

**The Struggle for Vibrancy:
A Study of Local Government Intervention in Detroit's Inner
Suburbs**

by

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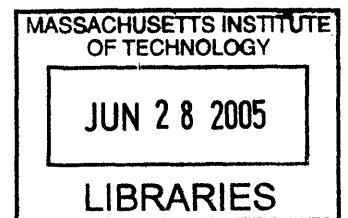
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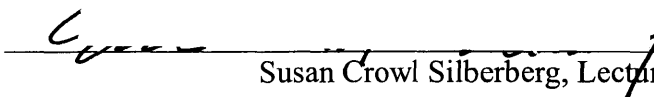
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ABSTRACT

Today, many communities located on the periphery of central cities confront traditionally “urban” problems. Detroit’s inner suburbs struggle with aging infrastructure, limited governmental capacity, commercial disinvestment, population decline, poverty, failing schools, and racial and ethnic tensions. These challenges are compounded by growing fiscal difficulties fueled by shrinking revenues and increasing costs. This thesis asks what strategies an inner suburban government facing population decline, economic disinvestment, and fiscal constraints can use to retain local vibrancy. Focusing on three inner suburban communities, I describe how metro Detroit local governments are attempting to: redefine their community’s identity; provide “good government” for residents; facilitate redevelopment; wage promotional campaigns; engage in inter-jurisdictional collaboration; and attempt annexation. I conclude that local government intervention can be a powerful catalyst for positive change in inner suburbs but that structural constraints limit success.

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Metro Detroit: Inner Ring Communities

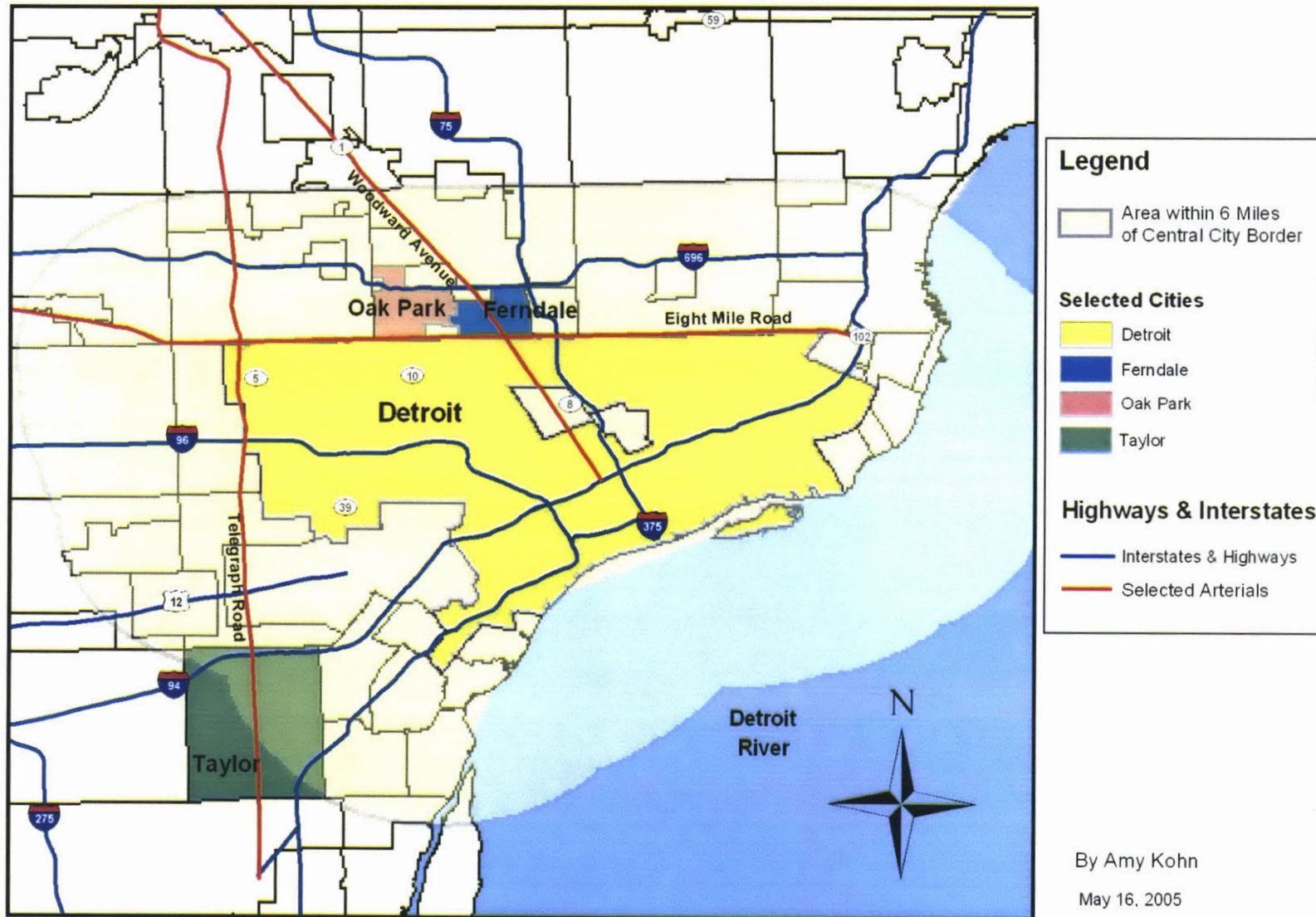


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I. INTRODUCTION

Growing up in an inner suburb of Detroit, I was conscious both of the incredible variation within the region's suburbs and the patterns of flight and disinvestment that seemed to inexorably overtake once-stable communities. The driving impulse behind this thesis—and behind my decision to study planning—is the desire to understand why these negative changes occur and what can be done to resist them. The challenges that Detroit's inner suburbs confront are complex, contextually sensitive dilemmas. Their manifestations vary considerably from city to city. Yet the underlying causes of these challenges are often shared, and effective solutions may have broad applicability as well. This thesis is thus an exploration of the dilemmas confronting inner suburban Detroit and the strategies municipal governments have attempted in response. In spite of all the factors stacked against these communities, this thesis asks, how can municipal government intervention make a difference?

A. PATTERNS OF GROWTH AND DECLINE IN THE INDUSTRIAL METRO REGION

"The city is doomed... We shall solve the city problem by leaving the city." –Henry Ford¹

Detroit grew tremendously over the twentieth century, prompted by the automobile boom. Large factories transformed the small city into a sprawling metropolis. From across the nation and around the world, people rushed to the city in search of opportunity. In the industrial landscape of Detroit lay the promise of the "American Dream:" high paying, low-skill jobs that offered the possibility of homeownership and entry into the middle class, even for those who arrived with nothing. Detroit was a city not of high rise apartments but of family homes with private yards along orderly tree-lined streets. Even when auto production declined during World War II, the converted factories served as an "Arsenal of Democracy" that required the labor of millions of additional workers. Yet, amidst Detroit's fabulous growth and industrial power, the seeds of decline were taking root. The "mighty forces of racial conflict and economic change,"² long lurking below the surface, would emerge in force to transform the region once again.

Economic Decentralization

According to Thomas Sugrue's landmark study of economic and social conflict within twentieth-century Detroit, job loss in America's industrial centers began as early as the 1940s, though the impact was masked by the impressive growth and prosperity of the nation as a whole. By the 1950s, however, "what had been a trickle...became a flood" as Rust Belt cities lost hundreds of thousands of manufacturing jobs. Firms shifted employment to new suburban and semi-rural

¹ Kenneth Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985) p.175.

² Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton: Princeton University Press, 1996) p.12.

facilities, reduced their ranks through automation, and moved their manufacturing bases out of the region, or even out of the country.³

Because the automobile industry was “in the vanguard of corporate decentralization,” the metro region—and Detroit in particular—was hit hard by this trend. In 1950, Michigan could claim 56% of all automobile manufacturing in the U.S. Just 10 years later, Michigan’s share had dropped to 40%,⁴ and circumstances continued to worsen. Why stay in Michigan—with labor’s power bolstered by the mighty United Auto Workers union—when costs could be lowered by building new plants in the South, or off-shore? “If there ever was a ‘shrinking pie,’” observes Tamar Jacoby in her case study of metro Detroit’s mid-twentieth century economic and political climate, “it was Detroit.”⁵ There seemed no good answer to the global industrial changes that rocked the region and its primary industry.

In addition to more wide-ranging moves, the auto industry also shifted production *within* the region. Automobile manufacturing began moving from the heart of Detroit as early as the 1920s, and the trend snowballed during the 1950s.⁶ Between 1947 and 1958, the Big Three would build twenty-five new factories in metro Detroit—all of them in the suburbs.⁷

Old factories eventually become outdated, and urban sites offered little room for expansion (or for the “massive” parking lots that were increasingly necessary by the 1950s). Adequate sites with railroad frontage were even more difficult to obtain. Meanwhile, outlying land was cheap and easy to come by. The desire of corporate decision makers to extract themselves from powerful union strongholds was another motivator. “When factories became obsolete,” Jacoby explains, “they were simply abandoned, and new ones were built a little further out along the city’s spokelike avenues.”⁸

Detroit’s wealth of auto-related industries (machine tool manufacturers, metalworking manufacturers, parts manufacturers, etc.) quickly followed the Big Three to the suburbs. Between 1950 and 1956, 124 manufacturing firms opened shop in suburban Detroit.⁹

Private sector inclinations for decentralization were supported by government policy. Beginning with WWII, the federal government promoted the decentralization of industry as a security measure emerging from fears of foreign attack on central cities. The effects of the policy were swiftly felt in industrial Detroit. During the buildup for the Korean War, for instance, 92.5% of the region’s \$353 million federal allocation for industrial facilities went to places on the region’s periphery.¹⁰

³ Ibid., p.127-28.

⁴ Ibid., p.128.

⁵ Tamar Jacoby, *Someone Else’s House: America’s Unfinished Struggle for Integration* (New York: Basic Books, 1998), p.255.

⁶ Ibid., p. 236-37.

⁷ Sugrue, *The Origins of the Urban Crisis*, p.128.

⁸ Ibid., 129-30; Jacoby, *Someone Else’s House*, p.236-37.

⁹ Sugrue, *The Origins of the Urban Crisis*, p. 129.

¹⁰ Ibid., p. 140.

The reasons for industrial decentralization were local and global, political and economic. Right or wrong, decentralization profoundly changed the landscape of the metro region. There has been "significant growth" in Southeast Michigan's employment base over the past 30 years, but it has all taken place within the suburbs. Between 1970 and 2000, as the region's employment base grew 38%—an increase of 734,540 jobs—the number of jobs in Detroit declined by over 50%. During that same period, Detroit's share of the region's employment fell from an already concerning 38% to a deeply troubling 13%.¹¹ As the central city has declined, growth has taken place primarily in "large employment subcenters," particularly in the northwestern suburbs.¹²

Population Growth on the Periphery

The industrial shifts in metro Detroit helped fuel demographic shifts:

"As jobs left the city, so too did white workers with the means to move to suburbs or small towns where factories relocated. Wealthier whites also followed investments outward. As a result, Detroit's population began an unbroken downward fall in the 1950s. As Detroit's population shrank, it also grew poorer and blacker. Increasingly, the city became the home for the dispossessed, those marginalized in the housing market, in greater peril of unemployment, most subject to the vagaries of a troubled economy."¹³

The out-migration of factories, workers, and the businesses that served them left behind "the poor and powerless" of the region.¹⁴ Yet, the racial and economic segregation of metro Detroit was not a new phenomenon, nor was it simply a neutral or inevitable consequence of industrial dislocations. Observes Jacoby, "The move out of town was an economic slippery slope, sometimes greased by racism, sometimes not."¹⁵

Housing and Racial Tensions

Even in its heyday, Detroit was a highly segregated city, divided into distinct ethnic and racial enclaves.¹⁶ Hostilities were exacerbated by real estate brokers who capitalized on Post-WWII Detroit's perpetually tight housing market, the local proclivity for segregation by race and ethnicity, and the longstanding racial tensions between the city's blacks and whites. Brokers would sometimes encourage black families to purchase a home within an all-white neighborhood, and then canvass the white households to warn that black people were moving in, that the neighborhood would soon decline, and that they had best relocate quickly. The large-scale out-migration of homeowners destabilized communities and wreaked havoc on property values, but real estate brokers made enormous profits by assisting whole neighborhoods of white families to find homes in the suburbs and then finding black families to replace them. By taking advantage of local black families' desperate desire to be homeowners and the racial fears of white families, "blockbusting" real estate brokers "offered real opportunities to blacks, while

¹¹ *Historical Population and Employment by Minor Civil Division, Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, June 2002)

¹² See data on suburbs like Southfield and Farmington Hills. *Historical Population and Employment by Minor Civil Division, Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, June 2002)

¹³ Sugrue, *The Origins of the Urban Crisis*, p. 149.

¹⁴ Jacoby, *Someone Else's House*, p. 236 -237.

¹⁵ *Ibid.*, p.238.

¹⁶ *Ibid.*, p. 233.

sowing panic among whites.¹⁷ Blockbusting was only possible because of pre-existing racial tensions—and Detroit had these aplenty—but the practice contributed significantly to ensuring that the threat of racial transition and subsequent decline became a reality. It also left the region’s residents with powerful memories of how quickly a neighborhood might “tip.”

Federal Housing Policies

The complexity of factors involved in the decentralization of Detroit’s population is also illustrated by allegedly neutral governmental policies. Beginning with the Home Owners Loan Corporation in 1933, the federal government made low-interest mortgages—and thus homeownership—an attainable goal for millions of Americans. Yet, government housing policies also fueled urban flight and helped ensure that racially heterogeneous neighborhoods would be declining communities. The Federal Housing Administration’s lending terms made purchasing a home in the suburbs in many cases a more affordable option than renting housing in the city. Even more troubling, however, the agency refused to underwrite loans in racially diverse areas. The FHA’s 1939 *Underwriting Manual* was forthright in its insistence that “If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial class.”¹⁸ A neighborhood that was not fully white, homeowners soon realized, would be one in which even qualified future buyers would struggle to get loans.¹⁹

The FHA did not create the racial biases that heavily shaped the pattern of Detroit’s development, but the agency ensured that concerns about the link between diversity and decline would be realized. Through the FHA, writes Kenneth Jackson in his study of suburbanization in the U.S., “the federal government embraced the discriminatory attitudes of the marketplace....[The] FHA exhorted segregation and enshrined it as public policy.”²⁰ In metro Detroit as in most American cities at mid-century, federal policies helped convince homeowners that suburbs were more desirable than cities and that racially heterogeneous neighborhoods were destined for decline.

Flight to the Suburbs

Motivated by financial, social, and economic factors, Detroiters left the city in striking numbers. By 1970, the central city’s population had shrunk to 1.5 million while its suburbs housed 2.9 million—nearly twice the number of city residents.²¹ The out-migration was characterized by distinct patterns, however. Jacoby notes that “when white Detroiters left the city, they often went en masse, whole neighborhoods together.”²² This is partly because, as white Detroiters fled the city for suburban amenities and solidly white surroundings, their locational choices were heavily influenced by realtors. “Real estate agents and developers targeted their markets carefully, quickly giving suburbs reputations based on the class and ethnicity of their residents.”²³ Yet the nature of Detroit’s suburbanization process was also influenced by the

¹⁷ Sugrue, *The Origins of the Urban Crisis*, p. 195.

¹⁸ *FHA Underwriting Manual* (Washington, 1947), quoted in Jackson, *Crabgrass Frontier*, p. 208.

¹⁹ Jackson, *Crabgrass Frontier*, p.195-213.

²⁰ *Ibid.*, p.213.

²¹ Jacoby, *Someone Else’s House*, p. 261.

²² *Ibid.*, p.263-64.

²³ Sugrue, *The Origins of the Urban Crisis*, p. 245-46.

“natural clannishness” of residents, and metro Detroiters’ “mental maps” of where certain groups “belong.”²⁴

By the early 1970s, Detroit’s suburbs housed almost as much variety in wealth, class and ethnicity as the central city once had. Just like the once-vibrant neighborhoods in Detroit, the suburbs were known to have distinct characters: liberal or conservative, Jewish or Polish, affluent or working class.²⁵ Downriver communities like Taylor became “blue-collar suburbs.” Northwest of Detroit, Oak Park and neighboring Southfield “became magnets for Jews, who followed their institutions out of the city.” Other suburbs came to be known as havens for wealthy auto executives, or as “bedroom communities” for the solidly middle class.²⁶ In many cases, the new suburban enclaves even *looked* like the neighborhoods their residents had left behind: Downriver tract homes bore a “striking resemblance” to homes on Detroit’s West Side²⁷; the houses lining the tree-lined streets of quaint and comfortable Huntington Woods look almost the same as those in the nearby central city’s far northwest neighborhoods. In this way, Detroit’s neighborhoods were recreated in the ring of highly differentiated suburbs that grew up on the region’s periphery.

Consequences

Racial conflict, housing pressures, federal policies, economic dispersal, the questionable practices of area realtors, and the lure of the suburban lifestyle all resulted in a dramatic transformation of the region’s socioeconomic landscape. The riots of the late 1960s were not the origin of Detroit’s social and economic woes, but they helped to seal divides between black and white, and between city and suburbs. From a centralized industrial region, metro Detroit has become a place of striking fragmentation.

Sprawl and fragmentation are not, of course, unique to Detroit. Many American cities fall victim to the “donut effect”—a hollowing out of their center as businesses and residents depart for the suburbs. It is important to remember, however, that a “spatial distribution of inequality”²⁸—a pattern of sprawl that leaves desperate communities in its wake—is neither a “foreordained consequence of centuries of American racial prejudice,”²⁹ nor an inevitable, mechanical occurrence. Rather, it is the result of specific and “mutually reinforcing” actions by state, federal, and local government, real estate agents, individual home buyers and sellers, corporations and small businesses, and community institutions—each attempting “to locate their activities in a manner that furthers their specific interest[s].”³⁰ The patterns of disinvestment and decentralization that have characterized metro Detroit for over half a century can only be understood within a framework that acknowledges both the power of small, individual decisions

²⁴ Jacoby, *Someone Else’s House*, p.261.

²⁵ *Ibid.*, p.261.

²⁶ Sugrue, *The Origins of the Urban Crisis*, p. 245-46.

²⁷ *Ibid.*, p. 266.

²⁸ Alan Altshuler, William Morrill, Harold Wolman, and Faith Mitchell, eds., *Governance and Opportunity in Metropolitan America* (Washington, DC: National Academy Press, 1999) p.3-12.

²⁹ Sugrue, *The Origins of the Urban Crisis*, p.11.

³⁰ Altshuler, Morrill, Wolman, and Mitchell, *Governance and Opportunity in Metropolitan America*, p.3-12.

to result in dramatic aggregate impacts, and the ways in which socioeconomic and political structures “limit the range of individual and collective decisions.”³¹

It is said that Detroit has long been booming at its periphery but rotten at its core; that development in the region (along with wealth) has been pushed and pulled ever outward.³² Today, that “booming periphery” is along a belt that is a long drive away from the city’s borders. Much has been written about Detroit and its long struggle with the forces of decline, yet there has been much less attention to those communities that lie—both literally and figuratively—between the City’s limits and the outlying places of wealth and privilege.

³¹ Sugrue, *The Origins of the Urban Crisis*, p.11.

³² Jacoby, *Someone Else’s House*; Sugrue, *The Origins of the Urban Crisis*.

B. AN URBAN SUBURBIA

When people moved across Detroit's municipal boundaries to the suburbs, it was tempting to believe that they had left the "urban" problems behind them. Racial tensions, failing schools, and growing crime rates seemed confined to the central city. Yet, the intractable problems associated with continued segregation and deindustrialization would not be so easily thwarted. Just as the physical forms and clearly defined neighborhoods of the city were recapitulated in the suburbs, so have the host of social and economic dilemmas that once spurred flight from the cities reemerged in the inner suburbs. But these challenges are often even more daunting when confronted by smaller, primarily residential places with fewer resources with which to resist decline.

Inner suburbs, sometimes called first-ring or first-tier suburbs, are loosely defined as older municipalities located within close proximity to a center city. Precise definitions of which suburbs should be categorized within this group varies from region to region and depending on the aims of the analysis, but there is broad agreement on the characteristics that sets this eclectic group of cities apart.

Inner suburbs are the suburbs that developed first—in this region, generally before the 1960s. They lie within close proximity to the central city, and developed in response to urban circumstances. In contrast to newer exurban communities, inner suburbs were often constructed with the kind of characteristics now touted by planners: they tend to offer walkable, tree-lined neighborhoods, established parks, and higher density development. They also tend to offer excellent access to both the central city and outlying suburbs, and are often well-connected to transportation routes.³³

Yet in spite of these assets, inner suburban communities are increasingly confronting the same kinds of stresses typically associated with urban environments. As older communities, they tend to have aging infrastructure that is expensive to maintain. Their existing housing stock, reflecting demand from an earlier era, is often not competitive with exurban alternatives. They tend to be relatively small in population and limited in both fiscal and governmental capacity. Additionally, inner suburbs are frequently "built-out," with little space for new tax base-expanding development. Failing schools, diverse populations, struggling commercial corridors, rising crime rates, and the out-migration of families and jobs are common dilemmas.³⁴

Furthermore, unlike central cities, the inner suburbs that grew up in their shadow often have little to anchor them when faced with traditionally "urban" stresses. In the words of regional analyst Myron Orfield:

³³ Robert Puentes and Myron Orfield, "Valuing America's First Suburbs: A Policy Agenda for Older Suburbs in the Midwest" (Washington, DC: The Brookings Institution Center on Urban & Metropolitan Policy, 2002) p.5-8.

³⁴ Puentes and Orfield, "Valuing America's First Suburbs," p.4-5, 8-10; William H. Hudnut, III, *Halfway to Everywhere* (Washington, DC: ULI—the Urban Land Institute, 2003) p.xii-xiii; U.S Department of Housing and Urban Development, "The State of the Cities, 1999," June 1999, <http://www.huduser.org/publications/polleg/tsoc99/contents.html>.

“Many at-risk [suburban] communities lack... [a] strong business district, vitality, resources, high-end housing, parks, cultural attractions, amenities, and public infrastructure (for example, police and social service agencies experienced in coping with social stress). As a result, these communities often become poor *faster* and lose local business activity even more rapidly than the cities they surround.”³⁵

There is increasing awareness within the policy community that inner suburbs—both in metro Detroit and across the nation—face a constellation of structural challenges. The Department of Housing and Urban Development’s 1999 “The State of the Cities” report found that social and fiscal challenges once concentrated in central cities had spread to inner suburbs. Evaluating population decline and poverty rates in communities across the country, HUD determined that over 400 suburbs in 24 states were in “distress.” “As in central cities,” the report notes, “disinvestment is creating blighted areas and sapping these communities of their economic vitality.”³⁶

The struggle of inner suburbs has become a topic of particular relevance in the Rust Belt. A recent Brookings report focusing on the challenges confronting the inner suburbs of Cleveland, Pittsburgh, Chicago, Detroit, and other Midwestern metro regions found that these communities face a “distinctive set of opportunities and challenges that sets them apart from their neighboring central cities or suburbs”; that inner suburbs are “caught in a policy blindspot” because state and federal aid programs favor large, high poverty cities or growing exurban places that lack existing infrastructure; and that state and federal policies must “help strengthen the health and vitality of [inner] suburbs before they become the next ring of decline.”³⁷

Inner suburbs are a diverse group. They can be large or small, poor or affluent, white or minority, starkly homogeneous or characterized by tremendous racial and ethnic diversity. Inner suburbs within a single metro region may vary considerably in terms of their built form, their historical trajectory, their position within the regional hierarchy, and the challenges they currently confront. The inner suburban communities I examined for this study included bustling job centers, sleepy bedroom communities, enclaves of wealth and privilege, communities of the desperately poor, places that had been revitalized by an influx of minority families, places for which the arrival of minority groups was regarded with ambivalence, and places that—due to the vigilance of their residents—have changed little since the early part of the twentieth century. Yet, in all these communities, in spite of their differing contexts and challenges, certain themes reoccurred again and again in my conversations with municipal leaders: the complexity of intraregional relationships, the barriers to remaining competitive, the struggle to attract investment, and always, the tremendous fiscal pressures.

³⁵ Myron Orfield, *American Metropolitcs: The New Suburban Reality*. (Washington, DC: Brookings Institution Press, 2002), 36.

³⁶ U.S Department of Housing and Urban Development, “The State of the Cities, 1999.”

³⁷ Puentes and Orfield, “Valuing America’s First Suburbs,” p.2-3.

My research for this project involved 25 inner suburban communities and over 20 interviews with community leaders. The key challenges identified were as follows:³⁸

- Needy Infrastructure
- Uncompetitive Housing Stock
- Lack of Governmental Capacity/Regional Fragmentation
- Limited Commercial Investment
- Population Decline
- Poverty
- Racial and Ethnic Tensions

Needy Infrastructure

Inner suburbs in the Midwest often struggle with deteriorating infrastructure but receive inadequate state assistance for the staggering costs of repair. Communities that boomed in the 1950s are now confronted with crumbling roads that have not been repaved in over half a century.³⁹ Half a century of freezes and thaws makes many local roads in Michigan look more like extended pot holes than thoroughfares, and traffic broadcasts throughout the spring and summer warn of pot hole-induced accidents and backups.

Maintaining aging roads and sewer systems can cost a community of less than four square miles almost \$50 million dollars in local investment.⁴⁰ Mandates to prevent sewage discharge into area water sources can cost tens of millions more.⁴¹ Fixing Southeastern Michigan's sewage systems will require \$29 to \$52 billion in maintenance and improvements over the next 30 years. "Anything less than proper maintenance of this vital infrastructure will virtually prohibit any revitalization effort and will push sewer development into greenfield areas."⁴² Yet the costs of keeping aging infrastructure viable can be tremendous, especially for small communities with limited tax base.

Uncompetitive Housing Stock

Inner suburban homes tend to be older and smaller than their exurban counterparts. They often lack the spacious room sizes, modern kitchens, family rooms, and additional bathrooms that current homebuyers prefer. Inner suburbs are also hurt by the tendency of consumers to move "up and out" to larger homes on larger lots, which, in the Midwest, tend to be located in developing exurban communities. The rapid pace of greenfield development in this slow-growth region further depresses the desirability of inner suburban homes. Inner suburbs frequently offer housing stock that is unique in character and constructed of high quality materials, yet in today's

³⁸ Please note that the selection of inner suburbs for the sample group was intentionally biased to favor communities experiencing a variety of stress factors (see Chapter 2 for details). Statistics describing the proportion of the sample group possessing a given characteristic are intended simply to demonstrate that these issues are significant for numerous communities within the region.

³⁹ Robert Porter, interview by author, Ferndale, MI, February 23, 2005; Fred Zorn, interview by author, Taylor, MI, February 17, 2005;

⁴⁰ Porter, interview by author.

⁴¹ Jeff Bremer, interview by author, Lathrup Village, MI, January 18, 2005; Zorn, interview by author, February 17, 2005.

⁴² Puentes and Orfield, "Valuing America's First Suburbs," p.9.

marketplace, these homes are at a competitive disadvantage. The housing stock in inner suburbs—though there is often considerable variation both within and among these communities—is generally most attractive to families with modest incomes and to those seeking “starter homes.”⁴³

Lack of Governmental Capacity / Regional Fragmentation

Metropolitan areas in the Midwest tend to be highly fragmented. There are 231 separate cities, townships, and villages in metro Detroit, each with their own policies and priorities. Municipal responsibilities like transportation, public safety, and economic vibrancy transcend local borders, and tackling structural challenges like deindustrialization and regional disinvestment require collective action.⁴⁴ Yet local leaders point to a “lack of cooperation” in the region. “Here, it’s hard to get your neighbor to talk to you,” explains one inner suburban mayor. “We’re little fiefdoms.”⁴⁵ Given the size of inner suburbs—some are as tiny as 1 mile square—the lack of inter-jurisdictional collaboration impedes the already limited capacity of small local governments to meet the challenges they face.

Limited Commercial Investment

Attracting commercial investment to inner suburban commercial areas is a tremendous challenge. Lack of available land for development is a severe limitation. Local government leaders cite not just a dearth of undeveloped land, but constraints posed by existing lot sizes. “If I could find 5 acres here, 10 acres there,” confesses one inner suburban mayor, “I’m telling you, I’d have no trouble finding people interested in coming to the city.”⁴⁶ A city administrator on the other side of the region explains that his suburb’s retail possibilities are strictly “confined” by shallow lot depths.⁴⁷ A planner in a third inner suburb finds that small lots and a lack of parking make his city’s retail corridors “physically antiquated.”⁴⁸

The nine communities in which I conducted interviews ranged from 83% to 99% developed. In nearly all of these communities, government actors cited space constraints on commercial opportunities as a primary concern. The need to retain vibrancy and to expand local tax base makes private investment a necessity for inner suburbs, yet finding plots of land large enough to accommodate the needs of modern businesses—especially in light of competition from growing communities on the periphery—is a tremendous challenge for inner suburbs.⁴⁹

⁴³ Dan Paletko, interview by author, Dearborn Heights, MI, January 17, 2005; Porter, interview by author; Puentes and Orfield, “Valuing America’s First Suburbs,” p.2-3, 11-12; Southeast Michigan Council of Governments, *Migration and Its Impact on Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, November 2004),

⁴⁴ Puentes and Orfield, “Valuing America’s First Suburbs,” p. 13; *Historical Population and Employment by Minor Civil Division, Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, June 2002), Table 1.

⁴⁵ Porter, interview by author.

⁴⁶ Paletko, interview by author.

⁴⁷ Bremer, interview by author.

⁴⁸ Kevin Rulkowski, telephone interview by author, February 4, 2005.

⁴⁹ Southeast Michigan Council of Governments, “Community Profiles” for Dearborn Heights, Farmington, Ferndale, Inkster, Lathrup Village, Oak Park, Southfield, Taylor, and Wayne, *Southeast Michigan Council of Governments*, <http://www.semco.org/Data/CommunityProfiles/index.htm>; Rulkowski, interview by author, February 4, 2005;

Population Decline

As the inner suburbs have aged, so have their residents. In addition, family size has shrunk both nationally and locally.⁵⁰ In consequence, homes that were once crowded with people now often house only one or two individuals. Decline in population has been a serious concern for inner suburban communities in the metro area—in part because the state's local aid formula is weighted in favor of more populous communities.⁵¹

A drop in residents therefore means a drop in state aid, though a population decline does not necessarily translate into savings on trash pick up or public safety. Indeed, studies find that slow-growth or decline in population often increases the per capita cost of providing local services.⁵² Metro Detroit is growing slowly—at a rate of .3% per year and falling—and the parts of the region that are experiencing population increases are concentrated on the periphery. Population decline is thus a considerable challenge for the older communities at the region's core.⁵³

Poverty

Suburbs are traditionally thought of as places of exclusivity and wealth, but the reality of inner suburbs refutes this. A 2003 study of social and economic disparities in Michigan's metro regions found that over 70% of students in six inner suburban school districts were eligible for free or reduced-price lunches. The student poverty rate within these school districts was higher than that of Detroit.⁵⁴ “The challenge for first suburbs in the Midwest is that a disproportionate number of low- and moderate-income families live in these places,”⁵⁵ notes a recent study by the Brookings Institution. Concentrated poverty both compromises the desirability of a community and “dramatically” increases the cost of service provision.⁵⁶ In 2000, 10% of metro Detroit's households lived in poverty. 10 of the 25 communities considered in this study experience poverty rates that equal or exceed the regional average. In three of those communities, over 20% of households fell below the poverty line.⁵⁷

Bremer, interview by author; Fred Zorn, interview by author, Taylor, MI, January 13, 2005; Paletko, interview by author.

