

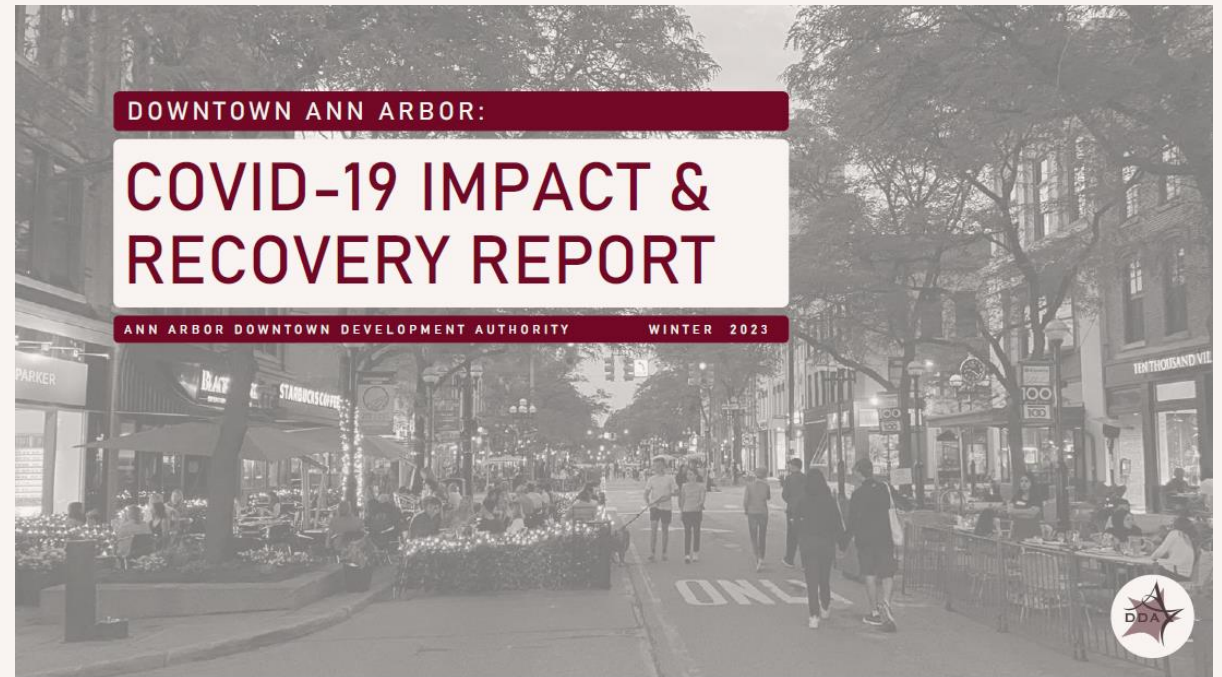
Downtown Vitality Reports

ANN ARBOR DDA

Ann Arbor Downtown Market Scan

October 2022

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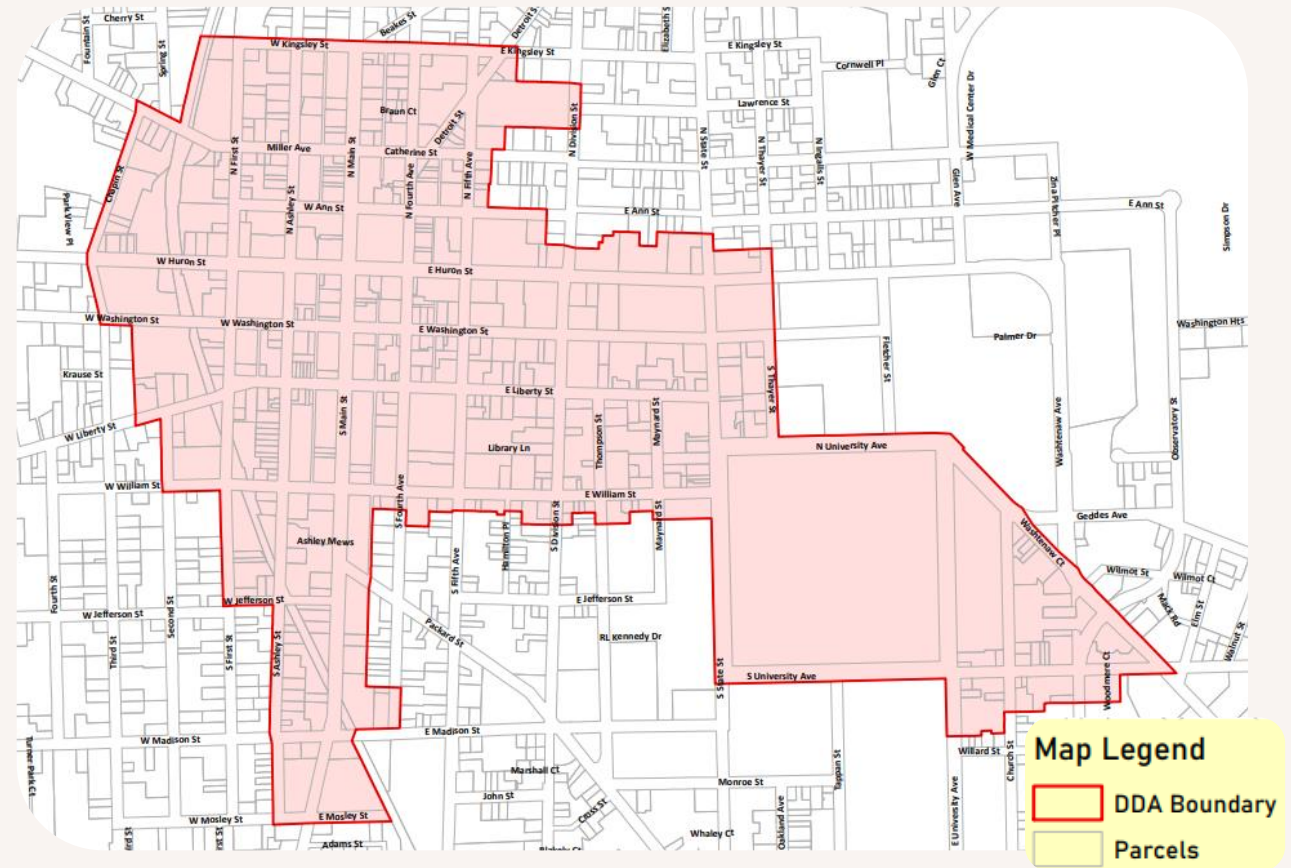


BOUNDARY MAP

ANN ARBOR DDA

DDA MISSION:

Undertake public improvements that have the greatest impact in strengthening the downtown area.





PRE-PANDEMIC

Thriving downtown with a vibrant 24-7 economy

PRE-PANDEMIC TRENDS

Population growth over the past decade

- 2022 Downtown population: 5,080

Downtown Ann Arbor pop. is relatively young

- Median age: 24
- Increasingly attracting those age 65+

Job growth in information and tech sectors

- Approx. 44% increase in info & tech jobs from 2010-2019
- 2019 primary jobs: 13,410

Resident income growth

- Public funding needed to support affordable housing.

	Median HH Income		Annualized % Change
	2022	2027	(2022-2027)
Ann Arbor MSA	\$83,530	\$98,750	3.6%
Ann Arbor City	\$78,660	\$93,300	3.7%
Downtown Ann Arbor	\$45,270	\$56,750	5.1%
Downtown New Haven	\$69,090	\$81,090	3.5%
Downtown Berkeley	\$37,140	\$52,850	8.5%
Downtown State College	\$15,810	\$17,620	2.3%

	Total Population		Annualized % Growth	
	2020	2022	(2010-2020)	(2020-2022)
Ann Arbor MSA	372,260	376,080	0.8%	0.5%
Ann Arbor City	123,850	125,260	0.8%	0.5%
Downtown Ann Arbor	4,930	5,080	1.2%	1.4%
Downtown New Haven	7,710	8,220	2.2%	2.9%
Downtown Berkeley	5,870	6,140	1.8%	2.1%
Downtown State College	4,230	4,300	-0.4%	0.7%



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EARLY IMPACT

The pandemic drastically reduced downtown activity, but pilot projects increased safety and space for recreation.

