



# STATE OF THE DOWNTOWN REPORT

ANN ARBOR, MICHIGAN



# 2018



## DDA MISSION

To Undertake Public Improvements That Have The Greatest Impact In Strengthening The Downtown Area And Attracting New Private Investments.

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# ABOUT THE DDA

DDAs were created by the State of Michigan as a tool to counteract central city decline and ensure that the heart of our cities and regions receive careful stewardship and long-term consideration. Since the Ann Arbor Downtown Development Authority's (DDA's) inception in 1982, it has worked continuously to meet its mission: **to undertake public improvements that have the greatest impact in strengthening the downtown area and attracting new private investments.**

The work of the DDA is done by a small staff and a Board of twelve citizens appointed by the Mayor and City Council. DDA members volunteer their time, talent, and expertise to the DDA for the benefit of the downtown. They serve four-year terms and work through committees to accomplish the goals of the DDA.

## COMMUNITY PARTNERSHIP

The DDA is proud to work with numerous community partners, including:

**Ann Arbor / Ypsilanti Regional Chamber** • a2ychamber.org

**Destination Ann Arbor** • visitannarbor.org

**Ann Arbor District Library** • aadl.org

**Ann Arbor SPARK** • annarborusa.org

**Ann Arbor Area Transportation Authority (AAATA)** • theride.org

**City of Ann Arbor** • a2gov.org

**Downtown Citizens' Advisory Council (CAC)**

**getDowntown Program** • getdowntown.org

**Kerrytown District Association** • kerrytown.org

**Main Street Area Association** • mainstreetannarbor.org

**South University Area Association** • a2southu.com

**State Street District** • statestreetdistrict.org

**Republic Parking** • rpsa2.com

**Downtown A2 Historical Street Exhibit Program** • aastreet.aadl.org

**Washtenaw Area Transportation Study** • miwats.org

**Washtenaw County** • ewashtenaw.org

**Main Street Business Improvement Zone** • annarbormainstreetbiz.com



# LETTER

Downtown Ann Arbor is the beloved heart of our city, with a gravitational force drawing people from throughout the region, and indeed the world. Its evolution is inexorable. Yet for all its transformations, downtown Ann Arbor has retained its remarkable blending of university and community, where the rhythms of the school year shape its calendar and a complex weaving of historic and contemporary remains its strength.

The Ann Arbor DDA has produced a State of the Downtown report for several years in an attempt to convey information about downtown's changing mix and remarkable attractions. These reports are important snapshots of the trends shaping our downtown, including increasing residential and employment density, an expanded menu and use of transportation options, and homegrown entrepreneurialism in the 21st Century.

This report is also an opportunity to provide details about the efforts of the DDA to support downtown's vibrancy and growth, through its thoughtful leadership, passionate advocacy, key collaborative partnerships, and in-depth public engagement. We are very proud of the Ann Arbor DDA's contributions to strengthen downtown, including strategic investments in infrastructure, mobility and parking, and we look forward to the work ahead of us in support of our mission.

Please note that this report presents information tracked on a fiscal basis—from July 1, 2017 to June 30, 2018 — unless otherwise noted. Thank you for any feedback about this report, and especially for letting us know if there is data we can add to a future edition.

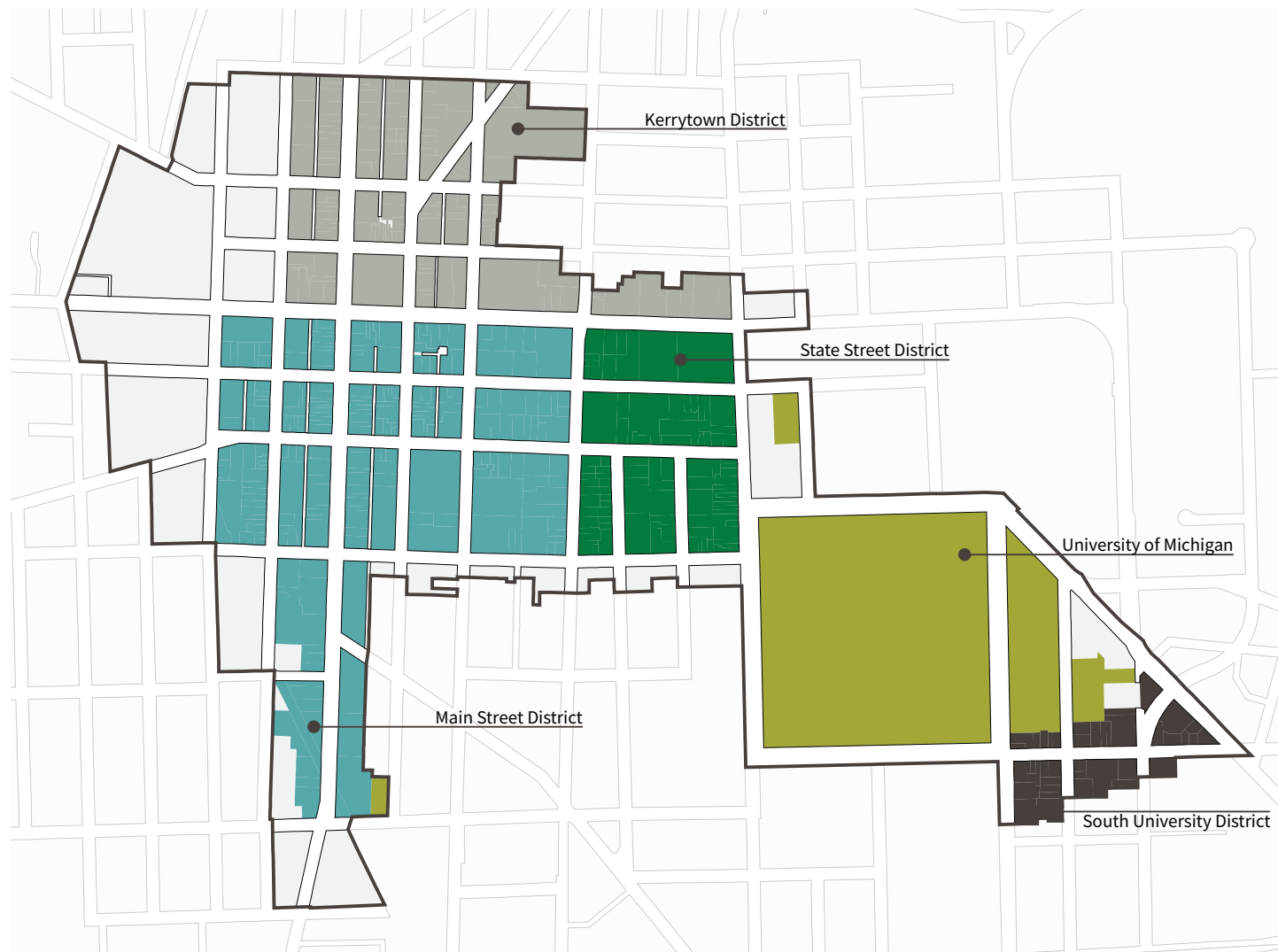
See you downtown!



Susan Pollay, Executive Director



Phil Weiss, Board Chair



**TOTAL ACRES: 271**

Acres of public right of way (streets & alleys) 80

Net acres of land 191

Acres of land area with development restrictions 116 (60.7%)

University of Michigan\* 42 (22%)

Open space & parkland\* 31.4 (16.4%)

Historic Districts\* 43 (23%)

Floodplain / Floodway\* 26 (13.6%)

Acres of land area without development restrictions 75 (39.2%)



67 Blocks



4 Distinct Commercial Districts

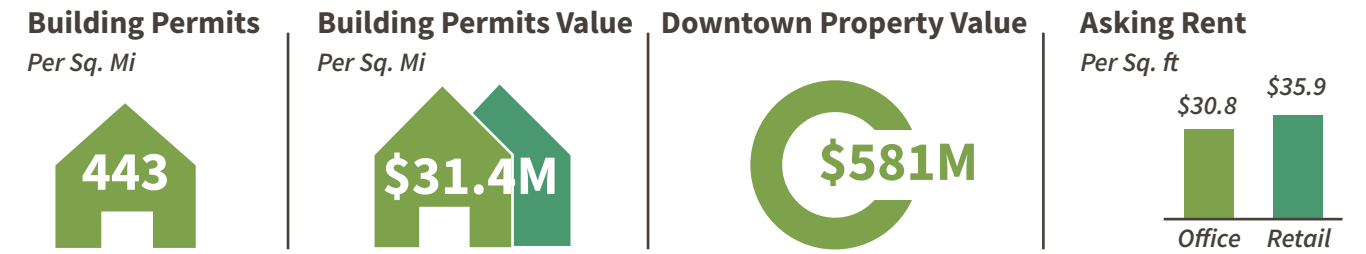


9 Historic Districts

\*Not mutually exclusive

## Ann Arbor Downtown Development Authority District FY2018 | July 1, 2017 - June 30, 2018

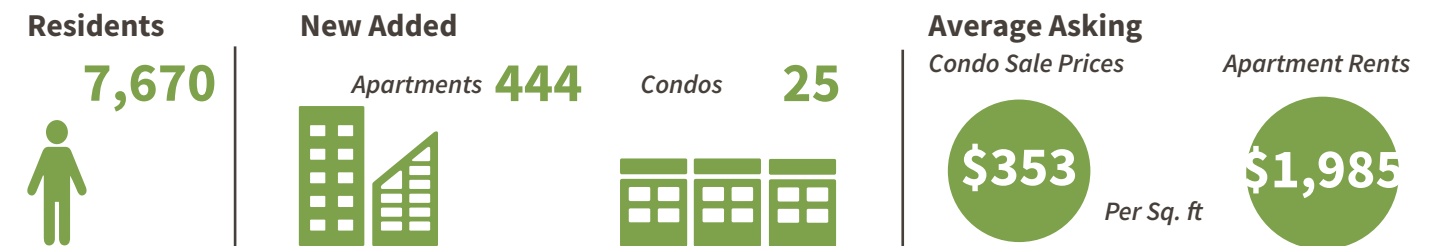
### INVESTMENT & GROWTH



### EMPLOYMENT



### DOWNTOWN LIVING



### CULTURE & ENTERTAINMENT



### MOBILITY



\* Ann Arbor Downtown Development Authority District: 0.42 sq.mi

# DDA EFFORTS IN 2018



Photo: Doug Coombe

FY18 was a whirlwind year for the Ann Arbor DDA, chock full of public engagement meetings and projects being completed left and right. Oftentimes, the people of Ann Arbor worked right alongside us to brainstorm with us and provide important feedback. We're passionate about shaping downtown Ann Arbor into the best possible place to live, work, play, and visit - and that passion is the driving force behind every project we implement.

