

**From:** Abdulrahman Ateya  
**Sent:** Wednesday, March 23, 2022 12:47 AM  
**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
**Subject:** Premiums: Coming at a premium to us

Hello,

I am writing today to discuss D1/D2 premiums, which are an unfortunate and failed attempt at trying to extract "community benefits" from private developers, which comes from a theoretical misunderstanding of the basis of how value capture functions.

1. It must be stated that the burden of affordability and inclusivity cannot be passed on to the private market. Ann Arbor, being the openly liberal and progressive city it is, must know that. The best way to solve a market failure is to simply solve the market failure yourself, instead of trying to create convoluted regulations to get someone else to do it. You can see this ethos in who Ann Arbor votes for in State & Federal primary elections.
2. Affordability premiums force the entire burden of solving the affordability problem onto new development. New developments are not the only kind of development that cause unaffordability, as that is a function of demand. A new apartment in Ann Arbor is more expensive than one in Novi, simply as a function of demand for an apartment as compared to supply here versus Novi. We correctly recognized that burdening only new housing with the cost of bringing "affordable housing" was a bad plan and passed the affordable housing millage, which taxes every property in the city at 1.0mils. On that note, new construction in downtown will pay a lot of money into this fund, every year!
3. We have a housing shortage. Not an affordable housing shortage, as many people like to call it, but just a raw shortage of housing. If you are able to find a halfway decent apartment in Ann Arbor between the months of July and December, please let me know, as I would like to know your magic. Building more housing is proven to fix shortages. If the city did not build more housing from the A2D2 study, we would have significantly more problems with housing as the student population growth would not have been absorbed. A housing shortage manifests as an "affordable housing shortage", because the people at the bottom of the market are most negatively affected.
4. The issue with the basis of the affordability premiums is that they believed that land costs would go down because the income of the highest and best use would go down. Unfortunately, the price of land is not completely based on the highest and best use, because that is subject to change. It is based on the highest and best use when utilizing comparable properties in the area. This means that if you add premiums to an area, and there is a landholder right by a new high rise, the landholder won't sell their property for a capital loss. We have this situation downtown. First Martin has no incentive to sell or develop their downtown parking lots, because they can't unlock their full potential. Also, since our taxes are based on property and improvements, there is no incentive to develop something to pay for the property taxes, which are minimal. Land value tax would fix this.
5. Affordability premiums don't depend on low land values to function. They depend on high land values to function. The places with the most units built from inclusionary zoning are places with incredibly high land values. This sounds counterintuitive, but it is true. You can get around this issue by using subsidy or tax abatement or other methods, but the higher the land value, the higher the ability to rent out the physical property above the land. IZ depends on the ability

of the market rate rents to subsidize the affordable rents, which means that if a property can command \$5psf+, it is more likely to pay the difference of the affordable units. That high psf rent is only possible in places with insanely high land values, because demand is for land, which is the main determinant of property value, rather than property, which physically has the same value regardless of where it is placed.

6. Affordability premiums absolutely blow up any kind of pro forma analysis. Attached is a pro forma of a fake property in downtown Ann Arbor. <https://docs.google.com/spreadsheets/d/1mPWMBVMnOrM7stypmjdcGvHGQ---wZyClyGmJWh-sYg/edit?usp=sharing> I would be happy to discuss it and any assumptions. It is automatic so you should be able to make a copy and play with it.

Thank you for reading, and I hope the planning commission gets rid of these counterproductive and inefficient ideas.

Best,  
Abdul

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**Abdulrahman Ateya** (he/him/his)  
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Stephen M. Ross School of Business  
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**From:** Josh Eikenberry

**Sent:** Tuesday, March 29, 2022 11:35 PM

**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>

**Subject:** On the subject of The George's request to rezone retail space into housing

Hello,

We were recently notified of the George's owners wanting to refurbish their empty retail spots into additional housing units.

