

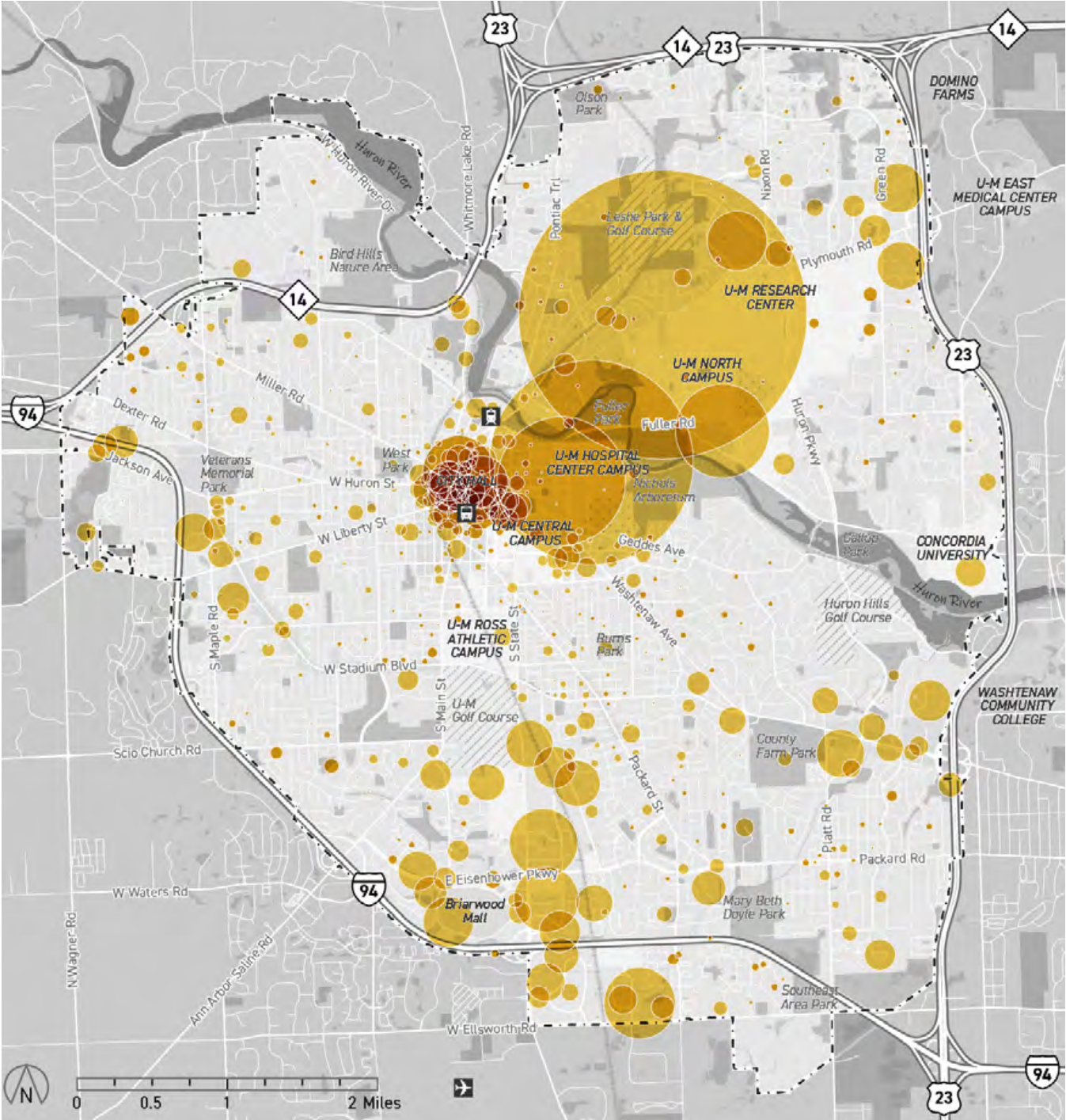
04 Economic Development

Employment

Tax Revenue

Retail Analysis

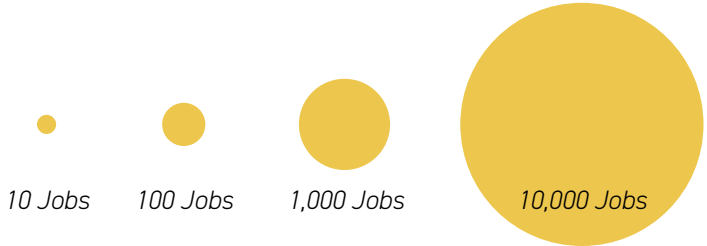
Employment



Map
All Primary Jobs (2021)

Number of Jobs Scaled Proportionally

source: City of Ann Arbor GIS, Washtenaw County GIS, Census LEHD - On The Map data - Primary Jobs 2021



Employment

Chart
Top Employers in Ann Arbor Area (2023)

sources:
U-M Faculty & Staff Numbers (Ann Arbor Campus & Hospital):
University of Michigan Faculty and Staff Headcount Summary

Non U-M Employee Counts:
City of Ann Arbor Annual Comprehensive Financial Report, Ann Arbor Spark 2023

Top Employers in Ann Arbor Area

Principal Employers - 2023	Employees
University of Michigan Faculty & Staff	31,987
University of Michigan Medicine	21,475
Trinity Health System	5,900
Veterans Administration	3,500
Ann Arbor Public Schools	2,500
Integrated Health Associates	1,600
Toyota	1,400
Washtenaw County Government	1,200
Domino's Pizza	1,100
Thompson-Reuters	1,100
City of Ann Arbor	700

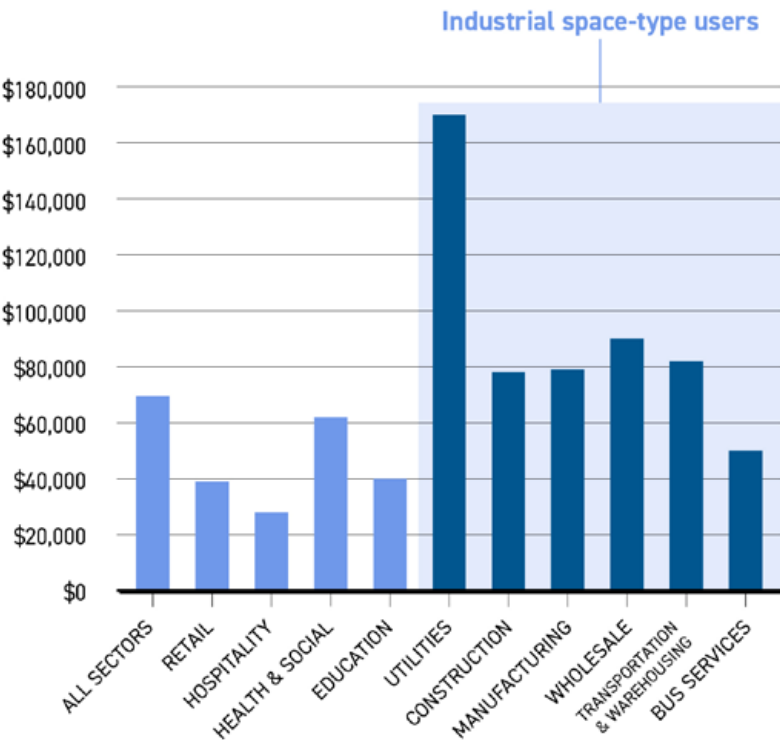
Chart
Average Annual Wages by Sector

source: U.S. Census Bureau LEHD data, OnTheMap Application - Jobs by Sector, 2021

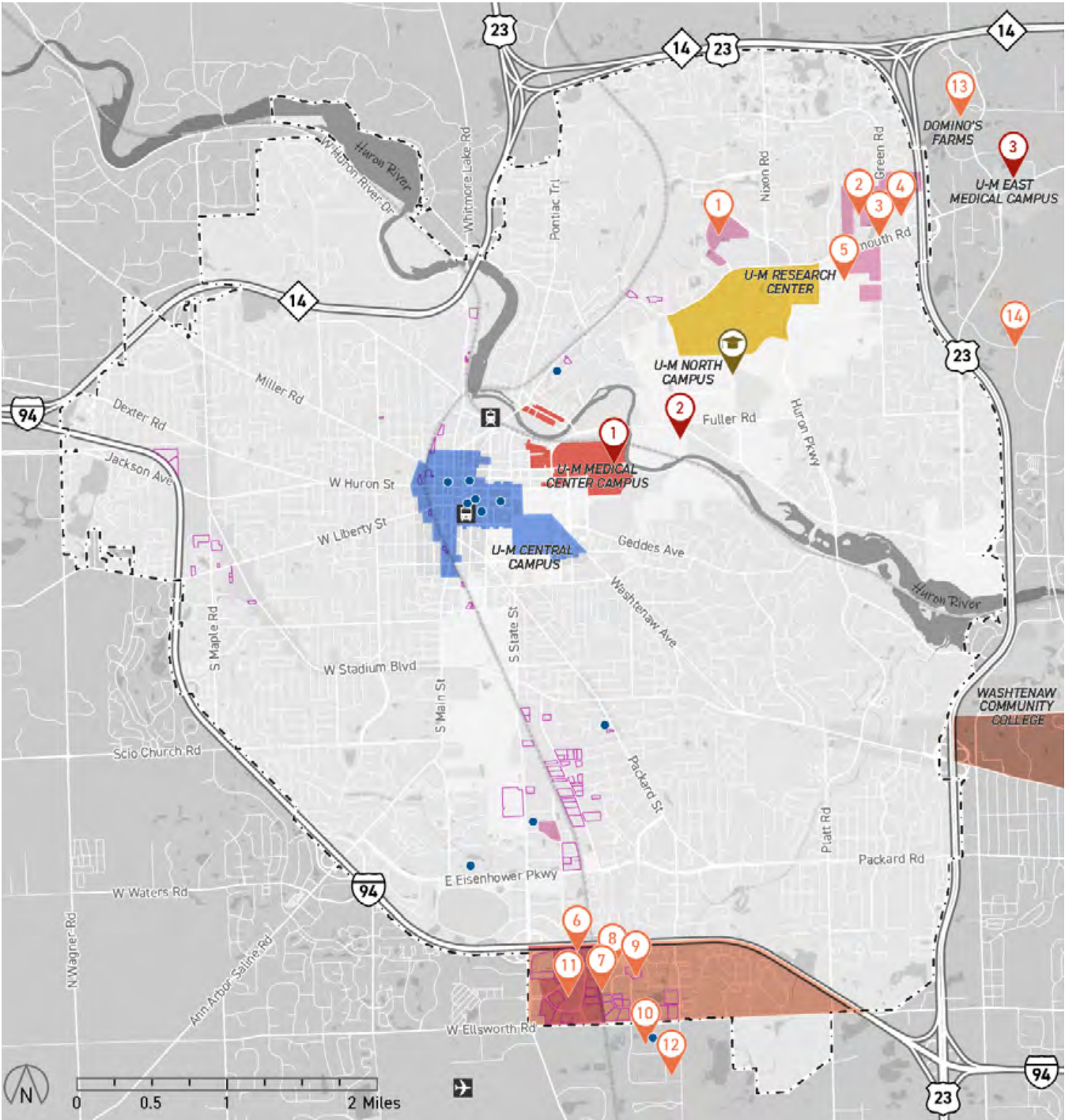
- Ann Arbor has 53% of the primary jobs in the metro; jobs are dispersed across the metro area
- 21% of the “industrial space” type jobs are in Ann Arbor
- 20% of employment in these industries are BIPOC/Latino (1)
- 29% of the jobs in the region are held by people with high school or less education, construction (40%) and manufacturing (36%) (1)
- Wages in the goods producing sector (manufacturing and construction) are also substantially higher than many of largest sectors in Ann Arbor (1)

(1) Based on LEHD 2021 QWI indicators for metro Ann Arbor

Jobs in the manufacturing, construction, storage, industrial, repair/circular economy sectors that utilize industrial-type space do not require advanced degrees, are higher paying and significant employment in these industries are BIPOC.



source: Ninigret Partners analysis of OnTheMap data - typical building typologies for industry employment.