⁵⁰ U.S. Census Bureau, “Families and Living Arrangements.” March, 2000, <http://www.census.gov/population/www/socdemo/hh-fam.html>; Southeast Michigan Council of Governments, “Community Profile for Southeast Michigan.”

⁵¹ Zorn, interview by author, January 13, 2005; Citizens Research Council of Michigan, *Michigan's Unrestricted Revenue Sharing Program: Retrospect and Prospect* (Livonia: Citizens Research Council of Michigan, September 2002), 22, 31.

⁵² Orfield, *American Metropolitcs*, p.27.

⁵³ Southeast Michigan Council of Governments, *Migration and Its Impact on Southeast Michigan* p. 7, 23.

⁵⁴ Orfield, Myron, and Thomas Luce. “Michigan Metropatterns: A Regional Agenda for Community and Prosperity in Michigan.” Minneapolis: Ameregis / Metropolitan Area Research Corporation, 2003.

⁵⁵ Puentes and Orfield, “Valuing America's First Suburbs,” p. 12.

⁵⁶ Orfield, *American Metropolitcs*, p.27.

⁵⁷ Southeast Michigan Council of Governments, “Community Profiles.”

Racial and Ethnic Tensions

Metro Detroit is one of the most segregated regions in the country. Dissimilarity indexes show that as recently as 2000, a whopping 85% of metro Detroit's African American residents would have had to move for the region to achieve equal distribution among black and white residents.⁵⁸ Although suburban Detroit overall remains predominately white, the inner suburbs are home to an increasing number of black families. Of the 25 inner suburban communities examined in this study, nine had African American populations of over 10% in 2000, and seven of those communities were over 40% black.⁵⁹ There are many African American families within the suburbs, but they are largely confined to a few particular communities. As discussed above, racially stable places in metro Detroit tend to be either almost entirely white or to have very high concentrations of minority residents. Integration, a local columnist is said to have quipped, can be defined as the period of time between when the first black family moves in and the last white family leaves.⁶⁰ The rapid racial transitions that took place in Detroit's neighborhoods have been echoed within some inner suburbs.

Tom Barwin has worked in economic development and city management within the Detroit area for nearly twenty years, serving inner suburbs across the region. "Here in metro Detroit," explains Barwin, "underneath the table—and it's just not talked about—but this is all about race." Would this region look and feel dramatically differently without de facto segregation? he asks groups of residents from across Southeast Michigan. Invariably, the answer is yes. "We know that we haven't gotten along well as a region," he says.⁶¹

Over the years, African Americans moving into white blue-collar suburbs in the "Downriver" area southwest of Detroit faced the same kinds of hostility they'd encountered when trying to move into blue-collar communities within the city itself: arson, threats, broken windows, etc.⁶² Suburban Detroit was the site of one of the nation's most bitter busing battles.⁶³ And the long history of disinvestment and white flight within Detroit's once stable neighborhoods is vividly remembered.⁶⁴

In some inner suburbs, new immigrant groups or ethnic enclaves have provided a source of stability bolstered by new investments.⁶⁵ "We're a vibrant community and not a dying suburb, and one of the reasons is because we have this influx of economic support [in consequence of] our Lebanese-American citizens," says one inner suburban mayor. Yet the mayor also notes that there have been conflicts—particularly in the schools—between the new Arab residents and the

⁵⁸ Orfield, *American Metropolitanities*, p.52.

⁵⁹ Southeast Michigan Council of Governments, "Community Profiles."

⁶⁰ Jack Lessenberry, "Salvaging Southfield," *Metro Times*, May 15, 2004, <http://www.metrotimes.com/editorial/story.asp?id=6247>.

⁶¹ Tom Barwin, interview by author, Ferndale, MI, January 18, 2005.

⁶² Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton: Princeton University Press, 1996) P.266.

⁶³ Tamar Jacoby, *Someone Else's House: America's Unfinished Struggle for Integration* (New York: Basic Books, 1998) p.265-293.

⁶⁴ *Ibid.*, p.263; Sugrue, *The Origins of the Urban Crisis*, p.242-44; Walter Smith, telephone interview by author, February 28, 2005; Nik Banda, interview by author, Southfield, MI, January 13, 2005; City of Inkster Director of Planning and Economic Development, interview by author, Inkster, MI, January 18, 2005.

⁶⁵ Paletko, interview by author; Rulkowski, interview by author, February 4, 2005; Jerry Naftaly, telephone interview by author, February 17, 2005; Jerry Naftaly, telephone interview by author, March 9, 2005.

predominately white, Christian population that once dominated the city. Tensions also emerged over differences between the city's traditional housing stock and the homes the newcomers were constructing in their place.⁶⁶ Racial and ethnic integration poses a considerable challenge in some inner suburbs. And both local experience and the findings of researchers indicate that the prospects for successful integration are slim.

In a landmark study aimed at decoding metro Detroiters' "mental maps" of the region's racial geography, University of Michigan sociologist Reynolds Farley found a "fundamental mismatch" between the residential preferences of the region's black and whites. By showing Detroit area residents flashcards of streets with varying numbers of African American households, Farley discovered that black participants preferred neighborhoods that were at least half black while white participants were uncomfortable with more than one or two black families on the block. White participants worried that an identifiably "black" neighborhood—which they defined as a neighborhood with a larger proportion of black families than was consistent with the population as a whole—would result in higher crime, poverty, and a drop in property values.⁶⁷

The implications of these preferences are a recipe for ongoing segregation and the kind of rapid turnover that is likely to destabilize even relatively affluent neighborhoods. Given Farley's findings and the region's well-remembered history of racial conflict, inner suburbs confronting ethnic and particularly racial changes face a daunting challenge.

A constellation of traditionally urban challenges now confront many inner suburbs. Stabilizing these communities, however, is complicated by a significant decline in available dollars.

⁶⁶ Paletko, interview by author.

⁶⁷ Jacoby, *Someone Else's House*, p.264-65.

C. THE FISCAL CRISIS

Perhaps the greatest obstacle confronting inner suburbs is the tremendous fiscal challenge with which these communities must contend. In the words of one local columnist, “the real threat is not too much melanin but too little money.”⁶⁸ On this point local leaders and policy experts agree: “The need for greater fiscal capacity is at the heart of most of the problems facing first suburbs.”⁶⁹

How the System Works

A municipality’s fiscal condition—the difference between its capacity to raise revenues and the amount it needs to spend to meet its costs—is of critical importance. Fiscal condition determines whether a community can afford to provide critical services like police protection, trash pick-up, and infrastructure maintenance, in addition to amenities like libraries, recreational programming, well-maintained parks.⁷⁰

Tax rates are closely linked to fiscal condition. Cities close potential gaps between costs and revenue through taxation. For local governments in Michigan, as in most states, property taxes are “the single most significant source of revenue.”⁷¹ Modest service needs and a large tax base means low tax rates for local businesses and residents. High service costs and a modest tax base, however, mean that a community must likely rely on high tax rates to meet its expenses. Without competitive tax rates, communities have a hard time attracting investment. As a community becomes less desirable to residents and businesses, property values decline, causing further reduction in the local tax base.⁷²

This fundamental relationship between tax base and service costs is at the core of a municipality’s capacity to respond to local needs. It is also at the core of what the communities involved in this study almost universally cited as the single greatest challenge facing Michigan’s cities—and inner suburbs in particular.

Studies of fiscal condition in local governments identify five basic causes for “fiscal strain”—an imbalance between revenues and expenses. Those causes are:

- 1) changing socioeconomic characteristics in the cities
- 2) national economic difficulties
- 3) inequitable fiscal federalism
- 4) opportunistic political bargaining
- 5) unions and collective bargaining⁷³

⁶⁸ Jack Lessenberry, “Salvaging Southfield,” *Metro Times*, May 15, 2004.
<http://www.metrotimes.com/editorial/story.asp?id=6247>.

⁶⁹ Robert Puentes and Myron Orfield, “Valuing America’s First Suburbs: A Policy Agenda for Older Suburbs in the Midwest” (Washington, DC: The Brookings Institution Center on Urban & Metropolitan Policy, 2002), p.14.

⁷⁰ Myron Orfield, *American Metropolitcs: The New Suburban Reality*. (Washington, DC: Brookings Institution Press, 2002) p.24; Robert Puentes and Myron Orfield, 2002, p.10.

⁷¹ Southeast Michigan Council of Governments (SEMCOG), *Fiscal Capacity of Southeast Michigan Communities: Taxable Value and its Implications* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003) p.1.

⁷² Robert Puentes and Myron Orfield, 2002, p.10.

⁷³ Joan K. Martin, “Evaluating Fiscal Strain in Cities” (PhD diss., Massachusetts Institute of Technology, 1980).

The fiscal woes of Detroit's inner suburbs are primarily attributable to the first three of those causes.

1) Changing Demographics

Myron Orfield's study of intra-regional disparities across the country finds that poverty "dramatically raises the cost of providing local public services." Furthermore, high poverty levels translate into lower property values and a smaller tax base. As discussed above, some of metro Detroit's inner suburban communities now confront poverty levels that are as high or higher than those of the central city.⁷⁴

Also as noted above, slow-growth or decline in population can further increase the per person cost of providing local services.⁷⁵ Losing residents rarely means that a community can get by with fewer police officers or less frequent snow plowing, but it does mean that the burden of paying for these expenses is shared by fewer people. Declining populations is a common problem among inner suburbs, especially given metro Detroit's almost stagnant growth rate.⁷⁶

Additional fiscal stress is caused by the patterns of industrial decentralization and "white flight" described above: as wealthier residents and higher end businesses depart for the exurbs, lower-income families take their place. These factors have a depressing impact on the tax base.⁷⁷ This tendency is also likely to trigger a cycle of decline. HUD describes the pattern of disinvestment in Cleveland's inner suburbs succinctly by explaining:

"As more people leave, more people join them in wanting to leave. Those without the resources to relocate easily are left behind. These patterns of disinvestment and flight are similar to those that affected the inner-city in past decades."⁷⁸

Because they can contribute to both the costs of service provision and the capacity of a community to generate revenue, socioeconomic changes are a significant part of the fiscal challenges that many inner suburbs confront.

2) National Economic Difficulties

In her study of municipal fiscal strain in Detroit and Boston, Joan K. Martin finds that overly optimistic projections of governmental transfers are often the cause of local fiscal difficulties. Cities plan their budgets expecting a certain amount of state and federal aid, and then face large shortfalls when the anticipated funds are not received.⁷⁹

⁷⁴ Myron Orfield, 2002, p.27; Orfield, Myron, and Thomas Luce. "Michigan Metropatterns: A Regional Agenda for Community and Prosperity in Michigan." Minneapolis: Ameregis / Metropolitan Area Research Corporation, 2003; Southeast Michigan Council of Governments, "Community Profiles," *Southeast Michigan Council of Governments*, <http://www.semcog.org/Data/CommunityProfiles/index.htm>.

⁷⁵ Myron Orfield, *American Metropolitcs: The New Suburban Reality*. (Washington, DC: Brookings Institution Press, 2002) p.27.

⁷⁶ Southeast Michigan Council of Governments, *Migration and Its Impact on Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, November 2004), p. 7, 23.

⁷⁷ Puentes and Orfield, 2002, p.2-3.

⁷⁸ "Cleveland's Older Suburbs Receive Revitalization Funds," *HUD FieldWorks*, Jan. / Feb. 2000, <http://www.huduser.org/periodicals/fieldworks/0100/fworks3.html>.

⁷⁹ Martin, 1980, p.47, 50, 124-32.

Some communities might be guilty of poor accounting, but for most, staggering and repeated cuts in state aid over the past several years have caused serious budgeting difficulties. In order to address its own funding shortfalls, the State of Michigan has slashed state-shared revenue—an important source of funds for inner suburbs in the area—over and over again, sometimes in the middle of budget cycles.⁸⁰

In Michigan, state-shared revenue allocations have declined each year since 2001 for a total cut of over \$1 billion over the past four years. Communities interviewed for this study explained that state funding has been ratcheted back to 1990s levels, while municipal expenses like wages and health care have gone up and up and up. Legislators are now warning communities that local aid may disappear altogether in the next several years. “Revenue sources that we thought were solid *aren’t* any more” explained an inner suburban staffer, describing the uncertainty over how much his city can anticipate in revenues. He labels the budgeting effort as “practically impossible.”⁸¹

Compounding the problem of shrinking governmental transfers is the threat that federal aid—in the form of Community Development Block Grants (CDBGs)—will be cut as well.⁸² Furthermore, the recent downturn in the stock market has required communities to supplement employee pensions.⁸³

In addition to the local ramifications of the current economic downturn (the loss of long-time businesses, increased conservatism among potential investors etc.), inner suburbs must also bear the consequences of state and federal budgetary shortfalls.

3) Inequitable Federalism

Existing Aid Programs:

Inner suburbs are also victims of the “policy blindspot” cited by Puentes and Orfield.⁸⁴ The vast majority of programs that are currently in place to aid cities are designed to benefit either growing communities in need of new infrastructure or large cities with high concentrations of poverty, while those communities in between have fewer alternatives.

⁸⁰ This is not a problem unique to Michigan. Other states, including Maine, New York, Maryland, North Carolina, have also significantly cut aid to cities. Source: Robert Tannenwald, “Are State and Local Revenue Systems Becoming Obsolete?,” *National League of Cities*, National League of Cities, <http://www.nlc.org/content/Files/RMPstatelocalrevrpt04.pdf> p. 4; City of Oak Park, “Transmittal of the Proposed Budget for 2002/2003 Fiscal Year,” *The City of Oak Park*, <http://www.oakpark-mi.com/fiscal.htm>.

⁸¹ Frank W. Audia and Denise A. Buckley, “System Failure,” *Michigan Municipal League*, Michigan Municipal League, http://www.mml.org/pdf/plante_moran_report.pdf, p.22; Kevin Rulkowski, telephone interview by author, February 4, 2005; Citizens Research Council of Michigan, *Michigan’s Unrestricted Revenue Sharing Program: Retrospect and Prospect* (Livonia: Citizens Research Council of Michigan, September 2002), 22, 31; City of Taylor, “Municipal Finance Supplement, May 2005,” received from Dean Philo, Director of Budget and Finance, City of Taylor.

⁸² Jonathan Wesiman, “Bush Plans Sharp Cuts in HUD Community Efforts,” *Washington Post*, January 14, 2005, <http://www.washingtonpost.com/wp-dyn/articles/A7862-2005Jan13.html>.

⁸³ City of Taylor, “Municipal Finance Supplement, May 2005.”

⁸⁴ Puentes and Orfield, 2002, p.2-3.

Though an inner suburb may be struggling to maintain infrastructure as old as its central city's, smaller cities generally have little access to the grants, capital, and flexible financing options open to central cities. In spite of reforms, transportation investments still favor highway expansion on the periphery over maintenance of the existing transportation network near the region's core. HUD programs aimed at providing assistance for the rehabilitation of old housing stock have been scaled back. Financing major development or infrastructure improvement projects is therefore a significant challenge.⁸⁵

In addition, most inner suburbs do not meet the low-income and population targets used by state and federal governments as qualification standards for economic development assistance. To be designated as an Empowerment Zone, a municipality must have a population of over 50,000 and experience poverty rates as high as 20% to 25%. A population of over 50,000 is also required for a direct allocation of Community Development Block Grant funds. Smaller cities—including inner suburbs that may be experiencing fiscal and social stresses akin to their nearby central cities—must compete within their states for CDBG allocations, and therefore cannot rely on this resource to fund operations.⁸⁶

Existing policies provide little support for built-out communities with aging infrastructure and increasingly needy populations. “Effectively,” finds a Brookings study on inner suburbs, “first suburbs are penalized for not being in severe states of decline, and are unable to receive resources for their infrastructure and communities until it is too late.”⁸⁷

The Property Tax Trap

With slow-growing or stagnant property tax bases—and with few alternative sources of revenue—these communities often have limited resources with which to address their growing challenges. The most pressing source of fiscal stress for inner suburbs in Michigan, however, is state limitations on local governments' capacity to raise property tax revenues. According to a recent Plante & Moran study entitled “System Failure: Michigan's Broken Municipal Finance Model,” property taxes can constitute more than half of a fully developed community's General Fund budget. Yet the combined effect of Proposal A and the Headlee Amendment—two modifications to the State Constitution—is a cap on increases in local property tax revenues. In consequence of these two measures, even when property values rise, municipalities are unable to capture that increase without special elections, and must instead lower their tax rate to a) avoid an absolute increase in municipal property tax revenue, and b) prevent the taxable value on any existing property in any given year from increasing by more than 5% or the rate of inflation—whichever is less. Proposal A and the Headlee Amendment were designed to protect tax payers but the two measures have prevented Michigan's cities from keeping pace with the costs of inflation, much less with the rising costs of providing health care, wages, and pensions to

⁸⁵ Puentes and Orfield, 2002, p.10, 15, 17; William H. Hudnut, III, *Halfway to Everywhere* (Washington, DC: ULI—the Urban Land Institute, 2003) p.53-55.

⁸⁶ Puentes and Orfield, 2002, p.10, 15.

⁸⁷ Puentes and Orfield, 2002, p.10.

employees.⁸⁸ Over time, the gap between costs and revenue has put many well-run, stable communities on the path to fiscal insolvency.

Regional Disparities:

Because the Headlee Amendment and Proposal A exempt new development from capping regulations, older, fully-developed communities have born the brunt of the measures' impact. Metro Detroit's regional planning organization warns that "Headlee makes the amount of undeveloped land in a community a significant factor in gauging fiscal capacity," and that "Under this system, the only way for a community to maintain/enhance tax base is to grow."⁸⁹ Without new, greenfield development, Michigan communities have little opportunity to expand their tax base.

Headlee and Proposal A have therefore exacerbated fiscal disparities between the region's communities. A recent study finds that change in taxable value during the 1990s "closely corresponds to the pace of residential and/or commercial and industrial development in those communities:"

"Slower-growing or fully developed communities surrounding Detroit comprise most of those whose taxable value has grown by 30% or less... Clearly, Detroit and its older suburbs, at 90 percent or more developed, have limits on their ability to increase their tax bases by adding new development."

Taxable value per capita thus varies dramatically across the region, from a low of \$7,012 in Detroit to \$165,794 in Bloomfield Hills. Capacity to finance municipal services thus varies dramatically as well.⁹⁰

Consequences

Financing service provision in Detroit's inner suburbs has become increasingly challenging.

⁸⁸ Approved by voters in 1978, **The Headlee Amendment** altered the State Constitution in an effort to reign in property tax rates. The Headlee Amendment requires that increases in a municipality's property tax revenues from *existing* properties cannot exceed the rate of inflation. When the value of existing properties increases faster than rate of inflation, taxation rates ("millage rates") must be reduced, or "rolled back," to keep a municipality's inflation-adjusted property tax revenue from growing. To avoid a roll back, or to increase the amount of real revenue a community can generate from existing properties, voter approval (a "Headlee Override") is necessary. Growth in tax base from *new* development is exempted.

In 1994, Michigan voters amended the State Constitution again with a measure known as **Proposal A**. Under Proposal A, annual growth in an individual property's taxable value is limited to the rate of inflation OR a 5% increase--whichever is less. This applies until there is a transfer in ownership. In consequence, municipalities can no longer "roll up" property tax (increase millage rates) when growth in taxable value is less than inflation. This prevents communities from compensating for roll backs and makes millage rate reductions permanent. Furthermore, the revenue cap established by Headlee provisions continues to apply, so municipalities are often unable to fully capture taxable value increases from property transfers that reset the Proposal A base.

Sources: Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003); Frank W. Audia and Denise A. Buckley, "System Failure," *Michigan Municipal League*, Michigan Municipal League, http://www.mml.org/pdf/plante_moran_report.pdf, p.2-6.

⁸⁹ Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities*, p. 6, 8.

⁹⁰ Southeast Michigan Council of Governments (SEMCOG), *Fiscal Capacity of Southeast Michigan Communities: Taxable Value and its Implications* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003) p.5.

“The ramifications [of this situation are] less and less service,” warns one city planner. “I don’t think it’s hit home that [core services like] police [and] fire won’t necessarily be [able to] respond [to peoples’ calls].”⁹¹ The mayor of a nearby suburb notes that, despite all the rhetoric about homeland security, more police and fire have been laid off in the region over past two years than has been the case since the Depression. “If you can’t provide good public services to people, what happens to your community?” he demands. His answer: “Continued deterioration!”⁹²

On of the most troubling conversations I had in the course of conducting interviews was with a well-managed upper-middle class residential community that has attempted round after round of efficiencies and budget cuts and is nonetheless on the brink of bankruptcy. The community is very small, entirely built-out, uses shared-service agreements whenever possible, and—in consequence of unfunded sewer mandates and its school tax burden—has a tremendously high tax rate.⁹³

“We really have no place [left] to go,” explained the city administrator. “We are down to [reducing] the core services. We’re down to [reducing] police operations, we’re down to [reducing] our public works operation, and then the administrative staff in order to operate the city....[Our] options are dwindling. And so a question that has been raised and...will continue to be raised is ‘at what point do you either raise your millage rate or ratchet back your services [to the extent that] a community becomes undesirable?’...“If you’re just providing police and...public works, then your competitive edge is completely gone.”⁹⁴

In interview after interview, local government staffers and officials warned that service cuts would become increasingly evident and that a wave of local government bankruptcies—even among traditionally stable communities—was impending. “No matter how well managed or how high the millage rate,” agrees the Southeast Michigan Council of Governments (SEMCOG), “some communities will have difficulty providing basic governmental services.”⁹⁵

Many of these threatened communities will be the within the built-out inner suburban ring. A suburban leader notes that, in small cities, “you can’t absorb...financial impacts as easily as you can in a larger city.” The cost burden is shared by fewer people and cutting two police officers out of a force of nine has a much greater impact on service provision than it would in a larger community with a larger department.⁹⁶

Revenue cuts, rising costs, and a taxation policy that penalizes developed communities has left Detroit’s inner suburbs in fiscal bind. Cities must strike a balance between financing critical expenditures such as operations, infrastructure, and redevelopment while maintaining a viable tax-service ratio.⁹⁷ Increasingly, in regions across the country, budgeting has become “an

⁹¹ Rulkowski, interview by author.

⁹² Porter 2005.

⁹³ Jeff Bremer, interview by author, Lathrup Village, MI, January 18, 2005.

⁹⁴ Ibid.

⁹⁵ Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities*, p.7.

⁹⁶ Bremer, interview by author.

⁹⁷ Robert Puentes and Myron Orfield, “Valuing America’s First Suburbs: A Policy Agenda for Older Suburbs in the Midwest” (Washington, DC: The Brookings Institution Center on Urban & Metropolitan Policy, 2002), p.10.

impossible balancing act” that communities must execute successfully year after year.⁹⁸ The particulars of Michigan’s local government aid policies and taxation schemes have caused this balancing act to become all the more challenging in recent years.

⁹⁸ Robert Puentes and Myron Orfield, “Valuing America’s First Suburbs: A Policy Agenda for Older Suburbs in the Midwest” (Washington, DC: The Brookings Institution Center on Urban & Metropolitan Policy, 2002), p.20.

II. METHODOLOGY

RESEARCH QUESTION

Due to the range of social, fiscal, and economic circumstances described in Chapter I, Detroit's inner suburbs are at tremendous risk for decline. Given the structural forces at work in the region—and a policy framework that offers little assistance to these communities—it would seem that there is little they can do to change the lot they have been dealt. Yet, in spite of the challenges inner suburbs face, I believe that local government intervention *can* make an important difference in keeping these communities vibrant.

Cities and towns respond to change in different ways, and there are a range of options available to inner suburbs attempting to manage the threat of decline. Some communities will gather the political will to tackle their challenges, either through aggressive action or subtle accommodation. Other communities, paralyzed by a lack of leadership, governmental capacity, or resources, will simply hope for conditions to improve. This study focuses on the former group: communities that have made conscious interventions to respond the lot they have been given.

In light of policy-induced fiscal constraints; population decline; and economic disinvestment, what strategies can an inner suburban government use to retain its vibrancy? In the following pages, I will attempt to answer that question.

STRUCTURE OF RESEARCH

Case Study Approach

Scholar Robert Yin notes that case studies are an appropriate approach for inquiries: that “investigate a contemporary phenomenon within its real life context”; in which “the boundaries between phenomenon and context are not clearly evident,” and that combine “multiple sources of evidence.”¹ My research question, I knew, would demand complex and nuanced answers based on a range of data types. From prior knowledge acquired growing up in Detroit's inner suburbs as well from a review of the emerging literature about the challenges confronting these communities², I knew that I would find a great deal of variation in the phenomena at stake within the cities I would investigate. Furthermore, I knew that communicating highly contextual issues to my readers (How had these local challenges manifested themselves? What factors shaped local government response in these communities, and what have been the effects of these interventions?) would be critical. I therefore felt that the ideal approach to this project would be a series of three case studies, each offering the story of a different inner suburb's struggle to address local challenges.

¹ Robert Yin, *Case Study Research: Design and Methods* (Beverly Hill: Sage, 1984), p. 23.

² See Chapter 1 for details.

Which Cities to Study?

I began with a detailed list of selection criteria that I believed would help me choose the appropriate cities to examine. Using a regional map, I identified communities located within five miles of Detroit's city limits and focused on communities that had experienced significant changes in racial, ethnic, or income demographics between 1970 and 1990. I sought communities that had experienced high rates of real estate turn-over and that were small in size—less than 6 square miles. As I delved further into the demographic data, however, I realized that the story I wanted to tell—the story of how inner suburbs are responding to their challenges and limitations—required that I capture a range of different *kinds* of circumstances and municipal responses. This iterative process resulted in the following case study selection criteria:

1. Location within six miles of the City of Detroit

(six miles or less between Detroit's outer limit and the suburb's nearest border)

Suburbs located just outside of Detroit exist in the “shadow of the donut.” They abut (or are located within close proximity to) areas of decline, and given the flows of growth and disinvestment in the region, these places are themselves vulnerable to decline. They are also generally aging, built-out communities that were designed with an orientation toward the central city. These factors might limit the set of available revitalization tools.

2. Presence of “risk” factors

- Racial and/or ethnic diversity: In metro Detroit—as in other regions—the movement of racial or ethnic groups into an area frequently serves as a “tipping point” for that community. For the social, historical, and political reasons discussed above, the presence of the “Other” in a neighborhood is often perceived as a harbinger of decline—and this is often a self-fulfilling prophecy.
- Low median household income and/or high poverty rates: Changes in the median income can also indicate a “tipping point.” Like minorities, lower income individuals are often regarded as undesirable “Others.” In addition, income decline can indicate that employment opportunities have diminished, or that those who can afford to are choosing to leave. Furthermore, because concentrations of poverty increase the costs of service provision, poverty levels themselves can strain a community.
- Fiscal Strain: A community suffering from severe budget shortfalls might be struggling to meet its residents' needs, and to retain a viable tax-service equilibrium. Furthermore, a low tax base per capita can indicate a weak economic base, or a lack of desirability to area residents and businesses.

3. Evidence of Active Intervention

Although the nature and impact of the challenges inner suburbs face is interesting and important, I felt it would be important to focus also on *solutions*—what local governments are doing to preserve their viability, and the extent which those efforts have been successful. This focus would allow me to extract information—perhaps of use to local leaders—on what a struggling suburb might do to retain its vibrancy.

To identify cities that met the above criteria, I gathered a range of demographic data from the Census, from the Southeast Michigan Council of Government's (SEMCOG's) community profiles, and from a recent MARC / Ameregis study on intra-regional disparities within Michigan's metropolitan areas. I examined data from as long ago as 1970 and as recently as 2005. I also asked SEMCOG staff members for their recommendations. I developed my final list of possible case studies by asking the following questions:

- Which communities were experiencing fiscal stress?
- Which communities seem to have experienced—or be within the midst of—a demographic transition?
- Which communities have high proportions of poor or minority residents?
- In which communities does the municipal government appear to be responding to challenges in interesting or innovative ways?

This resulted in a list of 25 “top contender” communities, which I ranked as High Priority Prospects, Good Prospects, and Low Priority Prospects on the basis of the above questions. However, I felt that I could not make my final case study selection without conducting in-person interviews. In order to acquire a better understanding of the places and interventions, I scheduled a trip to Detroit.

I then began researching the appropriate person to speak with in each High Priority city. The organizational structures of the communities varied widely. Some had economic development staff while others had planners, and still others assigned these duties to a city manager, or had staff members in each of these positions. I asked first to speak with economic development directors or city managers. In my phone calls, I explained that I was investigating challenges faced by inner suburbs and the means by which local governments are responding to those challenges. I deferred to the guidance of local staff if directed to an alternate person.

How to Study the Cities?

I then traveled to Detroit to meet with local government representatives of nine inner suburbs and the directors of two local inter-collaborative organizations. I was able to schedule interviews covering six of my seven “High Priority” communities, and two low priority communities—one very wealthy and one very poor—which I thought would be important in providing contrast. Two appointments were cancelled at the last minute and both were rescheduled at a later date—one via phone and one in person.

For each interview, I prepared a list of approximately ten questions. A few questions within each interview guide were city-specific questions devoted to shedding additional light on my preliminary research findings from each community. For the most part, however, the questions remained constant between interviews. At the core of my inquiry were questions such as: Tell me about your city. How has the city changed over the past several decades? What sorts of challenges have those changes created? How has the community responded to those challenges?

These base questions, pre-approved in a human subjects review process, were designed to be focused enough to provide me with the data I needed about local challenges and responses, but to be open ended as well. I wanted to give respondents an opening to provide information about

relevant issues of which I was not yet aware. Furthermore, I used to care to avoid biased or overly leading lines of inquiry. I felt it was important to have respondents tell *me* about the circumstances within their community, rather than for me to assert that, for instance, a particular issue posed a challenge.

In the course of interviewing, I treated my question list as an interview *guide* rather than an interview bible. Following the advice of interview expert Robert Weiss, I allowed my interviewees flexibility to direct the course of the conversation when they appeared eager to discuss a relevant issue in greater depth. “Focusing closely on the guide, at the cost of attention to the respondent and the flow of the interview, is always a mistake,” says Weiss. “Permitting the respondent to talk about what the respondent wants to talk about, so long as it is anywhere near the topic of the study, will always produce better data than plodding adherence to the guide.”³ I found this to be the case.

Generally, I found that my interviewees would have some issue that was of particular importance to them, and about which they wanted to be heard. After posing my first question, “Tell me about the City of _____,” my interviewees would generally provide a quick introduction to their city and then speak for 20 to 45 minutes about their issue. The information they offered during this initial stage of the interview often proved invaluable in directing me towards the core issues at stake within the community. In addition, once the interviewee had delivered his or her “message” about their issue, I had more flexibility to direct the interview back to the questions within my guide.

