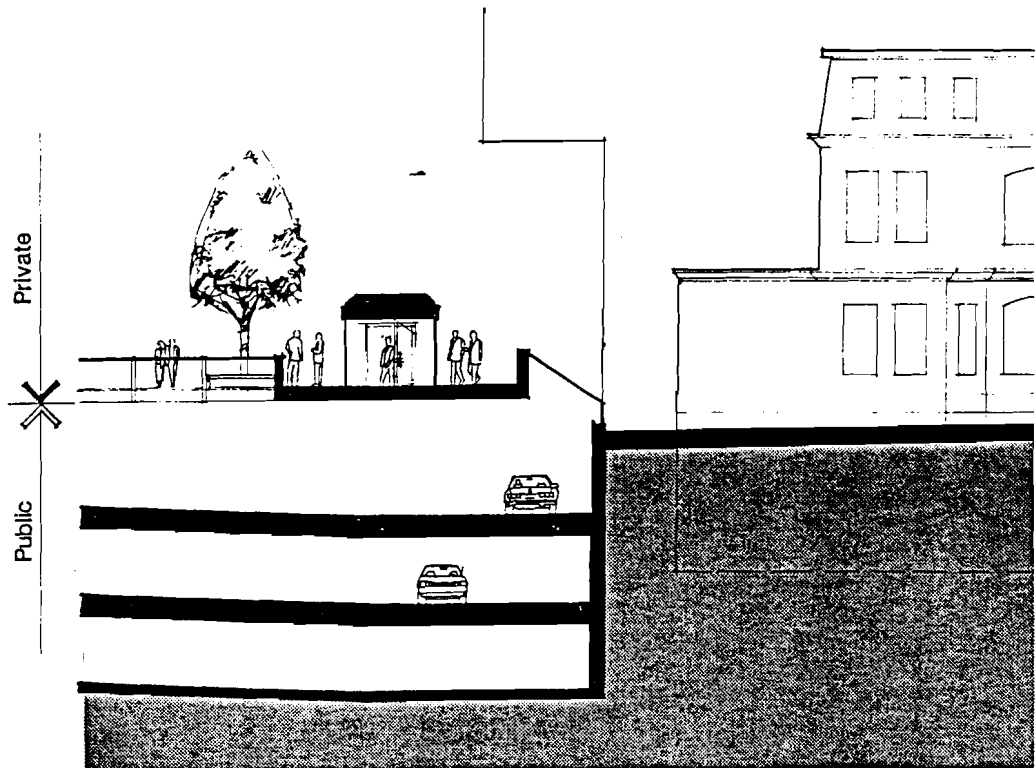


Figure 12. - Detail of underground garage showing daylighting possibility.

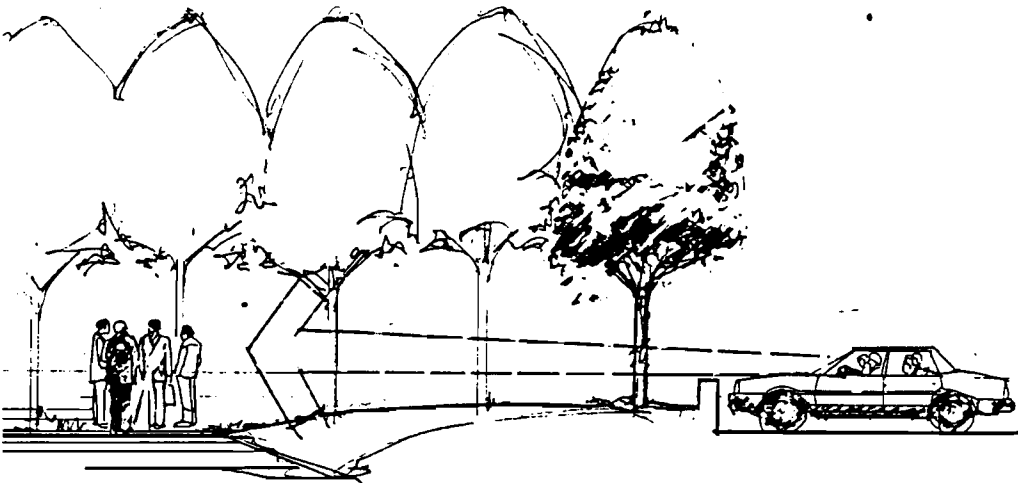
- . Artificial illumination throughout the garage should substantially exceed usual norms.
- . Walls and ceilings should be finished, not simply as-cast concrete.
- . The garage should be operated by an attendant, not by meters or automated payment devices.
- . The garage should be designed so that it can be built in two stages so as to not eliminate all parking from the block during construction.