Map
Technology Development
Locations

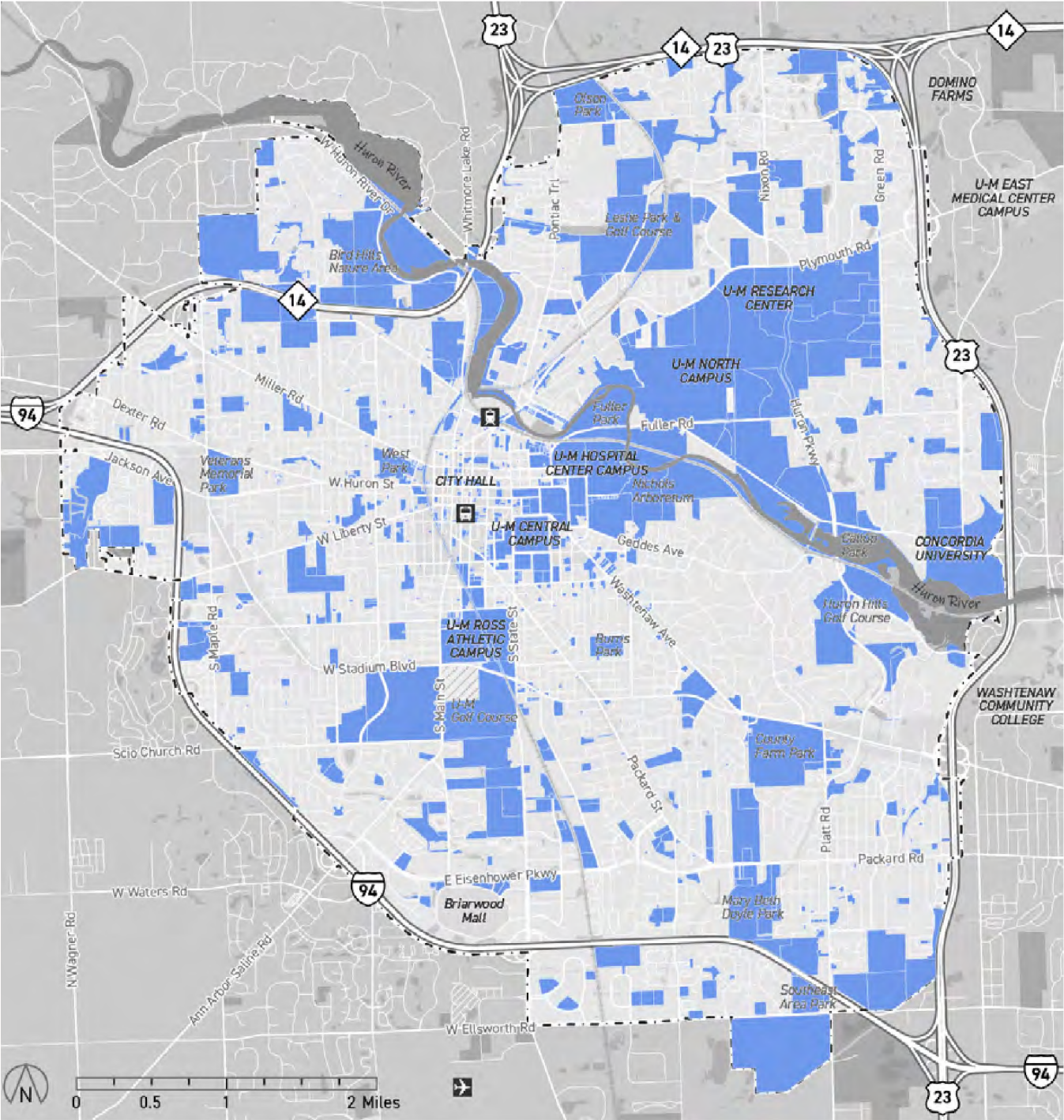
source: City of Ann Arbor GIS,
Washtenaw County GIS, University of
Michigan Campus Plan 2050, DDA, City
of Ann Arbor's Assessor's Office

- SmartZone Incentive District
- Incubators, Accelerators, Coworking Spaces
- Future UM Innovation District (In Active Planning)
- University of Michigan School of Engineering
- Opportunity Zones
- Land Zoned for Research
- Parcels with Industrial Buildings (by Use Code)

There are relatively few places in Ann Arbor to locate any substantial jobs, particularly jobs in the manufacturing, construction, storage, industrial, repair/circular economy sectors. These types of uses are sensitive to land values and cannot compete in the market against multifamily housing and hotels.

- Hospitals
 - 1 University of Michigan Hospital Center Campus
 - 2 Lieutenant Colonel Charles S. Kettles VA Medical Center
 - 3 University of Michigan East Medical Center Campus
- Noted Engineering and Tech Companies
 - 1 Google
 - 2 Toyota Research Institute
 - 3 Foresee
 - 4 Siemens
 - 5 MCity Test Lab
 - 6 AAPharmasyn Chemistry
 - 7 Mercedes-Benz Research and Development
 - 8 Zomedica
 - 9 Bio-Rad Laboratories
 - 10 Cayman Chemical
 - 11 Sartorius
 - 12 Treetown Tech
 - 13 Domino Farms
 - 14 Toyota North American Research & Development

Tax Revenue



Map
Land with Tax-exempt Status

source: City of Ann Arbor GIS, Washtenaw County GIS, City of Ann Arbor's Assessor's Office

- Tax-exempt Property

Parcel Area (excludes condos from calculation):

 - Tax Exempt Acres: 6,151 (42%)
 - Total Acres: 14,593
 - UM Acres: 1,751 (28% of exempt parcels)
- Parcel Number (excludes condos from calculation):**

 - Tax Exempt Parcels: 963 (4%)
 - Total Parcels: 23,415

Tax Revenue

Chart
Ann Arbor Budget Revenue

source: NP analysis 2023 Comprehensive Annual Financial Report (CAFR) and Ann Arbor Municipal Disclosure form downloaded from Municipal Securities Rulemaking Board (MSRF) EMMA database

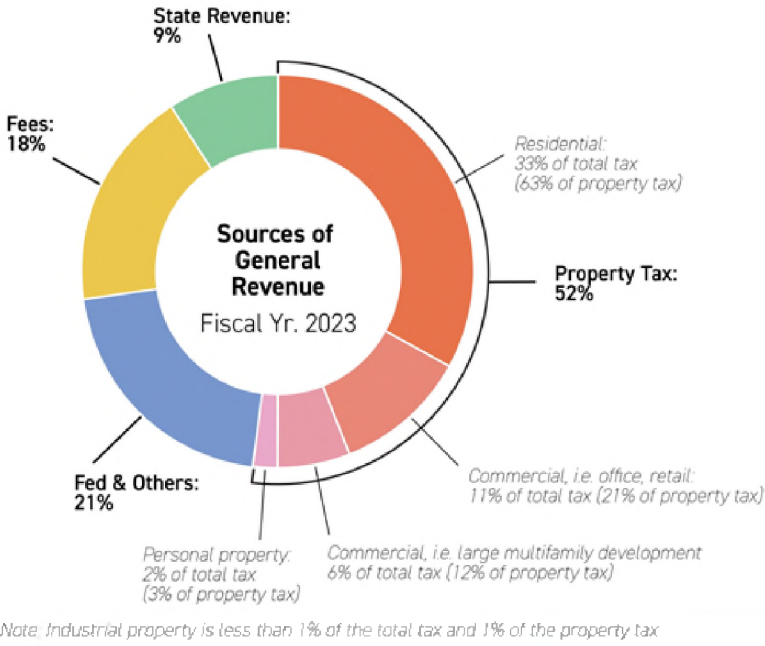
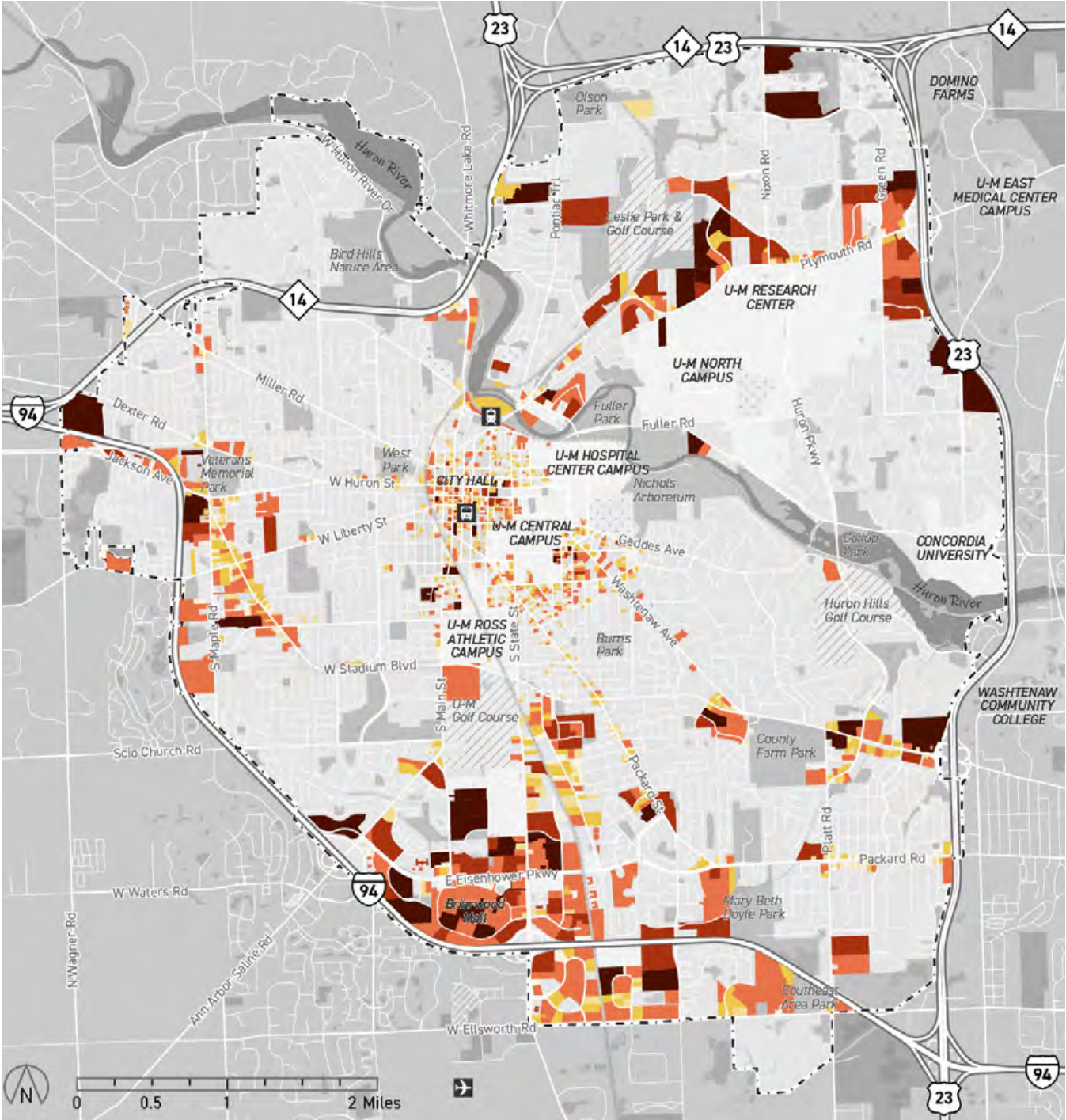


Chart
Ann Arbor Major Taxpayers

source: City of Ann Arbor 2023 Bond Disclosure via EMMA

CITY OF ANN ARBOR		
MAJOR TAXPAYERS		
Taxpayer	Product/Service	2023 Taxable Valuation
Detroit Edison	Utility	\$79,839,600
CCSHP Ann Arbor I & II, LLC	Apartments	56,181,169
GEDR Landmark LLC 1300 S. University	Apartments	49,896,108
Brixmor Arborland LLC	Shopping Center	44,733,809
BVK HSRE Ann Arbor, LLC	Apartments	43,865,000
CPI Foundry, LLC	Apartments	41,202,600
Briarwood Shopping Complex*	Shopping Mall	40,794,100
The Standard at Ann Arbor, LLC	Apartments	36,233,200
Northstar Fund IV LLC	Apartments	31,709,308
MI-UM Holdings, LLC	Apartments	30,501,800
TOTAL		\$154,956,694
2023 Taxable Value		\$7,506,580,375
Top 10 Taxpayers as a % of Total Taxable Value		6.06%
*Appeal pending with the Michigan Tax Tribunal		
Source: City of Ann Arbor		

