



## CITY OF ANN ARBOR, MICHIGAN

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Downtown Development Authority

October 1, 2004

Ms. Nancy L. Shiffler, Vice Chair  
Sierra Club, Huron Valley Group  
2877 Sorrento Avenue  
Ann Arbor, MI 48104

Dear Ms. Shiffler:

Thank you for your letter dated September 26, 2004 regarding the Huron Valley Group of the Sierra Club's concerns about the DDA's proposal to consolidate parking in a new parking structure on First & William. I appreciate the opportunity to provide additional information on this project, as it is just one element in a three-piece planning effort.

As a bit of background, on July 7, 2003, City Council approved the DDA's proposed approach to redeveloping the First & William, First & Washington, and S. Ashley (Kline) lot sites. This plan was impelled in part by the need to address the impending closure of the First & Washington structure. There was also an impulse to encourage greater residential density downtown, including work force housing, by making city-owned properties available for redevelopment. In the resolution approved by Council, the DDA committed itself to developing action plans for each of the three sites and returning to City Council for approval before proceeding.

*First & William: Build a parking structure with an access point on S. Ashley St., consolidating parking from First & Washington and the S. Ashley (Kline) lot. The proposed structure was taken on first and is pivotal to the rest of the DDA's plan because it would enable the City to free up two other valuable downtown parcels for residential and retail development.*

A parking structure on First & William was anticipated in the 1988 Ann Arbor Downtown Plan: (1988 Downtown Plan, Appendix, Page A-2, First & William site:)

- a. "Encourage housing development with on-site, structured parking. (An ideal development scenario would include the redevelopment of the Ashley frontage in coordination with the First/William site to maximize the potential for constructing underground parking to serve both halves of the block; however, the probability of this occurring appears very low.)
- b. Require the preservation of landscaped open space easements on First and William as part of the strategy for implementing the valley "greenway" concept and to provide a landscaped setback/buffer to screen the above-grade parking levels."

As noted above, the Downtown Plan's concept of parking structure on this site was considered to be compatible with its vision of an Allen Creek greenway that would stretch from the UM athletic campus to the Huron River.

I appreciate the group's concern that the parking structure might pose a safety issue requiring crossing gates at intersections. However, a MDOT railroad division representative made clear that if the site is modified at all, even for a park as has been suggested, that it is highly likely that MDOT would require the installation of gate arms and other crossing improvements on William and First

Streets. Any change to the site would trigger this requirement. Moreover, an Ann Arbor Railroad representative reported that rail lines are often in close proximity to buildings of all sorts, and it was his experience that a well-designed parking structure at this site would not pose a safety problem.

Another major area of exploration relates to the Allen Creek drain which runs beneath the property. In the beginning of the project an initial meeting was held with the Washtenaw County Drain Commissioner to discuss the Drain Commissioner's goals and concerns for the Allen Creek Drain. Subsequent meetings have led to the development of project elements that would make several improvements to environmental conditions on the site and address the need for maintenance access to the drain. These project elements include removing contaminated soils, replacing a large section of the 75-year old Allen Creek drain, and building the parking structure in such a way as to set aside a considerable amount of green space on a site that is currently nearly all impervious surfaces. The floodway on this site is regulated under the Federal Emergency Management Agency (FEMA) Flood Insurance Program. Preliminary analysis indicates that it is possible to construct a structure within the floodway on this site and meet FEMA requirements, as well as local building codes and City ordinances.

*First & Washington:* Build a residential development with a small amount of parking to serve the needs of the building. The type of residences to be built on this site – e.g. work force housing or market rate condominiums, etc. – will need to be determined.

In the fall of 2003 the DDA Partnerships Committee researched the potential redevelopment of this site for residential units. Chief among their goals was to understand potential development costs, opportunities, and demographics for this site. However, since early December 2003 nearly all of the Committee's focus has been redirected to helping the City plan for a redevelopment of the YMCA site.

Before being diverted by the YMCA project, the DDA held a "Residential Roundtable" last year with approximately two dozen downtown residents, residential developers, and real estate brokers. It was an instructive session that elicited a great deal of useful information about such details as the estimated cost to construct downtown, the upper range of sale prices for downtown condominiums, and the amenities that are attractive to downtown residents. The discussion yielded specific recommendations for the First & Washington site, such as the suggestion that construction costs be contained by limiting the building and unit size, and that the units on this site be developed so they don't compete with what may be developed at the Eaton site.

The DDA also commissioned a series of schematic analyses for this site to understand the costs associated with stacked townhouses versus single floor apartments, as well as how parking on site adds to the cost of each unit. Important questions that are still being considered include whether the project should be rental apartments or condominiums, whether the City should sell the property to a private developer utilizing a detailed RFP or whether the DDA should develop the property itself, and whether the project might be able to provide a substantial number of new workforce housing units.

*South Ashley (Kline) Lot:* Build a series of buildings or a single building on the S. Ashley (Kline) lot which would contain retail on the first floor and residential units above. This project would include at least one level of underground parking to serve the retail and other uses of the building.

There has not been a great deal of activity on this element of the plan, although several meetings were held with business owners and the Main Street Area Association to explore issues related to the site redevelopment, including concerns about the need for short term surface parking in the area.

Increasing the number of downtown residents brings many potential benefits, and in its June 2004 report, the Downtown Residential Taskforce set forward nearly a dozen reasons why the City should work to strengthen its downtown residential base, as well as a number of recommendations to help make this possible.

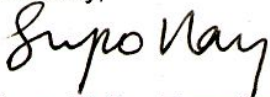
For instance, the report acknowledged that downtown residents have needs that are different than those in less urban settings. For instance, downtown residents benefit from open space, but this space can take the form of urban landscapes (e.g., Dean Promenade on Main Street, Sculpture Plaza, Liberty Plaza Park), or green softscapes (UM Diag is in the core of downtown, Broadway Park, Wheeler Park, Hanover Square, and West Park are on the very edges of downtown). The Taskforce report suggested that downtown residents be surveyed to determine where additional space may be needed to make downtown more livable.

Future downtown residential developments may also depend on capacity in the public parking system. We saw this recently with the Ashley Mews project (contract with the City for 100 parking spaces in the Fourth and William structure) and the Corner House Lofts project (contract with the city for 76 parking spaces in the Liberty Square and Maynard structures). Encouraging future residential development may hinge in part on our ability to provide the necessary infrastructure.

The National Sierra Club's "Challenge to the Sprawl Campaign" parallels many of the elements in the Ann Arbor DDA's Development Plan, which includes a commitment to creating a range of housing opportunities and choices, fostering a pedestrian-friendly walkable downtown, providing a variety of transportation choices, and shaping a mix of land uses that serves the needs of our community. And we appreciate the local chapter taking time to help us in our analysis of these three City-owned downtown sites, as we work together to accomplish our goals.

Thank you again. Please do not hesitate to contact me at the DDA office if I may be of service.

Sincerely,



Susan Pollay, Executive Director  
Ann Arbor Downtown Development Authority  
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