## People Friendly Streets Projects FY 2018

**South University Ave:** in partnership with the City of Ann Arbor, sidewalk expansion, crosswalk improvements, street light replacement, landscaping, stormwater improvements, seating and other pedestrian amenities, and underground utility upgrades. Completed September 2017.

**5th Ave & Detroit Street:** in partnership with the City of Ann Arbor, crosswalk improvements, historic brick restoration, street light replacement, sidewalk replacement, roadway construction, underground utility upgrades, and the addition of other pedestrian amenities including a plaza at the Farmers Market and Community High School. Under construction.

**Huron Street:** enhanced streetscape and safety improvements. Design underway.

**First & Ashley Streets:** restore two-way traffic on First & Ashley, add a two-way protected bike lane on the east side of First Street, upsize watermains, and improve streetscape. Design underway.

**William Street Bikeway:** a two-way protected bike lane on the north side of William Street and lane configurations to improve traffic flow. Design underway.

## Other Projects FY 2018

**Ann / Ashley Parking Structure Expansion:** addition of three floors/400 parking spaces to the existing parking structure, additional electric vehicle charging capacity, LED lighting, and stormwater improvements. Design underway, construction in 2019.

**4th & Catherine Solar Panel Installation:** a demonstration project to help guide potential future solar installations on parking garages.

**Parking Equipment and Maintenance:** new ticketing equipment, new E-park stations, rooftop fencing, parking lot repaving, and other general repairs.

**Sidewalk Repairs and Maintenance:** New on-street bike racks, bike hoops, brick and sidewalk repairs, tree plantings, State Street electric project, Kerrytown Streetlight replacement with City of Ann Arbor, and other general repairs.

## Grants FY18

**Transportation Grants:** funding for the getDowntown program, go!Pass, supplemental service on AAATA Routes 4 & 5, and bike share support.

**Partnership and Brownfield Grants:** 618 S. Main Street, 116-120 W. Huron Street, and 318 W. Liberty Street, funding in support of streetscape, watermain, stormwater management, and infrastructure improvements.

**Grants & Studies:** City Municipal Center, Meter Bag Waivers for 32 community events, Art Fair Map and Trolley, State Theater Restoration, A2Blooms, "Michigan Wings" Mural, Circulator Study, Connector Study, and Parking Garage Occupancy Study.

# PEOPLE-FRIENDLY STREETS

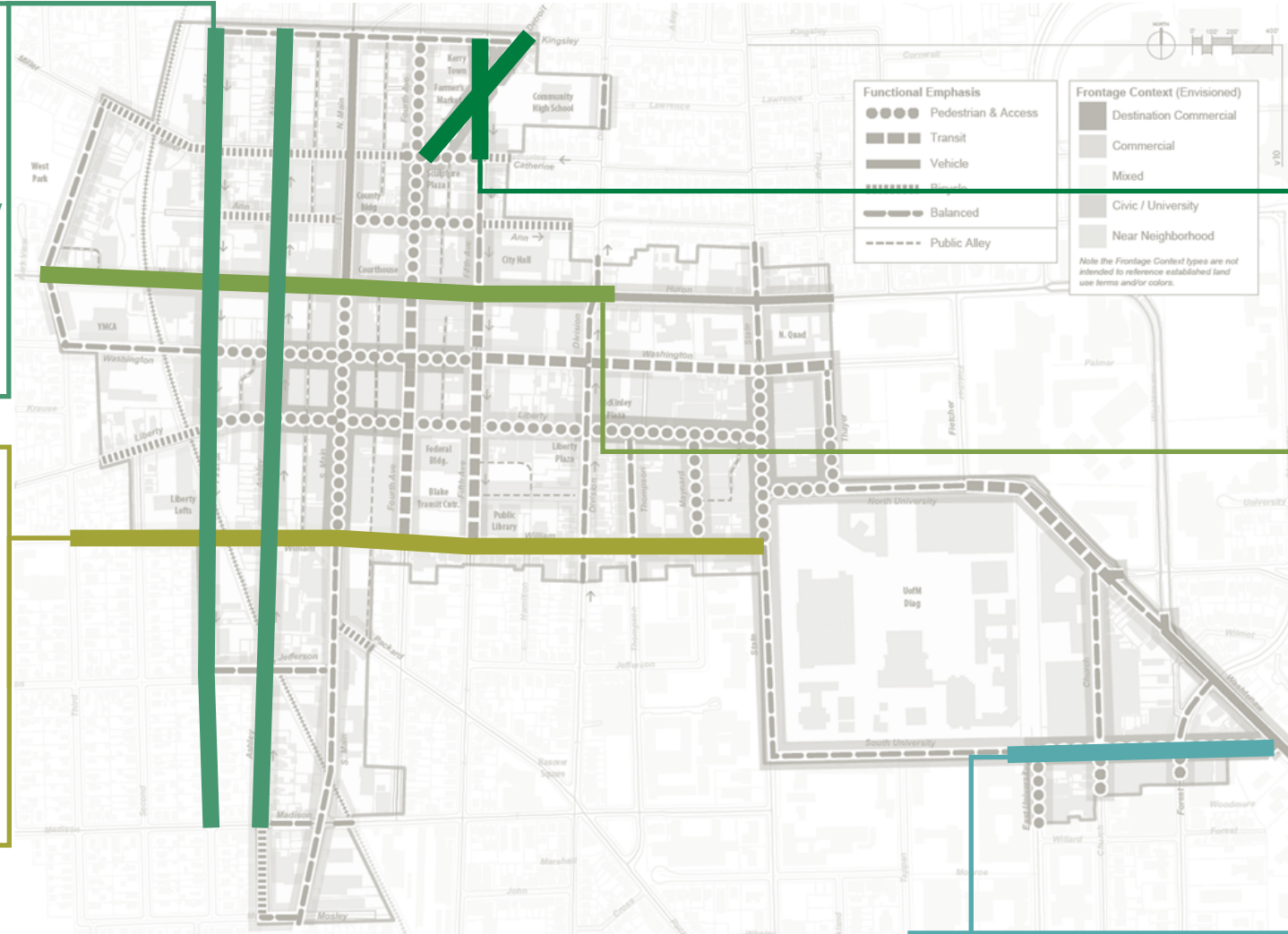
A series of projects designed to create streets that attract more people and allow people of all abilities, from a resident in a wheelchair to a teen on her bike, to feel comfortable and safe on these streets.



**First & Ashley**  
 Design & Feasibility Phase: 2018  
 Engineering: 2019  
 Construction: 2020

- Two-Way Restoration
- Two-Way Protected Bikeway
- Safety Improvements
- Streetscape & Resurfacing
- Watermain Upsizing

**\$9.4M**



**Fifth & Detroit**  
 Design Completed: 2017  
 Construction: 2018 Spring to Fall

- Historic Brick Restoration
- Streetscape & Resurfacing
- Crosswalk Improvements
- Utility Upgrades
- Streetlight Replacements
- Two Pedestrian Plazas

**\$3.4M**



**William Street Bikeway**  
 Design & Feasibility Phase: 2018  
 Engineering: 2019  
 Construction: 2020

- Two-Way Protected Bikeway
- Traffic Improvements
- Safety Improvements
- Street Resurfacing
- Watermain Work

**\$2.0M**



**Huron Street (3rd to Division)**  
 Design Phase: 2018  
 Construction: 2019 Spring to Fall

- Safety Improvements
- Streetlight Replacements
- Sidewalk Improvements
- Landscape Improvements
- Off-peak On-street Parking

**\$5.6M**

**PEOPLE FRIENDLY STREETS WILL...**



IMPROVE SAFETY AND COMFORT    PROMOTE GREEN DESIGN    STRENGTHEN BUSINESSES    INCREASE ACCESS & CONNECTIVITY    DESIGN RESPONSIBLY    CELEBRATE CIVIC LIFE & ACTIVITY

**South University**  
 Project Completed: 2017

- Sidewalk Expansion
- Crosswalk Improvements
- Streetlight replacements
- Landscape Improvements
- Stormwater Improvements
- Utility Upgrades