Almost without exception, I found that people were eager to talk to me about the city in which they worked, the kinds of challenges their community was confronting, and how the city was intervening in an attempt to address those challenges. Interviews were one and a half to two hours in length.

Based on my initial interviews and my demographic findings, I selected three of the nine communities to serve as case studies for this thesis. These communities were selected based on their adherence to the criteria outlined above and their potential to provide information on a wide range of challenges and solutions.

Ferndale provided an opportunity to investigate a community that has redefined its identity, leveraging a dying downtown and progressive leadership to promote itself as a hip and exciting “urban” enclave. Oak Park provided a picture of prototypical 1950s-era suburb that is striving to balance tremendous diversity and fiscal difficulties with its strong tradition of high-quality, family-oriented services. And Taylor offered insight into a traditionally ill-esteemed, blue collar community that has aggressively pursued a dizzying array of private and public developments in an effort to lift its image and promote economic diversity.

Having selected my focal cities, I then set out to learn more about them. I read newspaper articles, spoke with regional leaders, collected archival materials from the city governments, and viewed city promotional and informational materials. I also began a more thorough investigation

³ Robert S. Weiss, *Learning from Strangers: The Art and Method of Qualitative Interview Studies*, (New York:Free Press, 1994).

of available data, delving further into books and reports on inner suburbs and city revitalization strategies.

I then returned to Detroit for a second round of interviews, speaking with a broader range of city staffers, mayors, community leaders, and others. Using the same interview strategy and approach to constructing questions, I conducted nine additional interviews within my three focal cities. I was also able to interview the executive director of the Michigan Suburbs Alliance, a new suburban advocacy organization of which all three communities are members. In addition, I attended an Oak Park City Council meeting and a “Redevelopment Summit” hosted by Michigan Suburbs Alliance. An additional three interviews were conducted by phone after returning to Boston.

STRUCTURE OF THESIS

In order to provide continuity across cases, I adopted the same organizational structure for each case study. The case studies each begin with a discussion of local challenges, go on to identify the goals the community has adopted for moving forward, and then describe the strategies the community has used to achieve those goals. The case studies then turn to an assessment of the attempted interventions. The chart below serves as a framework for understanding both the challenges and municipal responses of each case study community.

	FERNDALE	OAK PARK	TAYLOR
CHALLENGES			
Population Decline			
Demographic Change			
Housing Stock ⁴			
Undesirable Schools			
Commercial Disinvestment			
Aging Infrastructure			
Fiscal Woes			
Proximity to Decline ⁵			
GOALS			
PRIMARY STRATEGIES			
Redefining Identity			
Good Government			
Redevelopment			
Promotion			
Inter-jurisdictional Collaboration			
Annexation			
ASSESSMENT			
Population Stability			
Fiscal Health			
Income and Poverty			
Goal Achievement			

⁴ Housing stock that does not match current market demands

⁵ Proximity to blighted areas

Challenges

Many of the inner suburban communities around Detroit confront population loss, economic disinvestment, and tremendous difficulty in maintaining a viable tax-service balance. Based on my interviews and the literature discussed in Chapter 1, I organized the range of challenges faced by my case study communities into the following categories: **population decline; demographic change; housing stock; undesirable schools; commercial disinvestment; aging infrastructure; fiscal woes; and proximity to decline.** Each of the case study communities faces a different blend of challenges, and these challenges were often linked in distinctive and meaningful ways. The presentation of challenges may therefore vary from community to community. However, the chart located at the end of each case study will provide an inventory of the challenges within the community.

Goals

Each community is addressing their challenges according to an overarching goal. Goals, identified through discussions with city leaders and investigation of city-issued informational pieces and planning documents, articulate the vision the city government has adopted in light of the community's strengths and weaknesses. Understanding these goals is critical to understanding the kinds of interventions a city has pursued.

Primary Strategies

By integrating findings from my literature review and interviews, I developed a catalogue of strategies available to communities confronting population loss, economic disinvestment, and fiscal difficulties. I then extracted six main categories into which the primary interventions adopted by case study communities can be organized. In the paragraphs below, I describe the factors that shape local leaders' decisions about which strategies to pursue. I then describe the six categories investigated within this thesis.

Intervention Considerations

Cities are constantly exposed to changes and threats; they must respond and adapt to their circumstances. Cities therefore engage in "problemistic" searches for stability.⁶ In a functional political environment, leaders with a stressed community will analyze the local challenges and attempt to identify workable solutions. The following three considerations are important in illuminating the intervention strategies adopted within a particular community.

1) *Public Capital:*

Public capital is defined as "the wealth and authority that is available to a city government to produce more wealth." This can include "anything of value, tangible or intangible, available for development purposes;" it is the "collection of policy instruments" that a city governments could use "to encourage, control, or complement development"⁷ For the purposes of this study, I will expand that definition to encompass a broader range of municipal intentions. "Public capital" will be used to describe those tools that a community can use to bolster its vibrancy—

⁶ Michael Pagano and Ann O'M. Bowman, *Cityscapes and Capital: The Politics of Urban Development* (Baltimore: The Johns Hopkins University Press, 1995) p. 21.

⁷ Pagano and Bowman, 1995. p.26.

not just through development techniques, but through civic, promotional, and political strategies as well.

2) *Regional Hierarchies*

In addition to the depth and type of public capital available, intervention decisions are also influenced by city officials' acceptance of their community's place within the regional hierarchy. In an influential study of urban development and its political influences, Michael Pagano and Ann O'M. Bowman assert that intervention decisions are influenced by a city's "perceptual orbits." In cities with "expanding orbits," officials aspire for the already economically strong city to 'move up in the world' and compete with cities outside of the region. In cities with "self-contained orbits," economic conditions are good, but officials have no aspirations of orbit expansion. Cities with "uncertain orbits," however, have a "weak" economic base, and officials struggle to secure a role for the city in the region's economy.⁸ The inner suburbs discussed in this study fall into the final category. They are communities of limited means and an uncertain future. Intervention decisions made by local officials will therefore be guided by the need to secure a stable and reasonably favorable position for their community within the regional hierarchy.

3) *Tax-Service Disequilibrium*

Pagano and Bowman also argue that interventions are motivated by a tax-services disequilibrium. Fiscally strained cities will take action in response to an imbalance between the desired level of service provision and a viable tax rate. When the tax-service relationship falls out of equilibrium (because of a shrinking tax base, for instance) or is no longer politically acceptable, city officials must decide how to fix the problem. Pagano and Bowman note that officials' decisions are influenced by public capital (e.g. governmental authority and political will) as well as the "geographic and social context" (communities are unlikely to adopt tax-service relationships that are very different from their rivals). Cities—and particularly stressed cities—are thus likely to engage in a readjustment of the tax-service "package" they offer residents and businesses.⁹

Typology of Strategies

An inner suburb's intervention decisions will therefore likely be guided by the nature of the city's public capital; the perceptual orbit of the community; and the presence of a tax service disequilibrium. The range of intervention options open to a city are highly varied, however. This study will focus on seven main kinds of strategies, each of which constitutes a generally viable approach to bolstering a community's vibrancy.¹⁰

1) *Redefining Identity*

In an effort to remain vibrant, some cities take an active role in redefining themselves. When

⁸ Pagano and Bowman, 1995. p.22, 38.

⁹ Pagano and Bowman, 1995. p.24-28.

¹⁰ This goal of this study is to explore a set of strategies that inner suburban communities within the Detroit region have used to remain vibrant. I will *not* focus on the role of budget cuts and attempts to increase efficiency because a) these techniques are likely to be highly place-specific and less useful to municipal leaders confronting social and economic strains similar to those of the focal communities, and b) the extent to which reducing expenses can resolve a city's tax-service dilemmas in situations of ongoing revenue decline is limited. Strategies for reducing municipal expenses in inner suburbs is a topic that merits further investigation. It is, however, beyond the scope of this study.

a city's identity becomes stale, or is no longer viable given the city's social and economic circumstances, the city can alter its notions of what "kind" of place it is in order to better match current realities. "Cities search for a niche," find Pagano and Bowman. "Cities reestablish, repackage, even reinvent themselves in an attempt to find their niche."¹¹ In his study of inner suburbs, William Hudnut points to communities that have reinvented themselves as lifestyle hubs of "the New Economy;" business and financial centers; or cities "within a park."¹² By reinventing themselves, some cities are able to capitalize on demographic changes; reverse discouraging economic trends; and/or alleviate fiscal distress.

2) *Good Government*

William H. Hudnut's study of inner suburbs across the country notes that "the first priority of any city government must be to...assure its citizens of...quality services, public safety, code enforcement, well-maintained buildings, [and] improved infrastructure."¹³ Economists explain that people select communities based on the particular package of services and amenities they offer and the taxes that are levied in payment.¹⁴ One strategy inner suburbs might therefore pursue is to sharpen their competitive edge by focusing on providing the very highest in public services to residents and businesses. By proving to current and potential investors that the city is highly attentive to the needs of its businesses and residents—and by creating a strong connection between the local government and the locally governed—a community can give people and businesses a powerful reason to locate there.

3) *(Re)Development*

Development strategies can increase private investment and bolster property values in a community. They can also accomplish those feats indirectly by changing the physical appearance of an area and/or encouraging a "shift in the class of user" within a city.¹⁵ Such changes can be a product of public intervention, private intervention, or a combination of the two. Cities hoping to attract new development face a choice: they can pursue development projects directly (e.g. wooing potential investors to their city or acting as developers themselves) or they can use public dollars to create an environment that investors will find enticing (e.g. public investment in transportation improvements, or friendly streetscapes that attract pedestrian traffic). (Re)development encompasses both direct and indirect approaches to attracting residents, businesses, and tax base to a community.

4) *Promotion*

In order to improve their circumstances, some cities will actively market what they have to offer: affordable housing, diversity, a strong sense of community, reasonable tax rates, even a distinctive image that sets them apart from their neighbors. Whether it is some new feature or a quality the city has long possessed, focusing the attention of the public on what is positive about your community—perhaps by clearing up widely held misconceptions—can be an

¹¹ Michael Pagano and Ann O'M. Bowman, *Cityscapes and Capital: The Politics of Urban Development* (Baltimore: The Johns Hopkins University Press, 1995) p.3.

¹² William H. Hudnut, III, *Halfway to Everywhere* (Washington, DC: ULI—the Urban Land Institute, 2003) P.305-306.

¹³ William H. Hudnut, III, *Halfway to Everywhere*, p.311, 74, 186.

¹⁴ Charles M. Tiebout, "A Pure Theory of Local Expenditures," *The Journal of Political Economy* 64, no. 5 (1956): 416-24.

¹⁵ Pagano and Bowman, 1995. p.107.

effective way improving the desirability of a city. A well-executed marketing effort can reverse a trend of disinvestment, attracting residents, businesses, and additional tax dollars to a community.

5) *Inter-Jurisdictional Collaboration*

Inter-jurisdictional collaboration efforts tend to be motivated by two related goals: reducing costs through service sharing agreements (e.g. a multi-town library system or a building inspector hired to serve several communities), or addressing the larger, structural challenges that communities have in common. The former type of inter-jurisdictional collaboration is important but is primarily a fiscal technique (see footnote #5 below) whereas the latter type of collaboration is a more comprehensive strategy for retaining vibrancy. By joining forces with neighboring communities to address systemic problems such as the ones described in Chapter 1 (e.g. inadequate financial support from state and federal governments, regional economic dislocations), cities can better counter those larger forces that have created social, economic, and fiscal difficulties within their borders.

This strategy is the one most strongly advocated for by those who have been active in publicizing the plight of older communities. Puentes and Orfield express this view by asserting that:

“First suburbs need to organize themselves to achieve systemic, meaningful change in their fiscal, economic, and social conditions. The unique interests of small, first suburban jurisdictions are rarely the focus of the federal and state governments. First suburbs can change this by building coalitions across geographic, partisan, and ideological lines”¹⁶

By joining forces to promote policy reforms, communities can indirectly—but dramatically—mitigate the kinds of disabling, systemic challenges described in Chapter 1.

6) *Annexation*

Annexation of unincorporated land by an adjacent municipality—particularly in Midwestern states—remains “an important avenue for municipal growth,” and is generally pursued as a means of increasing tax base.¹⁷ By bringing additional homes, businesses, or undeveloped land into their jurisdiction, cities can sometimes capitalize on economies of scale to increase their revenue without incurring much additional expense. The inclusion of new territory can offer a developed community new opportunities; it can be a tool to increase a local government’s capacity and stop a trend of disinvestment.

Assessment

A community may use a broad combination of strategies to address its challenges, or it may rely on just a few. Cities may seek to alleviate fiscal constraints, halt population decline, *and* prevent commercial disinvestment, or they may hope to address just one or two of these hurdles. The manner in which any of the above strategies may be implemented might also differ considerably from community to community. In addition, a particular intervention might be effective in

¹⁶ Robert Puentes and Myron Orfield, “Valuing America’s First Suburbs: A Policy Agenda for Older Suburbs in the Midwest” (Washington, DC: The Brookings Institution Center on Urban & Metropolitan Policy, 2002) p.3.

¹⁷ Mary Edwards, “Annexation: A ‘Winner-Take-All’ Process?” *State and Local Government Review* 31, no. 3 (1999): 221.

accomplishing some of a community's aims while failing to meet other goals. In some cases, a successful intervention will bring new challenges to the fore.

In the case studies illustrated in this thesis, I attempted a nuanced approach to measuring the success of the communities' interventions. I evaluated each of the three inner suburbs according to the four criteria shown below. The first three criteria are constant throughout the cases. These criteria are aimed at evaluating the overall health of the communities. The fourth criterion evaluates the communities' success in implementing the goals they have set for themselves.

1) Population Growth/Stability

A key challenge for inner suburban communities is the problem of population decline. While often the result of shrinking household size—often in consequence of the population's aging—population decline has significant consequences both in terms of aid allocations and in retaining or attracting businesses. Population can also be a measure of a city's appeal to a region's residents. Have the case study communities been able to reverse their long-term declines in population?

2) Fiscal Health

Growth or decline in tax base is an important indicator of a community's health. This, too, provides an important clue to local confidence in a city's viability. In addition, it determines whether a community is able to provide a viable and competitive tax-service ratio. Have the cities' tax bases grown? Given the fiscal straitjacket posed by state tax policies, have municipal revenues kept pace with expenses? Or have service cuts been necessary?

3) Income and Poverty Rates

When understood in relation to figures describing the region as a whole, change within a community's income levels and poverty rates can be strong indicators of a community's desirability in the eyes of areas residents. Such data can indicate that a community is increasingly desirable, or that it increasingly houses those who lack other options. In addition, as noted above, because concentrations of low-income residents can increase the cost of service provision, this variable has strong fiscal implications as well.

4) Goal Achievement:

In evaluating communities according to the fourth criteria I will focus on the aims of their interventions, the results of implementation, and—understanding that drawing a direct link between a given effort and subsequent conditions within a community may not be possible—whether the community's intervention has contributed to the cities capacity to retain or attract residents and businesses, and to alleviate budget stress.

Comparisons, Conclusions and Lessons Learned

The final portion of my thesis will assess the relative progress of the case study communities. I will compare the different interventions adopted by the three cities and analyze the factors contributing to—or limiting—the success of each community's efforts. I will also offer recommendations to inner suburban leaders in struggling communities: which interventions are

appropriate to a given context? What are common “success factors”? In what ways *can* municipal government make a difference in keeping a community vibrant?

III. FERNDALE

In order to address problems of population loss, economic disinvestment, and the threat of bankruptcy, the City of Ferndale attempted to transform itself into a hip, “urban” center. Key approaches included redefining the city’s identity; making significant public investments in infrastructure improvement; focusing on downtown revitalization; and adopting aggressively progressive political stances that not only promoted the city’s new image, put kept Ferndale in the news.

BACKGROUND

Ferndale is a modest, 3.89 square mile city¹ located just across Detroit’s Eight Mile border, and split in half by Woodward Avenue—“Metropolitan Detroit’s ‘Main Street.’”² Ferndale grew up with the auto industry. Between 1900 and 1925, Chrysler, Ford and General Motors all opened large new manufacturing facilities along the Woodward Corridor. Particularly influential was the 1910 opening of Henry Ford’s Highland Park plant—just a few miles down Woodward via streetcar. The Highland Park plant offered the unprecedented prospect of a \$5 a day wage, and Ferndale offered affordable, small-town living within easy reach of Detroit and manufacturing work.³

Ferndale’s primary growth spurt occurred in the 1920s, when the population leapt from 2,640 to over 20,000. By 1927, Ferndale had been incorporated into full-fledged city. Another wave of growth hit Ferndale in the 1940s as Detroit’s position as the Arsenal of Democracy brought an additional influx of workers—and then suburban growth—to the region. Since reaching its population pinnacle of over 30,000 in the 1960s, however, Ferndale’s population has been shrinking.

CONTEXT AND CHALLENGES

Population Decline

By the 1980s, Ferndale was struggling. The city’s population was both aging and shrinking. Those who had moved to the city during its prime were now older. Modest homes that once housed large families of parents and children were now occupied by empty-nesters. “Ferndale

¹ Robert Porter, interview by author, Ferndale, MI, 23 February 2005.

² Woodward Avenue is a 27 mile long arterial that stretches north and south from the heart of Detroit all the way out to Pontiac, passing through 10 other communities along the way. The heavily traveled, multi-lane road—also known as M-1—has been a major regional migration route and is celebrated locally for its historic and cultural significance. Source: Woodward Heritage, “A Cruise through Time,” *Woodward Heritage*, <http://www.woodwardheritage.com/thewoodwardstory.html>.

³ Southeast Michigan Council of Governments, *Historical Population and Employment by Minor Civil Division, Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, June 2002), Figure 3; City of Ferndale, “Our Community: History,” *The City of Ferndale MI*, <http://www.ferndale-mi.com/Community/History.htm>; Woodward Heritage, “A Cruise through Time;” Cristina Sheppard-Decius, interview by author, Ferndale, MI, February 18, 2005.

was an Irish Catholic community,” explains current mayor Robert Porter. “There were 6 kids in every house!”⁴ This demographic change not only translated into a decrease in state revenue allocations⁵, it also threatened to burden Ferndale with the reputation of an aging, worn-out town that had passed its prime.

Housing Stock

Compounding the problem was Ferndale’s housing stock. Consisting primarily of older small single-family houses, the city’s homes can be described as “unique” and “diverse.” Indeed, they stand in sharp contrast to the “cookie-cutter” housing developments of Detroit’s exurbs.⁶ Yet, the housing stock was out of sync with market demand. Nationally and locally, potential home buyers seek larger homes with amenities like master bedrooms with attached bathrooms⁷—the sorts of homes being constructed in large quantities just a few miles north and west, but not easy to find in an older community like Ferndale.

Downtown Decline

Furthermore, Ferndale’s downtown was in decline. In years past, the city had demolished “charming things” in order to accommodate cars, and an alarming number of the city’s businesses had closed their doors for good. By the mid-1990s, 1/3 of the downtown was vacant. “The downtown was empty,” recalls current mayor Robert Porter. It looked and felt run-down, adds City Manager Tom Barwin. “It was in kind of a pre-blighted condition.”⁸

Infrastructure

The city’s infrastructure was also in poor shape. “Roads were deteriorating, the sewer and water system was deteriorating,” recalls Porter. Water mains were prone to periodic explosion. The city’s streets—built in the early part of the century and subject to decades of Michigan freeze-thaw cycles—were in desperate need of repair. Yet the City had neglected its infrastructure needs for “many years.”⁹ Maintenance and repair posed a tremendous cost, but as a City that regards high quality of services as one of its top assets, the need for these investments was becoming increasingly pressing.

Fiscal Woes

The combination of population decline, an ailing downtown, and aging homes and infrastructure posed a considerable economic challenge for Ferndale. By around 1990, the City was “almost broke.”¹⁰ The City’s available tax base was just \$33,980 per household in 1993¹¹ Countywide, taxable value per household was nearly twice as high.¹² But how to expand taxable value?

⁴ Porter, interview by author.

⁵ Citizens Research Council of Michigan, *Michigan’s Unrestricted Revenue Sharing Program: Retrospect and Prospect* (Livonia: Citizens Research Council of Michigan, September 2002), 22, 31.

⁶ Porter, interview by author.

⁷ Tom Barwin, interview by author, Ferndale, MI, January 18, 2005.

⁸ Barwin, interview by author; Porter, interview by author.

⁹ Porter, interview by author.

¹⁰ Porter, *Ibid.*

¹¹ MARC/Ameregis data set. Information available at www.ameregis.com. Please contact author for details.

¹² Southeast Michigan Council of Governments, “Community Profile for Oakland County,” *Southeast Michigan Council of Governments*, <http://www.semco.org/Data/CommunityProfiles/index.htm>; Brian Parthum, SEMCOG, Emails to author, April 21, 2005.

Ferndale was a fully developed community; by 1990, less than 1% of the city's land could be described as undeveloped.¹³ While exurban communities in the region were expanding their tax base by opening up greenfields for commercial or residential development, attracting new investment to built-out Ferndale would be a challenge.

The Path of Decline

That challenge was compounded by dismal expectations about the community's fate. I-696—the region's controversial new expressway—would cut through Ten Mile Road, drawing a new line between older inner suburbs like Ferndale and the wealthy and growing suburbs to the north and west. More than a physical boundary, however, it was expected that this newest divide would be a psychological barrier as well—sharpening the separation of the region's failing core from its thriving periphery. I-696 was expected to become “the new Eight Mile,” and it was assumed that “everything south of there would die.” Doomsayers expected that the communities south of Ten Mile Road would become “an extended ghetto” of the troubled central city.¹⁴

Perhaps believing the dire predictions about the graying city's future, nearing bankruptcy, and buried under a backlog of long-neglected infrastructure needs, the City Council then had “no developmental plans...no plans in place”¹⁵ with which to combat decline.

A CRITICAL MOMENT: CONFRONTING LOCAL CHANGE

Making Reinvestment Possible

Ferndale's revitalization effort began with a series of failed attempts to pass a millage aimed at repairing the city's failing infrastructure.¹⁶ Recognizing the need to at least address the city's growing backlog of water, sewer, and road improvements, the City tried to pass a \$12 million bond that would serve as a “starting point” for infrastructure repair. The measure “failed miserably,” as did a second attempt for a \$9 million bond.¹⁷

In the wake of the millage failures, unsure of how to move forward, the City appointed a group of citizens to a Fiscal Responsibility Committee. The Committee studied Ferndale's infrastructure needs and determined that in fact \$45 million in improvements were required “to do what needed to be done.” Current Mayor Robert Porter, whose political involvement with the City began with this initiative, recalls that the City Council was taken aback by the finding: if voters were unwilling to approve a \$9 million investment, how would they ever be convinced to support a \$45 million measure? “But because the citizens now did it,” explains Porter, “there

¹³ Southeast Michigan Council of Governments, “Community Profile for Ferndale.” <http://www.semco.org/Data/CommunityProfiles/index.htm>.

¹⁴ Porter, interview by author; Jerry Naftaly, telephone interview by author, February 17, 2005.

¹⁵ Porter, interview by author.

¹⁶ In order to issue bonds, municipalities in Michigan must acquire voter approval for an incremental increase in property tax (measured in “mills”), the proceeds from which would be devoted to paying off those bonds. The election by which this approval is obtained is called a “millage.”

¹⁷ Porter, interview by author.

was *buy-in*.” The Committee persuaded the Council with a “sales presentation,” and formed a citizens’ group with a catchy name to persuade the rest of Ferndale.¹⁸

Led by Porter, the citizens’ group waged an all-out publicity campaign to convince Ferndale’s voters that the infrastructure investments were both urgent and critical. They recruited to the group residents from each precinct in the city. They sent flyers to every home. They held “informational seminars” at each school in Ferndale and at City Hall in order to bring their message “within blocks” of every voter and interest group. Porter recalls illustrating the necessity of the investments by showing pieces of an old, calcified pipe that had surfaced in one of the frequent water main breaks. ‘See what your drinking water is flowing through?’ he would say. ‘We can fix that!’ Porter also emphasized the extra labor that the City would have at its disposal for the improvement of parks, etc. if DPW workers were relieved from the extra work associated with trying to maintain the city’s failing infrastructure.¹⁹

The citizens’ group also relied heavily on the power of local media outlets to publicize their message. They created a half hour video that they ran “almost daily” on the city’s cable channel. Porter recruited the local papers to publicize the city’s infrastructure needs: “Every water main break, I’d get the newspapers out there.” The citizens’ group also sought to use local television coverage of particularly messy water main breaks as “free advertising” for Ferndale’s infrastructure improvement campaign. One major burst, Porter recalls, provided him with the opportunity to be interviewed on TV news about the needs of the local water system. Technically, he admits, this particular break “had nothing to do with Ferndale...but the *perception* was that it did.”²⁰

The grassroots effort proved a success: in 1995, the bond issue passed by a margin of 2 to 1. This publicity campaign marked the “starting point” of Ferndale’s revitalization. It also provided an opportunity for the City to begin recreating itself.²¹

Using Reinvestment to Create New Opportunities

The bond money created an opportunity for Ferndale not just to repair its streets, sewers, and sidewalks, but to give itself a fresh new look and feel. The bond money allowed the City to leverage other funding streams, and to launch what *The Detroit News* describes as “one of the most ambitious suburban renewal projects Metro Detroit has ever seen.” Creative financing enabled the city “to do something *different*”—in this case, to transform the City’s downtown into a vibrant, walkable neighborhood that could attract businesses and people from across the region.²²

The decision to focus on the revitalization of Downtown was a bold move, and a major departure from assumptions about what Ferndale was to become. But whereas many viewed the

¹⁸ Porter, interview by author. Jennifer Brooks, “Aging Ferndale Discovers Formula for Staying Vibrant,” *The Detroit News*, September 4, 2002, <http://www.detnews.com/2002/metro/0209/04/a01-578139.htm>.

¹⁹ Porter, interview by author; Fred Zorn, interview by author, Taylor, MI, February, 17, 2005.

²⁰ Porter, interview by author.

²¹ Ibid.; Jennifer Brooks, “Aging Ferndale Discovers Formula for Staying Vibrant,” *The Detroit News*, September 4, 2002, <http://www.detnews.com/2002/metro/0209/04/a01-578139.htm>.

²² Ibid.

construction of I-696 as a harbinger of local decline, to Porter and others within Ferndale, it created exciting new opportunities for downtown revitalization. “Perception, right or wrong, can drive a lot of things,” says Porter. The new expressway was to bring 250,000 cars a day right past Ferndale. “If we get 1% of those vehicles...to get off at Woodward Avenue, come down to Ferndale and buy something, or have dinner,” the City’s new leadership understood the city’s fortunes could be reversed.²³

The public commitment to investing in Ferndale’s revitalization helped fuel renewed private investment in the city. “Once this infrastructure bond passed, investment coming into the community rose. They said, these people aren’t dead here. They’re ready to fight.”²⁴

MUNICIPAL GOALS

Ferndale’s millage effort served as a model for ongoing intervention in Ferndale. Themes like engaging residents, using public investment to attract private investment, thinking of the city’s position regionally, seeing opportunities where others do not, “doing something different,” and the purposeful use of public relations and media to shape perceptions continue to figure prominently in the City’s ongoing intervention efforts.

Today, the City’s interventions are guided by a clear vision of what kind of place Ferndale is and what kind of place it aspires to be. The key component of that vision features Ferndale as a hip, vibrant, community with urban amenities—a haven for the young and artistic “creative class” described by Richard Florida.²⁵ City representatives describe the future Ferndale as the most interesting and walkable neighborhood around, a community entrenched in the arts and enlivened by large numbers of creative young 20 to 30 year-olds. City Manager Tom Barwin envisions Woodward as a “lifestyle corridor”: a distinctive, transit-rich area that appeals to both the young and the elderly.²⁶

This is a goal built in part on the City’s strengths: Ferndale’s smaller, distinctive homes and friendly, unpretentious neighborhoods provide an affordable alternative to the sprawling “cookie-cutter” options of exurbia; close proximity to Detroit, suburban job centers, and major transportation routes offers young professionals easy access to the rest of the region; and Ferndale’s 1920s-era downtown—with its “edgy” looking art deco gives the City a prime location in which to create an urban identity.²⁷

The hip-and-urban goal is also built on the experience and expertise of others. Other suburbs in the region were working to revitalize their downtowns during the 1990s, and several communities successfully established themselves as prime “hang out,” bar, and/or restaurant destinations.²⁸ Neighboring Royal Oak was highlighted for its success by the Hudnut study,

²³ Ibid.

²⁴ Ibid.

²⁵ Richard Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002).

²⁶ Barwin, interview by author; Porter, interview by author; Sheppard-Decius, interview by author.

²⁷ Ibid.

²⁸ Downtown revitalization efforts, undertaken with varying degrees of success, can be observed in nearby Berkley, Royal Oak, Farmington Hills, Birmingham, and Rochester Hills, among others.

which advises inner suburbs that the “New Economy’s knowledge workers prefer funky city neighborhoods to bland, homogeneous suburbs.” Hudnut suggests that communities can attract this demographic by creating “a sense of place” characterized by walkable neighborhoods, a town center, and “urban amenities.” In my conversations with Mayor Porter and City Manager Barwin, both explicitly mentioned Dick Florida’s contention that cities can revitalize themselves by offering the hip urban environment that today’s young professionals seek. Even Michigan’s governor has echoed these sentiments, and her “Cool Cities” initiative offers grants to cities striving to retain “urban pioneers and young knowledge workers.”²⁹ Ferndale’s leadership is very aware of popular thinking about what kinds of communities are desirable, and they are eager to attain this sort of desirability for Ferndale.

As part of this goal, Ferndale’s hopes to increase its density.³⁰ The City hopes to stem Ferndale’s decades-long population decline—with its negative budgetary implications—while enhancing the city’s urban feel. Stabilizing population decline and carving out a unique and distinctive regional identity for Ferndale have thus become the core of the City’s revitalization efforts. Bringing more people to Ferndale—and giving people a *reason* to visit Ferndale—are viewed as central to the aging community’s social and economic stability. This goal functions as both a “means” and an “end” for Ferndale: an influx of younger residents would contribute to the overall vibrancy of the city and help to halt the population ebb that has diminished Ferndale’s revenue prospects; promoting a distinctive identity could help the city attract and retain both residents and businesses. In the City’s view, this is a goal with both local and regional implications.

Explains Porter, “you’re bringing greater density, people to [patronize] those businesses, as well as [creating] opportunities [that will] keep young professionals [with] entrepreneurial skill in Michigan. We lose them here faster than any other state.”³¹ Realizing the related goals of increased density and a hip, urban feel has been the driver behind the political and developmental strategies the City has made use of over the past 15 years.