An entrance drive from South Division Street will connect with the loop drive and will serve some additional surface parking. Total projected surface parking on the block is approximately 50 cars.

### Public Open Space

The proposed open space, located within the loop drive, is best described as a park. It is seen as primarily green and soft as opposed to a plaza, or primarily paved space. While actual design of this space is beyond the scope of this report, several attributes are key to its success.

- . The entire space should be visible from any point on the perimeter.
- . The loop drive and short-term parking will be generators of both pedestrian and vehicular traffic, and thus of informal surveillance. Therefore, plantings must not encroach on visibility. See Figure 13.



*Figure 13. - Perimeter parking around the public open space provides informal surveillance. A low wall would screen headlights.*

- . The interface with the loop drive should include a wall just high enough to screen headlights from the park.
- . There should be diagonal walkways in both directions through the park
- . Nothing in the design should encourage skateboarding, team sports, or vigorous activity.
- . The park surface should consist of both gently mounded and flat panels of turf that can accommodate 200 - 300 people sitting or standing for ceremonies and performances.

- Provisions for electrical power and light should be included. However, great care must be taken not to encourage loud or boisterous events that are incompatible with adjacent residential use.

### **Central (Primary) Zone**

The center of the block is the focus of major above grade development, which is seen as mixed-use, with housing being the major component. No single use can do as much to secure the health and vitality of Downtown as housing. Residents support local merchants, patronize restaurants, and enhance safety by their presence on the streets and their watching eyes from their homes. When present in sufficient numbers, they turn a business district into a true neighborhood. The Library Block and the Downtown will benefit from as much housing as can reasonably be developed. The market and the physical constraints of the site limit this number to approximately 100 - 120 units in a 1,000 - 1,500 square foot range.

A detailed market analysis will dictate the specifics of the development design, but again, certain attributes are central to an appropriate urban design.

- Vehicular access, and the residential "front door" should be on South Division Street, which has the strongest existing residential character of any of the four edges.
- Primary access to public uses should be on the west edge of the development relating to the loop drive and park.
- Outdoor space associated with housing should maintain its privacy and security in a subtle way that does not appear unfriendly or hostile toward passers-by.
- Both the projected absorption rate and the principles of urban design indicate a three-phase development. Consequently, no single phase should exceed 50 units.
- Varied heights of each phase will help establish sympathetic character and scale.

### **The Library**

With a major addition and renovation nearing completion, the Library will not need to undertake any major new work in the near future. One modest recommendation is for the extension of its canopy to the north and around the corner along the loop drive to provide cover for patrons going between the existing front entrance on South Fifth Avenue and the proposed drop-off on the loop drive.

The Library and the City should keep in mind the desirability of a direct link between the underground garage and the Library at some time in the future.

### **The University of Michigan Credit Union**

While the Credit Union is evaluating its needs and options at the time of this writing, it is impossible to be specific about the scope of development. However, certain guidelines should apply:

- The existing house at 337 East William should be relocated. It is visually lost where it is now, and it would benefit from a site with more compatible surroundings. Since it is in the East William Historic District, the Historic District Commission will have to consent to any relocation.



The addition should have windows along East William of a type that will permit passers-by to see signs of human activity within. Ideally the windows in the existing building would be replaced by ones less darkly tinted.

The Credit Union expansion should include an addition to the east with a setback equal to the existing building.

The City and the Credit Union should reach agreement on drive-in window access from the driveway in from South Division Street. This route will minimize the possibility of drive-in patrons backing up on City Streets.

To avoid congesting East William, the existing drive west of the Credit Union should remain as an exit only.