**\$2.1M**



# INVESTMENT & GROWTH



Photo: Doug Coombe

## DEVELOPMENT

Mixed-use Development Projects Since 2010



Residential Development Projects Since 2010



Total Downtown Property Value

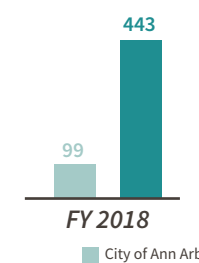


## BUILDING PERMITS

Cumulative Private Investment From FY10 to FY18



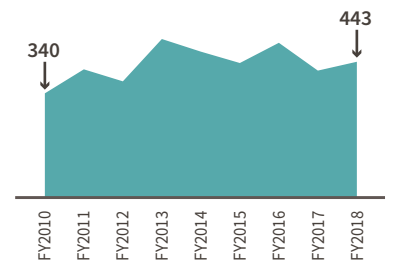
Permits Per Sq. mi



Value Per Sq.mi



Trend Per Sq. mi



## OFFICE & MARKET

Office Vacancy Downtown

3.6%

Office Vacancy City Average Excludes Downtown

9.0%

Downtown Demand for Office Space By 2023



>196,000 Sq. ft

Downtown Leasable Office Space 2017

1.7M Sq.ft

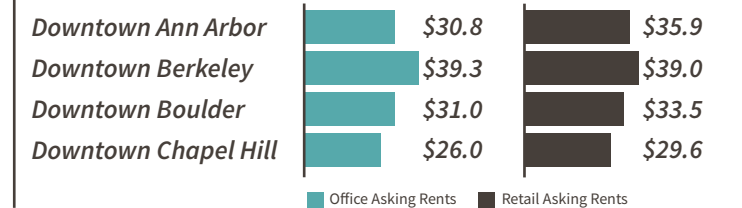
Downtown Office Asking Rents

\$30.8 Per Sq. Ft

Downtown Retail Asking Rents

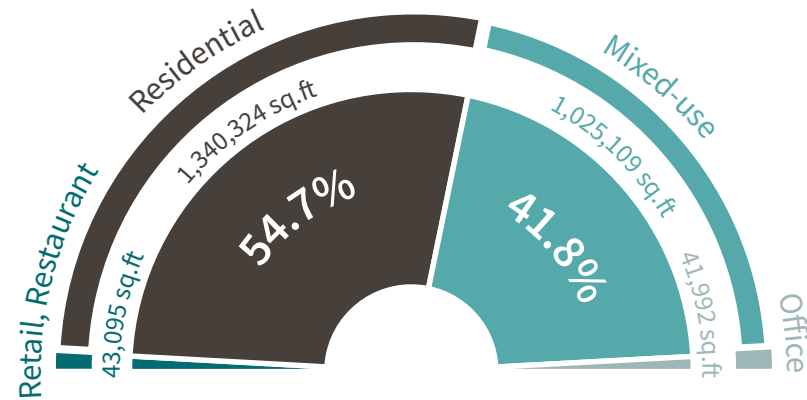
\$35.9 Per Sq. Ft

Comparative Asking Rents Per Sq. ft

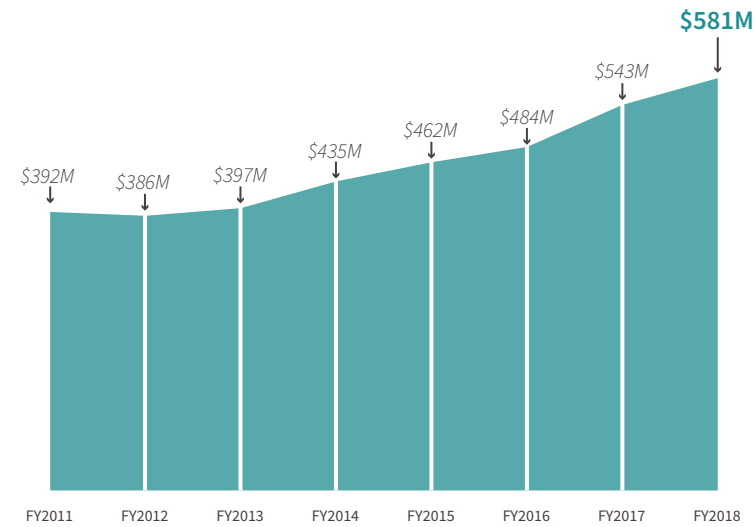


# DEVELOPMENT

DEVELOPMENT PROJECTS BY TYPE SINCE 2010

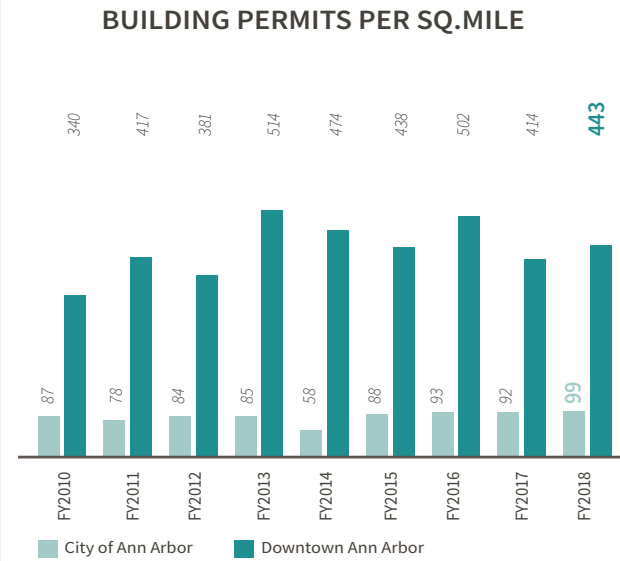


DOWNTOWN PROPERTY VALUE

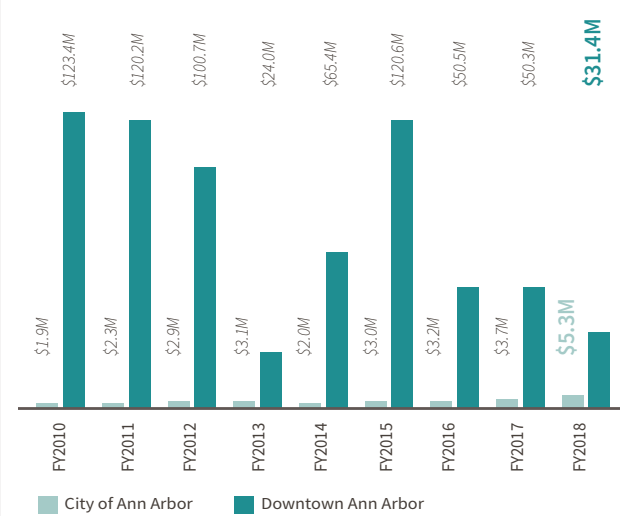


SINCE 2010, OVER **2.4 MILLION SQ.FT** OF RESIDENTIAL AND NONRESIDENTIAL SPACE WAS DEVELOPED WITHIN DOWNTOWN.

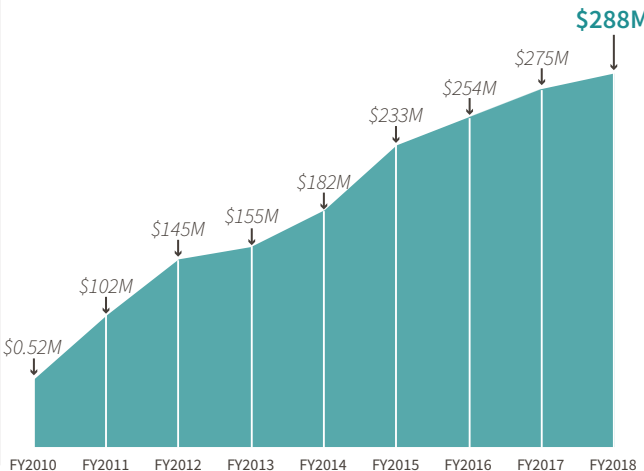
BUILDING PERMITS AND VALUE



BUILDING PERMITS VALUE PER SQ. MILE

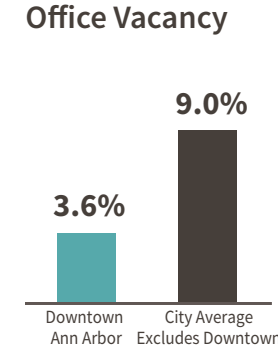


CUMULATIVE PRIVATE INVESTMENT

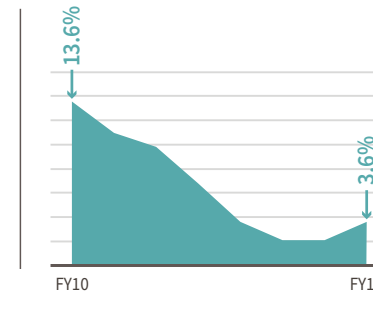


# OFFICE & MARKET

OFFICE VACANCY DOWNTOWN

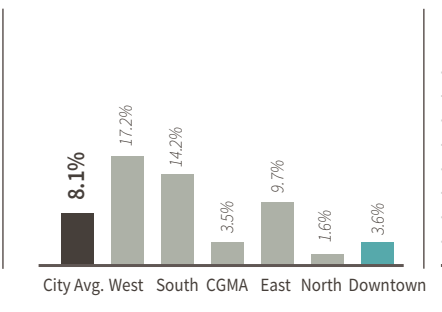


Office Vacancy Trend

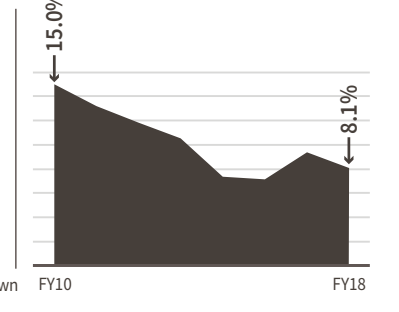


OFFICE VACANCY CITY ANN ARBOR AVERAGE

Office Vacancy



Office Vacancy Trend



THERE IS APPROXIMATELY **1,662,870 GROSS SQ.FT** OF LEASABLE OFFICE SPACE WITHIN DOWNTOWN

OFFICE & RETAIL ASKING RENTS

District	Office (Yr 2018)	Office (Yr 2016)	Retail (Yr 2018)	Retail (Yr 2016)
Main Street District	\$27.8	\$24.9	\$34.6	\$39.8
State Street District	\$45.0	\$28.2	\$32.0	\$36.5
Kerrytown District	\$32.4	\$26.0	\$32.6	\$31.8
S. University District	-	-	\$45.0	\$40.0
Downtown Ann Arbor	\$30.8	\$25.5	\$35.9	\$34.7
Downtown Berkeley	\$39.3	\$34.6	\$39.0	\$45.8
Downtown Boulder	\$31.0	\$34.2	\$33.5	\$27.0
Downtown Chapel Hill	\$26.0	\$29.2	\$29.6	\$27.0