ANN ARBOR'S PANDEMIC TIMELINE

2020

3.10.20	Gov. Gretchen Whitmer declares a State of Emergency
3.11.20	Washtenaw County reports its first COVID-19 case and U-M moves to online classes
3.13.20	Gov. Whitmer closes K-12 schools and U-M cancels Spring Commencement
3.16.20	Gov. Whitmer closes bars and restaurants for dine-in as well as gyms, coffee shops and other public places
3.18.20	TheRide reduces transit service
3.23.20	Gov. Whitmer issues a statewide stay-at-home order for non-essential workers
5.7.20	The Ann Arbor Art Fair, which attracts approximately 500,000 attendees, is canceled
7.29.20	Gov. Whitmer requires work-from-home for all employees who can
8.31.20	U-M begins fall classes
9.16.20	The Big 10 Conference approves shortened football schedule
11.6.20	U-M announces it will close dorms and asks students to remain in their hometowns when the winter semester begins in January.
12.15.20	The first round of vaccines are rolled out in Michigan



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EARLY IMPACT

ECONOMIC INFLUENCES

Compared to similar downtowns, Ann Arbor has a **high density of primary workers**, but the **lowest residential density**.

Low residential density limits retail

- Cannot support the existing or desired level of downtown retail.

High office density impacts daytime economy

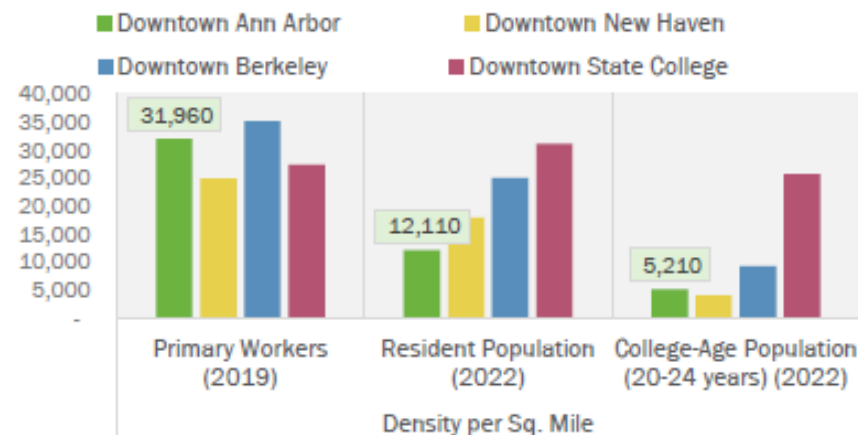
- Reliance on office workers to help activate downtown and support retail and restaurants, especially in the daytime.

Regional destination businesses

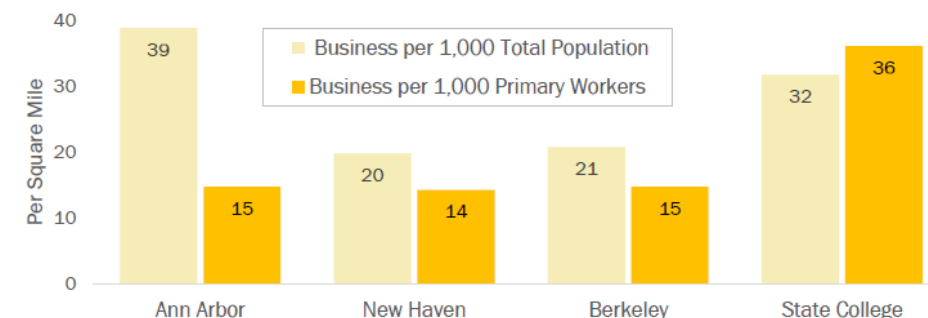
- A portion of our business mix is supported by those who live outside of downtown (UM is an anchor destination).