PRIMARY STRATEGIES

A community can choose any number of strategies to address the challenges it faces. Ferndale is interesting in terms of the self-consciousness of its interventions, its strategy choices, and the lengths to which it takes its strategies of choice. In order to meet its goals of increased density and edgy vibrancy, Ferndale has focused primarily on redefining identity, redevelopment,

²⁹ William H. Hudnut, III, *Halfway to Everywhere* (Washington, DC: ULI—the Urban Land Institute, 2003), 305-6; Barwin, interview by author; Porter, interview by author; Cool Cities, “Welcome,” *Michigan Cool Cities*; <http://www.coolcities.com>; Florida, *The Rise of the Creative Class*.

³⁰ Porter, interview by author.

³¹ Porter, interview by author. A 2004 SEMCOG report finds that “contrary to popular belief, the movement of persons age 25 – 34 into and out of Southeast Michigan is approximately equal in balance.” In fact Oakland County gained nearly 20,000 more 25 - 34 year olds from (im)migration than it lost between 1995 and 2000—only a little more than half of which are attributable to migration from other countries. It appears that the perceived loss of this coveted demographic can be largely attributed to aging. Source: Southeast Michigan Council of Governments, *Migration and Its Impact on Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, November 2004) p. 5, Table 15.

promotion, and inter-jurisdictional cooperation. Most of the interventions have targeted the downtown.

Redefining Identity

Ferndale's goal of becoming a hip, urban haven for the young and creative has shaped the City's strategic effort to resist decline. Ferndale has purposely redefined itself—in a way that distinguishes the City both from its neighbors and from its past—and Barwin regards this clear sense of self as one of Ferndale's top assets.³² The degree to which the redefining identity has itself served as a core revitalization strategy in this city is one of the most striking elements of this case study. Cities often lay new roads or invest in streetscape improvements in order to facilitate redevelopment. In Ferndale, the distinctive identity the city has forged seems to be utilized as a kind of “infrastructure” to attract new businesses and people—especially “young creative types”³³—to the city. If we are progressive, liberal, diverse and urban-feeling, the City seems to believe, they will come!

Defining what kind of place the city is and what it hopes to be in the future has been a foundational strategy. But the goal of becoming hip and vibrant can be achieved in many ways, and allows for a wide range of different qualities. Indeed, the cities touted by Richard Florida encompass a great deal of variety in appearance, character, and function. Artsy, creative, diverse, and progressive are characteristics that describe places as different as New York, Portland, Austin and Minneapolis.³⁴ These qualities define a goal, but not necessarily a blueprint. As a means of achieving this goal, Ferndale has therefore carefully outlined a distinctive niche for itself—a niche guided by the qualities it aspires to, but colored by the city's particular characteristics and its regional context.

Capitalizing on the notion of the Woodward corridor as a ‘cultural backbone,’ and the city's proximity to ‘neat little pockets’ of vibrant downtown in other nearby cities,³⁵ Ferndale has attempted to carve out a distinctive regional role for itself: walkable and retail oriented like neighboring Royal Oak and Birmingham, but not as high-end as Birmingham, or as “yuppy” as Royal Oak. Rather, Ferndale has sought to create a hip and edgy feel—to be a haven for funky shops, an outlet for the region's artistic energies, and a center of diversity.³⁶

Cristina Sheppard-Decius, Executive Director of Ferndale's Downtown Development Authority, is quick to explain that Ferndale is in no way striving to be “the next Royal Oak.” “We don't want to pretend that we have someone else's history and follow in those footsteps,” she says. “We want to follow in our own.” Sheppard-Decius describes Ferndale as “‘real,’ urban and unpretentious;” she notes the city's history as a modest, working class community.³⁷ Ferndale's leadership believes that the city has its own character and style on which to capitalize. It is on this down-to-earth, energetic, perhaps even bohemian character that Ferndale has constructed its identity. “Royal Oak is a fashion show,” explains one patron of Ferndale's downtown.

³² Barwin, interview by author.

³³ Barwin, interview by author.

³⁴ Barwin, interview by author; Porter, interview by author; Florida, *The Rise of the Creative Class*.

³⁵ Barwin, interview by author.

³⁶ Barwin, interview by author.

³⁷ Sheppard-Decius, interview by author.

“Birmingham is a fashion show. Down here, you don’t have to live up to anybody’s standards. You can be yourself.”³⁸ How does Ferndale see itself? “Unique,” “friendly,” “diverse,” “artsy,” and “trendy”³⁹—exactly the kind of place a hip young professional, or the businesses that serve that demographic, would want to be.

Redevelopment

Redevelopment strategies have also been key tools used by Ferndale to meet local challenges. In Ferndale, redevelopment efforts have been closely tied to City goals. They have involved physical improvements as well as both direct and indirect efforts to bring investment into the city.

Laying Physical Infrastructure: Indirect Recruitment of New Investment

Like many cities, Ferndale has made a conscious effort to provide the infrastructure that will attract new investment. Beginning with the millage effort described above, the City has made considerable investments to repave each of its streets, improve its parks, and modernize its water and sewer systems. A separate millage funded the remodeling of each school in the Ferndale school system. Moreover, the City has placed substantial emphasis on giving its downtown a facelift.⁴⁰

With the aid of the Oakland County Main Streets program and the Downtown Development Authority, Ferndale has dramatically transformed the Nine Mile and Woodward area. The City has focused on integrating “traditional town planning” into their vision for the downtown, making the area more walkable and pedestrian-oriented.⁴¹ “We took...four lane Nine Mile Road, which was dying, and made it pedestrian friendly and business friendly by making it two-lanes,” explains Porter. “[This resulted in] traffic calming, which gave people a chance to see the businesses in our city. It put a buffer between the sidewalks [and the road] by having parking back on the street, which we had in the 30’s and 40’s.”⁴²

The once crumbling downtown now sports decorative lighting, hanging flower baskets, spacious sidewalks, metered street parking, and distinctive new pedestrian crossing signals. The City developed design standards and sign ordinances for downtown, and established a review committee to uphold these. They strive to avoid a visual “mishmash” that may appear “shoddy” and hinder the area’s success. In order to help improve the appearance of store facades, the DDA offers a BUILD program—funded in part by a Michigan “Cool Cities” grant—that provides a 20% reimbursement for exterior improvements that meet design guidelines.⁴³

³⁸ Bagwell, Jennifer. “Ferndale Sets its own Course.” *Metro Times*, May 26, 1999.

<http://www.metrotimes.com/19/34/Features/newFerndale.htm> (accessed March 3, 2005).

³⁹ Kalogeresis, Nick. “Visioning Session Summary Report: Ferndale, Oakland County, Michigan, May 6, 2002.” *Downtown Ferndale*. Ferndale Downtown Development Authority.

<http://www.downtownferndale.com/PDF/FerndaleVisionReport.pdf> (accessed April 16, 2005).

⁴⁰ Porter, interview by author. Fred Zorn, interview by author, Taylor, MI, February, 17, 2005; Brooks, “Aging Ferndale Discovers Formula for Staying Vibrant.”

⁴¹ Barwin, interview by author.

⁴² Porter, interview by author; Sheppard-Decius, interview by author; Patterson, “Main Street Plan Aids Downtowns.”

⁴³ Ibid.

Porter explains that the BUILD program, along free design assistance from the Oakland County Main Streets Program, helps make it possible for a somewhat “marginal business” to locate in Ferndale and to “enhance” the downtown—so it “looks like we’re growing”—rather than to detract from the downtown’s appearance and image.⁴⁴ The BUILD program and the Main Streets assistance are also important tools in encouraging businesses to return to the historic character of their building, or at least to fit within the downtown context. Ferndale’s downtown has a rich building stock dating primarily from the 1920s and 1930s, but much of what is distinctive about these buildings has been covered up over time. Sheppard-Decius believes that the original built environment—buildings were constructed of high quality materials but bore simple accents—is representative of the City’s unpretentious, hard-working character. In addition, Italianate and art deco influences give the area a “more edgy feel.” By restoring some of the area’s original look and feel, City leaders hope to better attract young hipsters, and the businesses that serve them.⁴⁵

Ferndale has placed great attention on the appearance of its downtown, and Sheppard-Decius notes that the DDA’s design committee is the organization’s most active. Among citizens and City leaders, there is “a real desire and need” to improve the look and feel of the downtown area.⁴⁶ By using public investment to create a downtown that complements the City’s goals of urban hipness, Ferndale is trying to attract new users and businesses—and additional tax base—to the community.

Wooring Investors: Direct Recruitment of New Investment

Ferndale’s DDA has been in active in trying to recruit and retain downtown businesses. “Economic development isn’t just about...looking at a piece of paper and planning something out,” explains Sheppard-Decius, “it’s physically getting out there and...getting your elbows dirty.”⁴⁷

Ferndale’s DDA has been very proactive in trying to keep its downtown retail spaces filled. Porter believes that getting the “right kind of person to run [the] downtown” has been critical for Ferndale. “You ever see a mall that didn’t have a manager to try to solicit and retain business?” he asks. “A city’s no different...People assume [that once you have a business in place,] okay, the job is done [but] to retain and recruit so that there’s someone in line when a building opens up and so forth, never stops. Otherwise, you die.” Porter finds that “vigilance” in “maintaining strong management in development of our business [base]” is critical.⁴⁸

The DDA’s first priority is retaining businesses, but the organization is also working to strategically recruit businesses that fill a retail niche in keeping with the hip, urban atmosphere the City hopes to achieve. Says Porter, “We have taken a stance in our development here to find a niche [within] the metro area, and fill just a niche. We’re not [going to] be everything to

⁴⁴ Porter, interview by author.

⁴⁵ Sheppard-Decius, interview by author; Delores Patterson, “Main Street Plan Aids Downtowns,” *The Detroit News*, March 16, 2005, <http://www.detnews.com/2005/oakland/0503/16/B04-118318.htm>.

⁴⁶ Sheppard-Decius, interview by author.

⁴⁷ Ibid.

⁴⁸ Porter, interview by author.

everybody. And that way we can concentrate and focus on that developmental issue and keep it sharp.”⁴⁹ Agrees Sheppard-Decius, “It’s just not possible [to be everything to everybody]...You have to focus in on who your market audience really is.” Development efforts for the downtown thus focus on uses that will appeal to their desired demographic of young professionals and hipsters.⁵⁰

City leaders believe downtown Ferndale’s niche to include “more casual” uses: restaurants, clothing, music, groceries, entertainment, and unique little specialty shops. The DDA hopes to capitalize on these existing clusters and to strategically recruit businesses that will expand them. “We can’t compete with the malls, we can’t compete with...cities that have open spaces for the big box developments,” admits Porter, but they can capitalize on their distinctive downtown in order to “bring in businesses that go with or enhance the arts” and pursue mixed-use developments.⁵¹ Understanding the assets, goals, and limitations of its position, Ferndale has identified for itself a specific development niche designed to advance the larger goal of urban hipness.

In order to advance this goal, the DDA has created a development plan that details location, densities, heights, and uses for desired development projects. The DDA also acts as a “broker” for development within the downtown: they maintain a website with property listings and communicate with both owners and potential buyers. Sheppard-Decius plays an important role in guiding new businesses to available sites and helping them through the City’s approval processes.

The DDA also offers financial incentives to somewhat marginal businesses that it believes would contribute to the realization of the City’s goals. “We were willing to be a little more flexible with some entrepreneurs [whose] business plan was maybe a little tighter than...you’d feel comfortable with,” says Porter. He notes that, through the Main Streets Program, the DDA receives two free design plans per year. “So a business that maybe sounds like a good business that fits our niche that could...be really progressive for our city but [is] on a shoestring...” can be offered a \$40,000 design plan for free.⁵² As mentioned above, the DDA also provides limited financial assistance for downtown business’ retrofitting and façade improvement needs.

Outside of the downtown, the City seems less proactive about recruiting new development projects—and indeed, at 99% build-out, available sites are hard to come by. The Community Development Department markets those properties that do become available properties on county, state, and local websites.⁵³ Barwin, however, explains that outreach is the role of the county and the state, while “we focus on the people here” (e.g. assisting a salsa company with its expansion, accommodating the growth of a pharmaceutical company). Barwin believes that the City’s primary role in facilitating new development is to put City-owned property on the market, and then to select proposals based on their value to the neighborhood.⁵⁴ The nature of the

⁴⁹ Porter, interview by author.

⁵⁰ Sheppard-Decius, interview by author.

⁵¹ Porter, interview by author; Sheppard-Decius, interview by author.

⁵² Porter, interview by author.

⁵³ Porter, interview by author.

⁵⁴ Barwin, interview by author; Southeast Michigan Council of Governments, “Community Profile for Ferndale,” 2005.

development is to the utmost importance of the City. Ferndale is very concerned that projects fit its new image.

Promotion

Ferndale's efforts have focused as much on revitalizing the city's image as on physical renewal or direct recruitment of new investment to the city. Leadership operates with firm belief in the power of perception to shape place, and so promoting what is vibrant and exciting about the city is a key strategy.

Creating Buzz

Ferndale's leadership has worked very hard to promote the city's reconfigured identity. "PR is critical, [as is] perception," says Porter, and Sheppard-Decius describes promotion as a "huge" component of downtown redevelopment efforts. For the past 5 years, the DDA has been engaged in an image campaign designed to change the way that area residents think about Ferndale. By "slowly molding the attitudes and opinions" of those who live and shop nearby, Sheppard-Decius believes that an old downtown can be given new life. The message the DDA tries to convey is clear: "This is not the Ferndale that you [remember]," but a new, revitalized Ferndale.⁵⁵

In order to communicate their message about the new Ferndale, the DDA has tried to "brand" the downtown. They have adopted a logo and design scheme that they use in all their marketing materials. "Real. Urban. Unpretentious," proclaims the marketing material, and the phrase is echoed often by staff in their descriptions of why Ferndale is a great place to be. Even more effective than words, however, are images. Sheppard-Decius notes that pictures are more persuasive than text in sending the message about revitalization because they show visible evidence of change.⁵⁶

To better market the improvements to the downtown—and to promote the city's new image—the DDA produces a newsletter twice per year. This is made available in stores and sent to each home in the city. The DDA also produces an annual business guide and sponsors a website. Store postings, brochures, and local newspapers are all used as tools to let people know what Ferndale has to offer. City Manager Barwin also works hard to encourage off-beat, interesting happenings (e.g. a curling club) and to make sure the reporters hear the news. Barwin's name is frequently mentioned in local news stories promoting Ferndale's unique offerings: an outcropping of small art galleries, or a trendy new local nightclub. In order to "keep your area fresh," Sheppard-Decius explains, you need to keep it "in the limelight."⁵⁷

Creating a good "buzz" is critical, but it is a delicate matter. Few things are less cool than those that proclaim their coolness too loudly. In addition, Sheppard-Decius warns that it is important

⁵⁵ Porter, interview by author; Sheppard-Decius, interview by author.

⁵⁶ Sheppard-Decius, interview by author; Ferndale DDA, "Ferndale Downtown Business Guide;" Ferndale Downtown Development Authority, "Downtown Ferndale," *Downtown Ferndale*, <http://www.downtownferndale.com/index.asp>.

⁵⁷ Ibid.; Barwin, interview by author; Colby, Joy Hakanson. "All Signs Point to Ferndale." *The Detroit News*, January 3, 2004. <http://www.detnews.com/2004/entertainment/0401/03/d01-25163.htm> (accessed April 18, 2005).

to avoid presenting the area as something it is not. “You’re setting a vision as to who and what you want to be,” she says, “but you also have to be realistic in [clarifying that] this where we are right now and [this is] where we’re going.” Promoting a positive image that does not reflect the reality of what visitors experience can be counter-productive.⁵⁸

Ferndale’s revitalization strategies thus appear to rely heavily on producing “buzz:” promoting the city’s new image and all that the downtown has to offer. Delivering the right message about Ferndale, leaders believe, is an important step in bringing people, businesses, and tax dollars to the City.

Promotion within the Political Establishment

In addition to promoting the city to potential shoppers, residents, and business people, Ferndale also works to “sell” the city to potential funders within the government. According to Porter, Ferndale engages in “networking” at the state level. Porter believes that they have successfully communicated the city’s identity to state politicians as well as local residents, and notes that Governor Granholm specifically identified Ferndale as a “cool city” in last year’s State of the State address. Ferndale has also been a recipient of grant money from the state’s “Cool Cities” initiative. “We do a good job...of marketing,” says Porter.⁵⁹

Another example of the City’s use of purposeful promotion to achieve its vision was its effort to take over a soon-to-be-closed school building for use as a community center. “We didn’t have the money for it,” admits Porter, but “We went to Lansing, we went to Washington, we got three quarters of a million dollars from the Feds and the state...to make a community center.” The City pays \$1 a year in rent for use of the structure, which now also hosts a youth theater.⁶⁰ By marketing the city to higher levels of government, Ferndale has been able to leverage additional funds to finance the implementation of its urban vision.

Political Sensationalism

Aside from direct promotion of the city’s offerings, Ferndale receives a great deal of media attention for its aggressively liberal political stances. Agrees Porter, “In our case, the [public relations] aspect is a little easier...because of the progressive nature of our city. We get a lot of our PR in the media for free—because we make some noise!”⁶¹

Ferndale, and especially Barwin, is regularly in the news for making waves in the local political establishment. For instance, Ferndale has joined the grassroots, faith-based advocacy group MOSES in suing the local Metropolitan Planning Organization—the Southeast Michigan Council of Governments (SEMCOG)—because of the conviction that inequalities in the agency’s voting structure disadvantage urban areas. “This region is only going to get on the right track when we’re *fair*—when everyone has a fair voice in the conversation,” insists Barwin. Yet no other city in the region—including Detroit—has so far been willing to join the suit.⁶²

⁵⁸ Porter, interview by author.

⁵⁹ Porter, interview by author; Cool Cities. “Welcome.” *Michigan Cool Cities*. <http://www.coolcities.com>; .

⁶⁰ Porter, interview by author; Joy Hakanson Colby, “All Signs Point to Ferndale,” *The Detroit News*, January 3, 2004. <http://www.detnews.com/2004/entertainment/0401/03/d01-25163.htm>.

⁶¹ Porter, interview by author.

⁶² SEMCOG, metro Detroit’s MPO, is responsible for allocating over \$1 billion per year in transportation funding. SEMCOG’s voting structure is such that Detroit has roughly 1 vote for every about 320,000 residents. Outlying

Ferndale was also in the news for being temporarily kicked out of the county's Main Streets Program after angering county leadership with vocal opposition to a local highway expansion project. According to Ferndale leaders, the money would have been better spent on transit improvements.⁶³

In addition, Ferndale's City Council recently approved a proposal to establish an elevated light rail line down its portion of the Woodward corridor. The experimental project is supposed to run on solar power and produce hydrogen which could be sold to fund operations and capital costs. Promoters claim that the new rail line will require no public funding. Thus far, no other communities along the corridor—located in what is arguably the most auto-centric region the country—have expressed a willingness to participate in the project.⁶⁴

Strong advocacy of liberal causes places the city in the media spotlight, and sets it apart as a feisty and progressive community. Porter says that many of the businesses coming into the city are responding to the media attention. He says that even business people who might not agree with all of Ferndale's "progressive stances" are drawn to the city because "they see that [we're] not stagnant." Porter believes that "businesses today don't want a stagnant environment," but rather an environment that reflects the goals of the business itself; they want to locate in a place that is progressive, that is growing, and that is becoming financially stronger. "If that's what they perceive of your community, they're a little more likely to give a closer look."⁶⁵ The political climate is no doubt also an asset in attracting the professional "young creative types"⁶⁶ that the city seeks.

Inter-Jurisdictional Collaboration

It would be unfair, however, to portray Ferndale's political assertiveness simply as a media stunt. Ferndale's leadership is deeply committed to strengthening not just Ferndale, but the region as a whole. City leaders regard the longstanding lack of coordination between Detroit and its suburbs—as well as the lack of inter-suburban coordination—as a major barrier to the long-term health of the region's communities. Building the political will for inter-jurisdictional cooperation and policy change is thus a major strategy in Ferndale's efforts to address the structural causes of its fiscal challenges, as well as its struggle to retain population and businesses.

The degree of governmental fragmentation in metro Detroit is considerable. Michigan is a "home rule" state, and the region's MPO includes 231 local governments.⁶⁷ Some of these

areas have 6 to 8 times the per person voting power; Sources: Barwin, interview by author; MOSES, "Home," *MOSES: Metropolitan Organizing Strategy Enabling Strength*, <http://www.mosesmi.org/index1.shtml>.

⁶³ Barwin, interview by author; Michael P. McConnell, "Ferndale Rejoins Main Street Fold," *Daily Tribune*, January 19, 2005, http://dailytribune.com/stories/011905/bus_ferndale18001.shtml.

⁶⁴ Porter, interview by author; Sheppard-Decius, interview by author; Michael P. McConnell, "Ferndale Backs Train Concept," *Daily Tribune*, February 15, 2005, http://www.dailytribune.com/stories/021505/loc_etrain15001.shtml.

⁶⁵ Porter, interview by author.

⁶⁶ Barwin, interview by author.

⁶⁷ Barwin, interview by author; Southeast Michigan Council of Governments, *Historical Population and Employment*, Table 1.

municipalities are as small as 1 square mile in size. Some are completely surrounded by another city. Problems often span jurisdictional boundaries, but the task of addressing those problems traditionally does not. “We have a very poor intergovernmental cooperative network here” says Porter. Whereas other regions have been able to forge strong regional governments, “here, it’s hard to get your neighbor to talk to you. We’re little fiefdoms, and that’s not effective.”⁶⁸ The highly fragmented nature of local government in the region inhibits management of larger fiscal, social and economic challenges.

Ferndale has therefore been very vocal in advocating for a stronger regional infrastructure. “We believe,” says Porter, expressing the views of City government, “that...no city is an island. Regionally, we all depend on each other.” Ferndale played a lead role in the formation of the Michigan Suburbs Alliance, a new organization aimed at bringing together the region’s suburbs to address common challenges and to advocate for policy changes at the state and national level. The MSA is housed within Ferndale’s City Hall.⁶⁹

In addition, the City is now pursuing a five-community regionalization of fire services. This would permit the closure of 2 stations and eliminate a great deal of administration and duplication. Porter notes that ladder trucks are almost \$1 million dollars a piece; “we need one of them in this region and...every city has their own....That’s an area where we have to continue to strive.”⁷⁰

Since 2001, Ferndale has also been lobbying for the controversial removal of a vehicle flyover bridge at Eight Mile Road and Woodward. It is the City’s belief that the bridge creates a double-layer of rapid vehicular traffic that detracts from the pedestrian-friendly atmosphere Ferndale is trying to create. The City also feels that the bridge has become a center of unsavory activities, and that it serves as a physical and psychological barrier between Detroit and Ferndale. City leaders note that Ferndale’s downtown serves Detroit residents as well as suburbanites.⁷¹

It is clear that Ferndale has attempted to actively reach out not just to other inner-suburbs, but to the central city as well. This attitude is arguably unprecedented among area suburbs, yet Ferndale is intent on embracing its connections to its neighbors and the opportunities those connections might offer for the advancement of Ferndale’s vision. The new light rail plan and the lawsuit against the MPO are also examples of Ferndale’s active commitment to the pursuit of pro-Detroit policies. “No matter how good we are,” admits Barwin, “it’s always precarious, and our ship is going to rise or sink...on Detroit’s fate.”⁷² Ferndale’s leadership believes that the ability of the City to ultimately stem population decline, promote economic growth, and alleviate

⁶⁸ Porter, interview by author.

⁶⁹ Porter, interview by author; Barwin, interview by author; Conan Smith, interview by author, Ferndale, MI, February 22, 2005.

⁷⁰ Porter, interview by author; Tom Willard, “Regional Fire Force Considered,” *Daily Tribune*, December 16, 2004, http://www.dailytribune.com/stories/121604/loc_regionfire16001.shtml.

⁷¹ Barwin, interview by author; Sheppard-Decius, interview by author; Greenwood, Tom Greenwood, “Eight Mile Bridge’s Future Remains Far From Resolved,” *The Detroit News*, May 14, 2003, <http://www.detnews.com/2003/metro/0305/14/b01-164364.htm>; Tom Greenwood, “Ferndale Leader Wants Historic Bridge Raised,” *The Detroit News*, February 3, 2004. <http://www.detnews.com/2004/metro/0402/03/c01-54236.htm>.

⁷² Barwin, interview by author.

its fiscal difficulties rests with inter-jurisdictional collaboration and broad policy reform at the regional, state and federal levels.

ASSESSMENT

In examining the role of government intervention in addressing inner suburban challenges, it is important to look not just at the range of strategies communities are using but the extent to which those strategies have been effective. The usefulness of any particular strategy will vary greatly with context and implementation, but effective strategies should enable communities to remain viable and to achieve their goals. I will therefore examine the combination of strategies described above in relation to the following criteria:

Population Stability: One of the primary goals identified by Ferndale's leadership is to increase the city's population density and halt the long-term decline in population. Population can also be a measure of a city's appeal to a region's residents. Has Ferndale been able to reverse its long-term decline in population?

Fiscal Health: Growth or decline in tax base is an important indicator of a community's health. This, too, provides an important clue to local confidence in a city's viability. Has the city's tax base grown? And given the fiscal straitjacket posed by state tax policies, have municipal revenues kept pace with expenses?

Income and Poverty Rates: When understood in relation to figures describing the region as a whole, change within a community's income levels and poverty rates can be strong indicators of a community's desirability in the eyes of areas residents. Such data can indicate that a community is increasingly desirable, or that it increasingly houses those who lack other options.

Realization of "Cool City" Identity: Ferndale's leadership has worked very hard to establish the city as a very specific type of community: progressive, artistic, young, hip, urban, and funky. How successful have they been? Has Ferndale been able to attracting its preferred demographic—young people in the 20 – 30 year old range? Has its population become more diverse? Has the city become a local mecca for distinctive artistic and cultural offerings?

Population Stability

Unfortunately, Ferndale's population has continued to decline. During the 1990s, the decade in which Ferndale's revitalization campaign began, the population declined by a disconcerting 12%. More recent figures are also discouraging: between the 2000 Census count and March of 2005, Ferndale's population fell by an additional 6% to 20,738—below 1930 levels. Forecasts from the regional government estimate a further population drop of 14% by 2030. Since the 1960s, Ferndale's population has shrunk by a third.⁷³

⁷³ Southeast Michigan Council of Governments, *Historical Population and Employment*, Table 3; Southeast Michigan Council of Governments, "Community Profile for Ferndale;" Barwin, interview by author.

Ferndale is not a community of abandoned homes, however. Indeed, the number of households within the city has changed little since the 1990s, and Barwin and Porter attribute local population losses to the decline in family size.⁷⁴ In truth, nearly all of metro Detroit's inner suburbs have experienced population declines in recent decades, and forecasters anticipate that this trend will continue. The region itself is growing at only .3% per year—30% of the growth rate for the nation as a whole—and most of metro Detroit's population growth is taking place on the region's periphery.⁷⁵ Thus far, Ferndale has been unable to buck this trend.⁷⁶

However, that does not mean that the City has been unsuccessful in promoting greater *density*. Construction will soon begin on a downtown mixed-use project that will include 100 new condominiums (many of them lofts), 25,000sf of retail, and an underground parking structure. The project is expected to bring at least 150 new residents into the downtown. Currently, the site is a City-owned parking lot. Plans for a second mixed-use project are underway as well.⁷⁷ If Ferndale has not been successful in increasing its absolute numbers, it seems that the City is beginning to achieve its goal of creating a more dense, more urban feel within its downtown.

Furthermore, in the case of Ferndale, the continued population losses do not seem to indicate a decline in the area's desirability to homebuyers. Ferndale's affordable housing stock and interesting downtown are attracting new residents to the City. In fact, Ferndale was the focus of a recent newspaper article highlighting the increased popularity of some inner suburban neighborhoods among homebuyers.⁷⁸

⁷⁴ Southeast Michigan Council of Governments, "Community Profile for Ferndale;" Barwin, interview by author; Porter, interview by author.

⁷⁵ The neighboring cities of Detroit, Pleasant Ridge, Royal Oak, Hazel Park, Pleasant Ridge and Oak Park have all seen significant population declines in the past several decades. As has been the case in Ferndale, in relation to the 1960 Census figures, population declines in Royal Oak and Hazel Park stand at roughly 30% of their population. Oak Park, however, has fared better in terms of population loss: decline from 1960 is a significantly less dramatic 17%, and after a significant drop during the 1970s, population levels have remained relatively steady. Sources: Southeast Michigan Council of Governments, *Historical Population and Employment*, vii – viii, Table 3.

⁷⁶ Barwin, interview by author; Porter, interview by author; Porter, interview by author; Southeast Michigan Council of Governments, *Historical Population and Employment*, Table 3..

⁷⁷ Barwin, interview by author; Porter, interview by author; Barwin, interview by author; Michael P. McConnell, "Condo Builder Chosen," *Daily Tribune*, August 30, 2004, http://dailytribune.com/stories/083004/bus_condo27001.shtml; Michael P. McConnell, "City OKs Rezoning Lots for Redevelopment," *Daily Tribune*, December 31, 2004, http://dailytribune.com/stories/123104/loc_20041230034.shtml; Shawn Lewis, "Ferndale Keeps Growing with Condo, Retail Project," *The Detroit News*, April 15, 2005, <http://www.detroitnews.com/2005/oakland/0504/17/D04-151061.htm>.

⁷⁸ Barwin, interview by author; Ron French, "Home Values Grow Most in Old Suburbs," *The Detroit News*, February 1, 2005, <http://www.detroitnews.com/2005/realestate/0502/01/A01-76356.htm>.

POPULATION – FERNDALE ⁷⁹				
	POPULATION	HOUSEHOLDS	HOUSEHOLD SIZE	HOUSING UNITS
1990	25,084	9,858	2.54	10,207
2000	22,105	9,872	2.23	10,243
2005	20,763	9,859	2.10	10,331
2030 Forecast	17,880	9,899	1.79	n/a
Change 1990 – 2000	-11.9%	0.1%	-0.31 persons/HH	0.4%
Change 2000 – 2005	-6.1%	-0.1%	-0.13 persons/HH	0.9%

Fiscal Health

Soaring property values indicate that Ferndale’s homes have acquired new appeal to potential buyers. Residential property values rose 7% in 2003-04, and climbed an additional 7.2% in 2004-05. These increases are among the highest in the county.⁸⁰ Property values in general have shown tremendous improvement in Ferndale. Assessments show that property values in Ferndale have increased by a whopping 102 percent over the last 10 years.⁸¹ In addition, the downtown area has seen nearly \$10 million in private investments in the past several years.⁸² Barwin reports that there has been more investment in the past five years than in the previous twenty. City leaders believe that the physical changes have led to renewed business interest in the community.⁸³

Yet, Michigan’s property tax scheme has severely limited the degree to which this increase in property values has translated into additional revenues for the City. Porter notes that Ferndale has been hit harder than neighboring communities by the capping of property tax revenue increases because property values have risen faster in Ferndale. “We’ve only been able to recoup roughly 1.8% - 2% of that growth” he explains.⁸⁴ Although the assessed value of property rose 77% just between 1995 and 2001 in Ferndale, taxable value increased by only 20.3% during all of the 1990s.⁸⁵ More recent figures are even more concerning. Between 1999 and 2003, the gap between state equalized value and taxable value — the difference between a property’s value and the amount of that value a municipality can consider for taxation purposes—increased by almost 50%. Today, Ferndale can tax less than half of its state equalized

⁷⁹ Southeast Michigan Council of Governments, “Community Profile for Ferndale.” 2005 data represents February estimates.