**196,000-240,000 SQ FT POTENTIAL NEW OFFICE DEMAND BY 2023**

# EMPLOYMENT

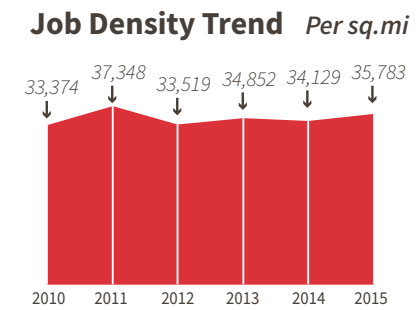


Photo: Doug Coombe

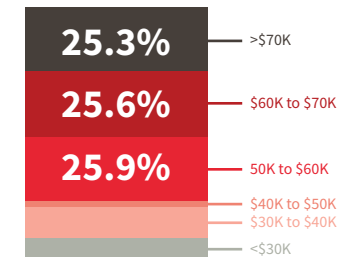
## JOB OVERVIEW

### DOWNTOWN ANN ARBOR

**29,530** Jobs  
**70,380** Jobs Per Sq. Mi  
**12.0** Jobs / Housing

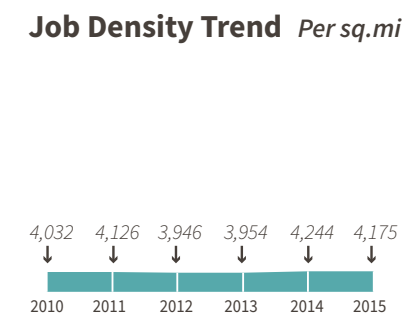


### Worker Earnings

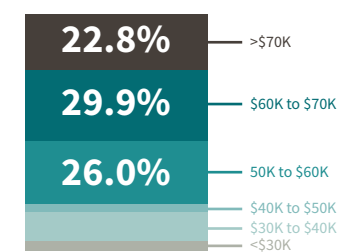


### CITY ANN ARBOR

**131,830** Jobs  
**4,730** Jobs Per Sq. Mi  
**2.5** Jobs / Housing



### Worker Earnings



## NEW BUSINESSES FY2018

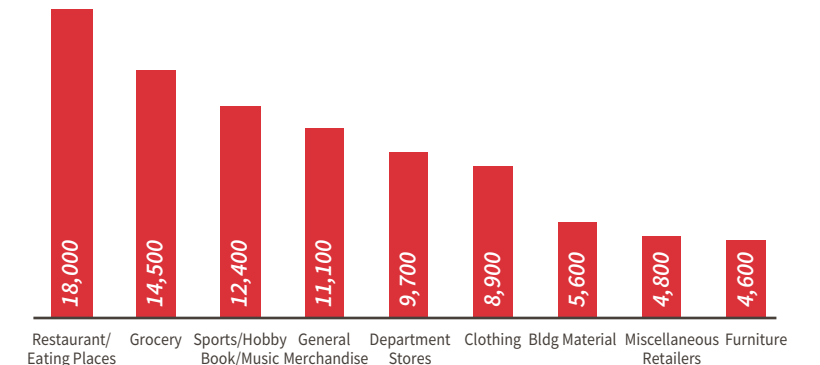


## RETAIL TRADE

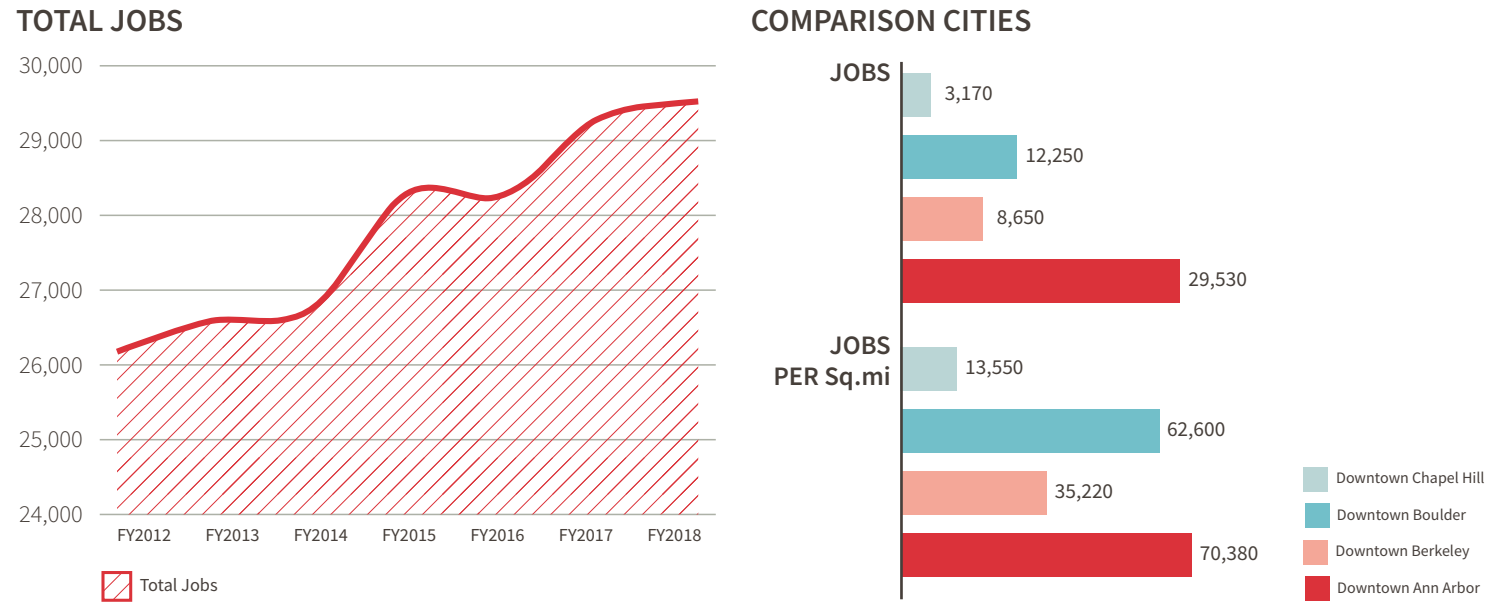
### AVAILABLE DOWNTOWN RETAIL SPACE Sq.ft