Retail & restaurant businesses likely struggled due to fewer office workers and less foot traffic. **More downtown residents will improve resilience.**

Workers and Residents per square mile



Downtown Retail and Service Business Density per Person (2022)



EARLY IMPACT

MOBILITY TRENDS

Visits to downtown Ann Arbor declined dramatically after work-from-home restrictions were imposed.

Visits to Workplaces & Retail

- 60%-70% decrease in March 2020.
- 53% overall reduction in 2020 vs. pre-pandemic.

Parking Meter Revenue

- 53% lower than 2019.

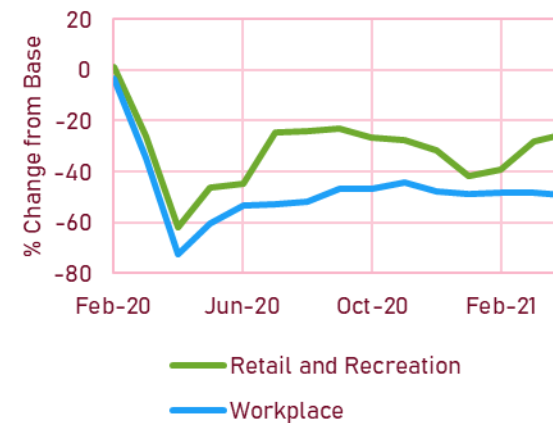
Transit Ridership

- 83% decrease in the six months following the start of the pandemic.

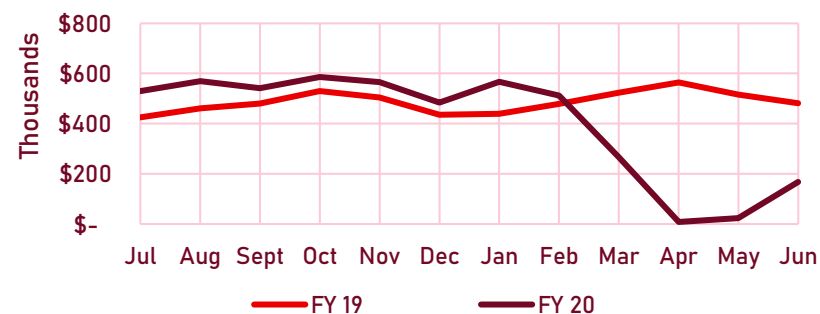
Walking remained stable, and bike ridership grew.



Google Mobility Data: Weekday Average
Washtenaw County



Parking Revenue by Fiscal Year



Ann Arbor DDA Fiscal Years run Jul.-Jun. Source: Ann Arbor DDA

EARLY IMPACT DDA PROGRAMS + PARTNERSHIPS

The DDA introduced new programs and partnered to create space for people to walk, bike, shop, and dine safely. For two years, the DDA:

- Funded all street closure barricade costs (11 blocks)
- Converted 191 curbside pick up parking spaces
- Funded 90 café dining permits & 72 curbside dining locations
- Sponsored 4 pieces of public art
- + more

Over \$300K in direct pandemic program support + meter fee waivers.