Tax Revenue

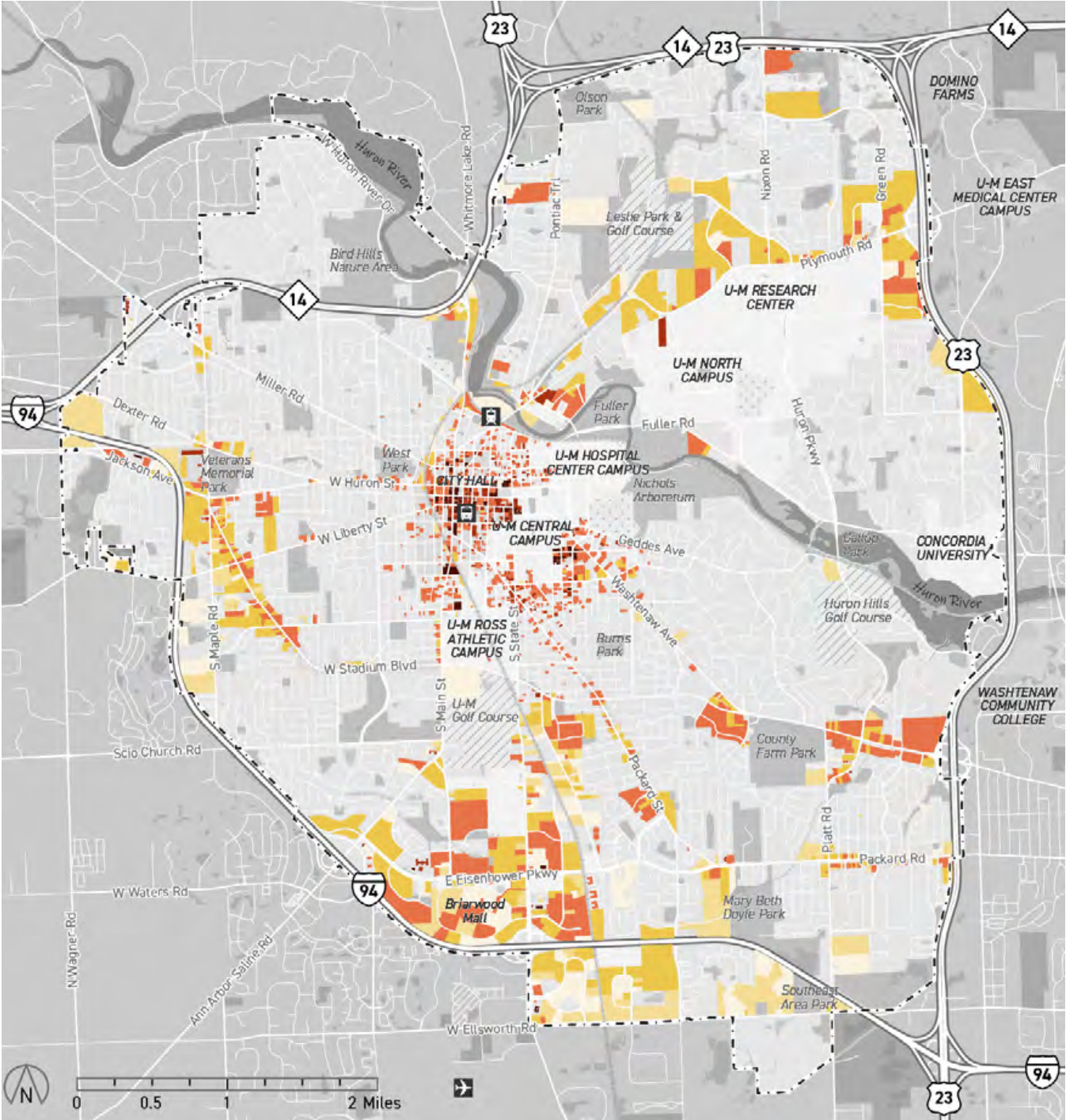


Map
Total Assessed Property Value - Commercial and Industrial (2023)

source: City of Ann Arbor GIS, Washtenaw County GIS, City of Ann Arbor's Assessor's Office

	\$1 - \$250K
	\$250K - \$500
	\$500 - \$1M
	\$1M - \$5M
	\$5M - \$10M
	\$10M plus

Tax Revenue



Map
Property Value per Acre - Commercial and Industrial (2023)

source: City of Ann Arbor GIS, Washtenaw County GIS, City of Ann Arbor's Assessor's Office

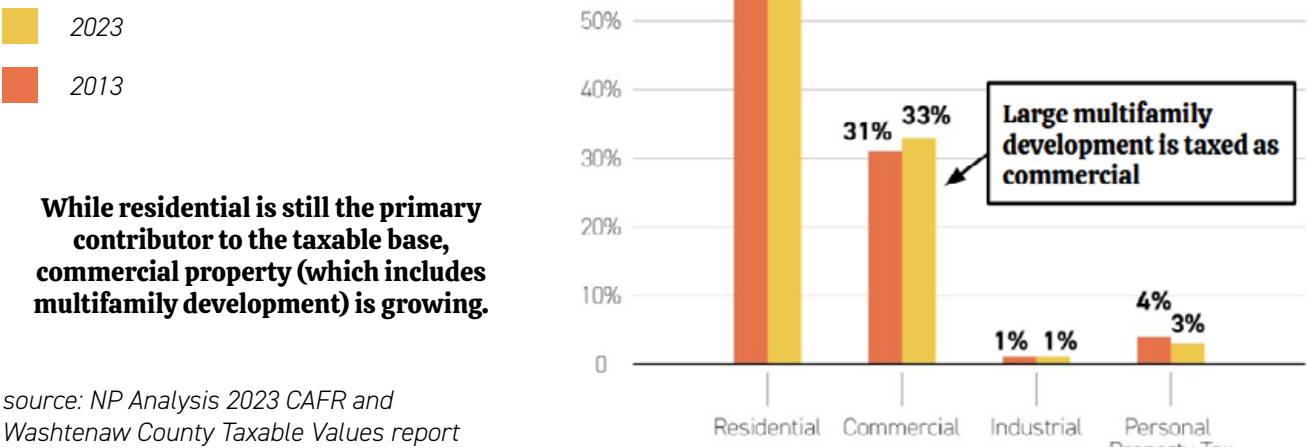
	\$1 - \$250K
	\$250K - \$500
	\$500 - \$1M
	\$1M - \$5M
	\$5M - \$10M
	\$10M plus

On a per acre basis, some of the commercial properties generate values not much higher than low density residential.

Driving more property value out of commercial (office and retail) real estate will be important to generate revenue that does not add to the burden on residential taxes.

Tax Revenue

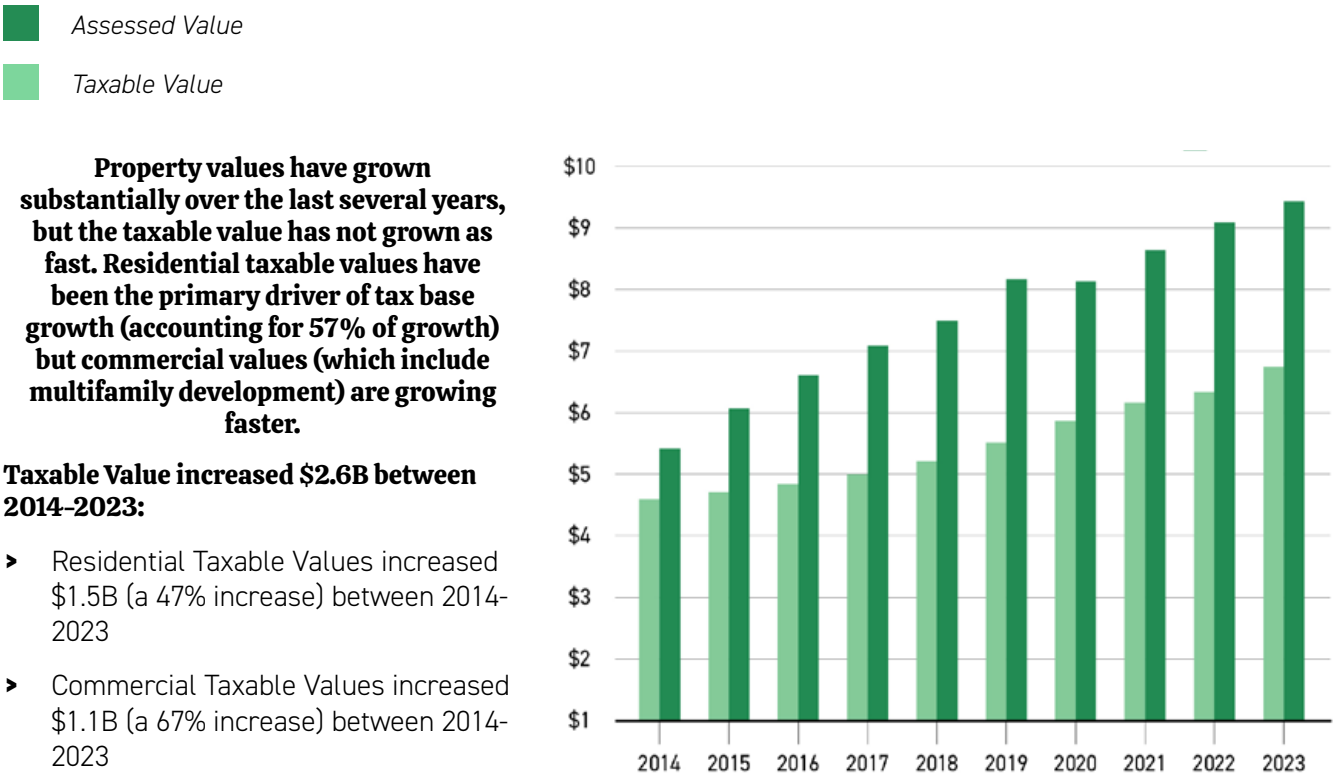
Chart
Percent Taxable Value
by Taxable Property