The form, scale and texture of any new construction should provide relief from the severity of the blank walls flanking this property on both sides.

The proposed parking garage should offer a direct connection to the Credit Union.

One potential way to accommodate drive-in facilities behind the existing building is shown on Figure 14.

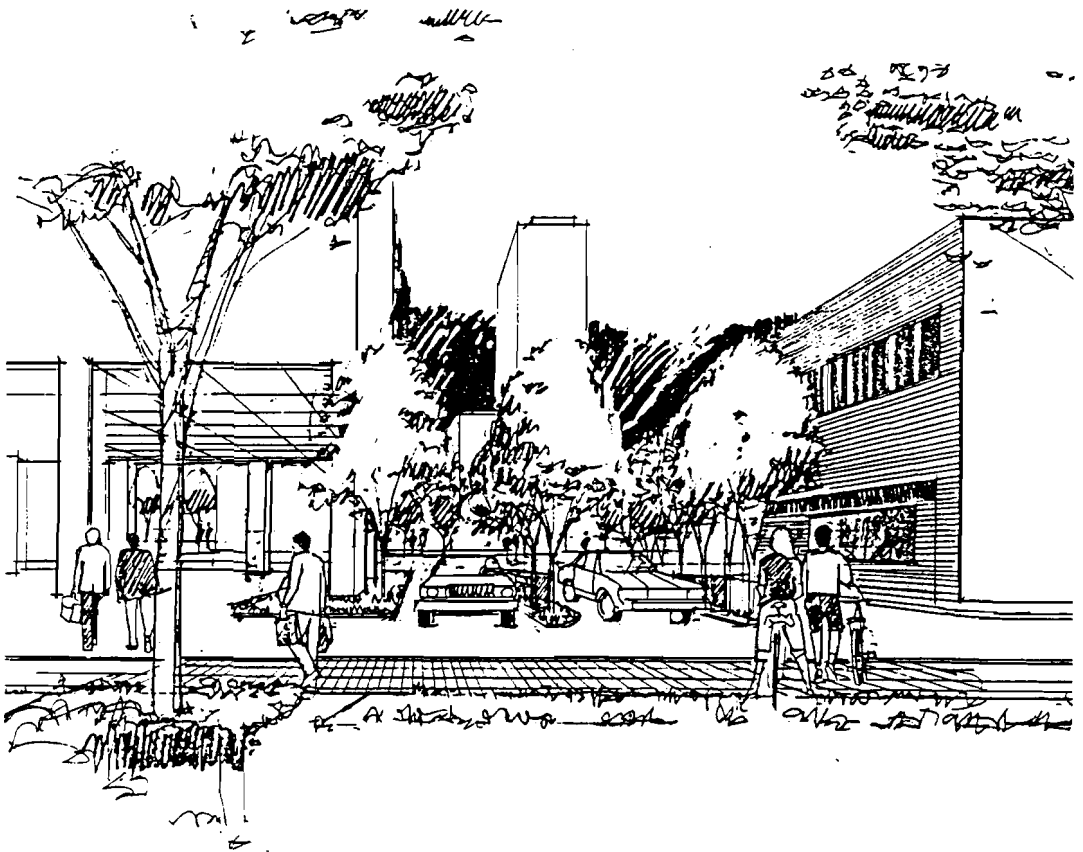


Figure 14. - Possible drive-in banking behind the Credit Union.

### **Existing Housing Sector**

The three existing houses on South Division Street are of no particular architectural distinction or historic significance, but they are good examples of their period, and for the most part in good condition. They are consistent in scale and character with the houses across the street, and contribute, albeit in a minor way, to the generally favorable image of this block of South Division Street.

The only problems with these properties are with site conditions on two of the three, and the extent to which side and rear yards are used for parking. The property owners should be encouraged, and perhaps given incentives, to upgrade and maintain these buildings and yards. If any of the owners wish to redevelop their properties, new construction should be limited to residential use of buildings of a similar scale and character to the what already exists.