⁸⁰ French, “Home Values Grow Most in Old Suburbs.”

⁸¹ Delores Patterson, “Main Street Plan Aids Downtowns,” *The Detroit News*, March 16, 2005, <http://www.detnews.com/2005/oakland/0503/16/B04-118318.htm>.

⁸² Patterson, “Main Street Plan Aids Downtowns.”

⁸³ Porter, interview by author; Porter, interview by author.

⁸⁴ Porter, interview by author.

⁸⁵ Southeast Michigan Council of Governments (SEMCOG), *Fiscal Capacity of Southeast Michigan Communities: Taxable Value and its Implications* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003), P.11; Brooks, “Aging Ferndale Discovers Formula for Staying Vibrant.”

value.⁸⁶ Without the limitations posed by Proposal A and the Headlee Amendment, Ferndale could average an additional \$781,000 per year in revenue.⁸⁷ In light of these measures, however, only a fraction of the increase in property values can be captured to meet the city's growing expenses.

In spite of Ferndale's successes, therefore, meeting the City's financial needs has continued to be a struggle. Porter notes that City expenses have continued to increase at a faster rate than revenue: long-term contractual agreements (e.g. for labor) have increased costs, and the City's health care expenses have gone up by 15% to 20% a year. Ferndale has also been hit by the decline in state-shared revenue discussed above.⁸⁸

Providing high quality city services—especially rapid police response time—continues to be critical, however. Barwin labels crime an economic killer, and notes that ensuring a community's safety is crucial to its health. Making sure that the city's streets are plowed within 24 hours of a snow fall and keeping up the city's physical appearance are also a necessary part of keeping residents and visitors satisfied. Providing these services under strained fiscal conditions is a considerable challenge.⁸⁹

Thus far, these fiscal strains do not appear to have been crippling to the city. Ferndale is no longer described as "broke." But in spite of the range of physical and economic improvements in Ferndale, the city's fiscal health remains an issue of great concern.

⁸⁶ Frank W. Audia and Denise A. Buckley, "System Failure," *Michigan Municipal League*, Michigan Municipal League, http://www.mml.org/pdf/plante_moran_report.pdf, p.3.

⁸⁷ Audia and Buckley, "System Failure," p. 15.

⁸⁸ Porter, interview by author.

⁸⁹ Barwin, interview by author; Porter, interview by author.

FISCAL HEALTH – FERNDALE					
	TAXABLE VALUE PER CAPITA (1990 v. 2000) ⁹⁰	TAXABLE VALUE / STATE EQUALIZED VALUE (1995 v. 2002) ⁹¹	PROPERTY TAX REVENUE (2002 v. 2004) ⁹²	STATE SHARED REVENUE (2002 v. 2004) ⁹³	TOTAL GENERAL FUND REVENUE (2002 v. 2004) ⁹⁴
Base Year	\$14,210	96.5%	\$7,436,078	\$4,096,128	\$17,375,476
Comparison Year	\$19,398	72.5%	\$7,888,147	\$3,323,312	\$16,419,207
Change	\$5,188 (23% increase in taxable value)	\$173,144,085 increase in untaxed value	\$452,069 (6.1%)	-\$772,816 (-18.9%)	-\$956,269 (-5.5%)

Income and Poverty Rates

Ferndale continues to be a community occupied primarily by people of modest means. In 2000, median household income among city residents was \$45,629—about 93% of median income for the metro Detroit region as a whole. However, Ferndale’s income position relative to the regional median has steadily improved over the past several decades. In 1980, after the dramatic population decline of the 1970s, median income for Ferndale residents was less than half the regional average.⁹⁵ As average income among Ferndale residents has increased, poverty levels have declined: while 11% of the city’s households fell below the poverty line in 1990, by 2000, that number had shrunk to 8%.⁹⁶ Additionally, it is important to note that the “creative class” Ferndale is trying to attract is not necessarily a high income demographic. Even if Ferndale were successful in its re-imagining—even if the city were to achieve its desired brand of vibrancy—median incomes might remain modest.

⁹⁰ Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities*, Table 1; Southeast Michigan Council of Governments, “Community Profile for Ferndale.”

⁹¹ City of Ferndale, “Fiscal Year 2003/2004 Budget,” *The City of Ferndale, MI*, <http://www.ferndale-mi.com/Services/Finance/Budget2003-04.pdf>, p. 1--8.

⁹² *Ibid.*, p. 1--4; City of Ferndale, “City of Ferndale Michigan Financial Statements and Supplementary Information for the Year Ended June 30, 2004.”

⁹³ *Ibid.*

⁹⁴ *Ibid.*, p. 1--2.

⁹⁵ William H. Hudnut, III, *Halfway to Everywhere* (Washington, DC: ULI—the Urban Land Institute, 2003) p.453.

⁹⁶ Southeast Michigan Council of Governments, “Community Profile for Ferndale,” 2005.

ECONOMIC CHARACTERISTICS – FERNDALE ⁹⁷				
	HOUSEHOLDS IN POVERTY (CITY)	HOUSEHOLDS IN POVERTY (REGION)	MEDIAN HH INCOME (CITY)	MEDIAN HH INCOME (REGION)
1990	11%	13%	\$38,815	\$46,511
2000	8%	10%	\$45,629	\$49,979

Realization of “Cool City” Identity

If Ferndale’s population has continued to decrease, the number of people making use of its downtown has dramatically *increased*. Ferndale has taken its dying downtown and converted it into one of the region’s most hip and interesting strips. Working closely with the Oakland County Main Streets Program and a bulked up Downtown Development Authority, Ferndale has dramatically transformed the Nine Mile and Woodward area.

“Cool” is a difficult concept to quantify, but downtown Ferndale is attracting visitors who had stayed away for decades. The tremendous changes in the area’s appearance and offerings are evident. Sheppard-Decius notes that changing people’s perceptions of Ferndale is a slow and continuous process, but she believes the results of the efforts are beginning to show. “Now,” she says, “people...think about Ferndale as a cool place to be.”⁹⁸ Metro Detroit’s alternative weekly agrees. After some initial skepticism, the *Metro Times* announced in 1999 that Ferndale was “one of metro Detroit’s most hip, open-minded and growing cities.” “Word on the street,” they reported, “is that Ferndale is ‘officially cooler’ than [Royal Oak].”⁹⁹

Development Success

Of the City’s efforts to revitalize its downtown, Barwin says simply, “it worked.” Today, Ferndale’s downtown—once marred by vacant storefronts—is now almost fully occupied¹⁰⁰ “The streets of Ferndale swell with shoppers and late-night revelers nearly every day of the week,” reported *The Detroit News* in 2002.¹⁰¹ Today, Ferndale’s downtown includes galleries, restaurants, quirky boutiques, coffee shops, a brew-and-view/concert venue, bars, restaurants, night clubs, and a brew pub. Frequent newspaper articles detail interesting events and offerings.

Barwin believes it is the city’s success in promoting its new image that has made the upcoming \$35 million mixed-use development possible. “This is a break-through project for us, and I

⁹⁷ Income information is in constant 1999 dollars. Southeast Michigan Council of Governments (SEMCOG), “Community Profiles” for Ferndale and Southeast Michigan.

⁹⁸ Sheppard-Decius, interview by author.

⁹⁹ Jennifer Bagwell, “Ferndale Sets its own Course,” *Metro Times*, May 26, 1999, <http://www.metrotimes.com/19/34/Features/newFerndale.htm>; Lisa Martino, “Ferndale FLUX,” *Metro Times*, October 22, 1997, <http://www.metrotimes.com/news/stories/news/18/04/ferndale.html>.

¹⁰⁰ Barwin, 2005; Porter, interview by author.

¹⁰¹ Jennifer Chambers, “Aging Suburbs Confront Social, Economic Decline,” *The Detroit News*, October 22, 2005, <http://www.detnews.com/2002/oakland/0210/29/c04-619084.htm>.

attribute it, 90% of it, to the fact that...we have this interesting buzz. There is a movement that the private sector can detect," he says. "There are a lot of positive vibes here, and a lot of fun things going on."¹⁰²

Yet, perceptions of the area continue to be challenge in attracting development that might otherwise fall to the region's periphery. Barwin says that attracting major investment projects—such as mixed-use infill projects—is still a “long-shot” because Ferndale borders Detroit and “we’re still [regarded as] ‘iffy.’” Barwin believes that perceptions are changing, but admits that the battle has not yet been won. “The herd isn’t exactly running here yet [but] they’re...starting to lean here and give it a look-see,” he says.¹⁰³

Success in Being Artsy, Young, and Diverse

Low rents, ample parking, an accessible location, and the “warm welcome” from the City have brought eight art galleries to Ferndale in recent years. The trend is so pronounced that, in 2004, *The Detroit News* labeled Ferndale “Metro Detroit’s newest art center.” The owner of one gallery describes Ferndale as “a true art community.”¹⁰⁴

But who is using Ferndale’s downtown? A consumer demographics study reports that, overall, the median age of downtown’s visitor is about 36 years old, with the “25 – 34” year old group being the predominate age range.¹⁰⁵ The City is evidently attracting its preferred demographic. In terms of diversity, however the story is more complex.

Though situated on the boarder of the predominately black city of Detroit, only 3% of Ferndale’s residents identified as African American in 2000.¹⁰⁶ Furthermore, in a region where international in-migration has become critical in mitigating the negative consequences of domestic out-migration¹⁰⁷, only 5% of the city’s 2000 population was foreign born—down from 9% in 1970.¹⁰⁸ Yet, the consumer demographics study reports that nearly 27% of downtown Ferndale’s visitors are African American. This is likely attributable to Detroit’s severe dearth of retail offerings, and has created some tensions with the Ferndale police department. Few African Americans may *live* in Ferndale, but many make use of its downtown offerings.¹⁰⁹

Another important aspect of Ferndale’s diversity is its strong gay and lesbian community. An estimated 10% of the city’s population identifies as gay or lesbian, and Ferndale is home to a number of gay-owned businesses. One of Ferndale’s City Councilmen is openly gay and a strong advocate for the local gay and lesbian community. A gay pride festival takes place each

¹⁰² Barwin, interview by author.

¹⁰³ Barwin, interview by author.

¹⁰⁴ Colby, “All Signs Point to Ferndale.”

¹⁰⁵ Ferndale Downtown Development Authority, “2001 Downtown Ferndale Trade Area Report,” *Downtown Ferndale*, <http://www.downtownferndale.com/PDF/Trade%20Area%20Fact%20Sheet.pdf>.

¹⁰⁶ Southeast Michigan Council of Governments, “Community Profile” for Ferndale and Detroit.

¹⁰⁷ *Migration and Its Impact on Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, November 2004).

¹⁰⁸ Southeast Michigan Council of Governments, “Community Profile for Ferndale,” 2005; Census CD 1970. East Brunswick, NJ: GeoLytics, Inc., c2002.

¹⁰⁹ Ferndale Downtown Development Authority, “2001 Downtown Ferndale Trade Area Report,” Sheppard-Decius, interview by author.

year in the city's center, and a gay/lesbian community center is moving its location to a newly reconstructed building in the center of Ferndale's downtown. The presence of the sizable gay/lesbian community has sometimes created tensions within the community, but these have dissipated over time. "Anybody can come here and walk the streets, and be comfortable" says Porter. "That's not true in a lot of communities."¹¹⁰

Both he and City Manager Barwin tout the city's diversity as one of its top assets. But the degree of success Ferndale has had in achieving this aspect of its goal depends on how one defines "diversity." In Ferndale's downtown, one can find an eclectic assortment of shops, bars, and restaurants. One can also find patrons representing a diversity of styles, including retro, alternative, punk, blue collar, and suburban soccer mom. There is also racial diversity. But the extent to which that diversity—other than in terms of affiliation with the gay/lesbian community—spills over into Ferndale's residential neighborhoods is unclear. It is possible that the residential diversity of Ferndale will increase more over time, especially as the City attempts to integrate housing into the downtown.

CONCLUSIONS

It is possible that Ferndale's related goals of increased density and urban hipness may be somewhat incompatible. If the City is successful in attracting young professionals as residents, the population problem fueled by shrinking family sizes may be compounded. If the City is to retain its artsy, edgy businesses and visitors, then rising property values—needed to help alleviate fiscal woes—will prove advantageous only within limits. Indeed, Ferndale's downtown has benefited from the relocation of funky businesses that could no longer afford the skyrocketing rents in neighboring Royal Oak.

This brings to bear the question of how much of Ferndale's success in revitalizing its downtown can be attributable to outside circumstances vs. purposeful intervention. "At the very beginning, there was a lot of luck" in terms of attracting and retaining some widely recognized business (Woodward Avenue Brewers, the Magic Bag), admits Sheppard-Decius. "But if it weren't for our efforts, that's all that would probably still exist." Sheppard-Decius estimates that most of the downtown's success is attributable to hard work by the City and the DDA, rather than to what has simply occurred organically¹¹¹. Such a question is difficult to quantify, but it is clear that altering perceptions of Ferndale has been slow, labor-intensive process.

One factor that seems to have been critical to Ferndale's revitalization campaign has been leadership. City Manager Tom Barwin has played a central role in establishing a new identity and vision for Ferndale, and in making sure that those messages are regularly featured in the local news. Mayor Porter, too, is experienced with grassroots mobilizing and publicity. He has

¹¹⁰ Jennifer Bagwell, "Ferndale Sets its own Course," *Metro Times*, May 26, 1999, <http://www.metrotimes.com/19/34/Features/newFerndale.htm>; Sheppard-Decius, interview by author; Barwin, interview by author; Porter, interview by author.

¹¹¹ Sheppard-Decius, interview by author.

led the community through over a decade of positive change. Porter and Barwin are backed by a “progressive” City Council and a proactive DDA.¹¹²

Another important factor seems to have been urgency. The crumbling state of the City’s roads and sewers in the early 1990s, the dire fiscal situation of the City, and the threat of blight in the wake of a new highway served as a call to action for Ferndale. With the help from a public relations campaign, residents became convinced that municipal intervention was needed—and because they understood that public investment was critical, they were willing to foot the bill. Furthermore, the initial investments quickly lent momentum to additional investments, both public and private. Once people saw the positive results of intervention, they became excited about the opportunities the downtown area created.

Ferndale, it seems, has been very successful in recreating itself as an interesting and desirable place to be. The once aging downtown now buzzes with activity. The once decaying infrastructure is fresh and new. Yet, it is important to note that Ferndale’s success is in some ways incomplete: regional and national demographic trends have obstructed the City’s effort to reverse its population decline; state tax policies have prevented the city from capturing the heartening increase in property values that might alleviate more of the city’s fiscal woes; soaring costs make maintaining service levels an ongoing challenge; and the diversity of Ferndale’s downtown is not yet fully evident in the city’s residential communities.

There are simply a lot of important factors that lie outside of municipal governments’ control. Yet, the experiences of Ferndale demonstrate that there are often real opportunities for interventions that can profoundly affect a community. Purposeful municipal action can make a big difference in terms of stemming the out-migration of businesses and tax dollars.

¹¹² Porter, interview by author.

FERNDALE	
CHALLENGES	
Population Decline	<i>Severe:</i> Since the 1960s, the city's population has shrunk by 1/3
Demographic Change	<i>Moderate:</i> An aging population has contributed to declines in household size
Housing Stock ¹¹³	<i>Moderate:</i> Many unique options, but too old and small to meet market demands
Undesirable Schools	<i>Moderate:</i> City sites perceptions of local schools as "challenge." ¹¹⁴
Commercial Disinvestment	<i>Severe:</i> By '90s, Ferndale's "pre-blighted" ¹¹⁵ downtown was marred by vacancies
Aging Infrastructure	<i>Severe:</i> Streets, water/sewage system were in dire need of repair by the early '90s
Fiscal Woes	<i>Severe:</i> By 1990, Ferndale was approaching bankruptcy
Proximity to Decline ¹¹⁶	<i>Severe:</i> Ferndale borders blighted Eight Mile Road; decay expected to spread
GOALS	
Ferndale seeks to retain population, commercial investment, and to expand its tax base by becoming a hip, populous, "urban" center.	
PRIMARY STRATEGIES	
Redefining Identity	Ferndale has capitalized on its location and history to develop an edgy, progressive, down-to-earth niche that distinguishes the city from its neighbors. This identity serves as the "infrastructure" for private investment.
Redevelopment	Redevelopment efforts in Ferndale have focused on the downtown area. Guided by the Downtown Development Authority, efforts have included public investment in streetscape improvements and recruitment and support of niche-filling businesses.
Promotion	Ferndale has promoted its new image by keeping local offerings and amenities in the news, lobbying at the state and federal level, and pursuing controversial political stances that attract media attention. City leaders are masters of creating "buzz."
Inter-jurisdictional Collaboration	Ferndale's leaders are staunch advocates for stronger regional infrastructure and pro-urban policy reforms. The City has aggressively supported regionally minded efforts such as joint fire provision and inter-city transit investments.
ASSESSMENT	
Population Stability	<i>Moderate:</i> Population has continued to decline but number households has remained stable
Fiscal Health	<i>Moderate:</i> Property values have doubled but tax caps keep City from fully capturing most of this growth
Income and Poverty	<i>Moderate:</i> Relative to the region, incomes are modest but increasing; Poverty rates have declined
Goal Achievement	<i>High:</i> Ferndale's once dying downtown is now hip, popular, and reasonably diverse. There has been substantial private investment among niche businesses.

¹¹³ Housing stock that does not match current market demands

¹¹⁴ Barwin, interview by author. See Chapter 4.

¹¹⁵ Ibid.

¹¹⁶ Proximity to blighted areas

IV. OAK PARK

In the face of dramatic population shifts, economic disinvestment, and fiscal difficulties, Oak Park has attempted to remain an attractive community for residents and businesses. Efforts to strengthen Oak Park have focused on providing a welcoming environment for minority residents; maintaining the highest quality of city services; pursuing small in-fill projects when they present themselves; and annexing land from a neighboring township to expand the local tax base.

BACKGROUND

Oak Park is a 5.5 square mile, predominately residential suburb located just across Detroit's Eight Mile border. Because Oak Park is situated a few miles off of the critical Woodward corridor, its primary period of development occurred decades after that of "streetcar suburbs" like Ferndale. Instead, Oak Park grew up "almost over night" during the big residential boom of the 1950s. Once among the fastest growing communities in the country, Oak Park was built nearly all at once within a period of just 10 years. The city's housing stock reflects this: neighborhood streets, often winding roads or cul-de-sacs, are lined by very similar, modest ranch-style homes nostalgic of the post-WWII suburban ideal. In contrast to most of the region's older inner-suburbs, Oak Park fits, in many ways, the prototype of the 1950s suburb.

Oak Park has also become prototypical of the inner suburban dilemma. Oak Park is identified by HUD as an example of how older suburban communities are now "facing such urban ills as crime, poverty, and population loss."¹ Yet, unlike the prototypical suburb, Oak Park has long been an enclave for minorities. An overwhelmingly white and Jewish community in the years after its post-war boom, Oak Park has since experienced ongoing waves of demographic shifts. Oak Park is now "very diverse."²

CONTEXT AND CHALLENGES

Struggling schools

Because metro Detroit's public school district boundaries do not coincide with municipal boundaries, Oak Park is served by 3 school districts: Ferndale, Oak Park, and Berkley schools. While the Ferndale school district and especially Berkley schools are still perceived to be viable, the Oak Park City School District—which serves most areas of the city—has struggled in recent years.

¹ U.S Department of Housing and Urban Development, "The State of the Cities, 1999," June, 1999, <http://www.huduser.org/publications/polleg/tsoc99/contents.html>.

² Kevin Rulkowski, telephone interview by author, February 4, 2005; Jerry Naftaly, telephone interview by author, February 17, 2005; Southeast Michigan Council of Governments (SEMCOG). "Community Profile for Oak Park." *Southeast Michigan Council of Governments*. <http://www.semco.org/Data/CommunityProfiles/index.htm> (accessed February 7, 2005).

Jerry Naftaly, longtime mayor and a lifetime resident of Oak Park, notes that the Oak Park City Schools district was once well-known for its excellence. This is no longer the case, however; Oak Park schools have been declining since the 1970s, and today they are consistently found near the bottom of county school district rankings for standardized test scores and drop-out rates.³ Oak Park is one of only two Oakland County school districts to fail the state proficiency test. In addition, Oak Park failed to meet the standards of the federal No Child Left Behind Act at the elementary, middle school, and high school levels last year.⁴ While neither Taylor nor Ferndale can boast superior school district performance,⁵ neither has acquired the poor reputation of Oak Park schools.

Even those without children in Oak Park schools are aware that they have gotten worse. Those involved in the community cite a range of reasons for the district's decline: an ineffective school board; a lack of involvement from parents; language barriers emerging from the city's diversity; and the influx of students from Detroit, who appear to lack a sense of ownership for the Oak Park schools, or are poorly prepared academically.⁶

Like other area districts, Oak Park City Schools also suffers from budget problems. There is talk of closing an elementary school, and the district is considering program cuts.⁷

Because parents feel that kids in Oak Park City Schools are not "getting enough" to excel, many well prepared students are leaving the district, while the schools are receiving an influx of students who are not well-equipped to succeed academically. The City of Oak Park has no direct control over the local school system. Yet, school district performance is an important indicator of how a city itself will do. Demographers assert that the quality of local school systems is a major factor in people's decisions about where to make their home, and that cities without good schools will struggle to attract young, upwardly mobile families. People are more likely to move out of a community—or not to purchase a home there in the first place—if the schools are not performing well.⁸

Struggling Commercial Areas

Getting and retaining businesses have also been challenges for Oak Park. The city lacks a true downtown, and many smaller businesses and local chains have been victims of economic

³ Naftaly, interview by author, February 17, 2005.; Jerry Naftaly, telephone interview by author, March 9, 2005.

⁴ "Failing Districts," *The Detroit News*, January 14, 2005, <http://www.detnews.com/2005/schools/0501/14/A01-60088.htm>; Naftaly, interview by author, February 17, 2005.

⁵ Tom Barwin, interview by author, Ferndale, MI, January 18 2005; Delores Patterson and Jodi Upton, "Race Divides 2 Taylor Schools," *The Detroit News*, January 21, 2002, <http://www.detnews.com/specialreports/2002/segregation2/b08-395679.htm>.

⁶ Michigan's "schools of choice" program allows schools to admit students who reside within other school districts. Michigan Department of Education, "Schools of Choice," http://www.michigan.gov/mde/0,1607,7-140-6530_30334-106922--,00.html (accessed March 30, 2005); Olivia Riggins, interview by author, February 29, 2005; Judy Rubin, interview by author, February 22, 2005; Naftaly, interview by author, February 17, 2005..

⁷ Naftaly, interview by author, February 17, 2005.; Karen Bouffard, "Districts Exhaust Nest Eggs, Now Face Classroom Cuts," *The Detroit News*, March 16 2005, <http://www.detnews.com/2005/schools/0503/16/A01-119015.htm>.

⁸ Naftaly, interview by author, March 9, 2005; Jack Lessenberry, "Salvaging Southfield." *Metro Times*, May 15, 2004. <http://www.metrotimes.com/editorial/story.asp?id=6247>.

downturns. In other situations, owners have passed away. These local businesses have been difficult to replace.⁹

Built in the 1950s and 60s, Oak Park's commercial spaces are designed for small, neighborhood-sized retail that is inconsistent with the needs of most modern retailers. Oak Park City Planner Kevin Rulkowski describes the business districts as "physically antiquated." The challenge of tiny lot sizes and scarce parking—both major obstacles to attracting investment—is common to many inner suburban communities in metro Detroit. Oak Park is 98% developed and unwilling to tear down homes to increase the size of retail lots. It is therefore "a really big challenge" to recruit businesses that are comfortable with the space limitations and that will not negatively impact adjacent neighborhoods.¹⁰

Often, those businesses that *are* interested in locating in Oak Park are headed by independent business people rather than part of national chains. This is problematic because such businesses do not have a high success rate. County or state programs that could assist small business owners like those in Oak Park are few, they are highly bureaucratic, and Rulkowski—who handles both planning and economic development for the city—has never spoken to an Oak Park business person who has used these. "Investors probably don't get enough assistance," says Rulkowski.¹¹ In consequence of these factors, there is a lot of turnover in the city's retail areas. "We tend to have more vacancies than we like," Rulkowski admits. It's been a challenge."¹²

One commercial use that *is* thriving within Oak Park is the "party store"—small convenience stores that are known primarily for the sale of alcoholic beverages. Their presence has caused a great deal of controversy in this primarily residential, "dry" community. Oak Park ordinances prohibit the sale of liquor by the glass: alcohol cannot be sold in restaurants, there are no bars, and alcoholic beverages can only be purchased in licensed stores. While party stores might fill vacant retail space, there is "a general perception by the community" that these establishments are not a desirable addition to Oak Park's neighborhoods.¹³

Rulkowski explains that party stores often locate at the end of residential blocks, tend to be perceived as unsightly, and residents believe they generate problems. "We don't...need any more liquor stores in Oak Park," says local block club president Olivia Riggins. She explains that stores selling alcohol stay open late and attract unwanted loiterers. "We just don't need it," she says. "I'd rather [this] be just a quiet little area." Walter Smith, president of another Oak Park block club, agrees that party stores are not a desirable retail use for the city. Oak Park is "a family city," he told me, and the regulation of liquor sale is necessary to keep it that way.¹⁴

⁹ Naftaly, interview by author, February 17, 2005; City of Oak Park. "Where We're Headed," *The City of Oak Park*, <http://www.oakpark-mi.com/wherewe.htm>; Rulkowski, interview by author, February 4, 2005.

¹⁰ Rulkowski, interview by author, February 4, 2005.; Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003), P.11; Jeff Bremer, interview by author, January 18, 2005; Dan Paletko, interview by author, January 17, 2005; Fred Zorn, interview by author, January 13, 2005.

¹¹ Rulkowski, interview by author, February 4, 2005.

¹² Ibid.

¹³ Ibid.

¹⁴ Riggins, interview by author; Rulkowski, interview by author, February 4, 2005.; Walter Smith, interview by author, February 24, 2005; Naftaly, interview by author, February 17, 2005.

In response to citizen opposition, the City has used ordinances to avoid at least the clustering of party stores. Yet the controversy over party stores is illustrative of the challenge Oak Park faces not just in attracting retail, but in attracting the types of businesses perceived as consistent with a stable, family-oriented, residential community.

Fiscal Challenges

Planner Kevin Rulkowski feels that Oak Park's fiscal situation is the most critical challenge facing the city. Michigan Cities are required by law to balance their budgets or face receivership. And financial issues have always been a strain for Oak Park because "people are used to good quality services" and because roughly 50% of the City's budget is devoted to police and fire. Naftaly explains that it has been an ongoing challenge to "balance" necessary public safety services with everything else required to "make the city run." But he acknowledges that recent circumstances have put Oak Park under more financial pressure than ever before. "We're just getting hit from all sides," says Rulkowski.¹⁵ State funding cuts and property tax caps have severely limited Oak Park's ability to capture revenue.

The City's FY2002-2003 budget overview reads a bit like a Shakespearean tragedy: one unfortunate occurrence after another. First there was the 2000 Census count, which placed Oak Park below the 30,000 population mark by just 207 residents. This cost the City \$112,220 in anticipated state road funding. Then came round after round of state-shared revenue cuts. Oak Park had planned its FY2001-2002 budget based on state estimates of a \$5.3 million aid allocation. In May 2001 this figure was reduced to \$5 million, in November it was revised to \$4.8 million, and in February 2002 came an additional \$18,000 reduction and a warning that future cuts should be expected. Complicating the budgeting challenge were 2001's economic declines, which resulted in an \$11 million loss in the City's retirement funds, a 20% increase in municipal insurance costs, a 20% increase in employee health benefit expenses, a 12% increase in workers' compensation rates, and a \$90,000 loss attributable to unexpected declines in short-term interest rates. Oak Park saw a modest increase in property values, but this could not be captured because the Headlee Amendment/Proposal A limitations required the City to ratchet back its taxation rate in response to the revenue increase.¹⁶

With an annual budget of roughly \$18 million, the additional expenses and revenue cuts have been difficult for Oak Park to absorb. "Revenue sources that we thought were solid *aren't* any more," laments Rulkowski. "[This] makes it practically impossible to budget." Oak Park has faced shortfalls of about \$1 million over the past several years, which it has tried to address through departmental consolidations, staff reductions, and delays in capital improvement projects. The City has also enjoyed the services of Yet the City Manager was warning as early as 2002 that difficult service reductions were on the horizon. "The financial challenge is just

¹⁵ Naftaly, interview by author, March 9, 2005; Rulkowski, interview by author, February 4, 2005; City of Oak Park, "Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2004." *The City of Oak Park*. <http://www.oakpark-mi.com/FORMS%20AND%20BROCHURES/ComprehensiveAnnual2004.pdf>.

¹⁶ City of Oak Park, "Transmittal of the Proposed Budget for 2002/2003 Fiscal Year," *The City of Oak Park*, <http://www.oakpark-mi.com/fiscal.htm>; Southeast Michigan Council of Governments, *Historical Population and Employment by Minor Civil Division, Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, June 2002), Table 3.

unbelievably daunting,” admits Rulkowski. “We’re really on the path to financial ruin, as is probably every other community in the state.”¹⁷

Demographic Shifts

Today, Oak Park’s population is racially diverse, ethnically and religiously eclectic, and includes significant numbers of immigrants. Between 1993 and 1998, one of modestly-sized Oak Park’s zip codes was metro Detroit’s third largest recipient of immigrants. The Southeast Michigan Census Council documented an influx of over 2,800 immigrants within that zip code during that five year period alone. Oak Park has indeed become a center of immigration. The 2000 Census revealed that a full 15% of Oak Park residents were born outside of the United States, and one study identified 35-40 different ethnic groups in the city.¹⁸ But rather than a melting pot, Oak Park is an enclave for members of particular minority groups.

Many of Oak Park’s immigrants are transplants from the former Soviet Union who have been settled by Jewish Family Services in traditionally Jewish areas of the region. Most of these immigrants already have family nearby, they are often well-educated, and religious organizations provide an added support network. Few are fluent in English, however, and many do not hold drivers’ licenses.¹⁹

A second sizeable segment of Oak Park’s population consists of Chaldean immigrants—Iraqi Christians—who also confront a language barrier when moving to the Oak Park. One study estimates that 826 Chaldean immigrants located in Oak Park between 1993 and 1998 alone.²⁰

In addition to the city’s role as a haven for certain immigrant groups, Oak Park is also an enclave for native-born minority groups. The city has become the center of Orthodox Jewish activity for metro Detroit. Oak Park’s Orthodox Jewish residents are, in the words of one city official, “a community within themselves.” They operate their own schools, specialized stores and restaurants, civic and athletic centers, and places of worship within the city.²¹ This degree of separation could lessen the potential for conflict, but it could also be a source of tension—especially when residents’ financial support is needed to support local schools and services.

Oak Park is also racially diverse. Almost entirely white in 1970, by 1990, the city was 63% white, 34% African American.²² In Oak Park, the transition from an all-white suburb was rapid.

