The clash of cultures over downtown.

by Vivienne Armentrout

Two bold initiatives were launched nearly simultaneously in 2003, both promising to ensure Ann Arbor’s future as one of Michigan’s preeminent communities. In an interview with the Observer at the time, Mayor John Hieftje said that it “makes sense” to consider both a millage to preserve a greenbelt around Ann Arbor, and rewriting planning rules to encourage more housing downtown.

That October, city council established the Ann Arbor Downtown Residential Task Force, charged with examining barriers to housing density in the downtown and recommending ways to remove them. Then, in November, Ann Arbor voters enthusiastically endorsed a millage of 0.5 mills for thirty years, “for preservation and protection of parkland, open space, natural habitats, and city sourcewaters.” Thus, two of the dominant themes in Ann Arbor’s recent history were joined. These are the push for parks and open space, with controls on development; and the push for intensive downtown development, with the promise of more affordable housing. In the past these two impulses have been at odds with one another. Now, with a vigorous community debate taking place about the future of the city, especially its downtown, the question is whether the themes have become complementary and mutually supporting, or are still in conflict.

The drive for parks and open space has been part of a neighborhood-centered wish for stability, tranquility, and quality of life. While recreation and important natural features (especially the Huron River) have been considerations, a wish to slow or stop development in and around neighborhoods has been an important factor at least since the 1980s. From Black Pond to Bird Hills to Cardinal Woods to Bluffs Park to Dicken Woods, the story has become familiar: a development is proposed on land that has been open space since anyone can remember; the neighbors meet, discover important environmental benefits to the property, and persuade the city to buy it as a park.

In his first campaign for city council in 1999, John Hieftje aligned himself with this impulse. His campaign brochure promised to “protect neighborhoods”, it went on, “We are being overwhelmed by uncontrolled growth on the fringes of the First Ward. No one is asking what effect this will have on the people who already live here. Projects that diminish our quality of life should be rejected.”

The conflict between growth and quality of life has extended to the downtown and has been informed by the historic preservation movement (Observer, November 2005). Since the city’s founding, cycles of development repeatedly have demolished familiar downtown landmarks and imposed new buildings that are out of scale with historic structures. But preservationists saw the waves of high-rise construction in the 1960s and 1980s as particularly destructive, and between 1989 and 1992 five new historic districts were established downtown.

Both of these urges have frustrated two other interest groups: developers and affordable-housing advocates. While the one has pointed to potential increases in business opportunity and tax base, the other has decried the movement of Ann Arbor toward being an enclave of the well-to-do. In the last decade, these two forces have found common cause in the idea of developing more and taller buildings downtown.

The politics of parks

The awkward political dynamic for many city council members over the last twenty years is that a lot of the voters they depend on for political support are neighborhood and parks advocates whose views they do not share. Most Democratic council representatives have been affordable-housing advocates, and Republicans have been business and development supporters. But the Ann Arbor public has consistently voted for quality of life.

Bob Elton, who chaired the citizens’ group that put the first parks acquisition millage on the 1988 ballot, recalls that council Democrats refused to sponsor it because they were focused on an affordable-housing millage. But the central downtown to a “floor-area ratio” of 300 percent—roughly the same as for Main Street’s late-nineteenth-century brick storefronts. An additional 300 percent FAR is offered as a premium for projects that include housing. Thus, the maximum height for buildings containing housing that occupy their entire lot area would be six floors. With the new historic districts, the total effect was to restrain the development of large new projects.

Meanwhile, as affordable-housing advocates continued to press the city to devote more resources to housing, they came into conflict with downtown retailers, whose top priority was more parking. In a 1990 opinion piece in the Ann Arbor News, housing advocate Jane Baray asserted that downtown already had plenty of parking. Arguing that “what the downtown needs is downtown residents,” she urged council to promote housing instead.

Mayor Liz Brater’s controversial 1991 cancellation of a parking structure on the Klime’s lot at Ashley and William can be traced directly to this sentiment. Significant progress toward the goal of affordable housing was made in the next several years, including the establishment of Avalon Housing and Washtenaw Non-profit Affordable Housing Corporation; a collaboration with the county to replace the homeless shelter; and finally the council’s appointment of a task force on affordable housing. The group’s report, released in May 2000, turned a new corner. It called for mixed-use development, using the air rights over downtown structures for housing, streamlining approval processes, and reviewing regulations “to encourage some of the concepts of new urbanism.” For the first time, affordable housing was linked to taller and denser downtown developments.
Downtown, redevelopment can become a self-sustaining engine. In a postcard with a picture of a bulldozer?" Developers Cry BOO on B'...
“vibrant” downtown. He defines this as what we currently enjoy on Main Street and State Street, where rather than being isolated in automobiles, people are walking, biking, and actively engaging one another in conversation.