### **Retail Sector**

Opportunities exist for strengthening and enhancing the retail properties on the northwest corner of the block. A logical place to begin is with the *de facto* courtyard formed by the combined rear yards of the properties west of the VFW Building. With added parking and new development will come additional foot traffic, and this space, with its orientation to the park, has the potential to be developed as a retail court with outdoor dining in summer months. See Figure 15. This, combined with additional pedestrian pass-throughs to East Liberty, could greatly enhance the retail environment.

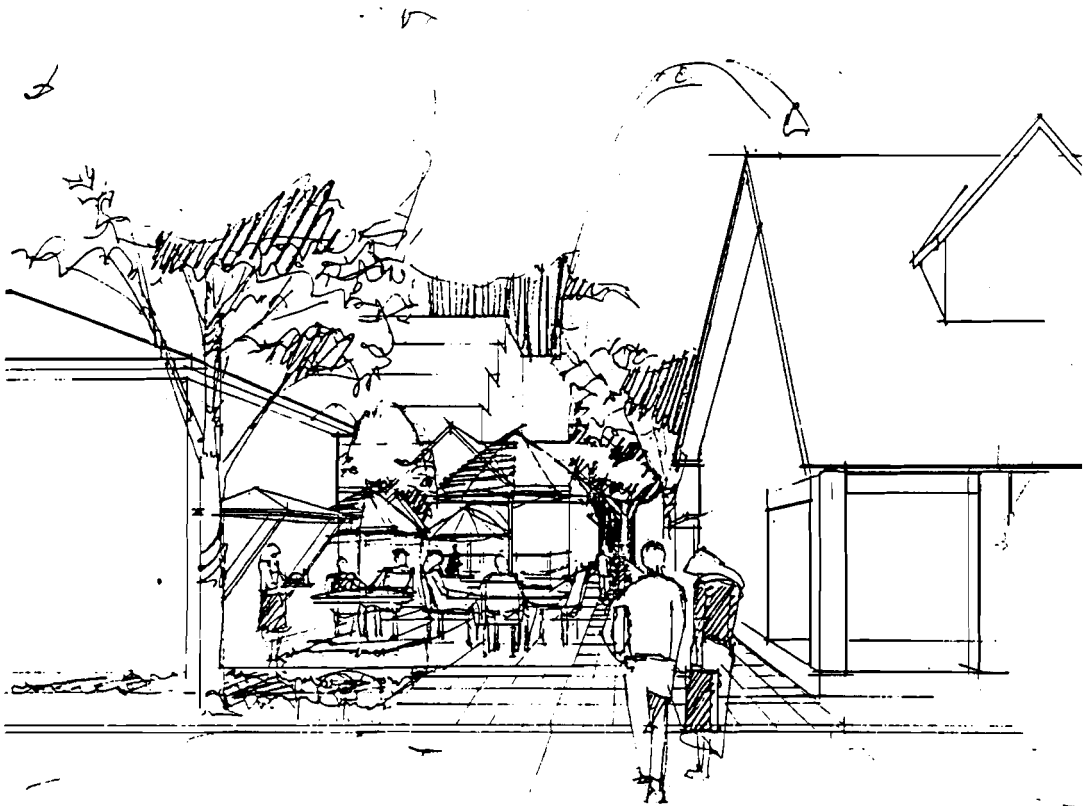


Figure 15. - Possible retail court behind East Liberty shops.

Figure 16, Site Plan, illustrates one way in which these development components could be accommodated and related to each other. Figure 17 shows two schematic sections cut each way through the block

