

Subject:

Chapters 1-3 Feedback

From: Adam Goodman**Sent:** Monday, April 14, 2025 5:50 PM**To:** Planning <Planning@a2gov.org>**Subject:** Chapters 1-3 Feedback

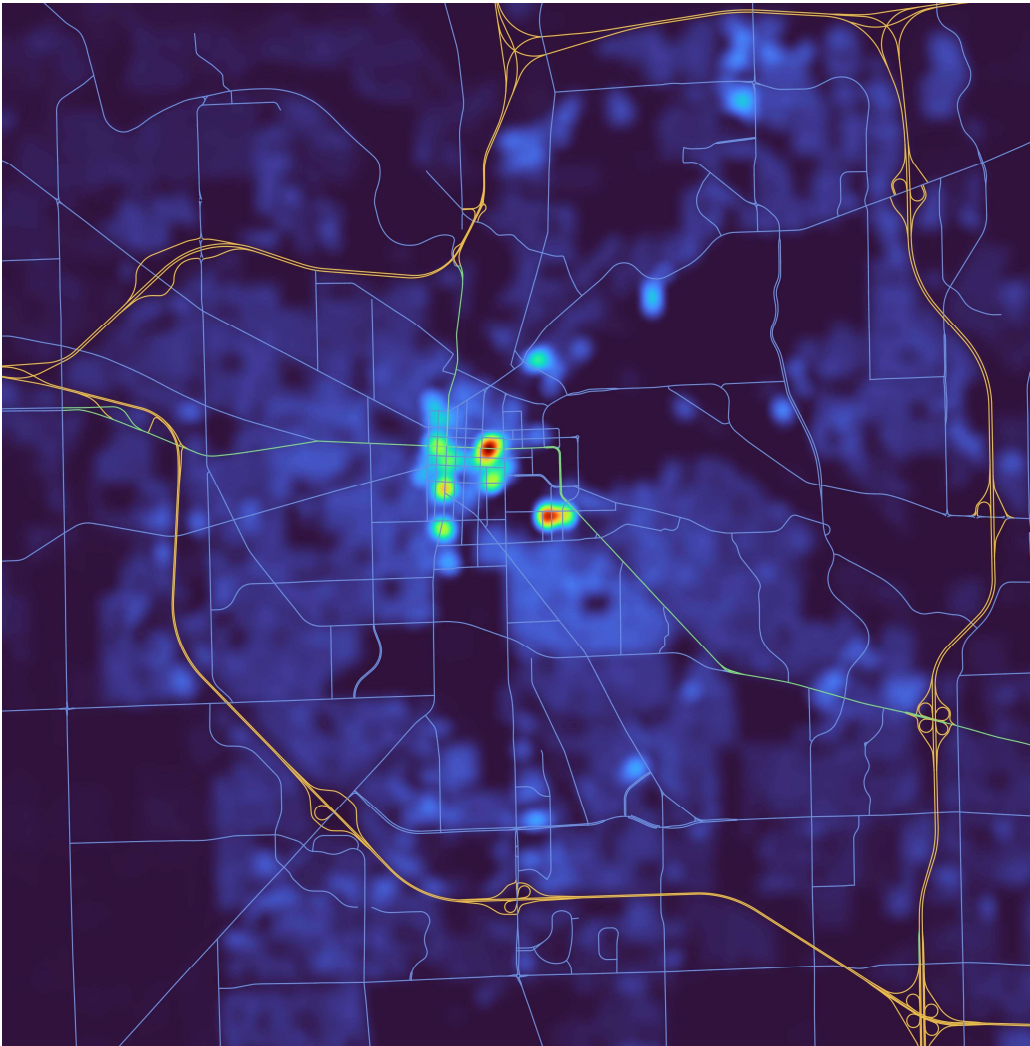
Good afternoon,

I'm writing to offer a few thoughts on the first three chapters of the draft comprehensive plan in advance of the CPC meeting tomorrow night.

Mostly, this material looks great - I really appreciate all the work that staff, commissioners, consultants, and the steering committee members put in to get us to this point. I also think the historical framing is very necessary, and spot-on. However, I'm concerned to see some claims made yet again about the supposed importance of a "non-residential tax base" on pages 17-19 that have, as far as I can tell, no factual basis.

1. On Page 17, the plan says "Commercial property values are rising faster than residential values and some commercial properties also generate more value per acre. To foster economic diversification, the city must balance the urgent need for affordable housing with strategic commercial development, creating opportunities for emerging businesses and reducing its reliance on the University."

A few weeks ago, I created a heat map of taxable property value per acre across the city (using the Washtenaw County public GIS data):



Every notable hotspot on this map covers one or more dense, primarily-residential developments. The clusters of new high-rises on South U (Landmark, ArborBlu, Z Place, Six11) and near Huron/Division (The Varsity, Saga, Foundry Lofts, Campus Edge) stand out particularly brightly, but you can see Beekman, The Standard, The Yard / 618 S Main, and others quite clearly as well. I can find no commercial properties in Ann Arbor that come *even close* to the tax contribution per acre of these - unless this language in the draft plan actually intends to categorize apartment buildings as "commercial" properties, which would be confusing and require clarification.

2. On page 18, there is a claim that "... losing the non-residential tax base will shift an even greater burden onto residential properties (both traditional and commercial multi-family), further impacting affordability."

As I wrote to you previously

(<https://a2gov.legistar.com/View.ashx?M=F&ID=13689312&GUID=1E7704A8-70AE-4163-A8FC-8381E3BFA5AE>), this claim makes no sense. If we care about equity and affordability when it comes to the tax base, and funding for municipal services, then it is missing the point to focus on the fractions of revenue contributed by residential vs commercial properties. What matters is the tax burden **per resident/taxpayer** - we should be seeking to maximize the value of new developments, to spread out our tax burden as widely as possible within the constrained boundaries of our city.

3. The diagram on page 18 also seems to imply that residential properties (due to higher service needs) are a net burden on city finances, while commercial properties help subsidize them. It may be true that residential properties incur somewhat greater costs to the city, but the fact remains that dense apartment complexes are also contributing *orders of magnitude greater* tax revenue per acre than any comparable commercial properties. That more than compensates any incrementally-increased demand on services.

Furthermore, in most cities, schools represent one of the greatest service needs for residential properties. However, in Michigan, schools are primarily *not* funded by property taxes, but instead by a state allocation that rewards districts for higher enrollment numbers. That means, contrary to the usual logic, our schools would financially benefit from having more students; and, in the absence of that, declining enrollment numbers have already helped cause a fiscal crisis for AAPS.

Now, we don't know what the future holds. It is of course possible that, in the future, demand for commercial spaces will rebound. This is exactly why we should have a permissive and flexible land-use plan, rather than one that tries to prescribe a highly-uncertain outcome while hindering the city from meeting its greatest current needs and opportunities.

I hope you will work to tweak and/or remove these inaccurate and counterproductive points from the plan. Again, in any case, thanks for all your work on this.

- Adam