While it's always nice to see additional housing options, the Georgetown neighborhood could use some more retail or restaurant spots. Within walking distance of the George, you have, basically:

Roos Roast  
Mothfire Brewing  
York  
Frasers  
Chia Shang

I mention York and Frasers specifically because their neighborhood "curb appeal" during the summer shoots way up; there are always lots of people milling around the York courtyard, frequenting the various businesses. It is not too far fetched to imagine a small line of shops and restaurants down Packard, anchored on either side by The George retail and the York courtyard complex.

Anyway, I suspect the reason the George retail space remained empty was not lack of demand (most of my neighbors would LOVE having more commercial services), but because the lease rates were overpriced for the neighborhood. The leasing rates are no longer available on the George's site (well, no wonder you can't get any leasees, guys, the site goes to a 404!), but I recall a few years ago when I looked into them, they were asking basically downtown ann arbor rates. I love my neighborhood, but calling it anything like downtown is a stretch.

Rewarding the owner of the George with more high-demand, high-rent housing units (I'm sure they will not be priced as affordable housing) instead of lowering their lease rates to be more realistic seems counterproductive in the long run, especially now that The George is basically filled up.

That's the other thing; I'm sure most of the people at The George rented/bought their units with the expectation that there would be SOMETHING added to the retail space. Instead, they got a few food trucks, twice. If they want to do anything else, they're walking quite a while down Packard to find something to do.

I realize this is essentially a done deal and the zoning approval is merely a formality (if i read correctly, the development did not explicitly require retail space to be approved), but I really wish The George would have had the sense to rent their spaces reasonably.

Thanks,  
Josh Eikenberry  
Page Avenue

**From:** Derek Kaiser  
**Sent:** Monday, March 28, 2022 3:40 PM  
**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
**Subject:** The George Retail Space Conversion

Hello

I received a fairly vague notice about a development petition for converting retail space to residential at The George. I live immediately adjacent to the property on King George Blvd.

I do not believe this change should be allowed to take place. It removes promised value from our neighborhood and I do not believe that reasonable attempts have been made to utilize the existing retail space.

The postcard I received stated that I could reach out to be notified of future news of this petition and that's my purpose for writing to you today. Please include me in any updates on the subject or additional information that's available.

Thank you!

Derek Kaiser  
734-892-8582

**From:** Alex Lowe  
**Sent:** Tuesday, March 29, 2022 8:34 PM  
**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
**Subject:** The George - Retail Space

Hi there!

I was informed today that the owners of The George are attempting to get planning permission to turn their vacant retail space into 1-bedroom apartments. While I'm normally a big proponent of more residences, I feel this particular request deserves further study and a better effort from the property owner to show lack of demand before allowing this change.

From what I've been able to gather, the retail spaces [are going for \\$20-25/sf](#), which is very much [downtown Ann Arbor prices](#) and thus quite inappropriate for this space. In fact, if my reading is correct, commercial spaces nearby are going for half that price. I also understand that these retail spaces have never had a customer in over half a decade of existence, which leads me to question whether it was ever really part of the plan for this to be retail space or if the owners of the building were simply tragically overly optimistic about the rates they would be able to attain for the commercial space.

While not as in-demand as downtown spaces, retaining this as retail space (and ensuring it's appropriately priced as retail space) is critical to the city's goals. The space here should be considered a part of the centre of a 20-minute neighbourhood, and as such providing grocery access in this area should be considered essential. As of right now, much of the Bryant Pattengill East neighbourhood is essentially a food desert to those on foot, with this especially affecting those living west of Packard and south of Jewett.

It is my belief, therefore, that the property owners should be required to show that there is no demand for this retail space at much more reasonable prices before the city gives in and lets them remove that space altogether. It's in the city's best interests to make sure that retail space exists and is filled - for A2Zero reasons, for walkability reasons, to allow more people to live car-light or car-free lifestyles (which will in turn reduce traffic), and, of course, for financial reasons.