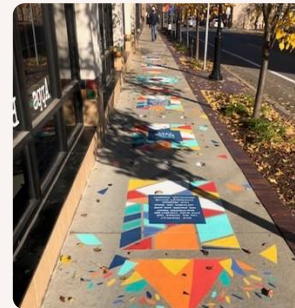
STREET
CLOSURES



CURBSIDE PICK-
UP PARKING



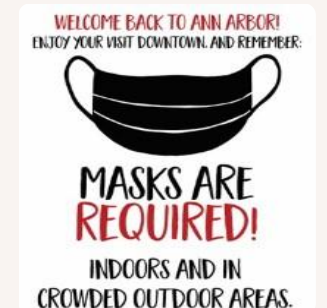
OUTDOOR DINING



GRANTS



HEALTHY STREETS
PILOT PROJECTS



PUBLIC HEALTH
MATERIALS

ANN ARBOR'S PANDEMIC TIMELINE

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2021

1.8.21	Washtenaw County reports 6,256 cases, the highest number of new cases in a single day
3.25.21	Ann Arbor Public Schools begin hybrid classes as the district resumes in-person class
5.4.21	More than 60% of Washtenaw County residents over 16 have received at least one vaccine dose and nearly 50% are fully vaccinated
5.15.21	The State again restricts gatherings and requires face masks indoors unless the person falls under certain exemptions
6.7.21	Gov. Whitmer rescinds remaining emergency orders
7.15.21	The Ann Arbor Art Fair returns
8.29.21	TheRide restores full transit service
8.30.21	Ann Arbor Public Schools resume fully in-person classes

2022

1.5.22	U-M offers most classes in-person again
10.4.22	City of Ann Arbor lifts COVID-19 state-of-emergency



RECOVERY

Students returned and cultural destinations are slowly recovering, but remote work continues to impact downtown activity.

RECOVERY DOWNTOWN ACTIVITY

Businesses pivoted to endure the worst of the pandemic. Today, the evening/destination economy is experiencing a strong recovery.

Businesses pivoted & adapted

- Immediately: Expanded online sales, products, curbside pickup, and home delivery.
- New normal: Focused hours & offerings.

U-M students returned in record-breaking numbers

- In Fall 2022, U-M enrollment surpassed 50,000 students for the first time.

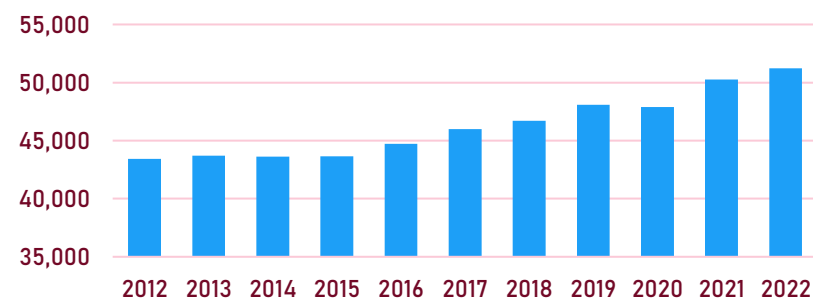
Tourism and cultural destination visits are recovering

- 2021 hotel occupancy rate was 51.8% (up from 36.7% in 2020).
- 2022 hotel occupancy nearly returned to pre-pandemic levels.

Office workers have been slow to return downtown.



University of Michigan
Fall Semester Enrollment



Source: U-Mich Office of the Registrar

RECOVERY OFFICE TRENDS

Hybrid work is the future for most offices.

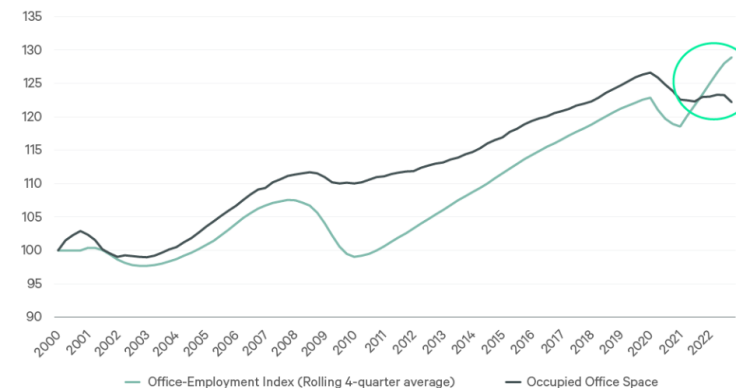
Downtown has a high share of primary workers in office-based industries (>30%), particularly Tech + Finance.

Some large tech firms have left downtown (e.g. Barracuda) with smaller tech firms opening since 2019.