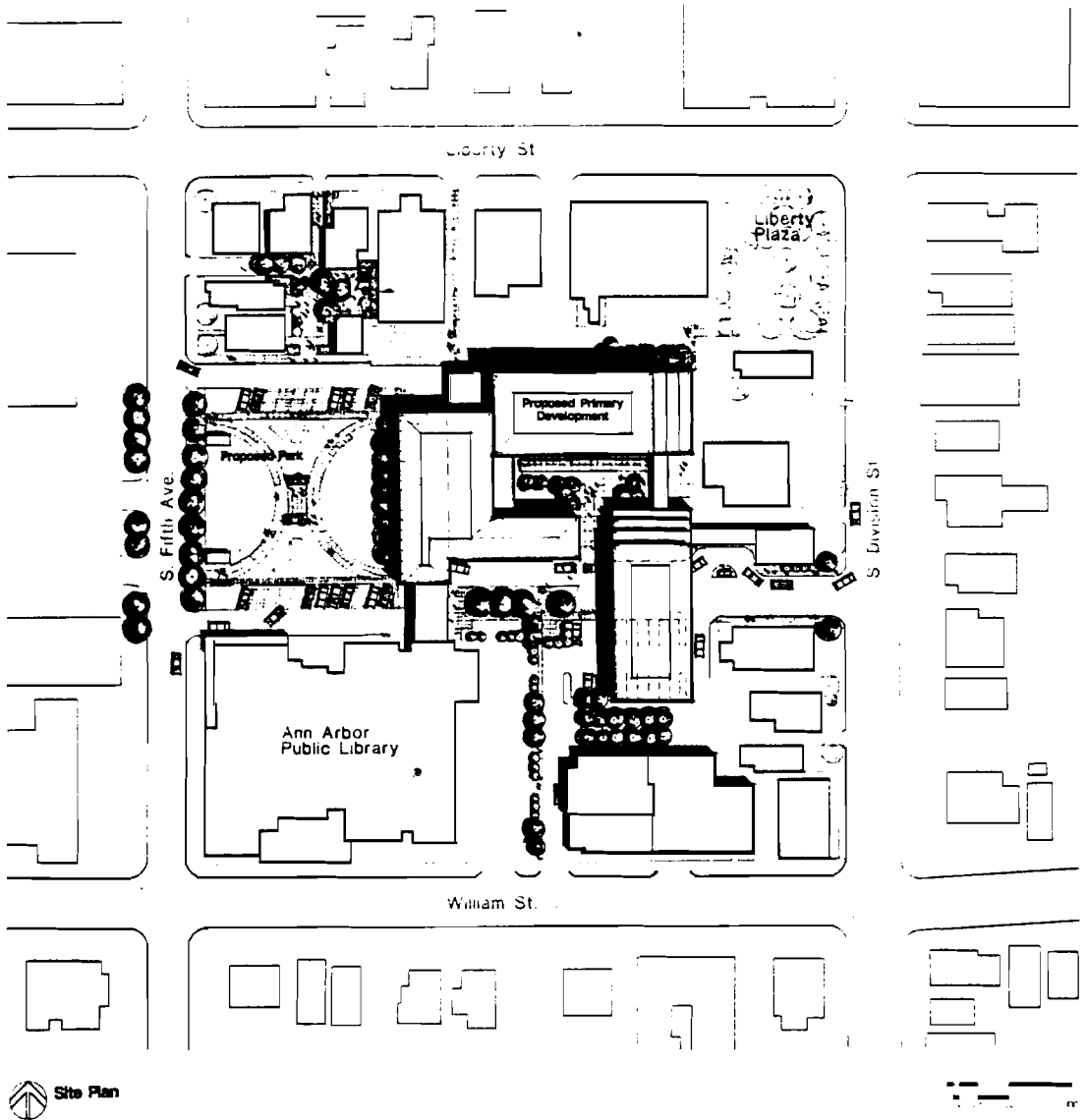


Figure 16. - Site Plan. An example of the completed development of the Library Block.

