



Position Statement: Support for Downtown Development of City Owned Property Tuesday, March 23, 2010

The Ann Arbor Area Chamber of Commerce supports creating a denser, more vibrant downtown urban core. The Library Lot presents our community with a tremendous economic development opportunity which should support the area's economy as a whole. By having more business and residential activity in the downtown area, the business environment will grow, jobs will be created, and the Ann Arbor area's reputation as a destination will be enhanced.

Library Lot development also affords the City a significant opportunity to grow its tax base to fund essential services. If public investment is proposed, however, it must be based on an objective analysis of the market for and economic feasibility of the development in question.

Single sites in the downtown area should not be developed in isolation. Library Lot development should be comprehensively planned and coordinated with other downtown area properties, including the former YMCA site, as well as presumed makeovers to the Ann Arbor District Library's downtown branch and the Ann Arbor Transit Authority's Blake Transit Center.

In light of difficulties encountered with past City RFP development processes, we believe that moving forward alternative modes of development should be explored, such as selling City owned properties to private developers who will then assume associated risk and liabilities. This will also permit the market to dictate ultimate land use within the confines of current zoning. The hidden costs of the City owned former YMCA site and failed William Street Station development (and pending lawsuit) are telling in this regard. By one conservative estimate, the total cost to Ann Arbor taxpayers amounts to approximately \$6 million (which includes the site's purchase price, the former YMCA's demolition costs, surface parking lot site preparation costs, combined debt service payments, and foregone property tax revenue assumed for a **vacant** downtown area parcel).

In sum, the Ann Arbor Chamber supports development of the Library Lot. Before endorsing a particular concept, however, we require additional information. Moreover, we encourage the City to place the Ann Arbor Downtown Development Authority in a lead role in future discussions and evaluations of proposed developments at this site as well as elsewhere in the downtown area.

The mission of the Ann Arbor Area Chamber of Commerce is to support our members by promoting commerce in the greater Ann Arbor area through business advocacy and leadership in economic, political and educational development.