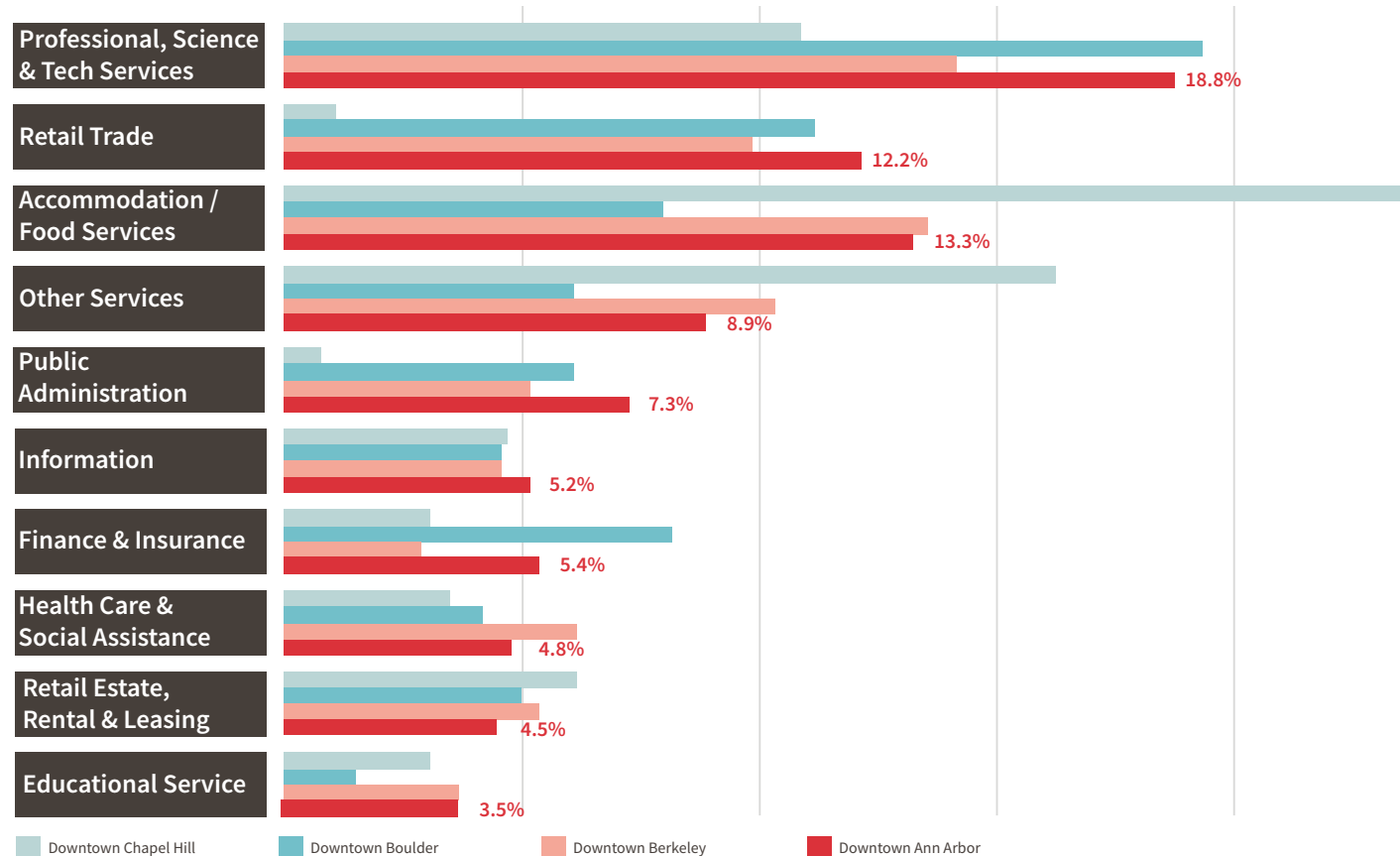
### NEW SUPPORTABLE RETAIL SPACE Sq.ft



# DOWNTOWN JOBS AND GROWTH

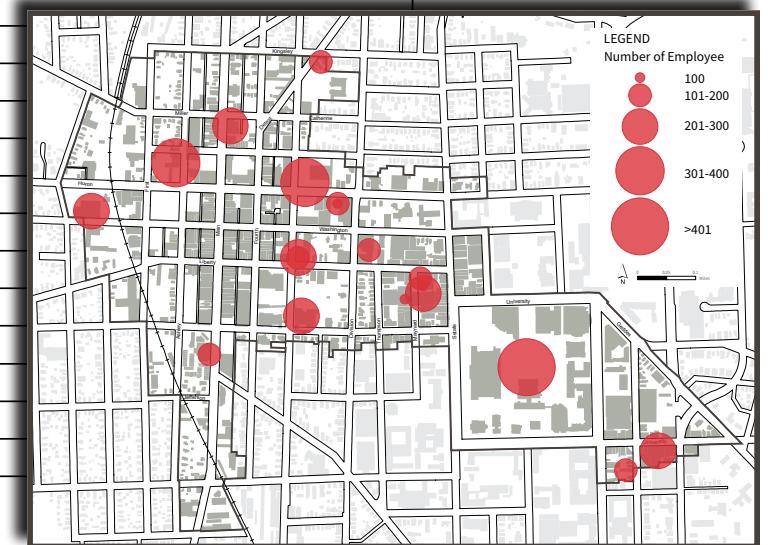


# TOP 10 BUSINESS INDUSTRIES



# DOWNTOWN'S LARGEST EMPLOYERS FY2018

EMPLOYER	FULL-TIME EMPLOYEES IN DDA*
University of Michigan	15,640
Duo Security	400
City of Ann Arbor	349
Washtenaw County Government	300
Ann Arbor YMCA	250
Barracuda Networks	250
Savco Hospitality	250
Ann Arbor District Library	225
US Postal Service	207
Llamasoft, Inc	200
Zingerman's Deli	200
DTE Energy Resources	190
Prime Research	170
University of Michigan Credit Union	162
Pizza House	160
TD Ameritrade	150
Arbor Research Collaborative for Health	138
HopCat	100
Ithaka/JSTOR	100
Republic Parking System	100



\*Estimated Full-Time Employees

# 16 NEW BUSINESSES FY2018

	NEW BUSINESS	BUSINESS TYPE	ADDRESS	OPENED
1	Haymaker Public House	Dining	203 E. Washington St.	07/2017
2	Kosmo's Bop Shop	Dining	308 S. Ashley St.	07/2017
3	Drought	Dining	204 E. Washington St.	07/2017
4	Detroit Street Filling Station	Dining	300 Detroit St.	08/2017
5	Chela's Downtown	Dining	307 S. Fifth Ave.	08/2017
6	Le Bon Macaron	Retail	209 S. Fourth Ave.	09/2017
7	Roasting Plant	Retail	312 S. State St.	09/2017
8	Joy	Fitness	214 S. Main St.	10/2017
9	Cahoots	Office	206 E. Huron St.	11/2017
10	The Collected Collage	Retail	407 N. Fifth Ave.	11/2017
11	RED Yoga	Fitness	421 E. Liberty St.	01/2018
12	Satchel's BBQ	Dining	221 W. Liberty St.	02/2018
13	La Taqueria Ann Arbor	Dining	106 E. Liberty St.	05/2018
14	DFCU Credit Union	Office	122 S. Main St.	04/2018
15	Blom Meadworks	Dining	100 S. Fourth Ave.	05/2018
16	Teaspressa	Retail	414 S. Main St.	06/2018

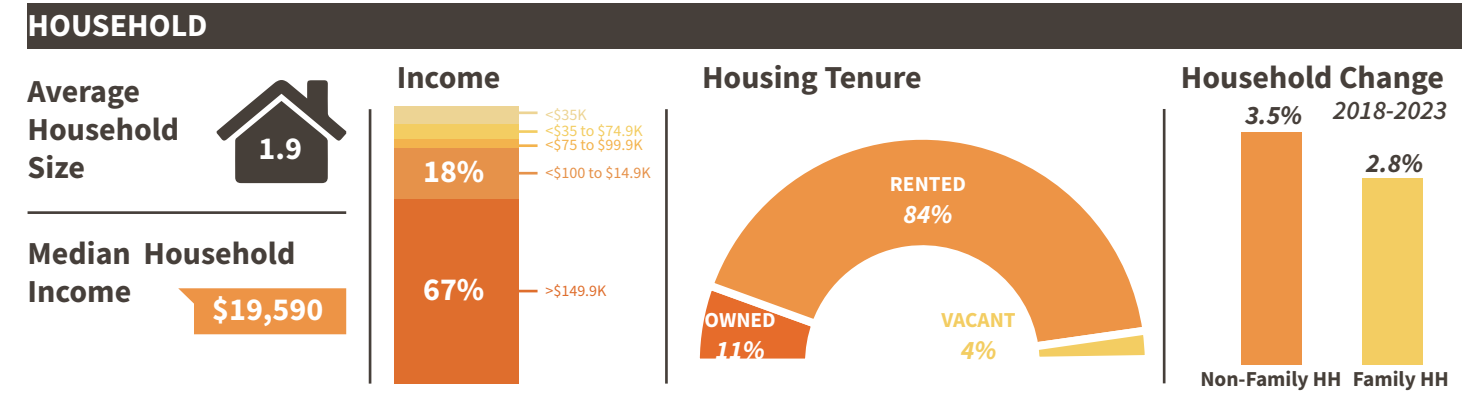
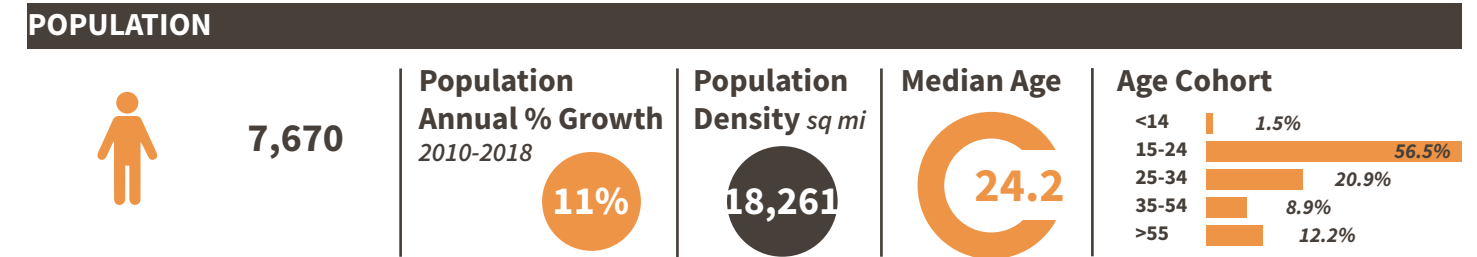
# DOWNTOWN LIVING