¹⁷ Naftaly, interview by author, February 17, 2005; Naftaly, interview by author, March 9, 2005; Rulkowski, interview by author, February 4, 2005; City of Oak Park, “Transmittal of the Proposed Budget for 2002/2003 Fiscal Year;” Amy Lee, “Armory Redevelopment Brings Hope to Eight Mile,” *Detroit News*, December 14, 2004, <http://www.detnews.com/2004/metro/0412/12/B01-30617.htm>.

¹⁸ Kevin Rulkowski, interview by author, February 4, 2005; Naftaly, interview by author, February 17, 2005; Southeast Michigan Council of Governments, “Community Profile for Oak Park,” *Southeast Michigan Council of Governments*, <http://www.semco.org/Data/CommunityProfiles/index.htm>; Mike Wowk, “More Immigrants Drawn to Metro Detroit Diversity,” *The Detroit News*, January 7, 2003, <http://www.detnews.com/2003/census/0303/10/b01-53764.htm>.

¹⁹ Mike Wowk, “More Immigrants Drawn to Metro Detroit Diversity.”

²⁰ Ibid.

²¹ Rulkowski, interview by author, February 4, 2005..

²² Census CD 1970. East Brunswick, NJ: GeoLytics, Inc., c2002; Southeast Michigan Council of Governments, “Community Profile for Oak Park.”

As in other neighborhoods in the region—and particularly the region’s Jewish neighborhoods, where institutions are more mobile and where local populations are more likely to “vote with their feet” than to resist racial change—the movement of African Americans into Oak Park prompted swift flight among white families.²³ Oak Park is now 47% white, 46% African American—and that’s a difference of just under 300 people. Racially, the city is now almost evenly split between black and white²⁴ though “white” is of course a category that encompasses much of the city’s diversity.

With significant populations of Jews and non-Jews, Chaldeans and Russians, whites and African Americans, recent immigrants and long-time residents—and many others who fall in between—the potential for conflict is great. Flight, tension, conflict, and violence have often been the consequence of racial and ethnic diversity within the region’s neighborhood. The story of African Americans’ efforts to find adequate housing in the Detroit area was, throughout most of the Twentieth Century, characterized by tremendous animosity and social unrest. Conflicts between newer ethnic enclaves and “old-timers” continue to occur in the region’s suburbs today, and are often magnified within the schools.²⁵

In a region where an influx of “others” has often served as a harbinger of abandonment and decline, where race and class quickly become conflated in the minds of the populace and in the reality on the streets, Oak Park—situated both physically and metaphorically on the border between Detroit and the region’s wealthy outlying suburbs—has been faced with the challenge of ensuring that its diversity serves as a source of strength, rather than a consequence of abandonment by those with other options.

A CRITICAL MOMENT: CONFRONTING LOCAL CHALLENGES

In a sense, Oak Park has been in a state of ongoing demographic flux since the early 1950s. It boomed from a tiny, overlooked town to a fully developed suburb within a decade, and the transition from an all white, largely Jewish community to a highly heterogeneous city began soon thereafter. The City’s early response to this second major shift has in many ways defined *current* response to the City’s diversity, and the challenges that have accompanied change.

By the 1970s, Oak Park—like the City of Detroit before it—was experiencing rapid population turnover. According to Naftaly, Oak Park was also subject to the “blockbusting” that had fueled similar transitions within the neighborhoods of the central city. Realtors, he recalls, would phone white residents or send mailings to their homes, inciting white fears of racial change and subsequent neighborhood decline. Mass migration, of course, translates to cash windfalls for realtors who benefit from the flurry of home sales and purchases. Naftaly attributes the heavily African American make up of parts of Oak Park closest to Detroit to the work of blockbusting.

²³ Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton: Princeton University Press, 1996), 241-246.

²⁴ Rulkowski, interview by author, February 4, 2005; Southeast Michigan Council of Governments, “Community Profile for Oak Park.”

²⁵ Dan Paletko, interview by author, January 17, 2005; Tom Barwin, interview by author, January 18, 2005; Sugrue, 1996.

Perhaps in response to the character of the demographic shifts taking place within Oak Park, population declined significantly during the decade—by over 14%.²⁶

In “an overt attempt...to combat the white flight syndrome,” the city council placed a ban on ‘for sale’ signs in the late 1970s.²⁷ What could be worse for the city than whole blocks of homeowners advertising their desire to leave and prompting others to do the same? The residents of Oak Park knew exactly how quickly stable, middle class neighborhoods could be rocked by racial transition and then decline.

After a protracted court battle, the ordinance had to be modified so as to forbid only ‘sold’ signs, but in the view of Jerry Naftaly—who joined the City Council just after the ordinance’s passage—such restrictions missed the mark. The role of the City is not to halt change, Naftaly believes, but to ensure that Oak Park continues to offer the same high quality of life for those who choose to live there. “You can’t force people to live in the city,” he recalls arguing, “you can’t force people to stay here, but you can continue to provide good quality services and the best that the community offers [in order] to make them want to stay.”²⁸ That position continues to characterize local government intervention within Oak Park.

LOCAL GOALS

Unlike Ferndale, Oak Park is not intent on recreating itself. Here, the goals are more humble if perhaps no more daunting: this a community that is trying to keep doing the same kinds of things it has always done in spite of tremendous change. Regardless of the color or ethnicity of its residents, regardless of the challenges the city increasingly faces, Oak Park is committed to providing the same kind of family-oriented, residential, suburban environment it has traditionally offered. Oak Park strives to go on being a quiet, middle-income community with good city services and solid public safety. “Those have been my goals: to make sure that what I grew up with (good sports programs, good library, good police and fire protection) are here for the residents after I leave....I think it should everybody’s goal in office to leave their community in better shape than when they came in,” explains Naftaly.²⁹

Oak Park calls itself “The Family City,” and it is a community that takes its motto seriously. Municipal activities are focused on the desire “to meet the needs of everyone, from young children to the elderly.”³⁰ Residents’ reactions to the party store controversy discussed above demonstrates that many of them are also concerned with the preservation regard Oak Park as “a family city.”³¹

²⁶ Naftaly, interview by author, March 9, 2005; Southeast Michigan Council of Governments, *Historical Population and Employment*, Table 3.

²⁷ Rulkowski, interview by author, February 4, 2005.

²⁸ Naftaly, interview by author, March 9, 2005.

²⁹ Naftaly, interview by author, March 9, 2005.

³⁰ Rulkowski, interview by author, February 4, 2005.

³¹ Rulkowski, interview by author, February 4, 2005; Smith, interview by author.

Oak Park truly “prides itself” on being a good place for families.³² According to Naftaly, Oak Park is the kind of community where you can drive down the block and know who lives in each house.³³ The hope is that the dramatic demographic changes in the city will not foster quality of life changes. In spite of large social shifts, a remarkably diverse population, a failing school system, and a dismal fiscal environment, the suburban ideal lives on in Oak Park’s civic and municipal leadership.

PRIMARY INTERVENTION STRATEGIES

Good Government

“Good government”-based initiatives lie at the core of Oak Park’s efforts to remain a desirable community for families. Naftaly’s conviction that the city’s viability is largely dependent on the quality of life perceptions among current and potential residents is central to the municipal government’s approach to city management. A great deal of effort is therefore devoted to providing top quality city services, to promoting civic engagement among residents, and to offering a welcoming environment to people of a range of racial, ethnic, economic, and religious backgrounds.

Sensitivity to needs of diverse population

According to Naftaly, an integral part of Oak Park’s “family city” identity is the commitment from residents “of different races, religions, and ethnic derivations...to living side-by-side in harmony, with mutual respect.”³⁴ Local government has worked hard to support that commitment, and to be sensitive to the needs and circumstance of its many resident groups. Oak Park hopes to retain and attract residents by embracing diversity and welcoming residents of all backgrounds. In describing how city officials have responded to Oak Park’s diversity, Rulkowski explains that “you just have to understand [where different groups are coming from]...You learn real quickly how different groups operate, and you adapt to those differences.”³⁵ This has involved a range of strategies, both overt and subtle.

Ethnic Advisory Commission:

In the early 1980s—“long before it was fashionable” to do so—Oak Park established an Ethnic Advisory Commission that continues to be active today. The commission’s 12 members meet monthly to foster communication among the community’s different population groups, and to grapple with potential conflicts before they can escalate. This organization played an important role in addressing tensions emerging from the war in Iraq, where many of Oak Park’s residents trace their roots. In an effort to make sure that world conflicts don’t play out locally, the commission has worked to ensure that there are open lines of communication between the City and local religious institutions. The Commission also makes an effort to ensure that churches, synagogues, and faith-based community centers within the city are well protected—especially during important holidays.³⁶

³² Ibid.

³³ Naftaly, interview by author, February 17, 2005.

³⁴ *Oak Park Annual Report & 2005 Calendar*, Oak Park.

³⁵ Rulkowski, interview by author, February 4, 2005..

³⁶ Naftaly, interview by author, February 17, 2005.; Rulkowski, interview by author, February 4, 2005..

Multi-Cultural Offerings:

The Oak Park public library and the city's Department of Recreation provide a range of offerings that reflect the city's diversity. The library's holdings include over 2,000 books in Arabic and Russian. Recent programming included both "Echoes of Detroit's Jewish Communities," a book talk and signing, to a live performance of "The Spirit of Harriet Tubman."³⁷ Each picture in Oak Park's city calendar and recreation guide shows pictures of happy residents representing a rainbow of different races and cultures. City forms are often available in Russian, Arabic and English. In these ways, the City strives to send a clear message that Oak Park welcomes diversity.

Sensitivity in Development Decisions:

When tensions between the City and its population groups have emerged over development projects, city government has worked closely with the impacted groups' leaders to identify solutions. For instance, the proposed conversion of a car dealership into a shopping center on a site adjacent to an Orthodox Jewish school and synagogue raised concerns within that community. The City recognized the need to be sensitive to these existing uses, and planners went to speak with the rabbi in charge of the abutting facility—a "very common practice" in Oak Park.³⁸ When the rabbi indicated that the Orthodox community would oppose *any* retail uses at that site, however, the City brought members of the Orthodox community together with the developer and members of the Planning Commission. From a citywide perspective, the proposal made sense: the site in question is zoned for retail, is located at the intersection of two major roads, and the development would help address local retail and tax base needs. Yet the importance of making sure the concerns of this population group were addressed was understood. By bringing stakeholders together to discuss their priorities and by being "extra mindful" of the Orthodox community's circumstances, the Planning Commission and the developer were able to resolve the potential conflict by integrating buffers and other mitigating elements into the project.³⁹

Naftaly explains that, in this way, tensions in Oak Park are generally resolved before they explode into something bigger. With open lines of communication, he says, things have a way of working out.⁴⁰

Another example of a potentially explosive development issue is the local debate over "big footing:" the teardown of existing houses in order to construct larger, lot-filling houses in their place. Oak Park is a city of "fairly modest homes and a zoning ordinance that keeps that in mind." But because of the city's diversity, the big footing debate in Oak Park goes beyond the typical concerns over preservation. Orthodox families tend to be very large (having six to eight children is common), so many families are requesting variances that will allow them to build bigger homes. Because observant Orthodox must walk to their places of worship on the Sabbath and because these and other Orthodox institutions are located within the city, many in this

³⁷ City of Oak Park, "Library Services," *The City of Oak Park*, <http://www.oakpark-mi.com/LIBRARY%20SERVICES.htm>.

³⁸ Rulkowski, interview by author, February 4, 2005.

³⁹ Rulkowski, interview by author, February 4, 2005.; Naftaly, interview by author, February 17, 2005.

⁴⁰ Naftaly, interview by author, February 17, 2005.

community would rather build within Oak Park than move to larger homes in other areas. Rather than insisting that these residents adhere to zoning restrictions, the city has tried to accommodate their needs.

“We’re sensitive to [the issues],” says Rulkowski, “and we try to accommodate [the larger homes].... We don’t want to force people out.”⁴¹ Naftaly and Rulkowski also note that the larger homes bring added investment—and added taxable value—to the city. The big new houses “stick out like sore thumbs,” Rulkowski says laughingly, but they also help to stabilize the community—both by improving the fiscal situation and by helping to anchor a segment of the city’s population to the community. Orthodox resident Eli Mayerfeld, who himself received a variance to expand his home, confirms that the city has been both “understanding” and “encouraging” of these requests.⁴²

Naftaly admits that “there have been concerns, there have been problems;” yet, the City tries to “make sure the [population groups] are OK with things before we go forward.” Mayerfeld agrees that “The City does a good job reaching out” to his community.⁴³

Understanding Local Diversity:

City officials recognized that the Chaldean community would be harder to reach with the Census, and took proactive measures to be sure that these residents would be counted. Coming from an unstable political climate in Iraq, many of Oak Park’s Chaldeans are reluctant to fill out government forms or speak with government officials when they arrive at the door. In addition, extended families are sometimes living within a single home, and respondents are reluctant to discuss this to officials. Municipal leaders were aware also that the Census questioning would be regarded by the Chaldean community as intrusive. In order to ensure that the count would be as accurate as possible, the City sent a team with translators and a local Chaldean priest to help with the canvassing. Believing that the count was inaccurate in spite of their efforts, the City then consulted with local religious leaders to better assess the number of Chaldeans within the city. Including the Chaldeans within the Census was important both for revenue reasons—state aid is based in part on population counts—and because of the desire to better serve the needs of all of Oak Park’s resident groups.

Promoting Civic Involvement

Does civic activism on the part of residents make a big difference? “Yes, absolutely,” says Naftaly without hesitation. “You always need community activism... You all have to work together in order to make things better,” he says, and notes that even just actively complaining about something can make a difference.

Civic Organizations:

The city currently has several active block clubs. The Mayor and public safety officers communicate regularly with these organizations. The City is also quick to act on the

⁴¹ Rulkowski, interview by author, February 4, 2005.

⁴² Ibid; Naftaly, interview by author, February 17, 2005; Eli Mayerfeld, Telephone interview by author, May 2, 2005.

⁴³ Naftaly, interview by author, February 17, 2005; Eli Mayerfeld, Telephone interview by author, May 2, 2005.

maintenance concerns channeled through block clubs—in regard to both municipal service glitches like a poor snow plowing performance, and to code violations like broken garage doors or abandoned vehicles. They get to the source, they give you feedback, and they respond to the problem, I was told by the president of a block club that is particularly concerned with the upkeep of the neighborhood.⁴⁴

Civic Engagement in Government:

Oak Park also has a number of boards and commissions organized around planning, beautification, and other community concerns. Naftaly uses these organizations as opportunities to engage representatives from the city's major population groups in governing the city. This helps increase City awareness of these groups' concerns and promotes a strengthened connection between sub-groups and the City. The Mayor has therefore appointed several members of the Orthodox Jewish community to the planning and zoning commission. The popularly elected City Council includes both an Orthodox Jewish and a Chaldean, but Naftaly admits that there seems to be "less and less involvement" within the Chaldean community. Block club leaders also reported little involvement among Chaldean residents. Naftaly explains that Chaldeans once active in the city have moved and no one has yet emerged to replace them. He is working through leadership within the Chaldean church to try and change this. Other resident communities have been easier to involve in city government, he feels.⁴⁵

The lack of enthusiasm for civic involvement is not limited to Oak Park's Chaldean population, however. Block club leaders report that activism among all city residents has been weak. Why is that the case? Block club president Olivia Riggins suggests that people are busy or tired or preoccupied with other things. "I guess that people don't want to be bothered," she says.⁴⁶ Interest in many of the city's library and recreation programs is often limited as well.⁴⁷

Another explanation for the lack of civic activism is that many of the city's population groups (the Chaldean community through its churches, the Orthodox and secular Jewish communities through their synagogues, schools, and community center, and the African American community through its churches) already have their own internal civic infrastructure.

Naftaly would like to see more civic involvement among the city's residents.

"I'd like [for there to be] more people who care enough about the city to notice [and to call in] when lights are out, when signs are down, when...cars [have been] abandoned....I'd like people to take a bigger interest in the community, take more pride in the city....I'd like to....know that if and when I leave office, that there are people who are ready to pick it up and take the same amount of pride and put the same amount of compassion into the community."

City leaders believe that fighting apathy—and bolstering people's engagement with the city—is critical to keeping the city at its best.⁴⁸ Engaging representatives of local population groups in city government could serve to better anchor both the individuals and their population groups to Oak Park. Yet, in a community made up of sub-communities, in an era that has seen a decline in

⁴⁴ Riggins 2005; Smith 2005; Naftaly, interview by author, February 17, 2005.

⁴⁵ Naftaly, interview by author, February 17, 2005.

⁴⁶ Riggins, interview by author.

⁴⁷ Ibid.

⁴⁸ Naftaly, interview by author, March 9, 2005.

civic activism more generally, bringing this community more fully into municipal activities may be a significant challenge.

Maintaining High Quality City Services

“Our highest priority [continues to be] making sure that the residents [who] are used to the high quality services continue to get them,” says Mayor Naftaly⁴⁹ By offering great services at reasonable tax rates, the City believes it can remain a viable place to live.

The small city of Oak Park offers an impressive park network, including the 57 acre Shepard Park, with its outdoor pool, skating rink, themed play structures, nature paths, grills for barbequing, and perhaps the finest sledding hill in the area. Oak Park’s public library and Department of Recreation offer a range of cultural, athletic, and leisure programming for residents of all ages. Prompt snow plowing and trash pick-up are, along with infrastructure maintenance, considered high priorities.⁵⁰

The highest priority for service provision is police and fire. “Good quality public safety protection” is considered absolutely crucial in the eyes of both municipal leaders and area residents⁵¹ The City uses Public Safety officers (trained as both police officers and firemen) instead of supporting separate police and fire units. Oak Park is a pioneer in public safety and “people are proud of our department.” Maintaining the quality of this service—which consumes roughly half of Oak Park’s annual budget—is a “major concern.”⁵²

Block club president and recycling commission chair Walter Smith feels that the city is very clean and very well run with good city services—qualities that attracted him to Oak Park initially in the 1990s. He notes that the Department of Public Works responds very quickly to repair needs, that department heads attend every City Council meeting so as to be on-hand to address residents’ concerns, and that the mayor himself will sometimes follow up with residents regarding their complaints about service provision.⁵³

But Oak Park’s fiscal difficulties threaten the City’s capacity to continue to provide high quality services. Over the past several years, Oak Park has had to cut back on maintenance, to eliminate positions, and to delay rehiring for other positions. Since 2001, the city has implemented double digit cuts in its workforce and dissolved its community services department. Sewers are being

⁴⁹ Naftaly, interview by author, March 9, 2005..

⁵⁰ City of Oak Park, “Department of Recreation: Parks and Facilities.” *The City of Oak Park*. http://www.oakpark-mi.com/Recreation/rechomepage/Transfer/Parks%20and%20Facilities/parkmap_info.htm, Rubin, interview by author; City of Oak Park, “Library Services,” *The City of Oak Park*, <http://www.oakpark-mi.com/LIBRARY%20SERVICES.htm>; City of Oak Park. *Oak Park Annual Report & 2005 Calendar* Oak Park; City of Oak Park, “Department of Recreation” *The City of Oak Park*. http://www.oakpark-mi.com/Recreation/rechomepage/Transfer/Recreation_index.htm; Naftaly, interview by author, March 9, 2005.

⁵¹ Naftaly, interview by author, March 9, 2005; Naftaly, interview by author, February 17, 2005; Rulkowski, interview by author, February 4, 2005; Riggins, interview by author.

⁵² Naftaly, interview by author, March 9, 2005; Riggins, interview by author; Smith, interview by author; Rubin, interview by author.

⁵³ Smith, interview by author.

cleaned less frequently, and cut-backs to core services—public safety and public works—have already begun. Perhaps most troubling, emergency response time is increasing.⁵⁴

Riggins says that residents in her neighborhood see a difference in public safety compared to when they moved into the city. People feel that officers aren't patrolling as frequently anymore. In Riggins' neighborhood, however, delays in emergency response time do not yet seem to be felt by residents. She reports that she continues to be "pleased" with the department because "they do come out when you call...If I have a problem, I just call direct, and they're Johnny-on-the-spot."⁵⁵ Providing excellent city services may be a good way for Oak Park to retain and attract residents, but the City's fiscal difficulties place limits on this.

Redevelopment

According to Naftaly, building the tax base is of prime importance to the city, given the fiscal situation and the desire to maintain high quality city services.⁵⁶ Because Oak Park is a fully developed community, however, finding sites for new developments is rare. Nonetheless, Oak Park adds to its tax base through small, opportunistic projects.

One exciting recent development for the City was the sale of a long-vacant state-owned armory that had been "an eyesore" for years. The site—Oak Park's first brownfields project—will be remediated and converted to retail and light industrial space as part of a \$50 million to \$100 million development. The City has established a Brownfields Authority specifically to provide tax relief the project. Oak Park is looking forward to recouping the expenses associated with the site, and with having a new opportunity for revenue. "The armory gave us zero tax dollars," explains Oak Park finance director Jim Ghedotte in a recent newspaper article. "In a few years, it'll generate more than half a million."⁵⁷

Another large development project for Oak Park is a \$20 million condominium development that has been in the works for the past several years. The City-owned land along Eight Mile Road, which has been vacant for over a decade, was sold by the city to generate revenue. The plan initially met with local opposition, but the sale produced \$295,000—enough to allow Oak Park to purchase a new fire engine—and offers the promise of additional tax revenue in the future.⁵⁸

Annexation

In another effort to bolster the City's population and tax base, Oak Park has recently annexed land from neighboring Royal Oak Township. The agreement transfers a half square mile of land—along with three apartment complexes, roughly 75 businesses, and over 2,000 residents—

⁵⁴ Naftaly, interview by author, February 17, 2005; Rulkowski, interview by author, February 4, 2005; Lee, "Armory Redevelopment Brings Hope to Eight Mile."

⁵⁵ Riggins, interview by author.

⁵⁶ Naftaly, interview by author, March 9, 2005.

⁵⁷ Naftaly, interview by author, February 17, 2005; Naftaly, interview by author, March 9, 2005; Lee, "Armory Redevelopment Brings Hope to Eight Mile;" "Major Developments Generate Revenue and Optimism." *The Oak Park Report*, Winter 2005.

⁵⁸ Naftaly, interview by author, February 17, 2005; Naftaly, interview by author, March 9, 2005., Rulkowski, interview by author, February 4, 2005.

to Oak Park's tax roles. Oak Park will make long-term payments for the land, but ultimately, tax revenues from the newly acquired properties are expected to add substantial revenue to City coffers.⁵⁹

Because the Oak Park's population had declined in recent decades, City leaders perhaps assumed that additional land could be maintained without much additional strain or expense. Yet, annexation has not been wrinkle-free. Naftaly says that the annexation process has been a struggle for each of Oak Park's departments. The water pipes in the newly acquired area are not at the same standard of those in Oak Park and will have to be improved. Furthermore, Naftaly admits that annexation has been "a nightmare" from a public safety perspective, requiring the City to patrol new high-demand areas with same number of offices. The City believes that 2 extra public safety officers are needed, in part because of problems originating with a high crime, poorly maintained apartment complex with which the City has a contentious relationship.⁶⁰

The "problem" complex is two years behind in its tax payments, has refused to compensate Oak Park for its share of the election expenses, and is proving to be very costly in terms of public safety, code enforcement, and legal wrangling. The annexation arrangement is expected to bring the City \$500,000 a year in additional tax revenue, but it has proved to be an expensive and frustrating endeavor.⁶¹ Studies show that annexation "may generate associated costs," and does not necessarily result in a fiscal gain for the annexing community.⁶² It is not yet clear whether the annexation strategy will prove to have been advantageous for Oak Park.

ASSESSMENT

Has local government in Oak Park been able to effectively address the challenges confronting the city? Where have efforts fallen short, and why? I will now examine the strategies described in relation to the following criteria:

Population Stability: Retaining its population is important to Oak Park both from a revenue standpoint and as an indicator of the City's viability. Do area residents continue to view Oak Park as a desirable place to live, or has it become a community for those without alternatives? Furthermore, have Oak Park's efforts to accommodate minority groups been successful, or have some of these populations begun to relocate?

Fiscal Health: Growth or decline in tax base is an important indicator of a community's health. This, too, provides an important clue to local confidence in a city's viability. Furthermore, fiscal health has profound ramifications on Oak Park's capacity to provide the high quality services on which municipal leadership place so much emphasis.

⁵⁹ Naftaly, interview by author, February 17, 2005; Christy Strawser, "City Gets Township Land," *Daily Tribune*, October 25, 2004, http://www.dailytribune.com/stories/102504/loc_township25001.shtml.

⁶⁰ Naftaly, interview by author, February 17, 2005.

⁶¹ Ibid; Strawser, "City Gets Township Land."

⁶² Mary Edwards, "Annexation: A 'Winner-Take-All' Process?" *State and Local Government Review* 31, no. 3 (1999): 230.

Income and Poverty Rates: When understood in relation to figures describing the region as a whole, change within a community's income levels and poverty rates can be strong indicators of a community's desirability in the eyes of area residents. Such data can indicate that a community is increasingly desirable, or that it increasingly houses those who lack other options.

Viability as a "Family City": In spite of all the changes Oak Park has experienced over the past half century, community leaders are committed to preserving Oak Park as safe, peaceful, residentially oriented place to raise family. This kind of environment should be achievable regardless of residents' racial or ethnic background, Oak Park's leadership feels. Yet budget shortfalls, discomfort with "Others," and the lure of newer, fancier suburbs to the north and west have all served to threaten this ideal. To what extent has Oak Park, in the eyes of area residents, been able to remain viable as a good place to raise families?

Population Stability

Is population stable, declining, or increasing?

With the annexation of Royal Oak Township, Oak Park experienced a population increase of over 2,000 residents. Today, although Oak Park's population is still slightly below 1990 Census levels, the city is home to over 400 more residents—and over 500 more households—than in 2000. This supports data indicating that Oak Park continues to experience significant drops in household size. It also perhaps indicates that Oak Park has not been fully successful in retaining or recruiting families. A fairly modest number of Oak Park's households include children—40% and 39% in 1990 and 2000, respectively. Yet this is higher than the regional average of 37% and 36%, respectively. Furthermore, Oak Park's increase in households has important fiscal ramifications: whether a household includes one person or 5, additional households will likely translate into additional tax revenues for the city.⁶³

In addition, Oak Park's population increases are slight, but compared to population losses in all 7 adjacent communities during the 1990s, Oak Park's population figures are encouraging.⁶⁴ While Ferndale lost 12% of its population during the 1990s, for instance, Oak Park lost only 2%. The number of Oak Park residents has remained relatively stable. Without considering the population gains from annexation, the city has lost an additional 5% of its residents in the past five years. While still an issue of concern, this level of population decline is comparable with neighboring communities and does not by itself indicate a trend of population abandonment—especially considering that a full 12% of Oak Park residents are over age 65.⁶⁵ Whether the population gains from annexation are sizeable enough to make a substantive fiscal difference to the city remains to be seen, however, as does who will replace Oak Park's elderly population as they are lost to death and retirement homes.

⁶³ Southeast Michigan Council of Governments (SEMCOG), "Community Profile for Oak Park."

⁶⁴ Naftaly, interview by author, February 17, 2005; Naftaly, interview by author, March 9, 2005; Southeast Michigan Council of Governments (SEMCOG), "Community Profile for Oak Park;" Southeast Michigan Council of Governments (SEMCOG), "Community Profile" for Detroit, Royal Oak Township, Ferndale, Southfield, Berkley, Pleasant Ridge, and Huntington Woods.

⁶⁵ Population estimates exclusive of annexation gains assume an annexation-related gain of 2000 residents. Southeast Michigan Council of Governments (SEMCOG), "Community Profile" for Detroit, Royal Oak Township, Ferndale, Southfield, Berkley, Pleasant Ridge, and Huntington Woods.

Indeed, the aging of the population offers opportunity. As Naftaly points out, because Oak Park is a fully developed community—and the opportunities for additional annexations are slight—the number of households is relatively static. The population is therefore likely to increase only if one-person households are replaced by larger families.⁶⁶ As older residents move on, it is possible that the decline in Oak Park’s population will stabilize further.

Are ethnic groups migrating out?

Naftaly believes that the city’s population stabilized maybe 10 or 20 years ago—in the 80s and 90s. Yet, demographic data seems to indicate that Oak Park is still in the midst of a racial transition. Though the population is almost evenly split between African Americans and whites, demographic figures show that white Oak Parkers are dying at twice the rate of black Oak Parkers. In 2002, 67% of deaths were attributable to white residents, while only 32% were attributable to African American residents. This suggests that a great many of Oak Park’s white residents are elderly and are likely to soon be lost to death or retirement homes. Indeed, between 1990 and 2000, Oak Park’s white population fell by 16%, and the city’s black population saw increases in the double digits as well.⁶⁷ Though Oak Park does not seem to be experiencing “white flight” any longer, due to attrition, it is an increasingly African American city.

This change in demographics is fueled in part by migration among Oak Park’s immigrant groups. While the city continues to receive new Chaldean residents—particularly in the southern and eastern portions of the city—leaders within the Russian-Jewish and Chaldean immigrant groups attest that these immigrants are generally transitory: after a few years in Oak Park, most move on to homes in outlying cities within the region. “The newcomers come here first, but after a few years they move on...” explains Rev. Kallabat of Oak Park’s Mar-Addai Chaldean Catholic Church.⁶⁸ It seems that the region’s outlying suburbs hold strong appeal for settled immigrants—just as they do for native metro Detroiters.

Oak Park’s Orthodox Jewish population, however, appears to be growing. The city’s accessible location, affordable (and expandable) housing options, walkable neighborhoods, Jewish schools and institutions, as well as the critical mass of Orthodox families already living in the area have made Oak Park “the place to live” for the region’s Orthodox Jews.⁶⁹ In contrast to trends within the city’s immigrant groups, Oak Park is now *drawing* Orthodox families from fancier metro Detroit exurbs.⁷⁰

Firm figures on the city’s ethnic diversity are hard to come by. Planner Kevin Rulkowski acknowledges that it has been hard for the City to gauge population shifts occurring within ethnic groups that fall into the same racial category. The available governmental tools (the

⁶⁶ Naftaly, interview by author, March 9, 2005.

⁶⁷ The number of Black residents in Oak Park rose 12% between 1990 and 2000, but an additional 4% of residents classified themselves in the new Multi-Racial category in 2000; Southeast Michigan Council of Governments (SEMCOG). “Community Profile for Oak Park.”

⁶⁸ Mike Wowk, “More Immigrants Drawn to Metro Detroit Diversity,” *The Detroit News*, January 7, 2003, <http://www.detnews.com/2003/census/0303/10/b01-53764.htm>; Naftaly, interview by author, March 9, 2005.

⁶⁹ Eli Mayerfeld, interview by author, May 2, 2005.

⁷⁰ *Ibid.*; Kevin Rulkowski, interview by author, February 4, 2005; Naftaly, interview by author, March 9, 2005.