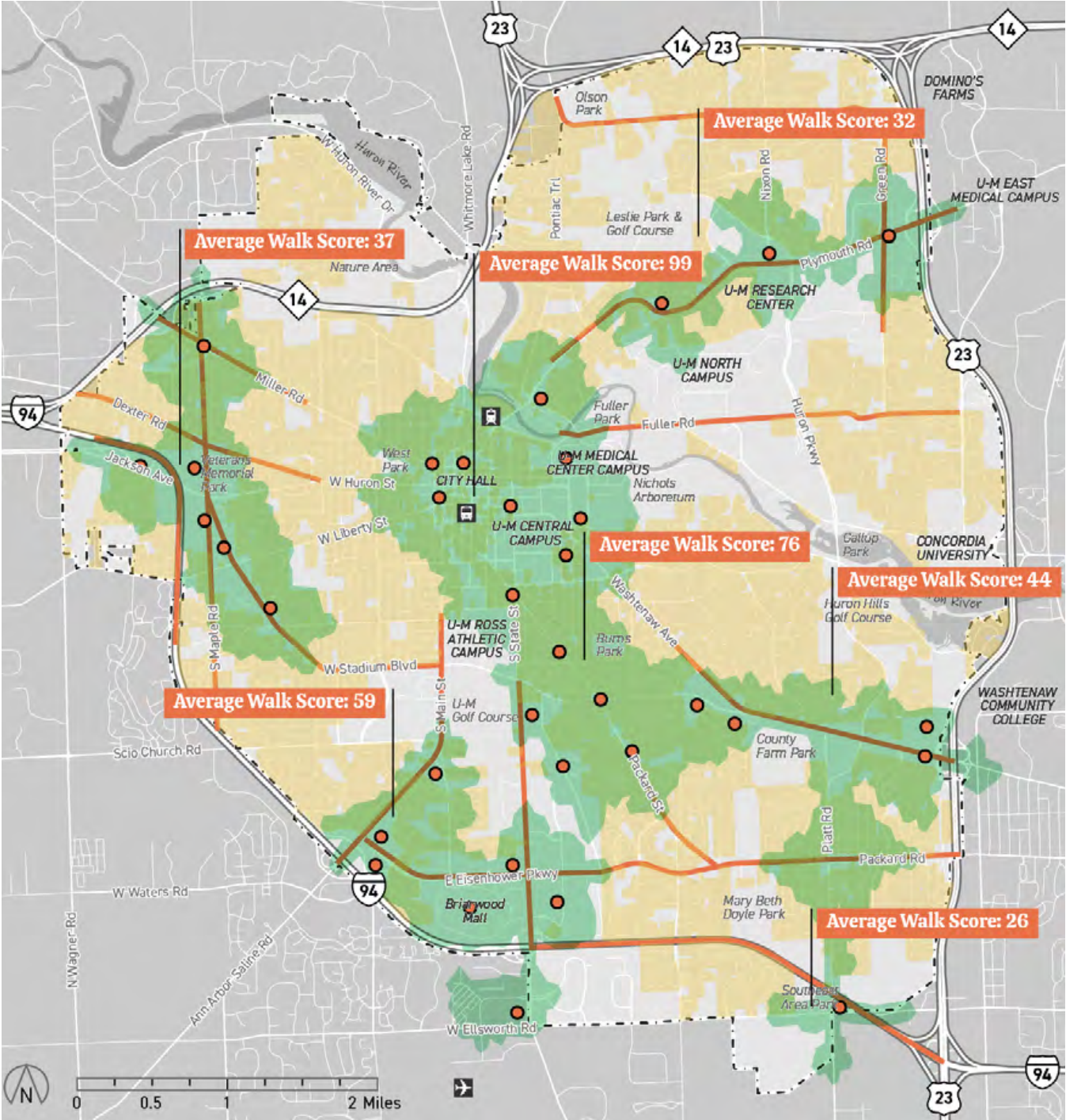
source: NP Analysis 2023 CAFR and Washtenaw County Taxable Values report various years

Chart
Property Value Change (2014-2023)

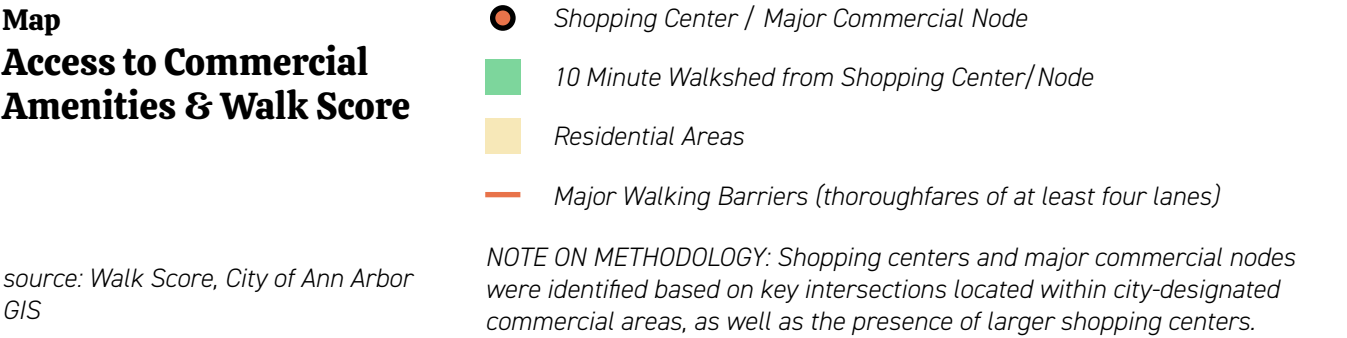
source: NP Analysis 2023 CAFR and Washtenaw County Taxable Values report various years



Retail Analysis



Map
Access to Commercial
Amenities & Walk Score



source: Walk Score, City of Ann Arbor GIS

Retail Types and Breakdown

In Ann Arbor, retail is clustered along corridors and in shopping centers and districts.

Neighborhood Goods & Services (NGS)

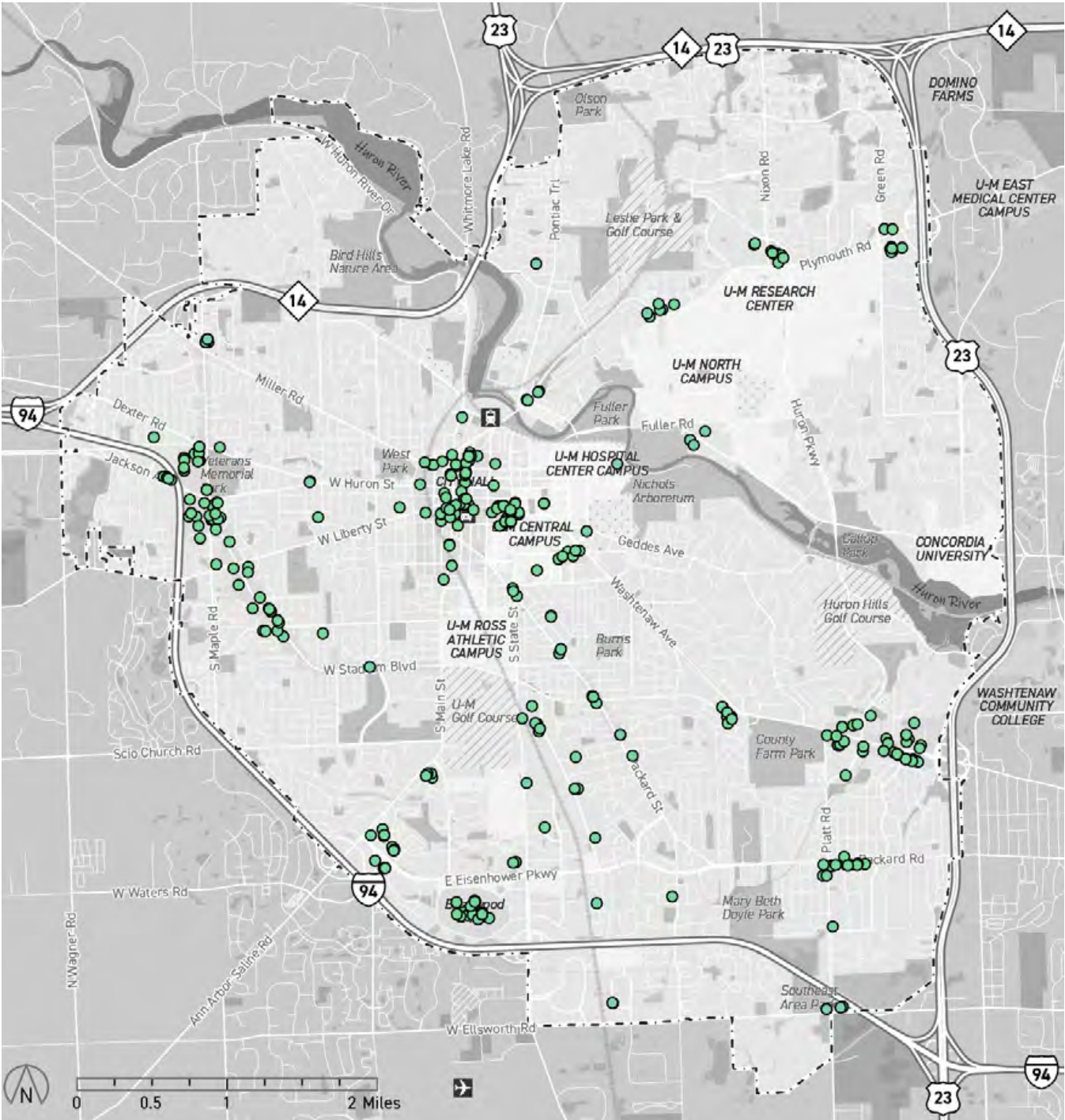
This category includes establishments that heavily depend on the patronage of residents, such as grocery stores, drugstores, florists, bakeries, specialty food stores, delicatessens, butchers, dry cleaners, laundromats, hair and nail salons, day space, printers, pet salons, machine repair shops, shoe repair shops, and similar uses.

Food & Beverage (F&B)

This category includes establishments that serve food and/or alcohol consumed on-premises, serving a range of customers and trip purposes. Retailers in the F&B category include sit-down restaurants, cafes, bars, coffee shops, sandwich shops, ice cream shops, "quick-bite" establishments, fast-food restaurants, and similar uses.

General Merchandise, Apparel, Furniture & Other (GAFO)

Customers are often comparison shoppers in this category, seeking best quality, price or overall value to meet their need. This category includes clothing stores, furniture stores, bookstores, jewelry stores, gift boutiques, pet stores, sporting goods stores, home goods stores, craft stores, antique shops, electronics stores, auto parts stores, and similar uses.