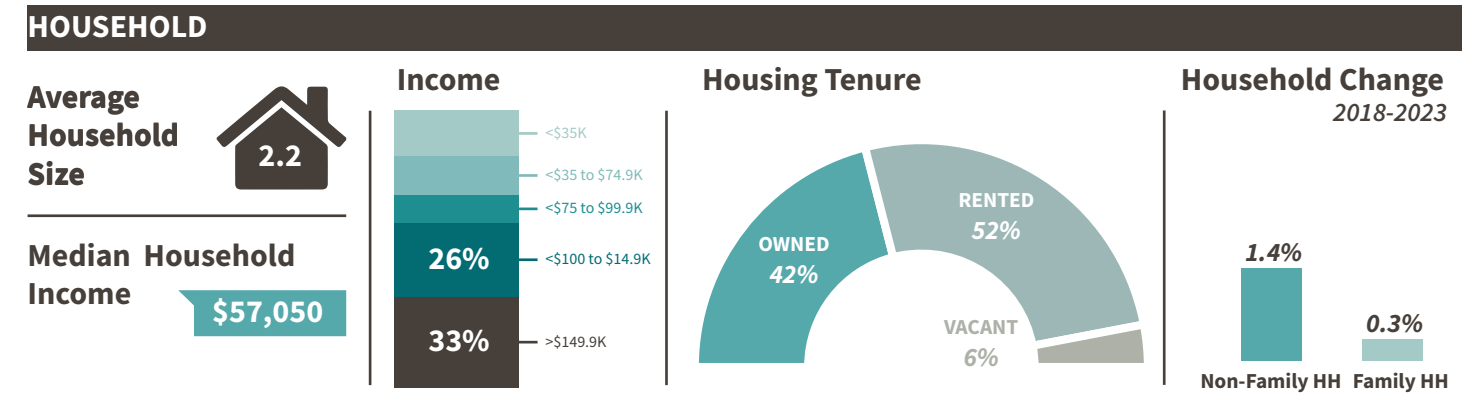
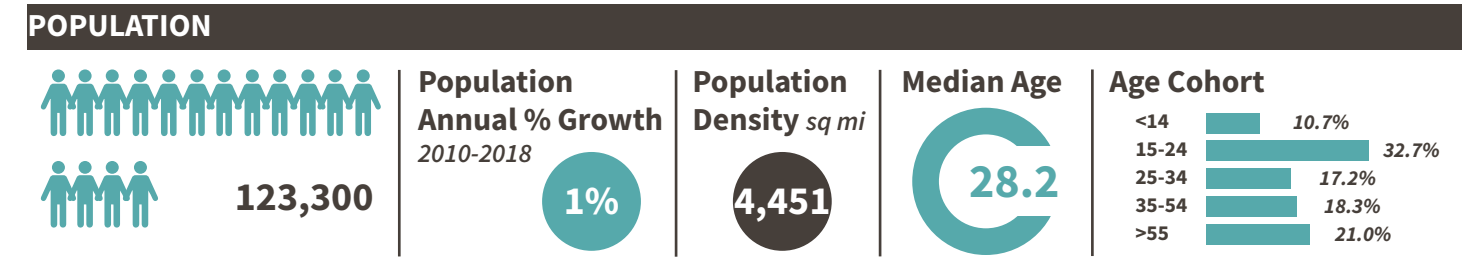
Photo: Doug Coombe

## DEMOGRAPHICS

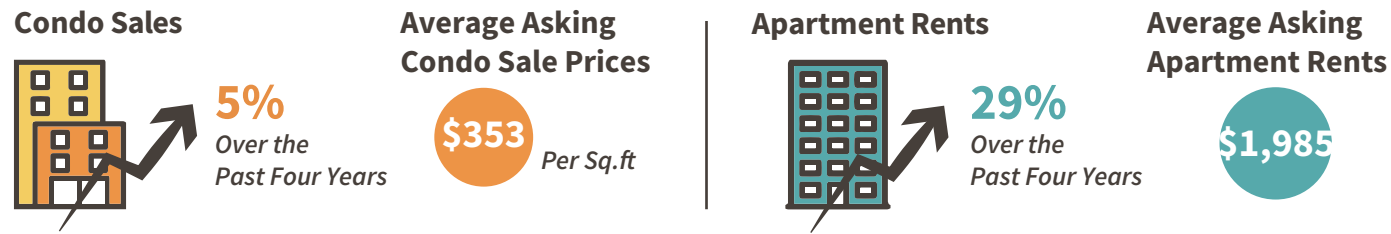
### DOWNTOWN ANN ARBOR



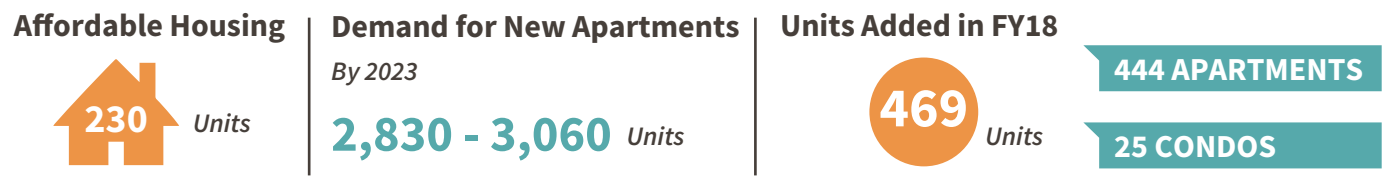
### CITY ANN ARBOR



**MARKET TREND**



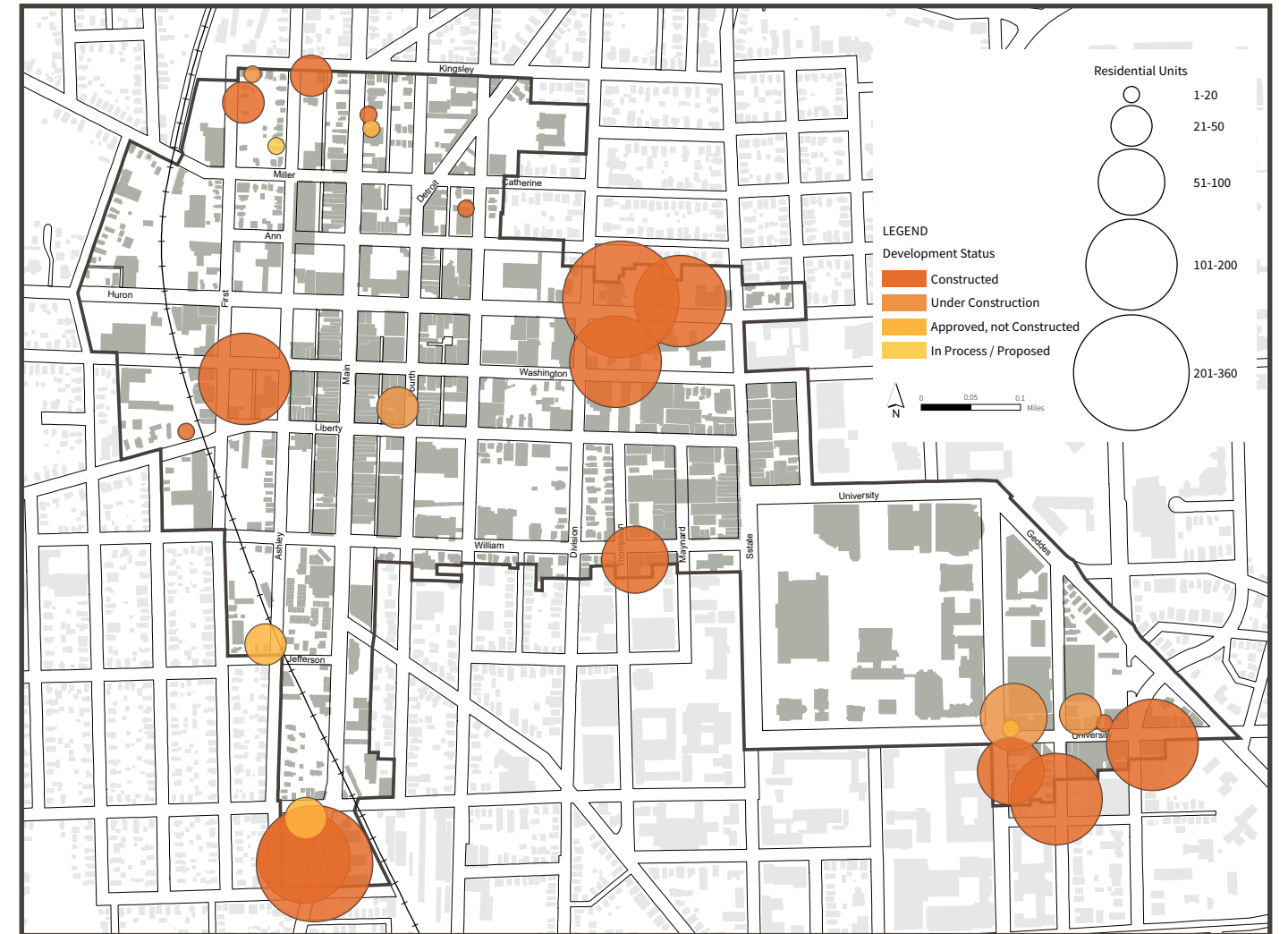
**INVENTORY**



**AMENITIES**



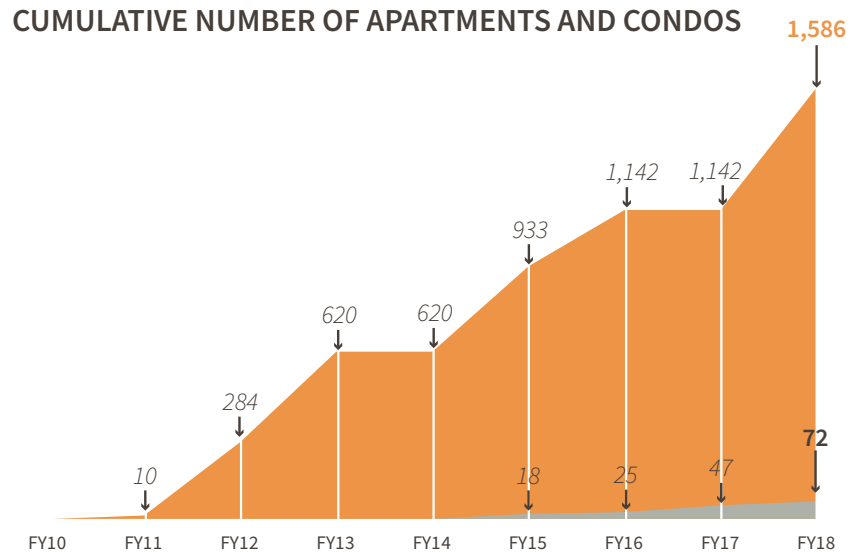
**RESIDENTIAL DEVELOPMENT SINCE 2010**



**"Based on average asking rents and condo sales prices, much of the available apartment and condo inventory in Downtown Ann Arbor is unaffordable to lower-income households."**