Census and Southeast Michigan Council of Government demographic research) are “not sensitive enough to track these changes.”⁷¹

POPULATION – OAK PARK ⁷²				
	POPULATION	HOUSEHOLDS	HOUSEHOLD SIZE	HOUSING UNITS
1990	30,468	10,891	2.80	11,350
2000	29,793	11,104	2.68	11,370
2005	30,250	11,653	2.59	12,078
2030 Forecast	25,634	11,082	2.31	n/a
Change 1990 – 2000	-2.2%	2.0%	-0.12 persons/HH	0.2%
Change 2000 – 2005	1.5%	4.9%	-0.9 persons/HH	6.2%

Fiscal Health

In some respects, City efforts have helped to lessen Oak Park’s fiscal crunch. The annexation of the Royal Oak Township property, in conjunction with the armory project, is expected to eventually bring an additional \$1 million into Oak Park’s annual \$18 million budget.⁷³ The proposed condo development would further add to city revenues, and the City has also acquired cash infusions through the sale of City-owned land and by permitting the erection of a cell phone tower in a local park.⁷⁴

City officials also report that property values are on the way up. During the 1990s, as was the case throughout the region, annual property value increases in the double digits were not uncommon.⁷⁵ Property tax caps, however, have prevented Oak Park from capturing much of that increase in value. In spite of the significant annual gains, taxable value for the City of Oak Park increased by a modest 10.6% during this period.⁷⁶ This trend continues. By 2002, there was a 30% gap between assessed value and taxable value of Oak Park’s properties. In 2004, property values rose an average of 8.25% but property tax increases were limited by Proposal A to just 1.5%.⁷⁷

⁷¹ Kevin Rulkowski, telephone interview by author, February 4, 2005.

⁷² Southeast Michigan Council of Governments, “Community Profile for Oak Park.” 2005 data represents February estimates.

⁷³ Naftaly, interview by author, February 17, 2005; Lee, “Armory Redevelopment Brings Hope to Eight Mile.”

⁷⁴ Naftaly, interview by author, February 17, 2005; Oak Park City Council Meeting, February 21, 2005.

⁷⁵ Jennifer Brooks, “Aging Ferndale Discovers Formula for Staying Vibrant,” *The Detroit News*, September 4, 2002, <http://www.detnews.com/2002/metro/0209/04/a01-578139.htm>; Naftaly, interview by author, March 9, 2005.

⁷⁶ Figure adjusted for inflation. Southeast Michigan Council of Governments (SEMCOG), *Fiscal Capacity of Southeast Michigan Communities: Taxable Value and its Implications* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003) Table 1.

⁷⁷ City of Oak Park, “Popular Annual Financial Report to the Citizens, June 30, 2004,” *The City of Oak Park*, <http://www.oakpark-mi.com/FORMS%20AND%20BROCHURES/2004FinancialReporttoCitizens.pdf>, p. 1; City

Furthermore, Oak Park is grappling with substantially less taxable value *per resident* than its neighbors. As of 2000, Ferndale's taxable value was \$19,398 per resident, Berkley could boast \$23,446 of taxable value per resident, and Southfield—with its sizeable business base—stood at an impressive \$37,420 of taxable value per resident. Oak Park, however, must provide police, fire, and public works on only \$16,964 of taxable value per resident—less than half of the per resident tax revenue available to Southfield's municipal government.⁷⁸

The City has tried to save money by making purchases as part of a tri-county cooperative, by collaborating with neighboring communities to conduct property assessments and provide youth programming, and by using a unified police and fire department. As noted above in the discussion of fiscal challenges, the City has also made substantial staffing cuts and combined municipal departments. During the fiscal year ending in 2004, Oak Park was able to cut expenditures by nearly \$100,000.⁷⁹

Yet expenses continue to rise. For instance, retiree health care costs alone increased by a whopping 13% between fiscal year ending 2003 and fiscal year ending 2004. That one expense now constitutes over \$900,000 within an \$18 million annual budget.⁸⁰ In addition, Oak Park's allocation of state-shared revenue—which historically supplies over 20% of the City's annual budget—has continued to decline. The 10.3% cut in aid during fiscal year 2001-02 was followed by an additional \$400,000 reduction during fiscal year 2003-04, and ongoing cuts are expected.

For Oak Park as well as other inner suburban communities, “the financial challenge is just unbelievably daunting.”⁸¹ Oak Park's redevelopment, fiscal austerity, and tax base expansion efforts may have helped to alleviate some of the City's fiscal problems, but paying for services continues to be a struggle.

of Oak Park, “Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2004.” *The City of Oak Park*. <http://www.oakpark-mi.com/FORMS%20AND%20BROCHURES/ComprehensiveAnnual2004.pdf>, Table IV.

⁷⁸ Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities*, Table 1.

⁷⁹ Naftaly, interview by author, February 17, 2005; Naftaly, interview by author, March 9, 2005; City of Oak Park, “Transmittal of the Proposed Budget for 2002/2003 Fiscal Year;” City of Oak Park, “Popular Annual Financial Report to the Citizens, p.3.

⁸⁰ City of Oak Park, “Popular Annual Financial Report to the Citizens, June 30, 2004,” p.3.

⁸¹ Rulkowski, interview by author, February 4, 2005.

FISCAL HEALTH – OAK PARK					
	TAXABLE VALUE PER CAPITA (1990 v. 2000) ⁸²	TAXABLE VALUE/ STATE EQUALIZED VALUE (1995 v. 2002) ⁸³	PROPERTY TAX REVENUE (2001 v. 2004) ⁸⁴	STATE SHARED REVENUE (2001 v. 2004) ⁸⁵	TOTAL GENERAL FUND REVENUE (2001 v. 2004) ⁸⁶
Base Year	\$14,998	99.0%	\$8,907,000	\$5,187,145	\$18,499,000
Comparison Year	\$16,964	70.0%	\$10,050,000	\$4,109,669	\$17,323,000
Change	\$1,966 (10.6% increase in taxable value)	\$228,047,620 increase in untaxed value	\$1,143,000 (12.8%)	-\$1,077,476 (-20.8%)	\$1,176,000 (-6.8%)

Income and Poverty Rates

In terms of the economic status of its residents, Oak Park's performance appears to be modest yet stable. Roughly 10% of Oak Park's household's were below the poverty line in both 1990 and 2000. Median household income also remained level at about \$48,500—the highest of the three case study communities. This places Oak Park at just below the 2000 regional median income of \$50,000, and at exactly the regional poverty average of 10% of households.⁸⁷ Oak Park is not a fancy place, but economically speaking, it appears to be relatively stable.

⁸² Figures adjusted for inflation. Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities*, Table 1; Southeast Michigan Council of Governments, "Community Profile for Oak Park."

⁸³ City of Oak Park, "Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2004," *The City of Oak Park*. <http://www.oakpark-mi.com/FORMS%20AND%20BROCHURES/ComprehensiveAnnual2004.pdf>, Table III and IV; Phone call to City of Oak Park Department of Financial and Administrative Services, May 12, 2005; City of Oak Park, "City of Oak Park, Oakland County, Michigan, Annual Budget for Fiscal Year 2004-2005." *The City of Oak Park*. <http://www.oakpark-mi.com/FORMS%20AND%20BROCHURES/2004budget.pdf>.

⁸⁴ City of Oak Park, "City of Oak Park, Oakland County, Michigan, Annual Budget for Fiscal Year 2004-2005;" City of Oak Park. "Popular Annual Financial Report to the Citizens, June 30, 2004," *The City of Oak Park*. <http://www.oakpark-mi.com/FORMS%20AND%20BROCHURES/2004FinancialReporttoCitizens.pdf>.

⁸⁵ Includes General Fund revenues. Phone call to City of Oak Park Department of Financial and Administrative Services, May 17, 2005.

⁸⁶ Figures rounded to the nearest \$1,000. City of Oak Park, "City of Oak Park, Oakland County, Michigan, Annual Budget for Fiscal Year 2004-2005;" City of Oak Park. "Popular Annual Financial Report to the Citizens, June 30, 2004."

⁸⁷ Income information is in constant 1999 dollars. Southeast Michigan Council of Governments (SEMCOG), "Community Profiles" for Oak Park and Southeast Michigan.

ECONOMIC CHARACTERISTICS – OAK PARK ⁸⁸				
	HOUSEHOLDS IN POVERTY (CITY)	HOUSEHOLDS IN POVERTY (REGION)	MEDIAN HH INCOME (CITY)	MEDIAN HH INCOME (REGION)
1990	10%	13%	\$48,364	\$46,511
2000	10%	10%	\$48,697	\$49,979

Viability as a “Family City”

Is Oak Park a good place for families? Much of the answer, of course, depends on what a particular family seeks. Oak Park offers affordable homes, good parks, strong recreational offerings, and lower tax rates than many of its neighbors. The struggling school system may be a turn-off for many families but it is important to note both that parts of Oak Park are served by better performing neighboring school districts and that not all families use public schools. Oak Park’s Orthodox Jewish residents, for instance, generally send their children to private schools, so the quality of public education may be less of a concern.

Some families might be wary of locating in a community with so much diversity. They might worry that diversity would lead to a city’s decline or feel less comfortable in a place that—unlike most stable communities within the region—was not homogenous. A city leader in a neighboring suburb described people who have absorbed these sentiments as having “become Michiganized”—a testament to just how ingrained the tendency of flight and disinvestment has been within the region.

On the other hand, clannishness could also be advantageous to Oak Park. Many families value the opportunity to live within close proximity to people of their own racial or ethnic group. The emergence of Oak Park as an enclave for newly immigrated Chaldeans and Russians as well as for Orthodox Jews and middle income African Americans has likely served to bolster the city’s appeal in the eyes of other Chaldeans, Russians, Orthodox Jews and African Americans. To live among those who share one’s traditions is a powerful draw for many families.

Additionally, it seems that some families *would* value the regionally rare opportunity to live within a community that is racially, ethnically, and economically diverse. Increasingly, popular culture values diversity as a strength. Familiarity with a range of traditions and experiences is viewed as an asset. Today, Oak Park can offer both exposure to diversity and—for many families—the comfort of knowing that even as a minority, one is within a community where others share one’s traditions or background. The City’s commitment to providing a welcoming environment for families of a variety of faiths, cultures, and colors no doubt helps to bolster the appeal of Oak Park for those families comfortable with diversity.

⁸⁸ Ibid.

Eli Mayerfeld, a member of Oak Park's Orthodox Jewish community, regards the city as an excellent place to raise his family. He values the city's diversity and notes that, in Oak Park, people of different economic groups live side by side; children play with neighbors who might be from very different circumstances. Mayerfeld also likes the fact that Oak Park's streets are lined by sidewalks, that homes are close together, and—perhaps in part because of this—that there is a strong sense of community. Though he notes that one can find larger homes in other nearby suburbs at a roughly comparable price, Mayerfeld feels that the stronger sense of community in Oak Park helps make the city a more desirable place for him and his family to live.⁸⁹

Mayerfeld is not alone in these sentiments. The fact that income, poverty, and population levels for Oak Park are relatively stable—and that the proportion of households with children in Oak Park exceeds the regional average—indicates that families are continuing to choose Oak Park over other communities. Oak Park appears to be still within a demographic transition of sorts—a transition that will likely leave the community less white. But in spite of these changes, it appears that a diversity of families continue to view Oak Park as a viable place to make their homes.

CONCLUSIONS

Oak Park is an interesting success story. While it has experienced dramatic demographic changes and continues to struggle with fiscal challenges, Oak Park has succeeded in avoiding a spiral of decline. It is not a place of tremendous wealth or privilege, but it continues to attract residents, some businesses, and to find opportunities to bolster its tax base.

One important factor in Oak Park's ability to remain viable is its success in preserving harmony among its diverse population groups. While the people who live in Oak Park today are a mix of races and ethnicities, there is little conflict. "People all tend to come together," Naftaly says.⁹⁰ "We're a community that's always been accepting of different people," agrees Rulkowski.⁹¹ Given the potential for conflict and the region's long history of contested integration of residential neighborhoods, this is an impressive feat.

One explanation for the peace might be that, while many different sub-groups co-exist within the city, they tend to keep more or less to themselves. Certainly, the Orthodox Jewish and Chaldean communities are known for being both cohesive and insular. If the city's sub-groups do not interact with one another regularly and in meaningful ways, then perhaps Oak Park is not any more truly integrated than the old, highly differentiated neighborhoods in Detroit were. Yet Oak Park is a small city, and these lines are not so clear; all over the city, whites and blacks, secular Jews, Chaldeans, Orthodox and others live side by side.⁹²

⁸⁹ Eli Mayerfeld, interview by author, May 2, 2005.

⁹⁰ Naftaly, interview by author, February 17, 2005.

⁹¹ Kevin Rulkowski, interview by author, February 4, 2005.

⁹² Ibid.

Block club president Walter Smith offers another explanation for the lack of social unrest in Oak Park. Smith sees a connection between the City's attentiveness in providing high quality city services—including responsiveness to residents—and the lack of animosity between Oak Park's different racial and ethnic groups. Because the city is well-run, Smith believes, things operate smoothly, and that keeps tensions down. He says he has never seen a problem in the city that has not been fixed in the long-term. He feels that Oak Park's government has been tremendously responsive, and that their commitment to addressing residents' concerns is encouraging. Neglect of local concerns about issues like infrastructure and safety, on the other hand, would be likely to result in turmoil, he believes.⁹³

As discussed above, however, fiscal concerns may prove to limit the extent to which the City is able to continue offering a high level of service to local residents. Oak Park has managed to absorb significant revenue cuts and cost increases by taking advantage of efficiencies and finding ways to supplement its budget. It is unclear, though, how many more fiscal blows Oak Park will be able to endure without opening noticeable gaps in service provision.

In addition, in the long-term, it is not enough for City leaders alone to be committed to the upkeep of Oak Park. Ultimately, residents, too, must believe that the city is a good place to be, and a place worthy of their commitment. It is unclear whether this will be case. The different populations within Oak Park may feel allegiance to their sub-group and appreciate local amenities, but it is unclear how much allegiance they feel to the city itself. In spite of the existence of block clubs, City leaders—both within and outside of municipal government—believe that the City is worse off for residents' growing lack of civic engagement.⁹⁴ Says Naftaly:

“People do participate [but] I've noticed that it's harder and harder to get younger people involved....The older people...[are] dying off or moving away because they can't afford or don't want the house, [often because] a spouse [has] died or the kids are grown, so they move to a smaller condo or apartment. So they leave, and there aren't that many willing younger people who want to...step in and are willing to do the job. I find that in neighborhood groups, in the church and synagogue groups, in the Boards and Commissions. I think we need to still do a better job of communicating with people to make sure that they're [aware that] in order to protect their surroundings and their community they have to be more community spirited and minded, and be willing to donate some of their time. In some cases it doesn't take more than an hour a month to belong to something.”⁹⁵

Some sociologists claim there is a decline in civic activism all across the country. How big an impact will such a trend have on the vibrancy of a community like Oak Park?

⁹³ Smith, interview with author.

⁹⁴ Naftaly, interview by author, March 9, 2005; Rubin, interview by author; Riggins, interview by author.

⁹⁵ Naftaly, interview by author, March 9, 2005.

OAK PARK	
CHALLENGES	
Population Decline	<i>Moderate:</i> Oak Park is experiencing slow population decline
Demographic Change	<i>Severe:</i> An aging population has contributed to declines in household size
Housing Stock ⁹⁶	<i>Low:</i> Affordable housing stock has attracted modest-income families
Undesirable Schools	<i>Severe:</i> Oak Park schools perform poorly; a disincentive for many families
Commercial Disinvestment	<i>Severe:</i> Lots incompatible with commercial demands; vacancies a problem
Aging Infrastructure	<i>Low:</i> Oak Park has kept its infrastructure in solid condition
Fiscal Woes	<i>Severe:</i> Declining revenue and rising expenses pose “daunting” challenge ⁹⁷
Proximity to Decline ⁹⁸	<i>Severe:</i> Oak Park borders blighted Eight Mile Rd.; decay expected to spread
GOALS	
Oak Park seeks to remain an attractive community for residents and businesses by capitalizing on its high-service, family-oriented character.	
PRIMARY STRATEGIES	
Good Government	Oak Park has attempted to retain and attract residents by demonstrating sensitivity to its diverse population in City activities and policy decisions. The City has also sought to remain competitive by maintaining high standards in service provision.
Redevelopment	Oak Park has few available development sites but supports in-fill opportunities when they arise. The City is looking forward to a new light industrial facility and an incoming condo development.
Annexation	In order to boost tax base and increase population, Oak Park has annexed an adjacent area of unincorporated land.
ASSESSMENT	
Population Stability	<i>Moderate:</i> Population levels have remained fairly stable though deaths among the elderly have resulted in continued racial transition
Fiscal Health	<i>Moderate:</i> Oak Park has been able to maintain service levels thus far but fiscal circumstances are increasingly strained.
Income and Poverty	<i>Moderate:</i> Income levels and poverty rates stand at about the regional average. Both were stable throughout the 1990s.
Goal Achievement	<i>Moderate:</i> Oak Park remains a very viable community for the population groups it serves. While poor schools continue to pose a challenge, Oak Park has become a hub for Russian immigrants, Chaldeans, African Americans, and Orthodox Jews.

⁹⁶ Housing stock that does not match current market demands

⁹⁷ Rulkowski, interview by author, February 4, 2005.

⁹⁸ Proximity to blighted areas

V. TAYLOR

Taylor confronts population decline, retail disinvestment, a difficult fiscal climate, and a lack of economic diversity. In response to these challenges, Taylor has sought to attract higher-end residents and businesses, as well as to grow its tax base. Seeking to defeat long-standing negative perceptions of the city, Taylor has financed dramatic improvements to its public realm; directly recruited developers; waged an ongoing public relations campaign; and assumed a voice in regional decision-making.

BACKGROUND

The large suburb of Taylor is 24 square miles in size and located five miles southwest of Detroit's border. Taylor is extremely well-located: two interstates, eight-lane Telegraph Road, and nearby Detroit Metro Airport connect the city to key locations throughout the region and beyond. The WWII-era Willow Run bomber factory, home of Rosie the Riveter, is just a few miles down the road.

Taylor's first wave of growth occurred in the 1940s in the form of small-scale homes, businesses, and machine shops linked closely to the auto industry in Detroit. The city grew rapidly in the 1950s and 1960s with the decentralization of the auto industry. Taylor is one of seventeen communities located in a part of metro Detroit region known as "Downriver," and the city's development over the past half century has been strongly linked to this larger area. In the post-WWII "boom" years, Downriver residents were the heart of the auto industry's labor force. Many Downriver communities were extremely prosperous in the decades following the war but the area was severely impacted by the economic dislocations fueled by industrial change and the plight of American automakers during the 1970s and 1980s. In consequence, Taylor was still 40% undeveloped by the early 1990s.

Because development in Taylor occurred in irregular waves, the city has much in common with both inner- and outer-ring suburbs. The built-out "North End" of Taylor, with its older, small-lot development, reflects inner suburban development patterns while the larger lots and undeveloped land in the southern part of the city more closely resemble outer-ring suburban development. Taylor is known as a modest, blue collar, working class suburb.¹

LOCAL CONTEXT AND CHALLENGES

Lack of Economic Diversity

Taylor's working class identity challenges traditional notions of suburbia as a place of wealth and privilege. Many of Taylor's residents trace their roots to poor, rural areas in Appalachia, left

¹ Fred Zorn, interview by author, Taylor, MI, January 13, 2005; Marilyn Weinstein, interview by author, Taylor, MI, February 22, 2005; Francis X. Donnelly, "Remote Willow Run was Famous." *The Detroit News*, June 9, 2003, <http://www.detroitnews.com/2003/specialreport/0306/09/f09-187110.htm>.

behind for the promise of opportunity in the auto plants. The industrial tradition runs deep: Director of Economic Development Fred Zorn, who grew up in Taylor, recalls that out of the fourteen families that once lived on his street, his father was “the only one who did not work in a factory.” That blue collar, working class element has continued to be a part of Taylor’s character.²

That character has been reflected—and reinforced—by the city’s housing stock. Dominated by inexpensive FHA- and VA-subsidized homes built primarily in the 1950s and 1960s, most of Taylor’s houses lack basements and feature asbestos siding. Residential structures, particularly in the North End of the city, tend to be “very non-descript, quick-build, two-bedroom homes [with] one bathroom, [and] no architectural variation in style.” As of 1996, the average home size was just 800 – 1,200 square feet. The homes most widely available in Taylor lack the size, amenities, and modern features that homebuyers seek in today’s market.³

The city’s blue collar character and its modest tract-style housing play an important role in determining “who’s going to be here.” As of 1990, median household income in Taylor stood at \$43,766—over \$2,700 less than the regional median—and 12% of residents lived in poverty. Seven of the city’s 24 square miles fall within “low to moderate” census tracts. Additionally, 70% of Taylor residents over age 25 had received no education beyond high school. Such characteristics have compromised Taylor’s ability to attract additional residents, businesses, and tax dollars.⁴

Declining and Aging Population

Taylor’s population peaked in the 1980s at about 80,000. Today the city has roughly 65,000 residents—almost a 20% drop over the past twenty years. Zorn, like Ferndale’s Porter, attributes this change to shrinking household size. For at least the past fifteen years, Taylor has experienced a slow, steady decline in the average number of persons per household.⁵ Population decline is damaging for a city struggling to retain businesses and tax base.

Taylor’s population decline and shrinking household dilemmas are closely related to the aging of the city’s residents. Taylor’s elderly population is significant and growing—the number of residents over age 65 increased from 8% to 11% during the 1990s—and this has posed some challenges. An aging individual or couple holding onto a home that, if sold, would likely house

² Fred Zorn, interview by author, January 13, 2005; Fred Zorn, interview by author, Berkley, MI, February 19, 2005; Farley, Reynolds, Sheldon Danziger, and Harry H. Holzer. *Detroit Divided*. New York: Russell Sage Foundation, 2000.

³ Zorn, interview by author, January 13, 2005; Gregory E. Pitoniak, interview by author, Taylor, MI, February 22, 2005; Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton: Princeton University Press, 1996) p. 245-46.

⁴ Zorn, interview by author, January 13, 2005; Southeast Michigan Council of Governments, “Community Profiles” for Taylor and Southeast Michigan, *Southeast Michigan Council of Governments*, <http://www.semcog.org/Data/CommunityProfiles/index.htm>.

⁵ Zorn, interview by author, January 13, 2005; Southeast Michigan Council of Governments, “Community Profile for Taylor;” Southeast Michigan Council of Governments, *Historical Population and Employment by Minor Civil Division, Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, June 2002), Figure 3.

a larger family is a phenomenon that reinforces the city's population decline. Furthermore, older residents often struggle to afford maintenance costs on their homes.⁶ Unkempt neighborhoods could further impede the retention of residents, businesses, and tax base.

Fiscal Difficulties

Taylor's shrinking population has also exacerbated financial difficulties. "It's hit us hard!" explains Zorn. "We still have the same number of police officers, [the] same number of DPW workers, [but less capacity to pay for them]. It is very hard to shrink the size of your government." Population declines have also negatively impacted Taylor's allotment of state aid. Because state-shared revenue has supplied roughly 20% of Taylor's budget in recent years, the combination of state budget cuts and population declines have been difficult for the City to absorb. "We've now been very seriously threatened... We're down as much as \$3.5 million per year."⁷

Low-End Commercial Areas

Recruiting and retaining businesses have been challenges for Taylor. Just as in Oak Park, the small lots in the North End of the City—even along major commercial corridors—do not match the needs of modern retailers. Furthermore, Taylor's working-class demographics and the trend of economic flight from the region's core have made upscale chains and businesses reluctant to locate in the city. This has been a problem throughout the Downriver area: as retailers have abandoned old sites to follow growth, Wayne County has "pretty much lost" its retail base (and "completely lost" its upscale retail base) to the region's periphery. When it comes to discount retail, Taylor has achieved "market penetration," but anything more high-end—even "sit-down" restaurants—has been notably absent. Zorn believes that the lack of higher-end retail serves as a barrier to attracting higher-end residents.⁸

Brownfields

Taylor's North End is dotted with small machine shops that are now vacant, used for storage, or that serve as havens for illegal activities. The southern portions of Taylor have been contaminated by decades of "stripping and filling." Landowners in Taylor could once make a nice profit by selling their topsoil and sand, and replacing it with low quality, concrete-littered fill. For many years, the area also served as the "dumping grounds" for Detroit, Dearborn, and many of the region's automotive suppliers. In consequence, there are "a lot of environmental issues" in Taylor.⁹ The city's wealth of brownfields compromises the City's attractiveness to businesses and residents, as well as increasing development costs.

⁶ Marilyn Weinstein, interview by author; Zorn, interview by author, January 13, 2005; Southeast Michigan Council of Governments, "Community Profile for Taylor."

⁷ Zorn, interview by author, January 13, 2005; City of Taylor, "Municipal Finance, May 2005," received from Dean Philo, Director of Budget and Finance, City of Taylor.

⁸ Zorn, interview by author, January 13, 2005.

⁹ Zorn, interview by author, January 13, 2005; Weinstein, interview by author.

Poor reputation

Taylor, notes a study of inequality in metro Detroit, “has never been seen as a desirable or prestigious location.”¹⁰ Long dismissed as an enclave for lower-income whites, the city is sometimes known by the pejorative “Taylortucky.”¹¹ “It’s a redneck area,” explained a respondent in a recent investigation of metro Detroiters’ “cognitive maps” of their region. “The environment isn’t good. I visualize Taylor as a guy sitting on his porch in his T-shirt drinking beer. That’s not desirable to me.”¹²

City leaders are frank about Taylor’s poor reputation. “If you grew up in metro Detroit,” current mayor Gregory Pitoniak told me as we began our conversation, “you probably...had a certain image of Taylor that wasn’t necessarily positive.” Pitoniak believes that “perception” has been to blame for Taylor’s “stigma in the marketplace.” “We have available land, we have reasonable tax rates, we have good infrastructure, we have great location,” he says, yet the city’s poor reputation has been a barrier to attracting investment.¹³

A CRITICAL MOMENT: CONFRONTING LOCAL CHALLENGES

Prior to 1997, over 2,000 of Taylor’s 25,000 housing units were part of five low-income HUD developments. These complexes were clustered in a half-mile area in the southeast corner of the city. Built as a demonstration project in the 1970s, the HUD developments were under private management but were an ongoing source of public frustration.¹⁴

These HUD projects “accounted for 65% of all crime” in Taylor and were a center of drug activity. City leaders describe the properties as “blighted” and as a “slum.” They assert that the owner was “bleeding the system” and did not maintain the units adequately. The housing project created a problem locally and “tarnished the city’s reputation” regionally. Under new leadership committed to improving Taylor’s image and moving beyond the divisive political climate that had hurt the city in the past, the City concluded that these projects would have to be de-concentrated and fully renovated if Taylor was to move forward. City leaders were willing to launch an ambitious and innovative effort to make this happen.¹⁵

In order to purchase and renovate the units, the city assembled a complicated \$85 million package of funding sources. This included HUD forgiveness of the mortgage on the units, a local millage to authorize the sale of bonds, cash flow from renters, and a \$22.5 million line of credit received through the Taylor Community Development Corporation, which was responsible for executing the project. A private company has served as property and construction manager, making the project a “public-private partnership.” The project—called the Villages of Taylor—has been referred to as a “Private Hope VI”¹⁶

¹⁰ Farley, Danziger, and Holzer, *Detroit Divided*, p.181.

¹¹ Fred Zorn, interview by author, Berkley, MI, February 19, 2005.

¹² Farley, Danziger, and Holzer, *Detroit Divided*, p.194.

¹³ Pitoniak, interview by author.

¹⁴ Zorn, interview by author, January 13, 2005.

¹⁵ Zorn, interview by author, January 13, 2005; Weinstein, interview by author.

¹⁶ Zorn, interview by author, January 13, 2005.

In 1998, through the Taylor CDC, the City began renovations on the dilapidated units. “[We] took ‘em down to the studs,” says Zorn. As of January 2005, construction had begun on 496 units, and the City was preparing to tackle an additional 190. Some of the former units have been eliminated. Others have been fully renovated. Still others have been converted to condominiums sold at 20% to 25% below market rate. Market rate units are scattered throughout the development as well.

In response to City efforts, the property’s taxable value has increased dramatically, many units are now owner-occupied, and police runs to the area are down 47%. Open space and tot lots have also been established. In spite of the deconcentration policy, Zorn notes that Taylor is still servicing about 1,100 Section 8 clients—roughly the same number as before the renovations. With the next wave of teardowns, Section 8 vouchers will become “flexible Section 8s [that] people can take anywhere into the community.”¹⁷

According to Zorn, market rate condominiums in the Villages of Taylor have sold well, and were made available at very modest prices. “At the price per square foot [at which they sold], it was the best housing buy within Southeastern Michigan,” says Zorn: \$130,000 – \$140,000 for 1,700 square foot units with three bedrooms and two and a half baths. Zorn believes that the units will be re-sold for a great deal more—above \$200,000—“because that’s where they should be valued at.”¹⁸

The project is thought to be a tremendous success. “We’re seeing a housing boom surrounding this area,” says head planner Marilyn Weinstein. New homes have sprung up in the once depressed southwest corner of Taylor, and existing homes are being improved. Zorn notes that the single-family homes adjacent to the Villages have seen an increase in assessed value of 4% above the rest of the city. He believes that this is because the homes were previously undervalued due to the area’s historic instability.¹⁹

Key elements of the Villages of Taylor initiative—proactive, innovative municipal intervention; using public investment to leverage private investments; encouraging higher-end use of an area; and improving Taylor’s reputation through concrete, highly visible changes—have also shaped other interventions over the past decade. These themes have characterized Taylor’s efforts to increase its population, improve its economic character, and fiscal woes.

LOCAL GOALS

Gregory Pitoniak has served as Taylor’s full-time mayor since 1997. His goals for the city—which he believes reflect the vision of that larger group of leaders with whom he rose to the forefront of city politics in the early 1980s—have been focused on “defeating the negative image of the community.” Like many Taylor residents, Pitoniak is a lifelong resident of the community

¹⁷ Zorn, interview by author, January 13, 2005; Gregory E. Pitoniak, “2005 State of the City Address,” *Taylor Made for You*. City of Taylor, <http://www.cityoftaylor.com/stateaddress/2005.htm>.

¹⁸ Zorn, interview by author, January 13, 2005.

¹⁹ Zorn, interview by author, January 13, 2005; Weinstein, interview by author. Pitoniak, interview by author.

and has a great deal of pride in the city. He and other leaders are working to change the negative perceptions that have left much of Taylor's potential untapped.

The transition from "Taylortucky" to a more prestigious "Taylor," city leaders believe, hinges on expanding the city's economic diversity to include higher income residents and higher-end retail offerings; building the tax base so solidify the City's financial situation; and stemming population decline. Furthermore, there is a strong conviction that the transformation must be physical as well as perceptual.

STRATEGIES TO ACHIEVE THESE GOALS

Redefining Identity

For many years, Taylor could be satisfied with a blue collar, working class reputation. The wealth of nearby factory jobs ensured that Taylor's modest homes were filled and an industrial presence helped to ensure a strong tax base. Taylor's reputation, however, does not adequately position the city to attract young residents or businesses with regional draw—the elements that will keep the Taylor strong in the future.