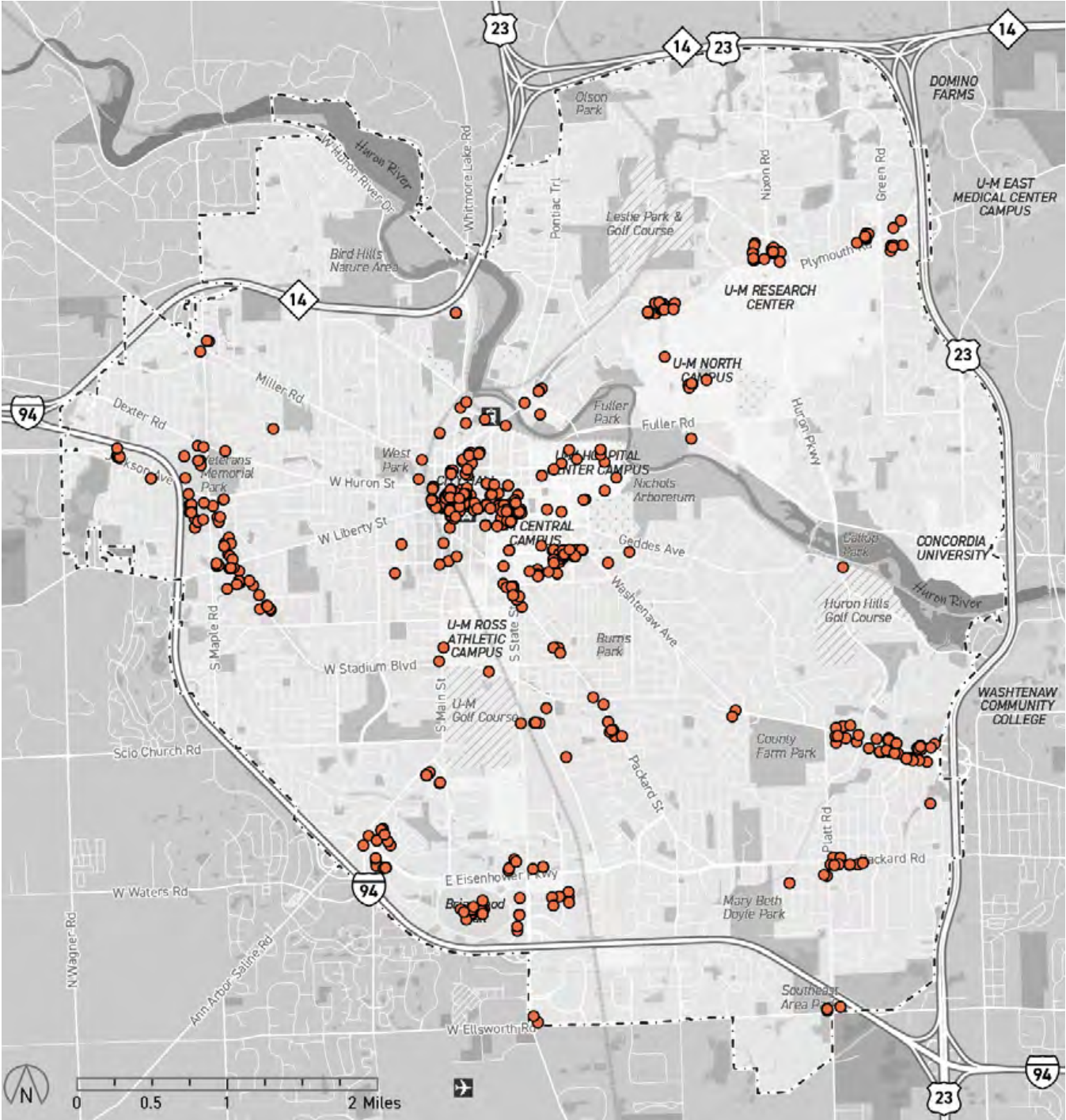


Map
Existing Retail -
Neighborhood Goods and
Service Establishments

● Neighborhood Goods and Service
Establishments

373 businesses

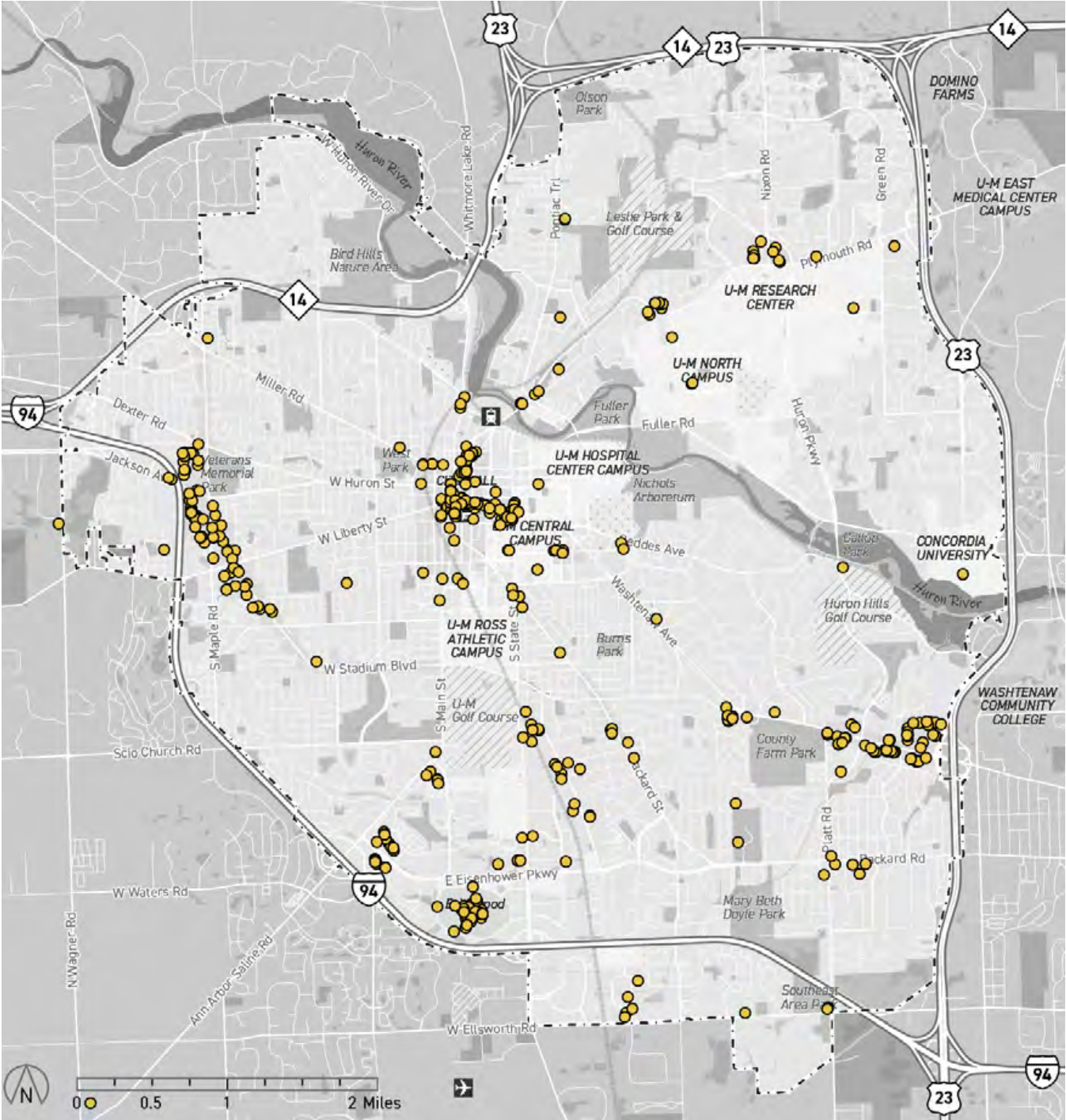
source: Google, AndAccess, June 2023



Map
Existing Retail -
Food and Beverage
Establishments

● Food and Beverage Establishments **646 businesses**

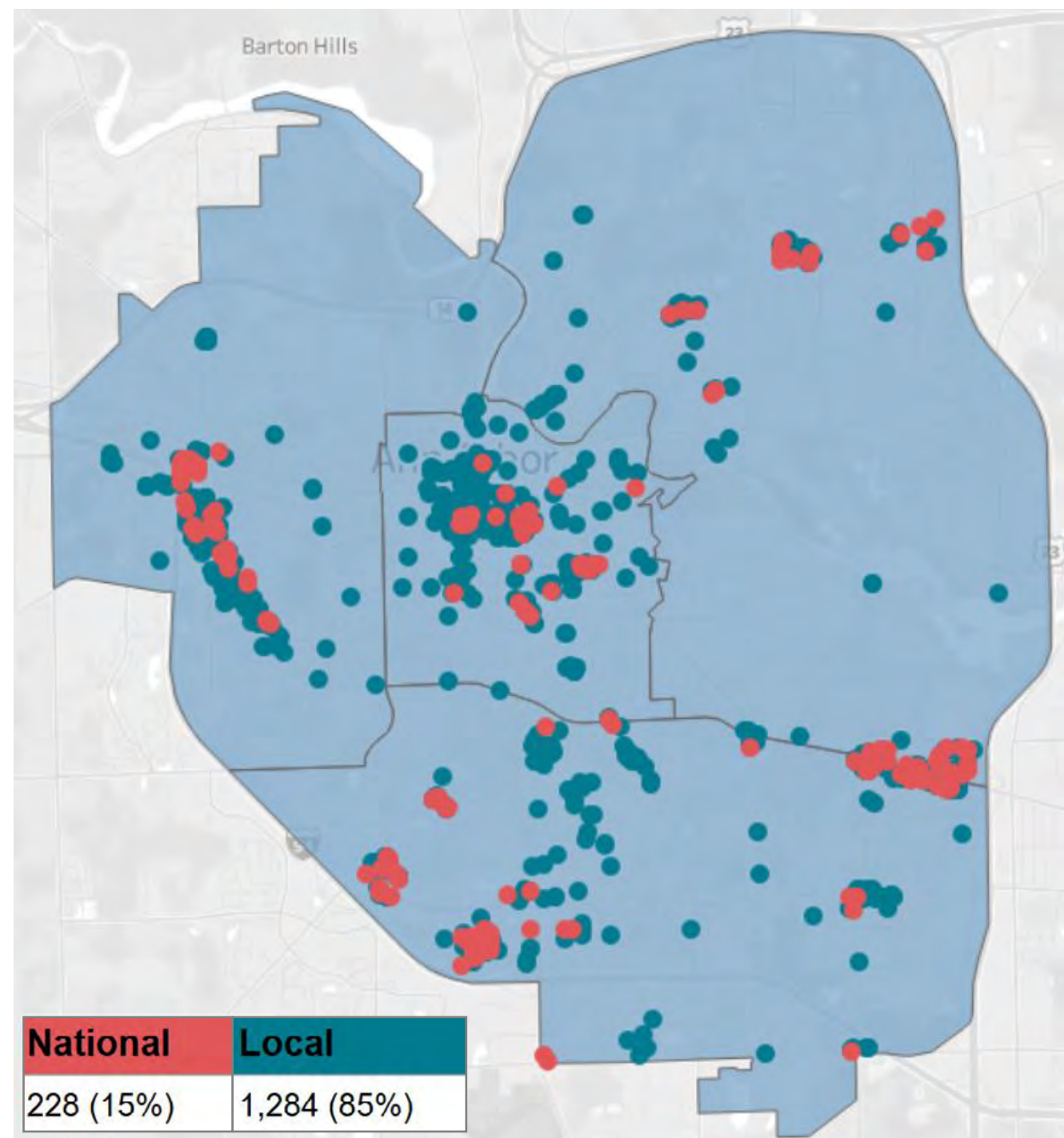
source: Google, AndAccess, June 2023



Map
Existing Retail -
General Merchandise,
Apparel, Furniture,
and Other Retail
Establishments

● General Merchandise, Apparel,
Furniture, and Other Retail
Establishments **493 businesses**

source: Google, AndAccess, June 2023



Map
Local and National Retail Mix
METHODOLOGY: AndAccess leveraged Innovating Commerce Serving Communities (ICSC) national brand database to code national businesses in the city. The businesses that did not fall in the "national" category were coded as local.
source: Google, AndAccess, June 2023

Local businesses are more geographically spread, serving neighborhood needs. The national retail locations are clustered in densely packed retail nodes and shopping centers across the city while local businesses are spread throughout many neighborhoods in addition to being in those dense retail nodes.

Retail Expenditures and Demand

Retail is supported by a range of customers with different needs.
(Illustrative as other user groups are present within Ann Arbor’s customer base.)



Retail across categories co-locate to serve **FAMILIES** needs with greater concentration in the NG&S and F&B categories



COLLEGE STUDENTS generally demand F&B uses, as limited budgets and meal plans decrease NG&S and GAFO expenditures.



OFFICE WORKERS demand quick and nearby retail uses in the NG&S and F&B categories, which are diminishing in employment centers.

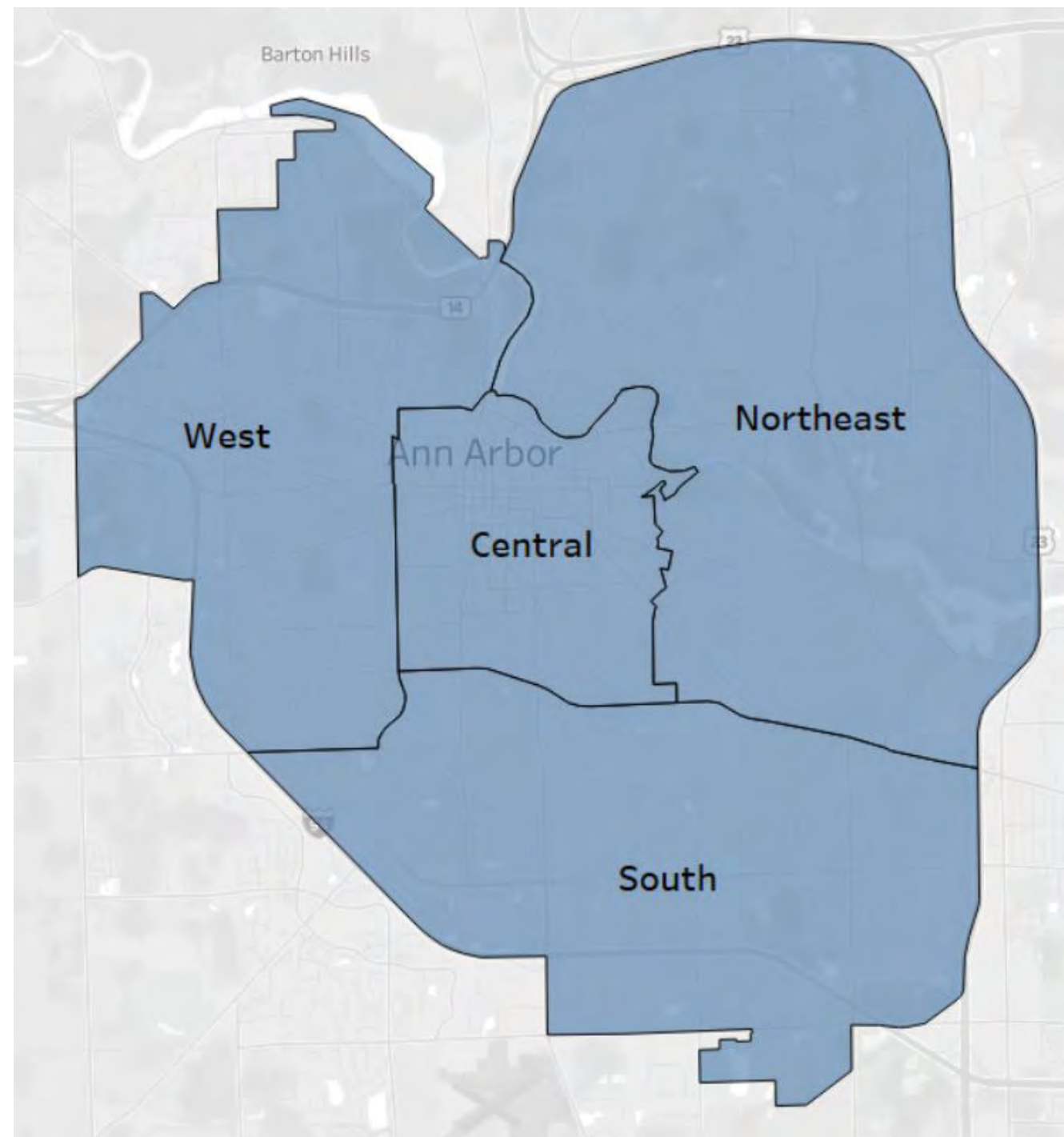
Chart Household Expenditures

source: ESRI Business Analyst Online, CoStar, AndAccess, Reports Generated: December 2023; Google, July 2023