“We don’t want to go back to the nineteen-seventies, when downtown almost did die,” Hieftje says. “We can’t stand in place. There are new threats out there, like lifestyle malls.” Many on the DRTF and the DDA have stressed the importance of downtown residents to support local business. And beneath the hopes and fears lie some basic motivations: development expands the city tax base, and the city has successfully pressured many developers to help pay for subsidized housing. Advocates also hope that adding units downtown will result in a trickle-down effect of more affordable housing for all.

The task force recommended that the city subsidize development of housing downtown, either through a millage (an idea that was quickly rejected) or by forgiving fees. It recommended streamlining the approvals process. At the suggestion of Fred Hall, one of the developers on the committee, it set numerical goals: 1,000 new housing units in the downtown by 2015 and 2,500 total by 2030. It recommended dense development on city-owned property (hence the three-site plan). But the recommendation that carried the most punch was to rezone most of downtown to allow for growth. For the city in dealing with developers.

“V.A.

Elusive consensus

City council officially received the task force report in June 2004. That December it directed the DDA, the planning commission, and city departments to take steps to implement the report. Jean Carlberg, a council rep who also sits on the planning commission, says part of the reason for the delay was that planning staff were not able to handle the tasks required. (The planning department was undergoing reorganization at the time, with the planning director, Mark Lloyd, just beginning work in September.) But even more, she says, it was clear that these changes would require a wider community discussion.

In May council hired California-based Calthorpe Associates to facilitate that discussion. The firm’s founder, Peter Calthorpe, is an internationally recognized authority on urban planning and New Urbanism. The real work here, however, was to be done by Calthorpe’s associate, Joseph (Joey) Scanga. Scanga’s mission was to recommend changes to the downtown zoning map to facilitate density—and to do it with public consensus. Scanga had his work cut out for him. It was clear that the objective was the denser, higher downtown advanced by the DRTF.

At the first public workshop in July, for example, facilitators were instructed that “tables are not given the ‘no growth’ option.” Instead, participants were asked to choose between development according to the current zoning (which Scanga said would permit 575 new residential units) or more liberal rules that would permit 1,000 or 2,500 new units.

But neither Scanga nor the city council was prepared for the independence and irreverence of the Ann Arbor body politic. While many of the tables selected the denser option, their comments often told another story. “We weren’t sure we wanted to live in this city when we were done,” reported Sabra Bruree for her table. And the crowd absolutely refused to follow the rules. Participants were given chips representing precise square footage and uses, which they were supposed to paste neatly into place on maps of the downtown. Instead, many cut up green paper and pasted it all over the maps to represent new urban parks, including pocket parks, fountains, and even a park with an amphitheater on the Brown Block parking lot on Huron. Several proposed submerging a major street (Huron, Liberty, or Washington) to make a green pedestrian walkway. Extra green paper was glued on the tops of most tall buildings, to indicate green roofs or rooftop parks. And every table showed a vivid green stripe along the course of Ann Arbor Railroad—the disputed greenway.

Stunned, Scanga mused aloud about his choice of planning as a career—and said he had “no clue” how he was going to sum the session up. But at his recommendation, council hastily appointed a greenway task force, chaired by local landscape architect Peter Pollack, to articulate some plans. A concept paper prepared by the task force calls for a greenway to follow the Allen Creek floodplain “and its watershed.” (The task force’s final recommendation is not due until October 2006.) In subsequent workshops, Scanga’s maps showed the area along the buried creek as a low-density zone. The second workshop was even more significant than the first, with its plethora of green paper. Ideas included linking downtown buildings with “flying” green roofs, a museum (subject not specified) on Huron, a grocery on the old YMCA site (already committed to a housing development), a streetcar down Huron, a city hall with retail shops on the ground floor, and a trolley running from Roosevelt Road to the University campus.

The conceptual plan unveiled at the third workshop on November 3 will form the basis for Scanga’s recommendation to council, which is due on December 5. Currently, downtown is a zoning patchwork, with parcels and buildings zoned for very different uses, and the push for density expands the city tax base, and the city has successfully pressured many developers to help pay for subsidized housing. Advocates also hope that adding units downtown will result in a trickle-down effect of more affordable housing for all.

