

# Benchmark Indicators in Michigan: A Comparison of Ann Arbor, East Lansing, Grand Rapids, and Kalamazoo

August 2005

## Introduction

The Ann Arbor Downtown Development Authority's benchmark study is an attempt to monitor the economic health and vitality of the downtown area. Other Michigan communities are also collecting data from their downtowns; comparing this data with Ann Arbor's can provide a context for understanding trends and differences.

This report compares data for the downtowns of four Michigan cities—Ann Arbor, East Lansing, Grand Rapids, and Kalamazoo. These cities were selected in part because each houses at least one large university. Information was received from the following sources: the East Lansing Downtown Management Board, the Grand Rapids Downtown Development Authority, and Downtown Kalamazoo, Inc. We thank these organizations for generously sharing their information with us.

## Michigan Cities Comparison and Analysis

### *Background Information*

Table 1 below establishes a baseline for comparison of the four cities' downtowns. Grand Rapids is the most populous and a geographically much larger city than Ann Arbor, Kalamazoo, or East Lansing, but the downtowns are similarly sized, at .48 square miles for Grand Rapids and Kalamazoo to Ann Arbor's .42 square miles. Ann Arbor's downtown houses more residents in a smaller area, with 2800 residents and 2.5% of Ann Arbor's population downtown, compared to 2584 and 1200 residents in Grand Rapids and Kalamazoo, respectively.

Table 1: Background Information<sup>1</sup>

	<b>Ann Arbor</b>	<b>Grand Rapids</b>	<b>Kalamazoo</b>	<b>East Lansing</b>
<b>City Population</b>	114,024	197,800	77,145	46,525
<b>Downtown Residents</b>	Approximately 2804	2584	Approximately 1200	N/A
<b>% of Population Downtown</b>	2.5%	1.3%	1.6%	N/A
<b>Total City Area</b>	27.7 sq. mi.	45.3 sq. mi.	25.2 sq. mi.	11.3 sq. mi.
<b>Area Downtown (blocks, sq. miles)</b>	.42 sq.mi (67 blocks)	.48 sq. mi. (62 blocks)	.48 sq. mi.	N/A
<b>% of Land Area Downtown</b>	1.5%	1.9%	1.1%	N/A

<sup>1</sup> U.S. Census Bureau. 2000. "Factfinder." Online at: <http://factfinder.census.gov>

### *Downtown Parking*

Each downtown manages its parking system differently, and the development density in each community affects the amount of parking that must be provided. Table 2 shows that parking in Ann Arbor is comparable for its size to other Michigan cities.

Table 2: Public Parking Downtown

	<b>Ann Arbor</b>	<b>Grand Rapids</b>	<b>Kalamazoo</b>	<b>E. Lansing</b>
Number of structures	7	6	3*	4
Number of surface lots	12	13	N/A	2
Total number of downtown public parking spaces	5,073	6,143	4,572	2,730
Number of parking spaces/person	.04	.03	.06	.06

\*Another parking ramp is currently under construction in Kalamazoo, estimated to contain 500 spaces.

### *Business Mix*

Table 3 displays a count of the number of commercial establishments in each downtown, as well as the proportionate ratio of business type. Ann Arbor has the greatest number of businesses, Grand Rapids has the most financial, insurance, and real estate offices, while E. Lansing has proportionately more restaurants and service businesses than the others. Grand Rapids has much less retail, at just 4.8 percent of its downtown business mix, to Kalamazoo's 21.9 percent and Ann Arbor's 19.1 percent.

Table 3: Downtown Business Mix

<b>Business Type</b>	<b>Ann Arbor (2005)</b>	<b>Grand Rapids (2004)</b>	<b>Kalamazoo (2005)</b>	<b>East Lansing (2003)</b>
Financial, Insurance, & Real Estate	9.1%	20.1%	9.3%	N/A
Professional Offices	28.7%	27.3%	22.2%	16%
Restaurant	12.4%	6.7%	13.4%	24%
Retail-Apparel, books, & music	19.1%	4.8%	21.9%	15%
Services	21.5%	23.2%	26.9%	39%
Manufacturing & Research	.3%	N/A	1.4%	N/A
Miscellaneous/General Office	8.8%	17.9%	4.9%	6%
<b>Total number of downtown businesses</b>	<b>100% or 1197</b>	<b>100% or 1084</b>	<b>100% or 667<sup>1</sup></b>	<b>100% or 195</b>

Figure 1: Clockwise from left—Building Types in Downtown Ann Arbor, Grand Rapids, and Kalamazoo



### *Commercial/Office Vacancy Rates*

At the close of 2004, downtown Ann Arbor had the lowest office vacancy rate among the comparison cities, and was lower than the national average.