	Retail Expenditures per Household	Total Household Expenditures	Count of Businesses	Est. Average Size (sq.ft.)
Neighborhood Goods & Services (NG&S)	\$11,700	\$598 mil	373	4,900
Food & Beverage (F&B)	\$4,400	\$237 mil	646	2,500
General Merchandise... (GAFO)	\$6,800	\$346 mil	493	7,400
Total	\$22,900	\$1.2 bil	1,512	4,700

Household expenditures bolster occupancy across categories.

NG&S represent the highest expenditures and has the fewest establishments. F&B establishments occupy smaller spaces, which is why the high count of businesses are sustainable. GAFO establishments have the greatest reliance on a regional customer base to support larger spaces and increased counts.



Map
Retail: Planning Area
Districts

■ Planning Area Boundary

source: AndAccess, June 2023

Chart
Expenditures per Household

source: ESRI Business Analyst Online, AndAccess, Reports Generated: December 2023

Expenditures per Household				
	NG&S	F&B	GAFO	Total
Central	\$8,825.16	\$3,674.31	\$5,160.56	\$17,660.03
Northeast	\$13,541.89	\$5,379.19	\$7,843.44	\$26,764.52
South	\$10,514.54	\$4,072.88	\$5,999.12	\$20,586.54
West	\$13,881.62	\$5,319.40	\$8,018.71	\$27,219.73
City of Ann Arbor	\$11,692.78	\$4,639.65	\$6,759.41	\$23,091.84
Washtenaw County	\$11,886.37	\$4,591.97	\$6,848.53	\$23,326.87
South East MI	\$10,405.62	\$3,818.59	\$5,831.91	\$20,056.12
Michigan State	\$9,702.96	\$3,470.10	\$5,358.48	\$18,531.54

Household expenditures in the Ann Arbor are comparable to Washtenaw County but exceed the region and state.

Retail expenditures per household correlate to household incomes in each planning area. The Central area, dominated by student population, has lower household expenditures on retail goods and services, while more affluent households in the Northeast and West neighborhoods have high expenditures. Household composition also impact expenditures, as larger families spend more than single person households.

Retail Analysis

Chart
Residential Retail Demand

source: ESRI Business Analyst Online, CoStar, AndAccess, Reports Generated: December 2023

Residential Demand	Total
Est. Current Retail Sq.Ft.	8.94 mil
Total Calculated Residential Demand	2.35 mil
Net - Surplus of Retail Space	(6.59 mil)

Ann Arbor’s retail serves the region and are major contributors to the tax base.

Arborland Shopping Center (403,000 sq.ft.) and Briarwood Shopping Center (983,000 sq.ft.) are among the city’s major taxpayers, as the 4th largest (Arborland) and 7th largest (Briarwood) taxpayers in 2023. Visitors and residents originating outside of Ann Arbor contribute to the viability of Ann Arbor’s retail space. Places like Briarwood Mall and restaurants cater to the region, but some neighborhoods are missing locally serving establishments. Changes in market conditions and new developments outside of the city can easily disrupt this balance.

A retail leakage analysis was conducted to assess the relationship between local demand and existing retail supply in the City of Ann Arbor. The results indicate that resident-generated demand supports approximately 6.59 million fewer square feet of retail space than what currently exists, based on Mideast regional sales volume benchmarks provided by ICSC. Approximately 143,000 households would be needed to reach equilibrium given the retail surplus (assuming each household supports 46.15 sq. ft of retail). This discrepancy suggests that Ann Arbor’s retail sector functions as a regional destination, drawing a significant share of spending from consumers who live outside the city limits.

Retail Analysis

Chart
Retail Gap Analysis

source: Google, Costar, ESRI Business Analyst Online, ICSC, AndAccess, Reports Generated: December 2023

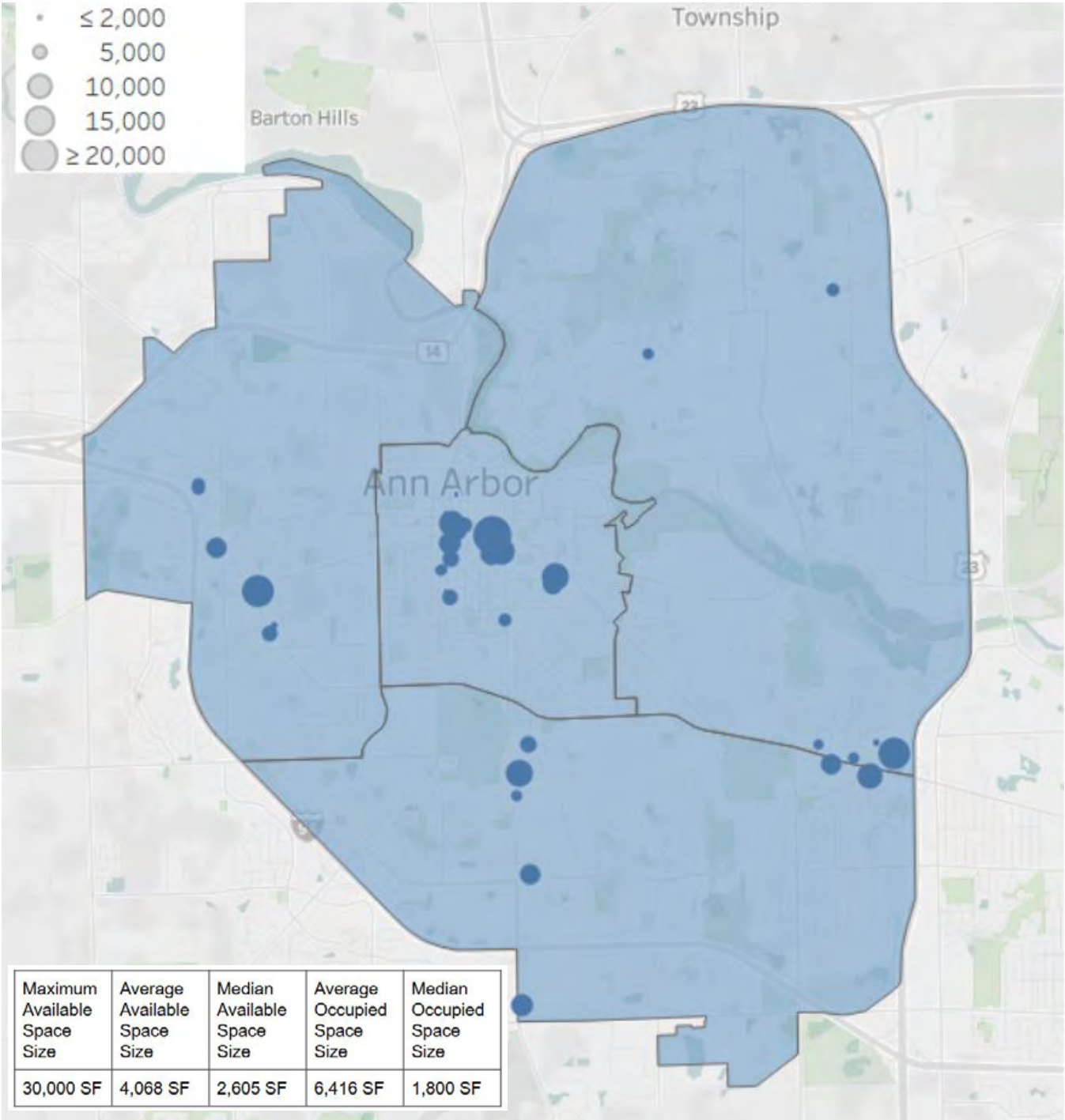
	Central	Northeast	South	West	Total
Number of Retailers	460	166	363	171	1,160
Average Sq. Ft. per Store	2,681 sq.ft.	9,187 sq.ft.	13,319 sq.ft.	7,927 sq.ft.	7,714 sq.ft.
Estimated Current Retail Sq.Ft.	1.233 mil	1.535 mil	4.835 mil	1.355 mil	8.95 mil
Total Resident Supported Demand	443.8K	806.9K	543.5K	560.9K	2.35 mil
Surplus	789K	718K	4.29 mil	795K	6.59 mil

In each geographic area analyzed, estimated current retail square footage exceeded the space supported by resident demand, indicating a retail surplus. This surplus suggests that the area is attracting spending from outside its boundaries, drawing customers from other parts of the city or region—consistent with the findings detailed on the previous page.

METHODOLOGY: The number of retailers in the study area was determined through a comprehensive Google Maps search, with each identified business assigned a NAICS code and categorized by retail segment. To estimate average store size, Costar tenant data was used, with tenant records matched to businesses identified in the Google dataset. Costar provided square footage information for approximately 35% of all tenants (404 retailers). These square footage figures were then averaged by planning area, and multiplied by the total number of businesses to estimate current retail square footage.

Resident demand was calculated using ESRI Business Analyst Online data, which provides household counts and average household expenditures by retail subcategory. By multiplying household counts by expenditure levels, the analysis produced total estimated expenditures for each planning area. These totals were then divided by Innovating Commerce Serving Communities (ICSC) sales per square foot benchmarks by retail type to estimate the total amount of retail space supportable by local residents.

Retail Analysis



Map
Retail: Large Vacant
Spaces

Large vacant spaces in TC1 Zoning Districts represent an opportunity for short-term repositioning. Few vacancies (outside of Downtown) are suitable for modern tenant needs. New leases call for smaller spaces, a national trend, which limits opportunities for independently owned businesses who relied on smaller space for affordability.

source: CoStar, 2023

Retail Analysis

How might we encourage redevelopment to meet housing goals while preserving affordable space for local businesses?

Each parcel will yield a different outcomes, and policy, programmatic, and funding tools to support retail provision and business growth are required.

- Scenario 1: Preserve Space and Businesses - Typical of smaller parcels with disparate ownership
- Scenario 2: Phased Redevelopment and Business Relocation - Opportunity for equitable growth practices
- Scenario 3: Redevelopment with Business Exit Strategies - Responding to changes in market conditions and business owners' interests

How might we increase retail provision in low-income and/or minority (and in other gentrifying) communities?

