



RE: **Response to Resolution R-22-373 Regarding Exploration of Alternative Uses for the GSA Site (200 E. Liberty Street)**
TO: Mayor Taylor and Ann Arbor City Council
CC: Milton Dohoney, City Administrator; Atleen Kaur, City Attorney; Kevin McDonald, Deputy City Attorney; Sara Higgins, Director of Operations
FROM: John Fournier, Deputy City Administrator
DATE: 4/24/23

This resolution is provided in response to [resolution R-22-373](#) which directed the following:

RESOLVED, That the City Council declares that the GSA Site may better serve the interests of the Ann Arbor community if buildings on that site were built to our current zoning standards and activated with a denser footprint of jobs, housing, and public space; and

RESOLVED, That the City Council directs the City Administrator to engage with federal officials to determine interest in future changes to the use of the property.

Pursuant to this direction, the city worked with Congresswoman Debbie Dingell to begin a dialogue with the GSA about the future of the federal building site in Ann Arbor. This culminated in a meeting organized by the Congresswoman between city leadership and both regional and national leadership at the GSA on Friday, April 22, 2023.

The GSA staff were welcoming, conversational, and open to a wide-ranging dialogue on the federal building and its impact on Ann Arbor. I would characterize it as a good and productive conversation. That being said, it is unlikely the federal building will be moved or redeveloped in the short- or medium-term. However, there is a path forward for a redeveloped federal building in the long-term that is worth the city and our federal partners exploring.

A new federal building is an extremely expensive asset to build. It is not a typical office building, and new federal buildings require a degree of security built into the design that drives costs to be very high. The federal building in Ann Arbor is primarily used as court space and for federal law enforcement activities, such as the FBI, US Marshall, and the ATF. The building would need to be built to a blast proof standard and would require law enforcement amenities commensurate with federal level crimes such as high security temporary detention and criminal transfer facilities. In addition, federal court rooms themselves require a good deal of investment not just in terms of their cosmetics but the security features they require and the facilities available to federal judges and clerks. While the current federal building on site does not meet all of these standards, a new federal building must.

In addition, the Ann Arbor federal building is a high-demand facility for federal agencies. The current building is approximately 100,000 square feet, which the GSA leases out to federal agencies for their use. The GSA reported that there is a long list of agencies that want to work out of this building. So, it is likely that if a new federal building were to be built, it would be significantly larger than the building that is there now.

Recently, as funding for infrastructure projects at the federal level has increased, the GSA has been evaluating its roster of federal facilities with the intent of closing some facilities it no longer needs and rebuilding high-priority facilities. Ann Arbor has been deemed a "long-term hold" facility because of how in-demand it is for federal agencies and its desirable location. However, at this point it is not on a priority list to be rebuilt. It is instructive to look toward other federal buildings that have been or are currently being rebuilt to understand the costs and processes involved.



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The federal government is building [a new federal courthouse in Hartford, Connecticut](#) to replace a facility that was built at around the same time as Ann Arbor's. The new courthouse is moving to a new location in downtown Hartford, which is notable for our purposes. It will be approximately 281,000 square feet and it will cost \$335 million to build. The federal government recently completed a project to build [a new federal courthouse in Harrisburg, PA at a cost of \\$192.7 million](#). The new building, which is just a courthouse, is 243,000 square feet and opened in December 2022. Funding was recently completed for a new [\\$245 million federal building in Fort Lauderdale, FL](#), a facility that will house federal courts and federal agencies in a 255,000 square foot facility. Congress is working to accumulate funding for [a new federal building in Chattanooga, TN](#) that is estimated to cost \$218 million for a 186,000 square foot facility.

These examples are instructive for Ann Arbor. Given the demand for this space from other federal agencies—born from a desire among federal workers to live and work in Ann Arbor—it is not unreasonable to assume that a new federal building would be larger than the current building. Even if it were not larger, projects of this size must be directed and have funding allocated by Congress. The GSA cannot fund these projects out of their own discretionary funds. It would also not be possible for the GSA to fund this size of a project through selling the land they currently occupy downtown as it is not nearly valuable enough to contribute meaningfully to construction costs and it leaves the unsolved problem of finding another suitable location for a new federal building. Additionally, for most federal building projects Congress allocates a portion of funding over several years. The Harrisburg federal courthouse, for instance, took 19 years for full funding to be accumulated by Congress. A redevelopment of the federal building site in Ann Arbor is likely a long-term project that would take more than a decade to complete once started.

However, there may be some strategic opportunities the city could pursue to facilitate better use of the property. First, we may wish to lobby the federal government to prioritize the replacement of the current federal building and to start accumulating funding to do so. A new federal building could be rebuilt on the current location, or moved to a new location that may be more suitable for the government's security needs. However, even if it is rebuilt at the current location the new site could be configured in such a way that a higher quality plaza could be built and less of the surface area of the site may be dedicated to parking. Second, the GSA has had a long-standing vision to redevelop the plaza in front of the building through their Good Neighbor program. We may wish to engage them more directly to discuss a larger plaza footprint that could incorporate, either periodically or permanently, the right-of-way that Liberty Street currently occupies. This could create a more activated and engaging space for members of the public.

For the time being, however, we do not believe it will be possible to acquire and redevelop the property where the federal building is located in the short- or medium-term.