Downtown office vacancies increased dramatically due to the pandemic

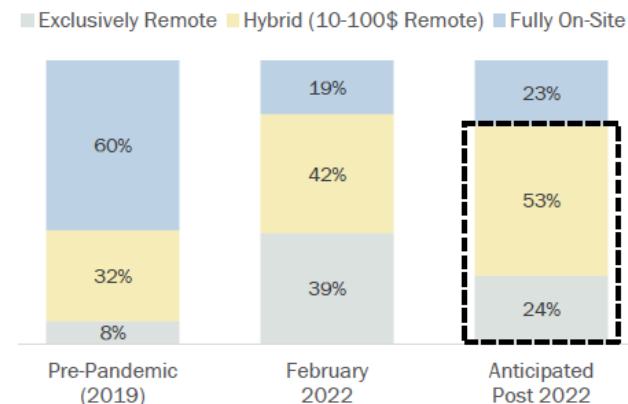
- Vacancy rate increased from 5.7% in 2019 to 15%-32% in 2022.

Office-Using Employment & Occupied Office Space



Source: U.S. Bureau of Labor Statistics, CBRE Econometric Advisors, Q4 2022;

Anticipated Hybrid-Work Arrangements



Source: 4Ward Planning Market Scan, 2022 Gallup Hybrid Work Poll

RECOVERY MOBILITY TRENDS

Mobility patterns align with recovery trends

Retail and indoor recreation visits have increased

- 12% below pre-pandemic levels

Washtenaw County workplace visits continue to remain far below pre-pandemic conditions.

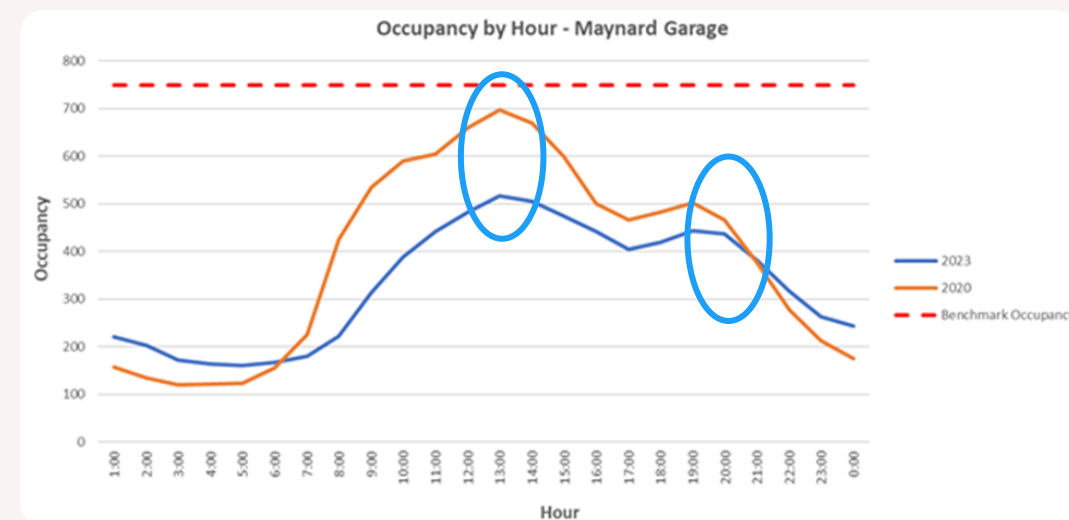
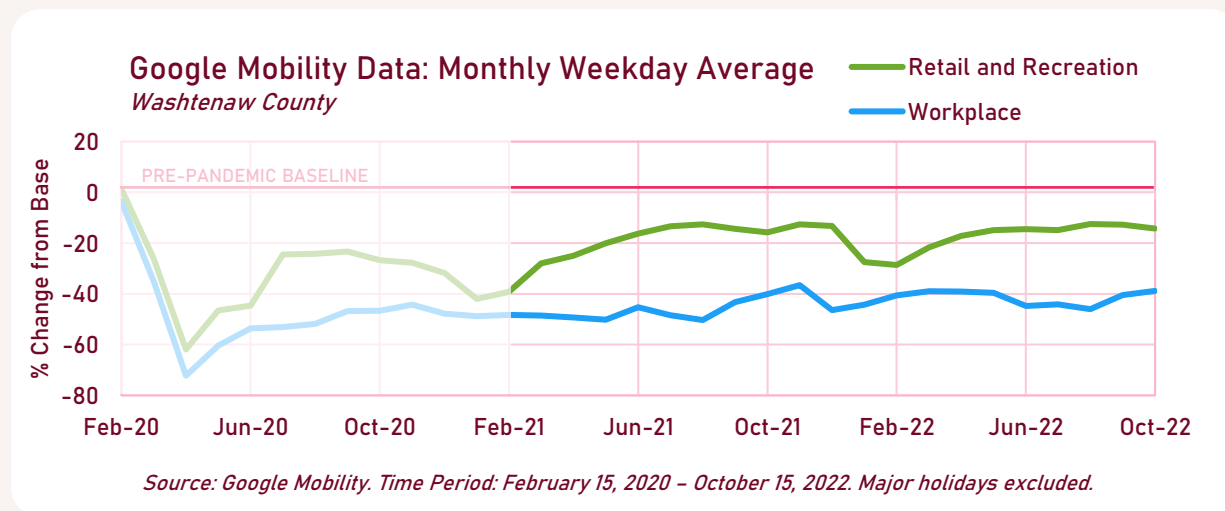
- 42% below pre-pandemic levels