Best regards,

Alex Lowe  
Fernwood Ave

**From:** Rebecca Lyons  
**Sent:** Monday, March 28, 2022 6:20 PM  
**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
**Subject:** "THE GEORGE" - Resident Participation Opportunity

To Whom It May Concern,

I am choosing to reply to the Ann Arbor City Planning Commission in regards to The George seeking a conversion of retail space to residential units.

My husband and I own and have lived in the Georgetown Condos since 2003. Our condo is located very close to The George.

We find it very sad that the Georgetown Shopping Center was replaced by The George, removing community walkability to Kroger, Rite Aid, Georgetown gift shop that included a postal station, plus other shops.

It was further disturbing that in the demolition of the shopping center, our condo was repeatedly "SHAKEN" not to mention the personal physical toll during that time.

From the start there were meetings and assurances that there would be shopping at ground level of THE GEORGE.

Imagine THE GEORGE welcoming local start up businesses(at a very fair rent) on the ground level and encouraged. ( example : food truck could have it's own shop).

Food or retail shops that provided true needed services

It was disappointing that the initial project had financial troubles, and then it was eventually sold.

This area of Ann Arbor lost a community asset.

I have talked to some residents of THE GEORGE and also looked online at residents comments.

There has been poor and changing management during the pandemic.

Some complaints include the promise to have shops on the ground level.

Tight parking spaces, dog poop on hall floors, trash in hallways, occasional

non resident roaming building, very poor insulation for sound - as loud as a dormitory.

The swimming pool side tends to be the loudest. The management doesn't address problems, send too many emails for all residents to comply.

Those are just some of what I've read or heard.

I hope that they will have a least 50%- 60% space for shops and welcome with very reasonable rents.

The remaining units - 1 and 2 bedroom units with parking for people with disabilities.

(wheel chair access) (power scooter access) (bathroom/kitchen access).

I hope that The George improves in this community. As it appears - I do not consider it as "Luxury Living".

Thank You,  
Rebecca Lyons  
2787 Page Ave.  
Ann Arbor, MI 48104

From: Dylan Robinson  
Sent: Tuesday, March 29, 2022 7:24 PM  
To: Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
Subject: The George

Hello,

My family and I live at 1517 King George blvd and have received notification that the developer of „The George“, located at 2502 Packard St, intends to file a petition for a zoning change that would permit the conversion of space initially intended for retail use into living space for rental. Having endured now 10 years of blight, a long construction period immediately adjacent to our property, with the promise of developers involved to re-establish at least in part the convenience and value of local stores and cafes/ restaurants the former Georgetown Mall once offered, we as a family object to the proposed change. We suggest that instead the current owner/ developer make the changes needed to provide a more attractive product to prospective lessees. Neighbors we have talked to appear to feel the same. Please notify me if this petition makes it onto the agenda of the Planning Commission.

Thank you for your consideration.

Best Regards,

Dylan Robinson & family

1. Sent using the mobile mail app

**From:** Jose Trujillo

**Sent:** Tuesday, March 29, 2022 8:27 AM

**To:** Lenart, Brett <[BLenart@a2gov.org](mailto:BLenart@a2gov.org)>; Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>

**Subject:** Resident Inquiry - Petition from The George

Ann Arbor City Planning Commission,

Please find attached the letter sent to The George - Ken Gold regarding their development petition for project: 2502 Packard St. Ann Arbor, MI 48104.

Please add me to the notifications and forward documents of such petition.