Table 4: Downtown Office Vacancy Rates, December 2004

<b>Ann Arbor</b>	<b>Grand Rapids*</b>	<b>Kalamazoo</b>	<b>East Lansing</b>	<b>National Downtown Average<sup>2</sup></b>
13.1%	18.3%	18.56%	18.3%	14.2%

\*Includes commercial vacancy rates as well as office.

### *Crime*

Crime and the perception of crime can affect a downtown’s economic health, although it is difficult to make a direct link between the number of crimes reported and economic stability. Ann Arbor’s crime statistics do not include crimes reports for the University of Michigan campus, whereas crime statistics for E. Lansing does include campus crime reports.

<sup>2</sup> CB Richard Ellis, Inc. 2005. “U.S. National Office Vacancy Index – Fourth Quarter 2004.” Online at: <http://www.cbre.com/NR/rdonlyres/eq2idjgin5hluctfg7jhgdcrxcpsffrhsvutovxvdrug3duo5ywunog6oomz6ezbkilobvmckk mxup/4q04OfficeIndex.pdf>

Table 5: Number of Reported Crimes Downtown

	<b>Downtown Ann Arbor*</b>	<b>Downtown Kalamazoo</b>	<b>Downtown East Lansing</b>
<b>1999</b>	(No Data)	(No Data)	<b>394</b>
<b>2000</b>	(No Data)	(No Data)	<b>518</b>
<b>2002</b>	<b>137</b>	(No Data)	(No Data)
<b>2003</b>	<b>132</b>	(No Data)	(No Data)
<b>2004</b>	<b>97</b>	<b>522</b>	(No Data)

\*Ann Arbor crime numbers do not include the UM campus

*Building permits:*

It is difficult to compare Michigan cities' building permit numbers. Grand Rapids compiles data for building permits over \$200,000 (and information for Kalamazoo and East Lansing is yet not available). It is interesting to note that 51 permits were issued in Grand Rapids in 2004 for construction or renovation projects over \$200,000, whereas in Ann Arbor there was only a handful.

**Conclusions**

There are many sources of information that help us to evaluate the economic vitality of a downtown area, and it is often challenging to gather accurate information over time. But this effort is valuable because it allows us to understand how a downtown may be changing over time so we can best understand how to meet current challenges and future opportunities.

## Appendix A: Source Data for Business Mix

### Ann Arbor (August 2005):

Type	Quantity	Percent
Financial, Insurance, & Real Estate	109	9.1%
Manufacturing	4	.3%
Professional Offices	344	28.7%
Restaurant	148	12.4%
Retail and Wholesale	229	19.1%
Services	257	21.5%
General Office	70	5.8%
Miscellaneous	36	3.0%
<b>Total</b>	<b>1197</b>	<b>100%</b>

### East Lansing (August 2003)

Type	Quantity	Percent
Professional Offices	32	16%
Restaurant	47	24%
Retail-Apparel, books, & music	30	15%
Services	76	39%
Miscellaneous	10	6%
<b>Total</b>	<b>195</b>	<b>100%</b>

### Grand Rapids (2005):

Type	Quantity	Percent
Financial	218	20.1%
Professional	296	27.3%
Restaurants	73	6.7%
Retail	52	4.8%
Service	251	23.2%
General	194	17.9%
<b>Total</b>	<b>1084</b>	<b>100.0%</b>

*\*Information is based on a review of the 2005 Polk Directory*

### Kalamazoo (2004):

Type	Quantity	Percent
Financial, Insurance, & Real Estate	66	9.1%
Manufacturing & Research	10	1.4%
Professional Offices	158	21.7%
Restaurant	95	13.0%
Retail-Apparel, books, & music	156	21.4%
Services	191	26.2%
Miscellaneous	35	4.8%
Public (government, public universities)	17	2.3%
<b>Total</b>	<b>728</b>	<b>100%</b>