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Follow the money

TIF funds are diverted from property taxes that normally would be paid to the city, county, and other public entities. (Before 1994 TIF could divert money from school taxes, but Proposition A halted that practice, except for projects already bonded.) The DDA gets only that portion of the tax that’s attributable to new development and improvements within the central business district. When a new development is constructed there and the property’s taxable value rises, other taxing authorities continue to collect taxes based on the original value—but the increase due to new construction goes to the DDA. Remodeling does not trigger a TIF transfer, but major reconstruction requiring a reassessment does.

The DDA currently collects the taxes on about 28.6 percent of the taxable value in the DDA district. For 2005, that works out to approximately $3.33 million. And that’s why the authority last spring, when it was able to fuse Old West Side neighborhood issues, and the drive for parks and green spaces downtown to block plans to build a parking structure at First and William. December 2005 ANN ARBOR OBSERVER 23

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Will it sell?

No matter what zoning changes the city makes, developers will build housing only if it makes economic sense. According to Dena Belzer, a consultant to Calhotence, most new condos downtown are priced at around $400,000—out of reach of about three-quarters of the city’s households. The stiff price tag reflects not only the high costs of land but also such considerations as the need to provide parking, trade-offs and allowances associated with PUD zoning, staging problems, and the need to retrofit utilities. The DDA recently estimated that it would cost $300 per square foot to build condominiums on the site of the old parking structure at First and Washington, not including either land costs or the cost of parking. So even a 1,000-square-foot apartment will cost $300,000 just to construct—already beyond the reach of most of the young professionals who have been described as a target group.

With the economics of market-rate housing marginal, affordable housing is virtually impossible. A local family of two earning $37,500 yearly can afford to pay only $75,000 for a home. Yet at $300 a square foot, even a 650-square-foot efficiency would cost $195,000. To make it affordable, most of the price would have to be subsidized. Jean Carlberg says that projects can run into problems with their bank financing if they do not show profitability of 10 to 15 percent—and with the high cost of building downtown, even buildings of ten stories may not be profitable enough to subsidize many affordable units. Consequently, Carlberg is pessimistic that any significant amount of affordable housing can be built downtown. The city council quietly agreed last year, when it passed a resolution allowing developers to make a contribution to the affordable housing fund in lieu of providing affordable housing within their projects.

With all of this, city council members have one more decision. Have they really resolved the differences and the culture clash between the density advocates and the merit citizens of Ann Arbor who applied all that green construction paper? Will the Ann Arbor voting public really support the kinds of actions needed and the consequences of forging ahead to a taller, denser downtown?

At a joint session with council, DDA, and the planning commission, Russ Collins, a DDA member who is the executive director of the Michigan Theater and a dedicated urbanist, scoffed at the notion of green space downtown, calling it “sub-urban.” In his vision, Ann Arbor’s future lies in creating an exciting twenty-four-hour urban environment. Conan Smith, who chaired Ann Arbor’s “cool cities task force,” agrees that younger professionals are looking for that—but adds that many members of the creative class are also family people who want to live in a neighborhood with space for their kids to play in and access to recreational amenities. They have a strong outdoor ethic.

Many density advocates sneer at their opponents’ NIMBY (“not in my backyard”) mindset. But Julie Weatherbee, a U-M information technology specialist who lives near downtown on South Main Street, defends the neighborhood perspective. “Of course people want to protect their quality of life. The city and developers love to look at any opposition of a project as unfounded NIMBYism, but the truth is, the people who live in an area know the most about that area. Take the 828 Greene Street project in my neighborhood. We went to the planning commission and city council and said, ‘There are sewer problems, flooding problems, parking problems, and lots of vacant apartments already in our neighborhood.’ and everyone cried NIMBY and said we just didn’t want an apartment there. But all of our concerns were real and based on many years of experience. So council went ahead and approved a building that we know will have problems. Which is the stronger motivation here—greed or NIMBYism?”

The DRTF report identifies a “not-in-my-backyard community sentiment that is supported by planning and council representatives” as a barrier to more downtown housing, and suggests that “a quicker, better coordinated, more certain development review process could reduce development costs throughout the city.” It recommends setting time benchmarks for approval of projects, and reducing the regulatory hurdles often used by neighborhood groups in opposing projects.

The prospect of such far-reaching changes has both proponents and opponents looking anxiously toward December 5, when Calhotence’s report reaches the council. Proponents hope council will approve simplified zoning and a speedier review process that will clear the way for a new generation of residential buildings downtown. And that’s exactly what opponents fear.

In some ways, the name of a bakery on Miller says it all—“Big City, Small World.” City council will be called on for some real statesmanship to keep both.