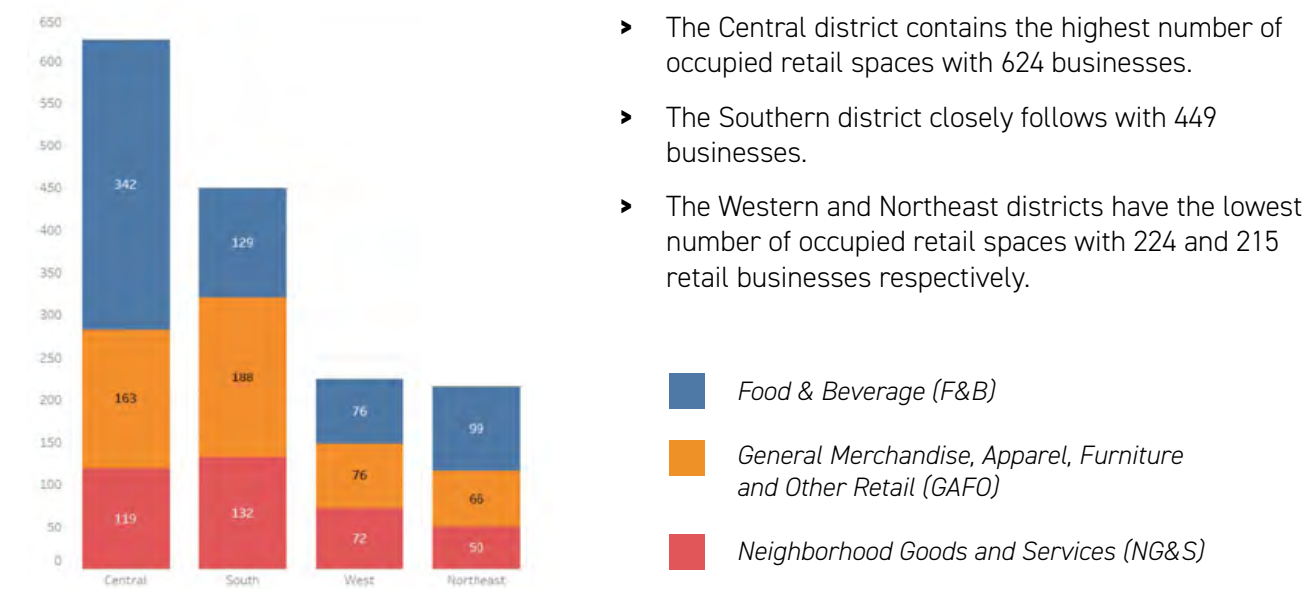
- Develop and align tools to bolster successful business operations. The tools right sized for Ann Arbor's needs have to be defined, but samples include:
- Investing in local and independent business starts and growth
- Promoting and incentivizing smaller space sizes
- Leverage CDBG dollars in low-income communities for retail provision
- Subsidizing development to limit pass through construction costs
- Developing legacy business owner programs
- Encouraging the development of live/work units to leverage residential mortgage products
- Proactively developing structures for community ownership of commercial assets
- Retail should not be required in every district

Retail Types and Breakdown

Chart Retail Overall

source: Google, AndAccess, July 2023

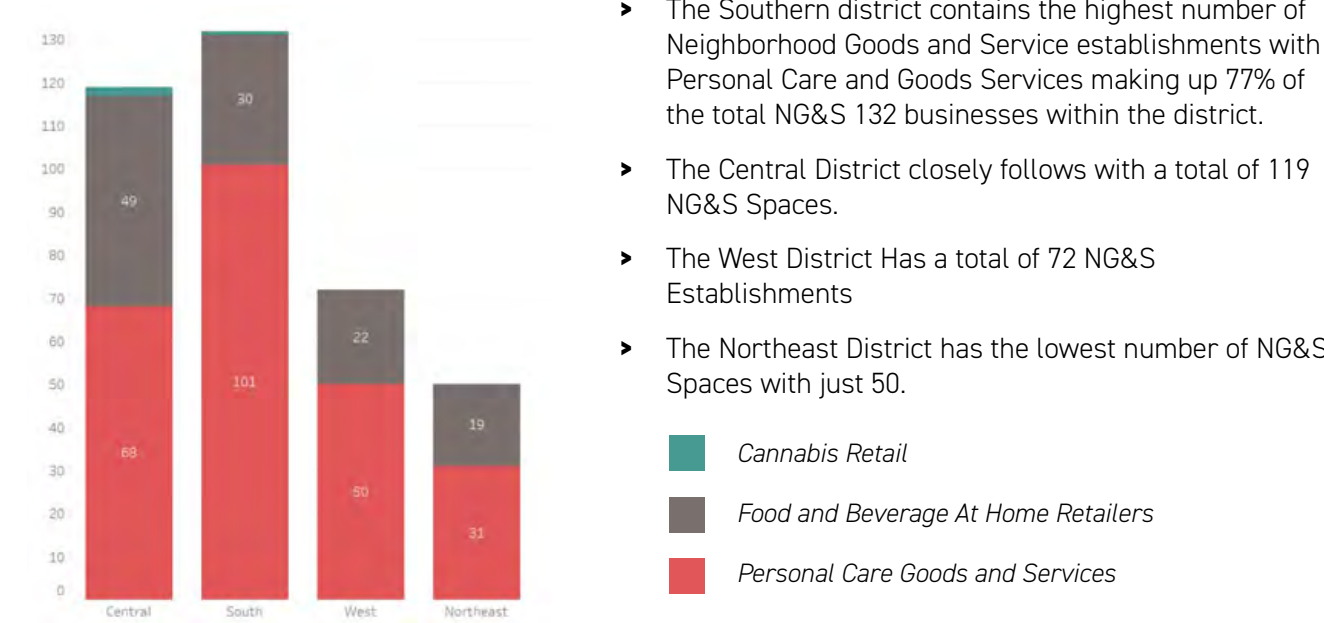
See map on p. 68 for planning area districts.



- The Central district contains the highest number of occupied retail spaces with 624 businesses.
- The Southern district closely follows with 449 businesses.
- The Western and Northeast districts have the lowest number of occupied retail spaces with 224 and 215 retail businesses respectively.

Chart Neighborhood Goods & Services (NG&S)

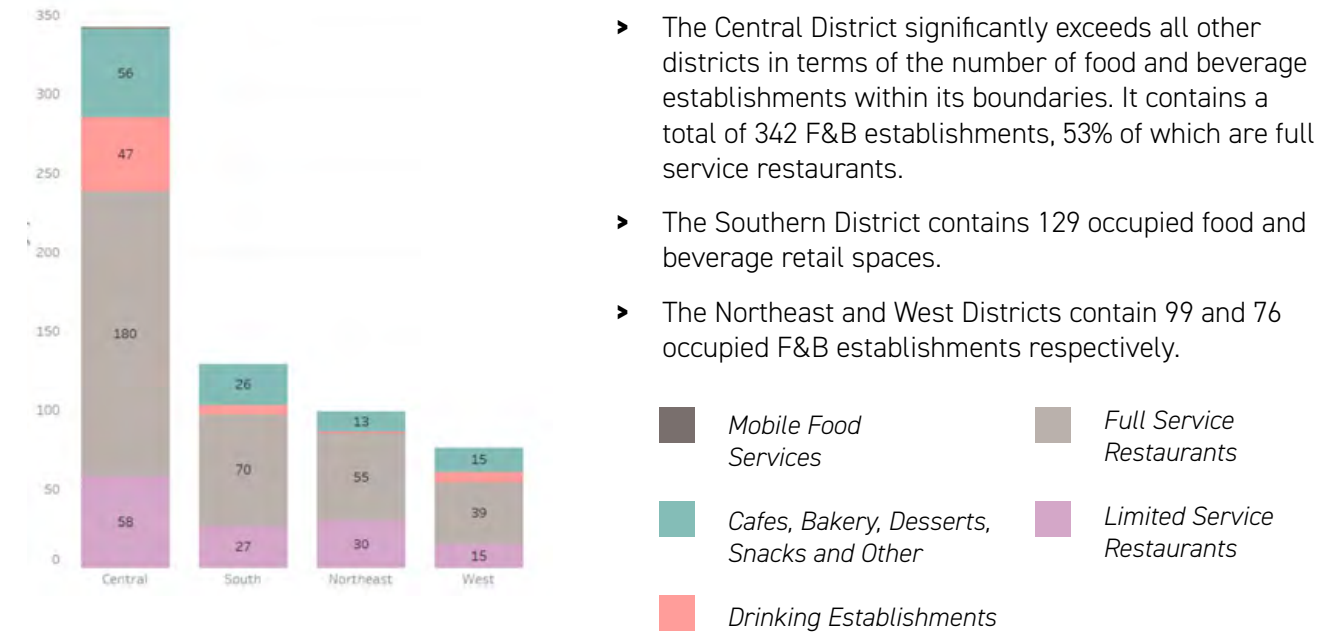
source: Google, AndAccess, July 2023



- The Southern district contains the highest number of Neighborhood Goods and Service establishments with Personal Care and Goods Services making up 77% of the total NG&S 132 businesses within the district.
- The Central District closely follows with a total of 119 NG&S Spaces.
- The West District Has a total of 72 NG&S Establishments
- The Northeast District has the lowest number of NG&S Spaces with just 50.

Chart Food & Beverage (F&B)

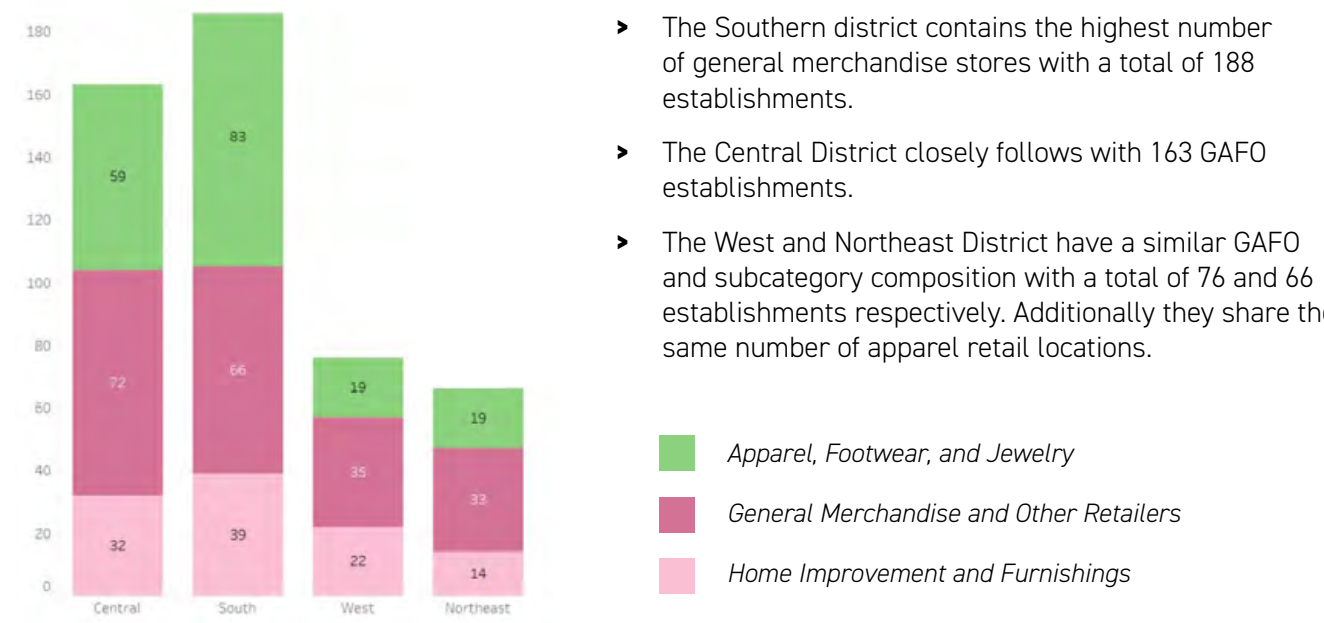
source: Google, AndAccess, July 2023



- The Central District significantly exceeds all other districts in terms of the number of food and beverage establishments within its boundaries. It contains a total of 342 F&B establishments, 53% of which are full service restaurants.
- The Southern District contains 129 occupied food and beverage retail spaces.
- The Northeast and West Districts contain 99 and 76 occupied F&B establishments respectively.

Chart General Merchandise, Apparel, Furniture and Other (GAFO)

source: Google, AndAccess, July 2023



- The Southern district contains the highest number of general merchandise stores with a total of 188 establishments.
- The Central District closely follows with 163 GAFO establishments.
- The West and Northeast District have a similar GAFO and subcategory composition with a total of 76 and 66 establishments respectively. Additionally they share the same number of apparel retail locations.

Other Active Uses

Informs clustering of retail assets

Tourism

This category contains spaces which are often frequented by residents and visitors alike, including historic sites, museums, parks, recreational venues, and accommodations.