---- 2018 Ann Arbor Downtown Market Scan

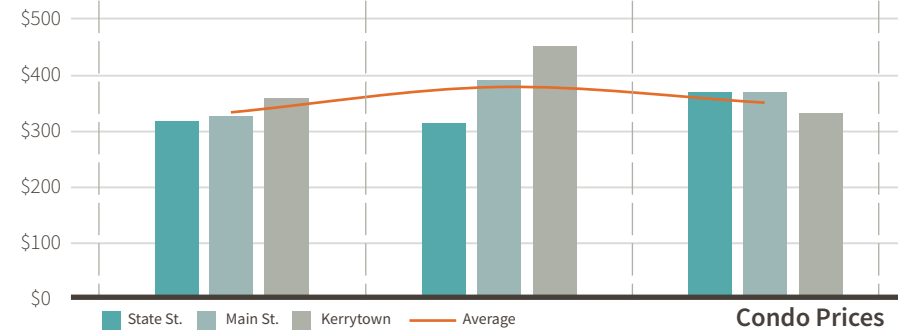
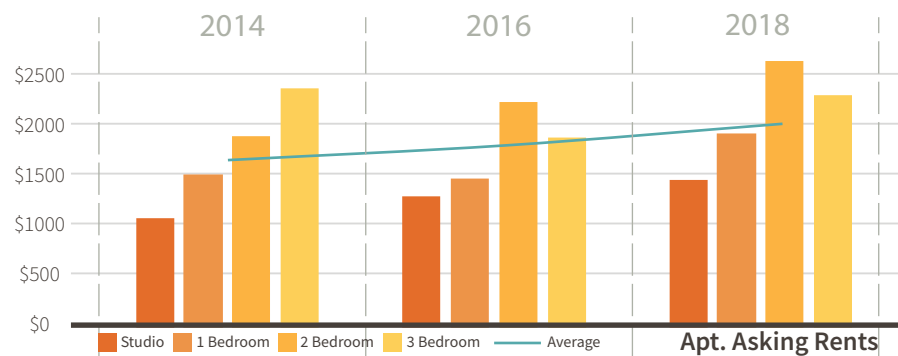
# HOUSING INVENTORY



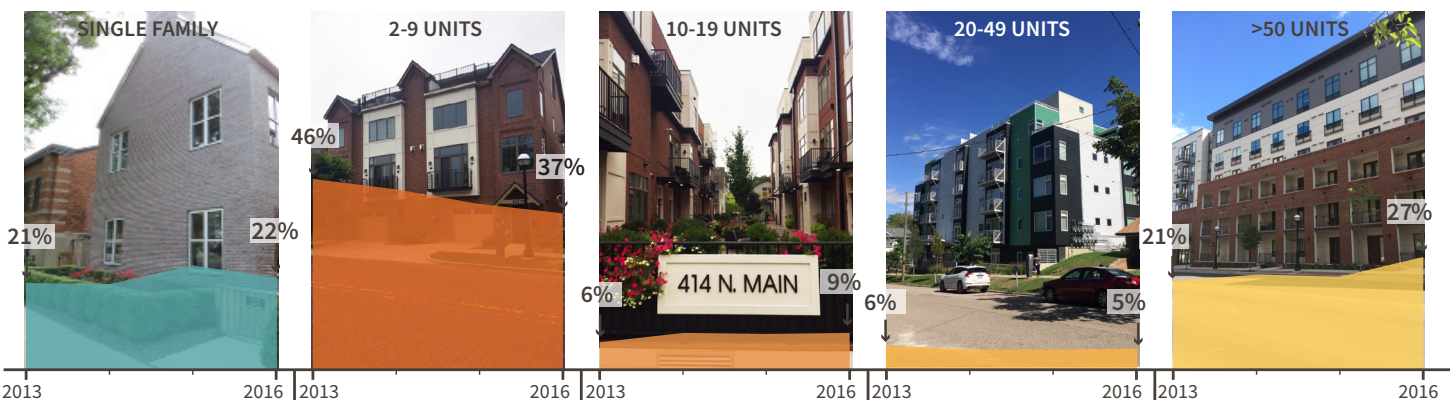
**444 APARTMENTS & 25 CONDOS ADDED IN FY2018**



## MARKET TRENDS



## HOUSING TYPE



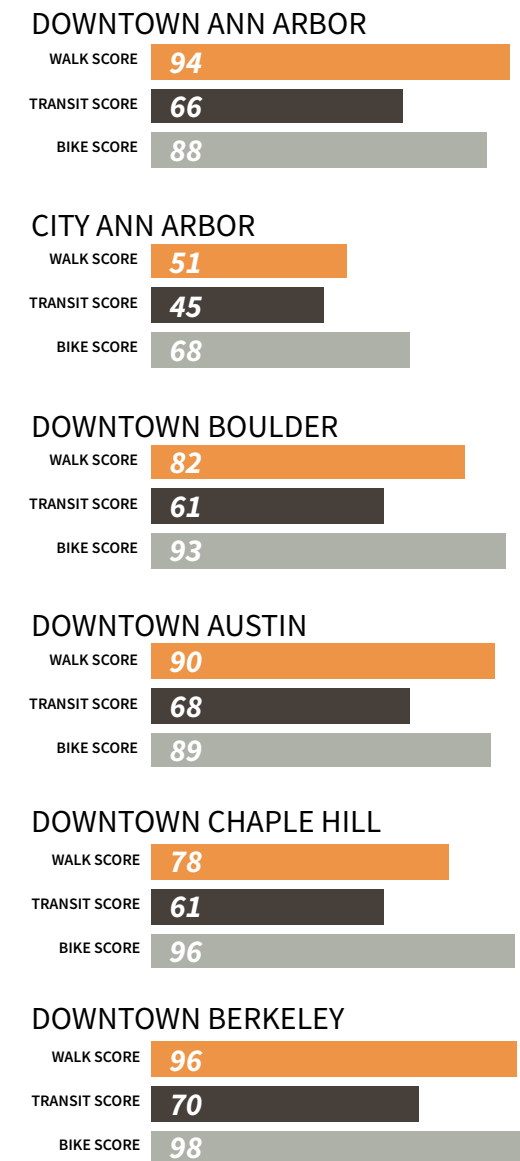
# DOWNTOWN LIVING

## DOWNTOWN ANN ARBOR RANKING



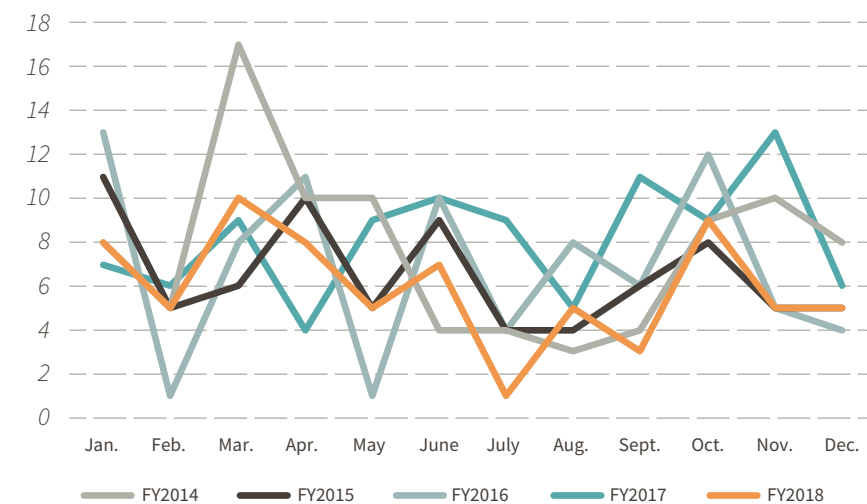
**149 SIDEWALK OCCUPANCY PERMITS ISSUED IN FY2018**

## ALTERNATIVE TRANSPORTATION



**MAJOR CRIMES IN DOWNTOWN REACHED THE LOWEST TOTAL SINCE 2014**

## MAJOR CRIME FY14-FY18



# CULTURE & ENTERTAINMENT



## MAJOR DESTINATIONS

*From Taste of Ann Arbor to Top of the Park to Kindlefest, no matter when you visit Ann Arbor, there's always an exciting event just around the corner. The reason is simple: here in Ann Arbor, simply being downtown is reason enough to celebrate.*