Parking

- Evening is recovering more quickly than daytime

Bike ridership has increased significantly

- + 165% increase on Division between 2020 & 2022





PLANNING FOR RESILIENCE

Peer cities reinforce resilience strategies for downtown Ann Arbor.

PLANNING FOR RESILIENCE FUTURE SHOCKS AND STRESSORS

The pandemic highlighted the crucial importance of resilience in all areas.

Pandemic effects remain

- Particularly the reduced office worker presence

Compounding economic factors

- Labor shortages and inflation continue

Climate emergency

- Climate related events more extreme and more frequent

Housing shortage & affordability

Aging infrastructure and rising costs



PLANNING FOR RESILIENCE

KEY FINDINGS

Based on 4ward's university town case studies:



Support More Residential



Diversify Downtown Activities & Purpose



Increase Walkability, Connectivity, and Active Public Spaces



Enable Housing Diversity & Affordability



Build Social and Cultural Equity into the Plan



Nourish the Economy Through Partnership



PLANNING FOR RESILIENCE

DOWNTOWN ANN ARBOR

STRENGTHS

Adaptable, resilient businesses

Continued residential demand

- 700 – 1,000 units by 2027

Tourism & regional appeal

- The U-M
- Arts & Culture

A strong downtown fabric/strong foundation

- Smart infrastructure investments
- Engaging public spaces

OPPORTUNITIES

Expand the purpose of downtowns

- Ensure downtown is more than an office center
- Support recreation and community