Civic

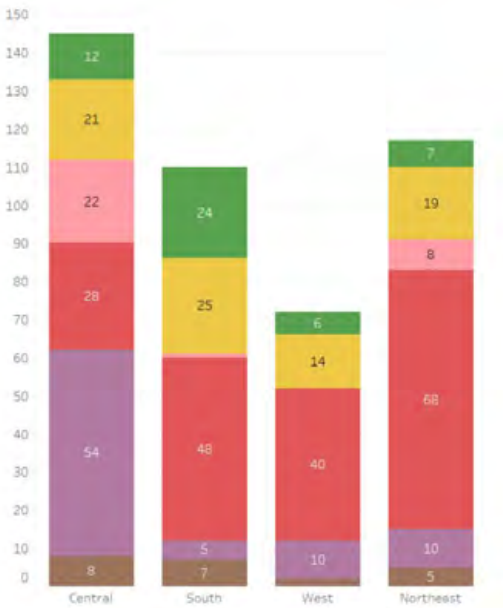
Civic spaces are integral to fostering community and include educational establishments and community services in addition to social and religious organizations.

Services

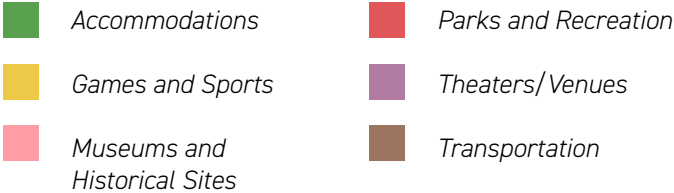
This category includes a wide range of services that are not considered retail services. This includes legal services, photographers, banks, financial offices, and contractors.

Chart Tourism

source: Google, AndAccess, July 2023



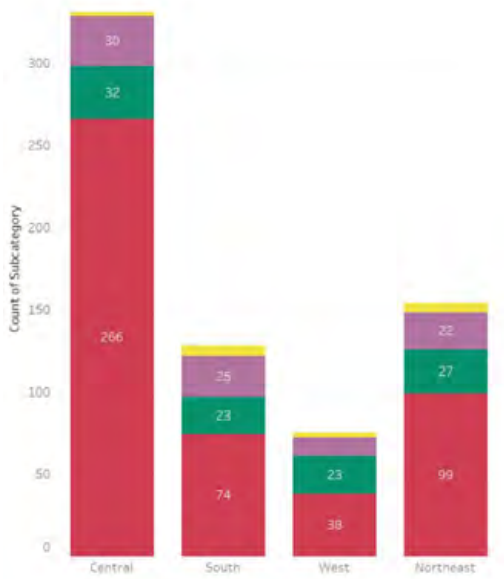
- The Central District contains a total of 145 tourism related establishments with theaters and venues making up 37% of the total.
- The Northeast District contains a multitude of parks and recreation spaces which are responsible for 58% of the 117 total tourism spaces.
- The Southern District contains 110 tourism related establishments with 24 accommodation businesses, more than any other district.
- The west contains the least amount of tourism establishments with just 72 total spaces.



See map on p. 68 for planning area districts.

Chart Civic

source: Google, AndAccess, July 2023



- The Central District contains the most civic spaces by far with a total of 331. Learning facilities and education related spaces made up the vast majority of civic spaces accounting for 80%
- The Northeast District contains a total of 154 civic spaces, 46% less than the Central District.
- The South District has a total of 128 occupied civic spaces.
- The West District contains a total of 75 occupied civic spaces.

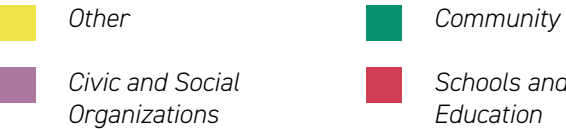
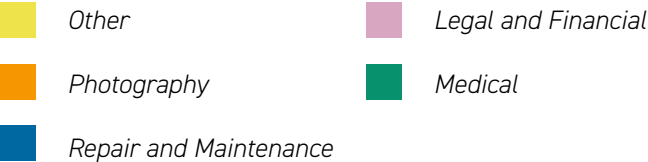


Chart Services

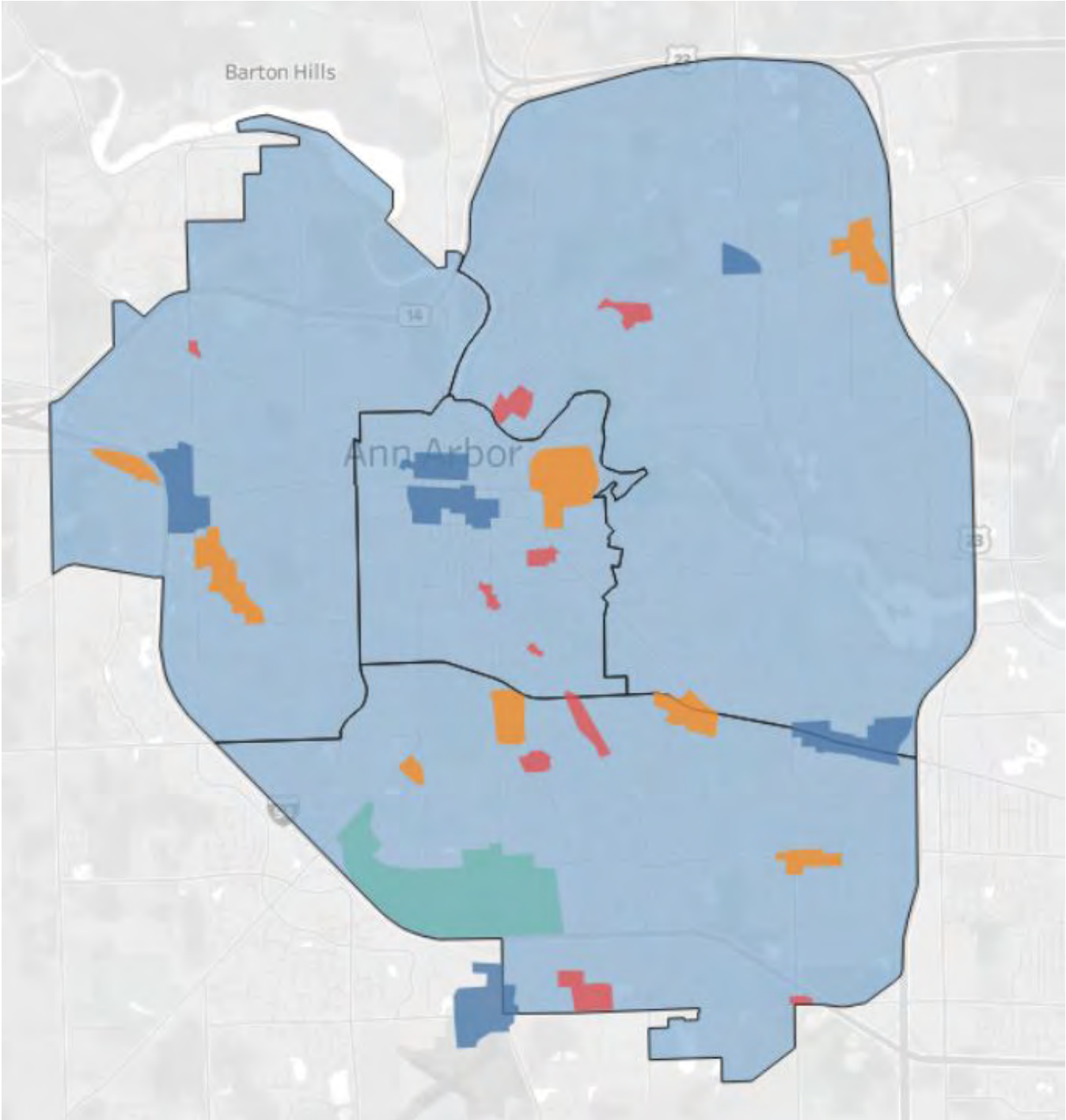
source: Google, AndAccess, July 2023



- The Central District contains the highest number of spaces in the service category with a total of 447.
- The Southern District closely follows with 426 total service spaces.
- The Northeast and West contain a similar number of service establishments with 171 and 165 respectively. This is approximately between 38% and 40% lower than the two other districts.



Additional Retail Data



Map
Retail Real Estate

Strip Center

Community/Power Center

Neighborhood Center

Super Regional Mall

Districts Defined			
Strip Center	Neighborhood Center	Community / Power Center	Super Regional Mall
<30,000 SF	30K - 125K SF	125K - 400K SF	800,000+ SF

source: Costar, ICSC, AndAccess, July 2023

Additional Retail Data

Chart
Expenditures per Household

source: ESRI Business Analyst Online, AndAccess, Reports Generated: December 2023

Expenditures per Household				
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West	\$13,881.62	\$5,319.40	\$8,018.71	\$27,219.73
City of Ann Arbor	\$11,692.78	\$4,639.65	\$6,759.41	\$23,091.84
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Additional Retail Data

Chart
F&B + NG&S Retail Expenditures per Household

source: ESRI Business Analyst Online, AndAccess, Reports Generated: December 2023

F&B + NG&S Expenditures per Household								
Category	Central	Northeast	South	West	Full Planning Area	Washtenaw County	Southeast MI	Michigan State
Food at Home	\$5,674.08	\$8,715.87	\$6,759.83	\$8,871.51	\$7,511.12	\$7,607.23	\$6,599.65	\$6,098.15
Alcohol at Home	\$360.61	\$581.52	\$440.78	\$581.47	\$490.34	\$494.21	\$422.33	\$383.57
Personal/Household Care Goods and Services	\$2,126.66	\$3,146.99	\$2,461.94	\$3,276.91	\$2,756.65	\$2,807.05	\$2,498.11	\$2,351.87
Pet Food, Supplies, & Services	\$663.81	\$1,097.51	\$851.99	\$1,151.73	\$934.67	\$977.88	\$885.53	\$869.37
TOTAL - NG&S	\$8,825.16	\$13,541.89	\$10,514.54	\$13,881.62	\$11,692.78	\$11,886.37	\$10,405.62	\$9,702.96
Food Away from Home	\$3,454.75	\$5,042.74	\$3,823.56	\$4,992.19	\$4,355.33	\$4,311.85	\$3,588.92	\$3,264.75
Alcohol Away from Home	\$219.56	\$336.45	\$249.32	\$327.21	\$284.32	\$280.12	\$229.67	\$205.35
TOTAL - F&B	\$3,674.31	\$5,379.19	\$4,072.88	\$5,319.40	\$4,639.65	\$4,591.97	\$3,818.59	\$3,470.10

Additional Retail Data

Chart
GAFO Retail Expenditures per Household

source: ESRI Business Analyst Online, AndAccess, Reports Generated: December 2023

GAFO Expenditures per Household								
Category	Central	Northeast	South	West	Full Planning Area	Washtenaw County	Southeast MI	Michigan State
Women's Apparel	\$696.18	\$1,017.35	\$762.77	\$998.25	\$874.45	\$866.22	\$734.24	\$663.40
Men's Apparel	\$400.95	\$570.54	\$425.74	\$551.65	\$492.01	\$478.77	\$394.31	\$355.38
Children's Apparel	\$267.82	\$417.63	\$337.89	\$443.00	\$365.52	\$379.78	\$324.11	\$295.12
Footwear	\$479.62	\$686.60	\$516.78	\$660.67	\$591.86	\$578.62	\$485.05	\$436.09
Jewelry + Eyewear	\$241.67	\$375.06	\$276.23	\$371.92	\$316.54	\$316.85	\$271.13	\$248.64
Home Repair	\$377.00	\$744.97	\$586.18	\$847.77	\$622.80	\$703.71	\$654.57	\$627.32
Home Equipment + Furnishings	\$1,505.21	\$2,324.75	\$1,799.68	\$2,431.51	\$2,010.51	\$2,061.15	\$1,770.38	\$1,635.74
Books, Music, Hobby, & Other	\$622.61	\$929.26	\$716.12	\$967.62	\$809.08	\$814.56	\$671.07	\$618.31
Electronics	\$569.50	\$777.28	\$577.73	\$746.32	\$676.64	\$648.87	\$527.05	\$478.48