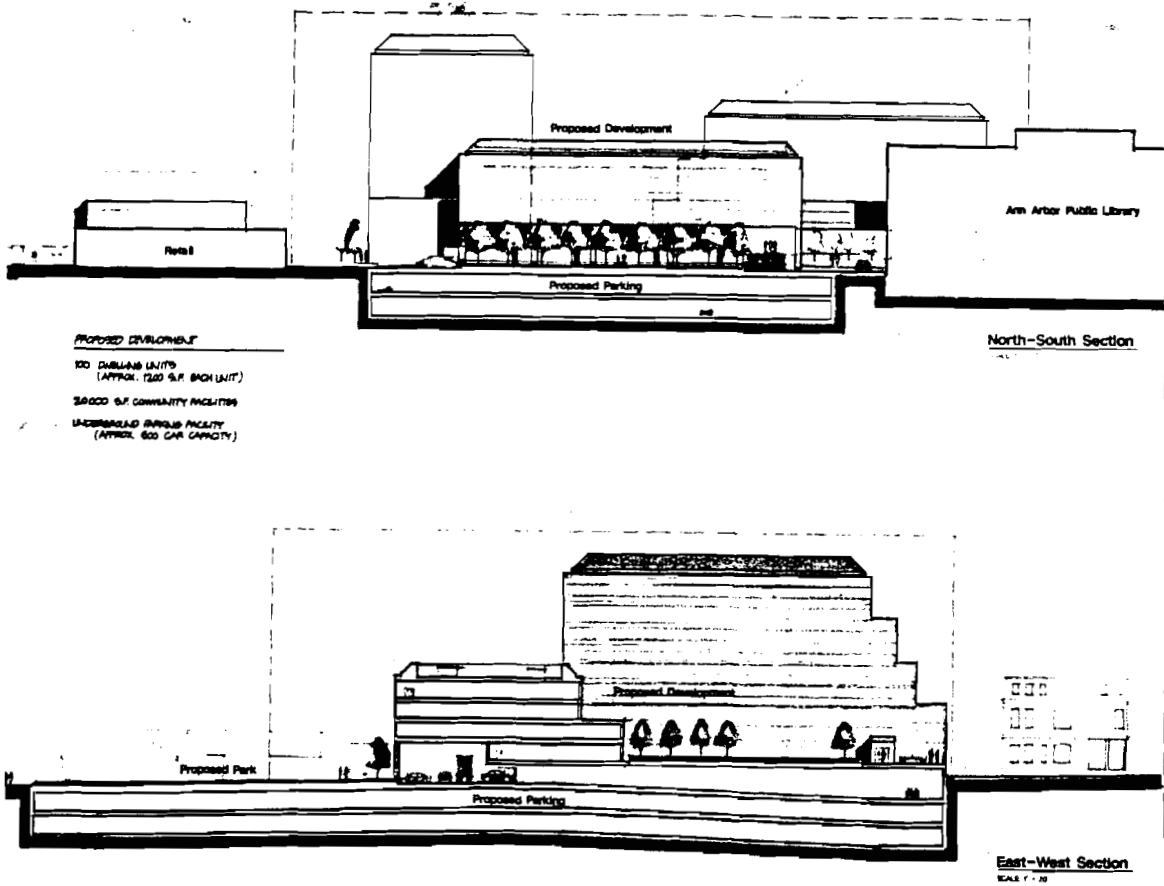


Figure 17. - Site Sections. The North-South Section is taken through the proposed open space and the Library, looking east. The East-West Section is taken at approximately the mid-point of the block, looking north.

## **IMPLEMENTATION**

The implementation of the Library Block design plan will require the participation of a number of entities, including local business and property-owners as well as the City of Ann Arbor, in a public-private partnership. Unlike vacant property located in an outlying area, this single block has an existing complex pattern of property owners, building uses, and physical conditions. The City of Ann Arbor and the block's twenty-one property-owners all have an interest in the plan which this study recommends. For the plan to become a reality, each of these interests must make a commitment to work together in its implementation.

### **ROLES AND RESPONSIBILITIES FOR PUBLIC AND PRIVATE SECTORS**

The public sector responsibility starts with a commitment by the City Council and Downtown Development Authority to adopt the proposed plan and proceed with implementation. Experience indicates that implementation is only possible with a strong expression of public support. There are means to build and strengthen support:

- . The Library Lot Task Force must first approve this final report and recommend the adoption of the Report's plan to the DDA and the City Council. The Task Force should continue its role in an advisory capacity to assure continuity. At the same time, the City Council would now take primary responsibility for actions required for implementation.
- . This report and the recommended plan may be presented to a joint meeting of the City Council, DDA, and Planning Commission to assure a common understanding of the recommendations and requirements. In order for the public sector to make decisions and negotiate effectively, the City interests, i.e., public purpose, should be unified and consistent.
- . After joint review, the DDA, Planning Commission and City Council should each adopt the plan and designate it as a priority project. The City Council should designate the City Administrator as negotiator and administrator for plan implementation.
- . As the Council's agent, the Administrator should negotiate agreements of understanding with the major property-owners required as investors in new development:
  - . Library/Board of Education
  - . Credit Union
  - . First Martin Corporation
  - . Graf-O-Hara Post (VFW)
- . The DDA should develop design specifications and cost estimates necessary for DDA participation:
  - Park
  - Underground parking structure and access roads
  - Pedestrian paths
  - Landscape improvements on West side of South Fifth.
- . Following the approval by the City Council of the negotiated agreements of understanding, the City Planning Commission and City Council should review and adopt the zoning changes necessary for implementation. The City may designate the Library Lot Block as a PUD Planned Unit Development District (Sec. 5:10.27).