### EVENTS & VISITORS



### PERMITTED EVENTS

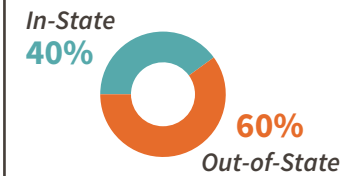
**73** DOWNTOWN EVENTS



Average Visitors Length of Stay



Visitor Origin



Average Visitor Spending *per day*



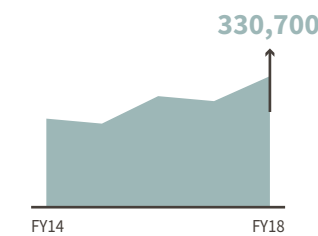
Number of Downtown Hotel Rooms



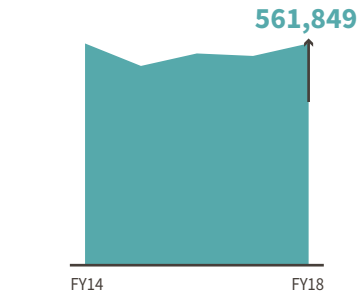
### MAJOR DESTINATIONS

#### PATRONS

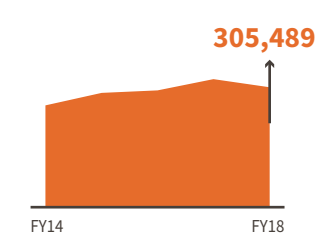
Michigan Theater



Ann Arbor District Library



Hands On Museum



#### FARMERS MARKET

Average Customer Count



Market Days



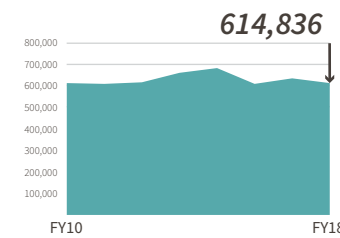
*The majority of customers spend **\$20-\$50** at the market and are likely to shop around at other downtown business and restaurants afterwards.*

# MOBILITY

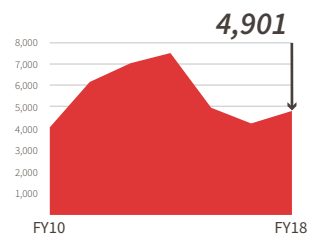


## TRANSPORTATION STATISTICS

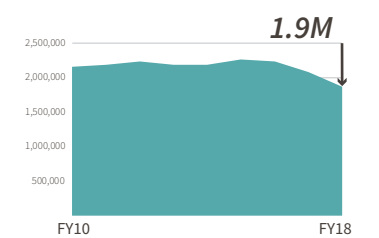
### GO!PASS Ridership



### Night Ride GO!PASS



### Hourly Parking Patrons

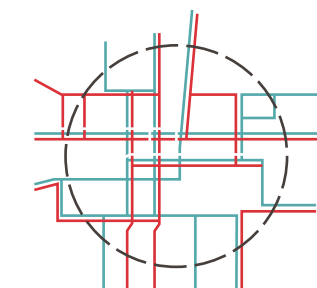


### Bike Ann Arbor

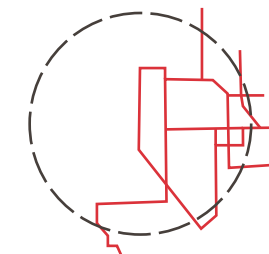
**1,035**  
Bike Parking Spaces

**8.43**  
Miles Bike Lanes and Sharrow

## BUS ROUTE

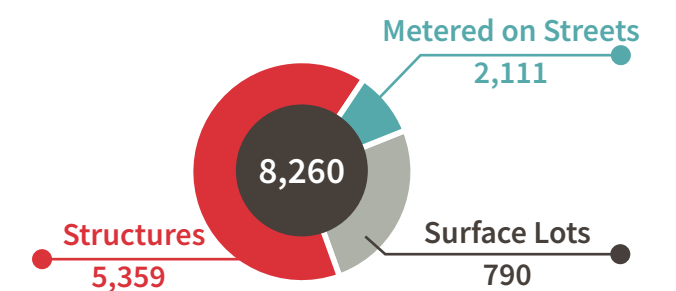


**23** AAATA BUS ROUTES



**7** UM BLUE BUS ROUTES

## PARKING ALTERNATIVES



## EV AND CAR SHARE



**31** Electric Vehicle Charging Station



**8** MAVEN cars in or near the DDA District

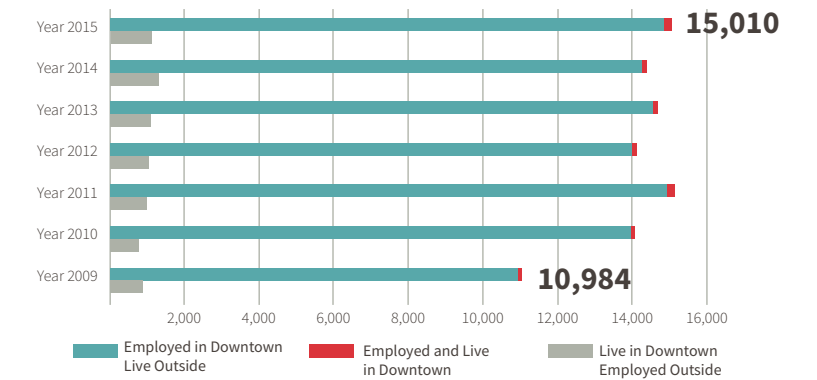
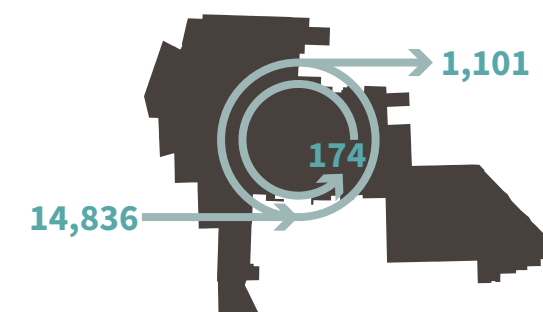


**8** ZIPCARS in or near the DDA District



**2** Car Rental Agencies in or near the DDA District

## LABOR FLOW



# REFERENCE AND CREDITS

## CHARTS, TABLES, AND STATISTICS

- P6** 2018 Ann Arbor DDA District Map: *City of Ann Arbor GIS data, Map: ESRI 2016*  
Total Acres: *U.S.2010 Census & City of Ann Arbor Building Permit Data.*
- P7** Investment & Growth: *City of Ann Arbor Building Permit Data, Ann Arbor Downtown Development Authority Property Tax Levy, 4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Employment: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan, Get Downtown Program*  
Downtown Living: *City of Ann Arbor Building Permit Data, 4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Culture & Entertainment: *City of Ann Arbor Special Event Permit Data*  
Mobility: *Self-reported from GetDowntown and AAATA, Republic Parking.*
- P13** Development: *City of Ann Arbor Building Permit Data, Ann Arbor Downtown Development Authority Property Tax Levy*  
Building PERMIT: *City of Ann Arbor Monthly Building Permit Reports.*  
Office & Market: *Swisher 2017 Year-End Vacancy Report, 4ward Planning (July 2018), Ann Arbor Downtown Market Scan*
- P14** Development Project by type Since 2010: *City of Ann Arbor Building Permit Data.*  
Building Permit And Value: *City of Ann Arbor Monthly Building Permit Reports.*  
Downtown Property Value: *Ann Arbor Downtown Development Authority Property Tax Levy*
- P15** Office Vacancy Downtown and City Ann Arbor: *Swisher 2017 Year-End Vacancy Report*  
Office & Retail Asking Rents: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*
- P17** Job Overview: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Retail Trade: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*
- P18** Downtown Total Jobs: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Comparison Cities: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
TOP 10 Business Industries: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*
- P19** Downtown's Largest Employer FY2018: *Get Downtown Program, Map: ESRI 2016*
- P21** Downtown and Ann Arbor Demographics: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*
- P22** Market Trend: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Affordable Housing: *City of Ann Arbor*  
Demand for New Apartment: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Units Added in FY18: *City of Ann Arbor Building Permit Data*  
Amenities: *Google Map, Self-reported.*  
Affordable Housing Quote: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*
- P23** Residential Development Since 2010: *City of Ann Arbor Building Permit Data, Map: ESRI 2016*
- P24** Accumulate Number of Apartment and Condo: *City of Ann Arbor Building Permit Data*  
Market Trends: *4ward Planning (July 2018), Ann Arbor Downtown Market Scan*  
Housing Type: *U.S.Census Bureau.*
- P25** Major Crime FY14-FY18: *This is a monthly summary of major crimes (murder, manslaughter, negligent homicide, robberies and attempted robberies, criminal sexual conduct 1-4 and attempts, burglary and attempts, motor vehicle thefts and attempts). Data obtained from www.crimemapping.com and from the University of Michigan's Department of Public Safety.*  
Sidewalk Occupancy Permit: *City of Ann Arbor Permit Data*  
Alternative Transportation: *www.walkscore.com*

- P27** Events & Visitors: *City of Ann Arbor Special Event Permit Data*  
Average Visitors Length of Stay, Average Visitor Spending, Number of Downtown Hotel Rooms: *Destination Ann Arbor*  
Major Destinations Attract Record Numbers: *Reported by respective institutions.*  
Farmers Market Statistics: *City of Ann Arbor, Ann Arbor Farmers Market 2017 Annual Report.*
- P29** Hourly Parking Patrons: *Republic Parking*  
GO!PASS rides, night rides: *Self-reported from GetDowntown and AAATA.*  
Miles of Bike Lanes: *City of Ann Arbor*  
Downtown Public Parking Spaces: *Republic Parking*  
Bus Route: *AAATA*  
Labor Flow: *On The Map, U.S.Census, 2015*

A special thank you to Xuewei Chen for her hard work and dedication creating this report.



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ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY

150 S. FIFTH AVE., SUITE 301, ANN ARBOR, MI 48104  
734.994.6697, A2DDA.ORG