Thank you,  
Jose Trujillo

Mar 29, 2022

**TO**

**The George - ATTN Ken Gold  
2502 Packard Street. Ann Arbor, MI. 48104**

**COPY**

**City of Ann Arbor Planning Services  
City of Ann Arbor Planning Commission**

*R/ Development Petition 2502 Packard St. Ann Arbor, MI 48104 - Conversion Retail Space to Residential Space 2022*

A lot of benefit is derived from having retail space available to our community, especially when it is very much underserved by the quantity and quality of stores that are currently available. To provide an example showing the scarcity of retail stores serving our community, consider that in approximately 1 miles radius from the center of The George, there are not any grocery or convenience stores available and most food-related venues are a mile away located closer to E Stadium Blvd & Packard St. It is also important to note that (i) *The George* opened in 2018, (ii) COVID had a significant negative impact on physical retail stores, and (iii) a filled retail space was present were *The George* was built (grocery store: Kroger), hence not enough time and “non-COVID time” have passed to conclude that the retail space can not be sold/leased/rented. Therefore, it is imperative that *The George* provides financial, socio-economical, and community-based analysis and research to better assess the current and future impact of such a petition to the community and the city, as well as viability studies and plans to fill the retail space.

More specifically, the following analysis and research should be done and presented along with such petition:

1. Comparative feature and pricing analysis of retail space available within 1 mile and 2 miles from *The George*.
2. Research on type (usually called Merchant Category Code) and quantity of establishments serving the community within 1 mile and 2 miles from *The George*.
3. Number of interested parties on buying/leasing/renting the retail space since 2018 and the specific reasons why it was not sold/leased/rented (e.g. too large of space, too little of space, too expensive, etc).
4. Past, present, and future viability studies and plans to fill the retail space.
5. Impact to the community on adding more rental units.
6. Impact to the community on removing retail space from the community.
7. Socio-economic profile of the community and survey(s) of the community in relation to understanding what the community needs and wants in terms of retail space.
8. Research on changes of traffic and congestion patterns, as well as public transit.
9. Impact and models to property value and rental prices in the community due to the implementation of the petition.
10. Direct compensation to community residents due to changes, as well as Property Tax rebates from the City due to the change.

Best regards,

*Jose Trujillo*

*King George's Community Resident*

[jtutu33@outlook.com](mailto:jtutu33@outlook.com)

**From:** KEN GARBER  
**Sent:** Friday, April 1, 2022 9:16 AM  
**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
**Subject:** Maple Cove II (public comment)

To the Planning Commission:

Regarding sustainability measures for Maple Cove II, the staff report indicates that “the petitioner will be prepared to discuss this at the meeting.” I look forward to this discussion, because the site plan indicates gas heating, and I see no mention of solar panels.

Let’s say that the petitioner will place solar panels these flat roofs, as it should. Often we throw solar and building electrification in the same sustainability basket. But they have a vastly different impact on greenhouse gas emissions. Let’s assume that Maple Cove II installs 100 kW of solar panels. Applying a 15% average capacity factor to account for hours of darkness and cloud cover, these arrays would generate about 131,000 kWh of electrical energy a year. At DTE’s current electricity emission factor of 0.000645 metric tons CO<sub>2</sub>e/kWh (figure taken from OSI’s 2020 greenhouse gas inventory guide), that means that these solar panels will prevent about 85 metric tons CO<sub>2</sub>e from being emitted each year.

That’s good, of course. But it’s a very small impact compared to building electrification. As I wrote last month in detail, I estimate that Maple Cove II will emit 910 metric tons CO<sub>2</sub> equivalent annually from burning gas. So electrifying this development would potentially have ten times the positive emission impact of installing a 100kW solar array. Obviously, because DTE still generates roughly 70 percent of its electricity from burning fossil fuels, building electrification will not achieve this immediately. But the A2Zero plan assumes that by 2030 the city will be able to purchase 100% clean power off the grid, once the local electricity market opens up. The plan assumes community choice aggregation, but some form of electric utility municipalization could also do this. We need to electrify new construction now, so that these buildings can use clean power by 2030. That applies to Maple Cove II.

Thank you for considering this information.

Best,  
Ken Garber  
28 Haverhill Ct.  
(734) 741-0134 phone