. As a final step, City Council through the DDA and the Ann Arbor Building Authority should authorize a bond issue for the financing of garage, park, and public improvements.

Private sector investment in project implementation will require the participation of existing property-owners:

. Existing owners in the proposed East Liberty Historic District should be encouraged to improve their rear yards to create an attractive courtyard appearance that will enhance existing business and, if market conditions permit, attract restaurant or related commercial use of the rear courtyard space.

. The VFW and its lessee should permit use of its sideyard as an easement and right-of-way improvement by the City for a pedestrian path.

. Residential property-owners in the East William Historic District should be asked to improve their properties, and particularly the rear yards, so a pleasant environment is created for users of the block's central area.

. The Ann Arbor Credit Union should be asked to relocate the residential structure currently housing its offices to South Division or to a similar area. The Credit Union then would agree to undertake its expansion program and provide the City with easements required for plan implementation.

. The Board of Education/Public Library should coordinate its north side improvements to provide for a patron drop-off facility and a drive-up book return.

. First Martin Corporation should be asked to enter into an agreement with the City wherein a property swap is made that will enable the City to develop the parking structure and related improvements. First Martin Corporation could then develop up to approximately 100 - 120 units of housing as described by the adopted plan. First Martin Corporation should also be asked to provide access for a pedestrian linkage between the proposed park and Liberty Plaza.

## PROJECT BUDGET

Because the project plan is in a schematic form, only a generalized project budget can be shown at this time. The table below describes estimated development costs.

ACTIVITY	COST	FUNDING SOURCES
Parking Garage, Park and Hardscape Improvements	\$10,000,000	Ann Arbor Building Authority Bonds, Elizabeth Dean Fund (Park only), DDA Pedestrian Improvement Fund (Pedestrian Linkages)
120 Residential Units	\$18,000,000	Private Financing, First Martin Corp.
Credit Union Expansion	\$1,500,000 to \$5,000,000	Private Financing, Credit Union
Public Library	\$50,000	Board of Education
Residential and Business Property Improvements	\$50,000 to \$100,000	Private Financing, Property Owners

Total preliminary project development costs are estimated at \$30 to \$34 million with approximately \$10 million financed through the City. This assumes a 500 space parking garage with a development cost of approximately \$16,000 per space, plus \$1 million for the park and hardscape improvements and \$1 million in soft costs and contingency.

If the residential project and Credit Union expansion were developed at a total minimum value of \$19.5 million, it is estimated the projects would generate an \$618,052 annually in additional property taxes for the DDA. If it is assumed the 500 space parking structure has 250 permit spaces and 250 open or transient spaces and the revenue generated is similar to Ann Arbor's existing East Washington structure, approximately \$403,750 at current rates should be generated annually.

## **TIMETABLE FOR IMPLEMENTATION**

Project implementation can be accomplished in four major stages. The first, which incorporates design, development, property-owner agreement negotiations, municipal reviews, and completion of cost estimates contains the activities necessary to obtain project financing. This phase would take six to nine months to accomplish.

The second stage is the pre-construction project financing stage. Final approvals for DDA funding and private financing cannot be negotiated until the agreements and required municipal actions performed in phase one are complete. The period required for completing the negotiations and commitments required for project financing is a minimum of six months.

Construction for the parking garage, park, public improvements, and first phase of housing in addition to the Credit Union expansion and other property-owner improvements would take approximately two and one-half years after completion of agreements for financing.

The final stage is occupancy and use of the parking structure and first phase of housing. This is when the project begins producing revenue for the City.