Diversify the daytime economy & activity generators

- Diversify job sectors
- Increase residential population

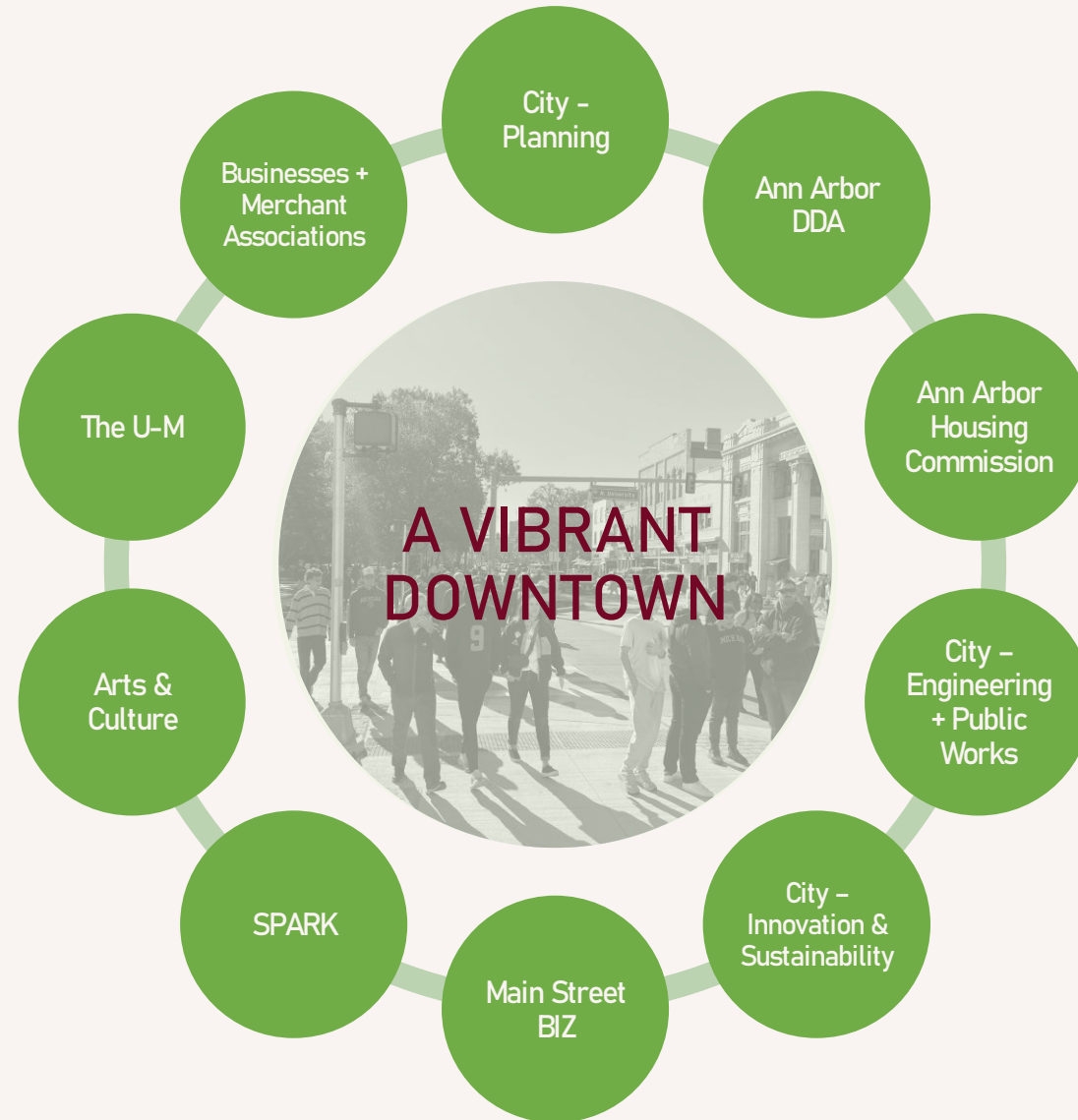
Reexamine codes & policy

- Support adaptive re-use from office to residential
- Ensure downtown zoning is feasible

Continue supporting a high quality of life

- Support affordable housing development
- Continue infrastructure & public space investments
- Ensure all have access to downtown amenities

PLANNING FOR RESILIENCE PARTNERS



PLANNING FOR RESILIENCE

DDA EFFORTS AT-A-GLANCE

Resilient, Adaptable Infrastructure

- Improving safety, comfort, and accessibility downtown
- Increasing outdoor space for people shopping, dining, and attending events
- Enhancing resiliency to disruptive events (e.g., storms and flooding)
- Supporting downtown employees' public transit use with parking funds (go!pass program)
- Managing public parking & curbside loading
- Supporting sustainable, reliable energy sources (e.g., solar and geothermal)

Engaging, Equitable Public Spaces

- Piloting public restroom options and locations
- Creating a DDA public art program and policy
- Exploring improved street closure equipment
- Implementing a platform dining program
- Continuing landscape care and updating irrigation
- Support for special events and sidewalk activation

Affordable Housing

- Constructing utility infrastructure for new affordable housing developments
- Continuing grant support for affordable housing maintenance, acquisition, and development





ANN ARBOR DDA