"I'm beginning to think that...you [can't] just become a city and build out and age in place with dignity," muses Planning Director Marilyn Weinstein. "You forever have to reinvent yourself." Taylor has reached a point at which leaders believe that reinventing the city's identity is critical. It is crucial to Taylor's future, city leaders believe, that Taylor be a place where middle income and professional people—as well as the businesses that serve them—feel welcome.

Redevelopment

The City of Taylor has taken an aggressively proactive development stance. Officials have focused on promoting new, infill, and brownfield developments, developing high quality municipal facilities, and enhancing the City's residential and commercial offerings. They have accomplished this through determined recruitment of developers as well as through significant public investment. When necessary to advance a project, as in the case of the Villages of Taylor, the City will even *act* as developer—doing acquisition, assemblage, creating pro formas, mitigating a site, etc., before involving a private entity. Taylor's leadership is wholly supportive of growth but they have strived to set a certain "caliber of tone" for incoming development.²⁰ Development has been a key tool in the City's efforts to enhance its image and improve its tax base through recruiting higher-end residents, visitors, and businesses.

Wooing Developers

Many developers have mistakenly assumed that Taylor is built out. The fully developed parts of the city have "created a perception [that] there's little opportunity" for new development, and, furthermore, that Taylor can only support development of a low-end character. This has caused many developers to overlook the city. Taylor has thus worked very hard to inform developers of the city's remaining stock of available land. At the same time, the City has become an important

²⁰ Zorn, interview by author, January 13, 2005.

player in the statewide effort to encourage redevelopment.²¹ Mayor Pitoniak identifies two key “prong[s] of attack” that City has used to attract developers.²²

1) *Direct On-site Recruitment*—Pitoniak stresses the importance of going directly to developers, rather than waiting for them to show up at your door. “You go to them and you keep delivering the message,” he explains. The Mayor and Economic Development Director Fred Zorn will attend homebuilders’ gatherings, Chamber of Commerce meetings, shopping center conventions, etc. in order to communicate directly with developers about why investment in Taylor would be beneficial. Zorn has worked to acquaint himself with the local development community and is skilled in speaking frankly to real estate figures about their bias against the city.²³

2) *Demonstrating Capacity and Commitment*—Pitoniak also stresses the importance of “proving to [developers] that we [have] the expertise and the attitude to move their development forward.” Pitoniak recognized that it was crucial for Taylor’s economic development and planning staff to fully understand the development process, know what is important to the development community (e.g. that time is money), and be truly be supportive of high quality development proposals. Pitoniak, whose prior economic development experience includes service as Wayne County’s Director of Economic Development, established a department of economic development within Taylor soon after taking office. His first hire was Zorn, who has extensive experience both in economic development consulting and city management.²⁴ Such decisions have allowed Taylor to effectively institutionalize development capacity and commitment.

Taylor has become very serious about promoting high quality development and has been assertive in communicating that attitude to the development community. Developer recruitment efforts have focused on the following kinds of interventions:

Aggressively pursuing brownfields redevelopment:

Convincing developers that the state’s brownfield tools make redevelopment at least as profitable as development on greenfield sites is a major challenge that the City has been tackling for many years.²⁵ City efforts have paid off, however. By spring of 2005, Taylor had approved a whopping 28 brownfields plans and been labeled “a brownfields redevelopment leader” for Michigan by the EPA.²⁶ Those brownfields efforts involve over 492 acres of land and are expected to generate “\$431 million in residential and commercial opportunities, hundreds of jobs, and improved reputation and growth for the city’s tax base.”²⁷

²¹ Quotes from Weinstein, interview by author; Zorn, interview by author, January 13, 2005.

²² Pitoniak, interview by author.

²³ Pitoniak, interview by author; “Build It and They Will Come: Wide-Ranging Effort Makes the City of Taylor the Place to Be,” *Taylor Info*, Winter 2005, p.3.

²⁴ Pitoniak, interview by author.

²⁵ Weinstein, interview by author

²⁶ Environmental Protection Agency (EPA), “BCRLF Pilot Fact Sheet: City of Taylor, MI,” Brownfields Cleanup and Redevelopment, <http://www.epa.gov/swerosps/bf/html-doc/rtaylor.htm>.

²⁷ “Brownfield Redevelopment, Midtown Taylor Are Two Keys to a Revitalized Community,” *Taylor Info*, Winter 2005, p.6.

In order to put vacant sites “back into productive use,” Taylor is willing to offer tax increment financing incentives that delay some of a project’s impact on local tax base. Says Zorn, “Yes, we may give up two [or three] years of taxes to clean up a site, but...we’ve remediated a potential environmental threat (the general health and public safety of our residents is being protected), we’re creating new tax base, and [we’re] providing new homes and opportunities.”²⁸ Zorn notes that new households in former brownfields sites are pushing up median incomes in Taylor as well as helping to lessen the overall aging of the city’s population. The new housing also strengthens Taylor’s commercial growth potential, opportunities for which are enhanced by newly remediated sites.²⁹

Actively pursuing the construction of higher-end housing:

Taylor’s brownfields activities tie into City efforts to expand the local stock of higher-end housing. Believing that “housing stock [sets] the pattern for the type of community you’re becoming,” Taylor has strived to create options for wealthier residents. “We’re very focused on economic diversity and trying to raise the overall income of the community,” explains Zorn. “[P]art of that is by introducing [a] different housing product mix.”³⁰ Pitoniak points out that, in the past, Taylor residents who moved up the economic ladder were forced to move to other communities because a larger home with amenities “simply wasn’t available” in Taylor.

The numbers are impressive. After 19 years with no new housing development projects, between 1996 and 2004, 1,304 new housing starts were initiated within Taylor. Since 1997, eleven new subdivisions have been constructed and the homes fully sold. Twenty additional subdivisions—consisting of 1,773 new houses and condos—are in various stages of development. Homes within at least four of these subdivisions are selling for upwards of \$300,000.³¹ Homes off the golf course, says Pitoniak, are selling for considerably more. Taylor’s planning commission is now considering a rezoning that would allow the construction of 540 new homes and condos in a single development. New housing in the city will be “virtually all upscale and attractive.”³² Housing developers have clearly been convinced of Taylor’s commercial potential.

Like the Villages of Taylor, some of city’s new housing is due to direct intervention by municipal government. For instance, the “Brownstones at Midtown”—a townhouse development of which local leaders are very proud—emerged from City efforts to see a former strip center redeveloped into a locally unique variety of upscale housing. The project was proposed by the City and marketed to developers. By proactively steering the project, the City was able to obtain the product it desired. Without City intervention, explains Pitoniak, any developers interested in the site would have “gone in with their typical blinders....They would have looked at a reuse of the strip center [and decided to] slap some paint on it and have an Auto Zone move in.” The efforts of the City’s economic development team, supported by a political establishment that was willing to rezone the land, transformed an abandoned brownfields site in

²⁸ Zorn, interview by author, January 13, 2005.

²⁹ Zorn, interview by author, January 13, 2005.

³⁰ Zorn, interview by author, January 13, 2005.

³¹ “After Nearly Two Decades with No New Subdivisions, Taylor is Rediscovered by Home Builders and Buyers,” *Taylor Info*, Winter 2005, p.4.

³² Pitoniak, interview by author.

the city's center into a high quality housing alternative that is bringing higher income young people into the area.³³

Another example of proactive City efforts to improve Taylor's neighborhoods through the creation of new housing alternatives involved the sale of 53 City-owned lots in residential neighborhoods near the Villages of Taylor. Because of its proximity to the troubled old housing project, Pitoniak notes that this part of the city had long been "depressed." A study conducted several years ago found that homes in this area averaged just 900 square feet and were valued at about \$85,000. Once the Villages of Taylor project was underway, however, the City sold its empty neighborhood lots for infill housing, requiring that homes be at least 1,300 square feet. The homes in this area are now selling for \$150,000 - \$160,000, and there is additional investment in existing housing stock. "It's bringing the neighborhood up," says Pitoniak.

Actively pursuing higher-end retail:

Another important component of Taylor's revitalization efforts has been focused on attracting higher-end retail. This type of retail base could help attract higher income residents, stem the economic flight within Wayne County, and add to the city's tax base. City leadership believes that improving the Taylor's retail options requires proactive effort. Shopping center owners tend to look just at the numbers, explains Planning Director Marilyn Weinstein, so you have to go out and get their attention when there is more to your story.³⁴

For instance, Southland Mall, a regional shopping center located within Taylor, was just sold for the "coveted benchmark" of \$400 per square foot (a price that less than 10% of retailing entities hit nationally). It is fully occupied. Yet higher-end retailers and restaurant chains are noticeably absent. "Why isn't there a Crate & Barrel?" Zorn demands, or a Gap, or an Eddie Bauer, or an Abercrombie & Fitch, or any of the other pricier retail outlets one would expect to find in a local mall? City leaders and residents also emphasize the lack of restaurants like TGIFriday's, Max & Erma's—even an International House of Pancakes. Pitoniak points to Taylor's "stigma" in the marketplace, and Zorn explains that national retailers locate where they see the most growth without looking at factor like stability or relative growth.³⁵

Insisting that "I can't afford to let that mall be lost to the new growth!" Zorn has been assertive about securing a more prestigious market share for Southland. The day after the mall was sold, the City began contacting the company to plead Taylor's case. In February, Pitoniak and Zorn traveled to Chicago to encourage its new owners to invest in the mall. The company was impressed enough with the City's presentation that they spoke to Zorn and Pitoniak for several hours longer than expected and confessed that they are now seriously considering substantial investment in Southland, whereas they would not have otherwise.³⁶ Weinstein notes that improving the mall requires communicating to its owners that Taylor is "not just a quiet little blue collar area but [is] actually quite dynamic" and worthy of investment.³⁷

³³ Pitoniak, interview by author.

³⁴ Weinstein, interview by author.

³⁵ Zorn, interview by author, January 13, 2005; Pitoniak, interview by author.

³⁶ Pitoniak, interview by author; Zorn, interview by author, January 13, 2005.

³⁷ Weinstein, interview by author.

When trying to convince investors of Taylor's commercial potential, Zorn points to the wave of upscale new homes in the community, Taylor's prime location in relation to the region's major transportation routes, the fact that 879,000 people live within a ten mile radius of the city, and what he calls "psychographics." Zorn explains that incomes may still not be as high as in other areas of the region, but Downriver residents may have more expendable cash (housing costs are lower, for example), more leisure time (blue collar work often demands fewer hours than management or service positions), and are willing to consume (area residents may live in modest homes, but many own boats and have cottages 'up north'). In addition, Zorn points out that Taylor residents will often drive long distances to shop in the upscale national chains that have not located in their part of the region.³⁸

In Zorn and Pitoniak's view, upscale retail investments "will help transform perceptions about our community" both in the marketplace and among the region's residents.³⁹ In order bring those businesses to Taylor, City leaders have been aggressive about delivering a clear message regarding Taylor's commercial viability.

Using Public Investments to Trigger Private Investment

In addition to direct recruitment of investment, the City has used public dollars to create an environment that both furthers the City's goal of image enhancement and is welcoming more upscale businesses and residents. "If you just let things collapse around you...then it looks like things are collapsing around you!" notes Weinstein. She explains that infrastructure has a lifespan and requires periodic reinvestment. Commercial corridors demand periodic facelifts, sewage systems need to be maintained to avoid flooding, and buildings—even really lovely ones—eventually begin to look "old and tired" and require some work. "You have to keep it out there that you are a desirable place to be."⁴⁰ Adhering to its oft-repeated philosophy that "quality public investment stimulates quality private investment,"⁴¹ the City has focused significant effort on upgrading its public realm.

Investment in Impressive Municipal Buildings

In the mid-1990s, Taylor embarked on its "ongoing strategy" of replacing old municipal buildings, trying always to make them "a notch higher than your typical municipal [facility]."⁴² The city's beautiful new marble and mahogany accented city hall, for instance, is in part an attempt to establish "a new standard and tone for development" within this modest, blue collar suburb.⁴³

The city's high-end municipal buildings make an impression. Weinstein notes that potential investors often fly in from outside of the region having never been to Taylor before, and "just...walking into this building creates a [positive] first impression." City leaders believe that Taylor's impressive municipal buildings—which will soon include a new courthouse and a new

³⁸ Zorn, interview by author, January 13, 2005.

³⁹ Pitoniak, interview by author.

⁴⁰ Weinstein, interview by author.

⁴¹ "Build It and They Will Come: Wide-Ranging Effort Makes the City of Taylor the Place to Be," *Taylor Info*, Winter 2005, p.3.

⁴² Pitoniak, interview by author.

⁴³ Zorn, interview by author, January 13, 2005.

firehouse—immediately communicate the caliber of development that Taylor expects from itself *as well as from* private developers.⁴⁴ Agrees Pitoniak, “as we’ve been making investment, we’ve been saying, yeah, we might spend a little bit more, but it’s making a statement about the community.”⁴⁵

Establishing High Quality Recreational Amenities

According to Zorn, the civic investments the City has made emerge from the same thinking as brownfield projects: assessing what the City has and finding ways to add value.⁴⁶ Taylor’s two municipal golf courses were an effort to lend the city a “more corporate” image as well as to mitigate longstanding problems with flooding.⁴⁷ The Lakes of Taylor course is City owned and operated but was intended to echo the look and feel of a private golf club. Amenities include a full-service restaurant, banquet facilities, and a pro shop. Lakes of Taylor was more expensive to build, Pitoniak admits, but higher fees have made the facility a money-maker for the City. In addition, it has created the opportunity for high-end housing overlooking the course.⁴⁸

The attractive new Taylor Sportsplex (TSX) includes the only indoor soccer facilities in all of Wayne County. The Sportsplex’s indoor soccer fields and ice rinks are used for recreation as well as for small conventions, homebuilders shows, and even a nationally televised pro-bowling championship. Pitoniak believes that the public facility is one that “the community can point to with pride,” and that demonstrates Taylor’s commitment to high quality development.⁴⁹

The City has also channeled effort into Heritage Park—an amenity with a regional draw. Located near the city’s center, Heritage Park includes baseball fields, passive green space, and a little historic village that includes a church, a school, and a small store. Recently, the City invested \$1.6 million to create an animal petting farm within the park. Since opening two years ago, the petting farm—which features sheep, goats, and “two friendly alpacas”—has received about 150,000 visitors per year (mostly elementary school field trips).⁵⁰ Public investment in high quality recreational facilities, Taylor’s leaders believes, will help lure visitors, residents, and new tax base to the city.

Improving Local Infrastructure on Key Commercial Corridors:

“Telegraph Tomorrow” is a multi-community corridor initiative to improve this main regional arterial. Zorn notes that Taylor’s stretch of Telegraph—which passes through the center of the city—had last been redone in the early 1950s and “was tired; [it] needed to be rebuilt.” The aging infrastructure also created an economic development challenge: the water main was not

⁴⁴ Weinstein 2005.

⁴⁵ Pitoniak, interview by author.

⁴⁶ Zorn, interview by author, January 13, 2005.

⁴⁷ Weinstein, interview by author.

⁴⁸ Pitoniak, interview by author; City of Taylor, “Lakes of Taylor, Homepage,” *Taylor Golf Department*, <http://www.taylorgolf.com/Lakes/Index.html>.

⁴⁹ Pitoniak, interview by author.

⁵⁰ Pitoniak, interview by author; Weinstein, interview by author; City of Taylor, “Heritage Park Photo Gallery,” *Taylor Made for You*, <http://www.cityoftaylor.com/parks/Heritage/Index.htm>; Pitoniak, Gregory E. Mayor, City of Taylor, “2004 State of the City Address,” *Taylor Made for You*, City of Taylor, <http://www.cityoftaylor.com/stateaddress/2004.htm>.

easily accessible and creating a new connection required a \$100,000 investment. “We lost a lot of development because of it,” says Zorn.⁵¹

When state and federal agencies made plans for the road’s reconstruction, Taylor’s Pitoniak convinced agency decision makers to allow the community to add its “vision” to the project. “The real success of Telegraph Tomorrow,” says Zorn, “is that we coordinated the installation of the water mains, the new sidewalks,...the [roadway], and the street lighting [so] we didn’t have excessive interruption.”⁵² The redevelopment of Telegraph, which is currently underway, also involves new landscaping and buried power lines. Had these improvements been undertaken independently, as is typical for road improvement projects, Telegraph would have had to be dug up again and again over a period of years—much to the detriment of the business community. Instead, since Telegraph Tomorrow began, the corridor has seen \$80 million in new investment. Says Zorn of enhancing a roadway’s commercial potential, “If people see [that] you have a clear vision,...[if] you do the public planning processes [and] the design charrettes,...[if] you publicize [the project], they’ll make the investment.”⁵³ Pitoniak notes that the redevelopment of Taylor required “a huge investment by our community.”⁵⁴ Yet Taylor’s leadership believes such use of public money is an important strategy for leveraging private dollars.

Promotion

In order to advance the City’s new image and offerings, says Zorn, “we do a lot of promotion.” Zorn describes promotion as “a big part of...what we have to do to stay viable and [capture growth].” “It’s too easy to be over-passed and to let...the new growth happen...to the west of us....We compete with these guys [in the exurbs], and folks need to recognize it.”⁵⁵

The City puts together very polished, full-color, spiral-bound booklets for developers. With names like “Retail Opportunities” and “Taylor: Made for Development,” the informational pieces tout the city’s “recent roof-top explosion” and note Taylor’s “staunch pro-economic development commitment.” The booklets also provide inventories of available sites, include demographic data on Downriver communities, and include detailed maps of Taylor’s existing commercial centers—complete with square footage data, traffic counts, and current occupants.⁵⁶ Promotional pieces, like direct interaction with the real estate community, is an important strategy for “marketing” to developers⁵⁷

The City’s Department of Economic Development is currently investigating how they might get Taylor’s new developments “on the map.” The department is committed to “creating that buzz, letting people know that a lot more is happening here.” They are considering hosting a homearama, or conducting an analysis of recent homebuyers so that the City can better focus its marketing efforts.⁵⁸ Taylor’s annual four-day summer festival at Heritage Park, which attracts

⁵¹ Zorn, interview by author, January 13, 2005.

⁵² Zorn, interview by author, February 17, 2005; Zorn, interview by author, January 13, 2005.

⁵³ Zorn, interview by author, January 13, 2005.

⁵⁴ Pitoniak 2005.

⁵⁵ Zorn, interview by author, January 13, 2005.

⁵⁶ City of Taylor, “Taylor: Made for Development,” City of Taylor, “Taylor, Michigan: Retail Opportunities.”

⁵⁷ Pitoniak, interview by author.

⁵⁸ Zorn, February 17, 2005.

100,000 people, provides another opportunity to communicate to the public what Taylor has to offer. This year's summer festival will feature a performance by the band Styx and the large-scale fireworks display will be broadcast on local radio. "We are trying to do it one step bigger and better [in order] to draw attention," explains Pitoniak.⁵⁹

The City also creates impressive quarterly updates, *Taylor Infos*, which Zorn believes are among "the best looking published newsletters in the country." These glossy full-color publications are over twenty pages in length. They describe the new developments happening within the city, provide updates on recent city initiatives, and offer information on events and recreation offerings. Zorn notes that, when he has visited other parts of the country, people looking at these publications have assumed that Taylor must be an affluent community.

But the newsletters are not just for the benefit of outsiders. Zorn notes that the *Taylor Infos* are "a very conscious effort to engage the community so that they understand what our financial challenges are, why growth is important," etc. With so much change happening within Taylor, it is important to keep residents informed. "I think [that within] a short amount of space, we really do a good job in trying to get people to understand what the community's needs are," says Zorn. A recent *Taylor Info* article entitled "Build It and They Will Come: Wide-Ranging Effort Makes the City of Taylor the Place to Be" begins by informing readers:

"Every time a new home is built in Taylor or a new business opens or an event comes to town, it furthers the development of the community. Every time property is cleaned up to make way for a new development or new decorative streetlights are installed on a major roadway or a new city facility is created, that also is community development. In each case, the goal is to bring improvement to the City of Taylor: a new resident, new housing options, a new business or visitors."⁶⁰

"From a municipality's end, the sooner we can provide a clear vision," the better.⁶¹ By advancing Taylor's new image and offerings to both the public and the development community, the City hopes to attract people and businesses to Taylor.

ASSESSMENT

Population Stability: Taylor's leadership expressed strong concerns about the city's population decline, with its accompanying fiscal and economic challenges. A city that is perceived as aging or shrinking can lose its viability in the eyes of current and potential businesses and residents. Has Taylor been able to stabilize its population numbers?

Fiscal Health: Growth or decline in tax base is an important indicator of a community's health. This, too, provides an important clue to local confidence in a city's viability. Has the city's tax base grown? And given the fiscal limitations posed by state tax policies, have municipal revenues kept pace with expenses?

⁵⁹ Pitoniak, interview by author.

⁶⁰ "Build It and They Will Come: Wide-Ranging Effort Makes the City of Taylor the Place to Be," *Taylor Info*, Winter 2005, p.3.

⁶¹ Zorn, interview by author, February 17, 2005; Zorn, interview by author, January 13, 2005; Southeast Michigan Council of Governments, *Migration and Its Impact on Southeast Michigan* (Detroit: Southeast Michigan Council of Governments Information Services, November 2004), p. 7, 23.

Income and Poverty Rates: When understood in relation to figures describing the region as a whole, change within a city’s income levels and poverty rates can be strong indicators of the community’s desirability in the eyes of area residents. Such data can indicate that a community is increasingly desirable, or that it is becoming a place of last resort for those who cannot afford to live elsewhere. Has Taylor been successful in attracting higher income residents to the city?

Realization of More Upscale Identity: Taylor’s leadership has aggressively pursued its goal of improving the city’s reputation so as to increase economic diversity, attract more residents and businesses, and improve the city’s tax base. How successful has this effort been? To what extent has Taylor been able to shed its marketplace stigma?

Population Growth

In spite of the boom of new homes within Taylor, population has continued to decline. Between 1990 and 2000, Taylor’s population fell 7%, and losses continued over the next five years. If regional estimates are correct, however, Taylor’s future population declines will be modest: only an additional 3% drop is anticipated between 2005 and 2030. Considering that population growth in the region has been nearly stagnant—and that most of the growth that has occurred has taken place on the region’s periphery—Taylor’s population figures are encouraging.⁶²

Even more encouraging is that, after a slight drop in the number of households within the city during the 1990s, Taylor has attracted a net gain of over 300 households to its borders in the past five years, and that number is expected to climb. The number of people living within the average Taylor household continues to fall, but the creation of new housing units has in part enabled Taylor to reverse its discouraging trend of population loss.⁶³

POPULATION – TAYLOR⁶⁴				
	POPULATION	HOUSEHOLDS	HOUSEHOLD SIZE	HOUSING UNITS
1990	70,811	24,861	2.82	25,727
2000	65,868	24,776	2.63	25,905
2005	64,572	25,087	2.55	26,747
2030 Forecast	66,204	30,212	2.15	n/a
Change 1990 – 2000	-7.0%	-0.3%	-0.19 persons/HH	0.7%
Change 2000 – 2005	-2.0%	1.3%	-0.4 persons/HH	3.3%

⁶² Southeast Michigan Council of Governments, “Community Profile for Taylor.”

⁶³Ibid.

⁶⁴ Southeast Michigan Council of Governments, “Community Profile for Taylor.” 2005 data represents February estimates.

Fiscal Health

With all the new development occurring in Taylor, property tax base has increased significantly. Taxable value per capita stood at a modest \$18,501 in 2000 but that represents an increase of nearly 23% over 1990. Taylor's success in expanding its tax base over the past 15 years has been impressive. Moreover, tax base is likely to increase further as tax incentives offered to brownfields developers expire. The abundance of development in Taylor has helped the City meet its fiscal challenges, and Taylor in fact increased its 2004 fund balance by over \$800,000.⁶⁵

This city, too, has been hard hit by cuts in local government aid, however. In 2005—assuming no additional cuts are made—Taylor will receive about the same amount of state-shared revenue it received in 1996. Yet, since that time, employee benefit costs have increased substantially along with other municipal expenses such as wages and risk management. Between 2000 and 2005, the City's health care costs alone grew by 80%--an increase of over \$2 million. In order to meet rising expenses, Taylor has eliminated 40 full-time positions over the past several years and has had to reduce departmental budgets.⁶⁶

Even with these expenditure cuts, however, a recent report by Taylor's finance department acknowledges that the City is facing a structural deficit. "Expenditures in our normal operating structure exceed the recurring revenues of that operating structure," the report explains. Land sales and capital improvement delays have provided short-term solutions for Taylor but "eventually," the report warns, "we'll run out of temporary fixes."⁶⁷ Growth has spared Taylor from the threat of immediate insolvency but the struggle to meet rising expenses with uncertain revenues continues to pose a considerable challenge.

⁶⁵ Southeast Michigan Council of Governments (SEMCOG), *Fiscal Capacity of Southeast Michigan Communities: Taxable Value and its Implications* (Detroit: Southeast Michigan Council of Governments Information Services, August 2003), Table 1; Gregory E. Pitoniak, "2005 State of the City Address."

⁶⁶ Gregory E. Pitoniak, "2005 State of the City Address," *Taylor Made for You*. City of Taylor, <http://www.cityoftaylor.com/stateaddress/2005.htm>; City of Taylor, "Municipal Finance, May 2005," received from Dean Philo, Director of Budget and Finance, City of Taylor.

⁶⁷ City of Taylor, "Municipal Finance Supplement, May 2005," received from Dean Philo, Director of Budget and Finance, City of Taylor.

FISCAL HEALTH – TAYLOR					
	TAXABLE VALUE PER CAPITA (1990 v. 2000) ⁶⁸	TAXABLE VALUE / STATE EQUALIZED VALUE (1995 v. 2002) ⁶⁹	PROPERTY TAX REVENUE (1995 v. 2002) ⁷⁰	STATE SHARED REVENUE (2001 v. 2004) ⁷¹	TOTAL GENERAL FUND REVENUE (1995 v. 2002) ⁷²
Base Year	\$16,892	99.2%	\$14,764,536	\$9,149,590	\$34,009,887
Comparison Year	\$18,501	79.7%	\$21,024,736	\$8,223,220	\$48,555,889
Change	\$1,609 (22.6% increase in taxable value)	\$344,074,410 increase in untaxed value	\$6,260,200 (42.4%)	-\$926,370 (-10.1%)	\$14,546,002 (42.7%)

Income and Poverty Rates

During the 1990s, median household income in Taylor actually declined, falling from \$43,766 to \$42,944 in spite of regional increases. In consequence, incomes fell from 94% of the regional average to just 85% by 2000. Taylor's poverty rates, however, have improved. By 2000, the proportion of Taylor households below the poverty line had declined to 10%--still significant but exactly in stride with poverty levels for the metro Detroit region as a whole. It is important to note, however, that Taylor's wave of housing construction did not begin until 1997, and full income data comes only in Census cycles. With the completion of the higher-end subdivisions currently in development, it is likely that an increase income levels will be reflected in the 2010 Census.

ECONOMIC CHARACTERISTICS – TAYLOR⁷³				
	HOUSEHOLDS IN POVERTY (CITY)	HOUSEHOLDS IN POVERTY (REGION)	MEDIAN HH INCOME (CITY)	MEDIAN HH INCOME (REGION)
1990	12%	13%	\$43,766	\$46,511
2000	10%	10%	\$42,944	\$49,979

⁶⁸ Figures adjusted for inflation. Southeast Michigan Council of Governments, *Fiscal Capacity of Southeast Michigan Communities*, Table 1; Southeast Michigan Council of Governments, "Community Profile for Taylor."

⁶⁹ Phone call with City of Taylor Assessors Department, May 12, 2005.

⁷⁰ Phone call with Dean Philo, Director of Budget and Finance, City of Taylor, May 13, 2005.

⁷¹ City of Taylor, "Municipal Finance, May 2005," received from Dean Philo, Director of Budget and Finance, City of Taylor.

⁷² Phone call with Dean Philo, Director of Budget and Finance, City of Taylor, May 13, 2005.

⁷³ Income information is in constant 1999 dollars. Southeast Michigan Council of Governments (SEMCOG), "Community Profiles" for Taylor and Southeast Michigan.

Realization of More Upscale Identity:

Before Mayor Pitoniak took office, no new housing developments had been built within the city for nearly 20 years. Since that time, 800 new homes have been constructed. In 1997, Taylor's most expensive homes were selling for \$140,000 - \$150,000. Today, \$450,000 homes are built and sold, and developers seek permits to construct more.⁷⁴ Zorn says that "the kind of housing product" and "price point" now available in Taylor simply "did not exist in the community before."⁷⁵ Taylor has been largely successful in attracting higher-end residential development to the city, and in filling the new units.⁷⁶

Attracting more upscale retail offerings has been challenging but change is starting to occur. Today, Taylor shoppers can visit Marshall Fields, Pier 1 Imports, Bed Bath & Beyond, and a Borders book store. They can dine at Fudruckers or Applebee's. An additional "sit-down" restaurant is provided through the City-owned Lakes of Taylor golf course.⁷⁷ As retailers become more aware of Taylor's rooftop boom, the city's upscale commercial offerings are likely to expand, especially if the City is successful in leveraging additional investment for Southland Mall.

The recognition Taylor has received for development projects—Taylor was a National Civic League All-America City Award 2004 finalist in consequence of its work with the Villages of Taylor and Telegraph Tomorrow, and received the Michigan Municipal League's 2004 Outstanding Achievement Award for its brownfields redevelopment work—indicates that perceptions of Taylor are starting to change. Perhaps adding to the city's prestige is Zorn and Pitoniak's leadership within the Michigan Suburbs Alliance (a new organization developed to address the concerns of the region's inner suburbs) as well as Pitoniak's position as Vice Chairman of the Southeast Michigan Council of Governments (metro Detroit's regional planning organization). Additional evidence that Taylor's image is improving in the eyes of the world is the fact that both the Bush and Kerry campaigns visited Taylor during the 2004 election.⁷⁸

Yet, perceptions are hard to change. In a recent study, says Zorn, realtors commented that it was difficult to sell homes for over \$250,000 in Taylor, to which he replies, "well that's interesting, because we've been selling 45 – 50 units a year at the [\$350,000] point." The realtors also had a poor grasp on the impressive array of amenities and recreational offerings in the city. He says there's a "paradigm shift" in "perception" that needs to happen even among those who regularly broker homes in the region.⁷⁹ This may be true for the region's residents more generally. Change is clearly occurring for Taylor, but it will take time, as well as continued, skillful intervention by city leaders.

⁷⁴ Zorn, interview by author, January 13, 2005.

⁷⁵ Zorn, February 17, 2005.

⁷⁶ Weinstein, interview by author.

⁷⁷ City of Taylor, "Taylor, Michigan: Retail Opportunities;" Pitoniak, interview by author;

⁷⁸ Zorn, interview by author, January 13, 2005; City of Taylor, "Welcome to Taylor, MI," *Taylor Made for You*, <http://www.cityoftaylor.com>; City of Taylor, "City of Taylor Earns Statewide Award for Success in Brownfield Redevelopment," *Taylor Made for You*, <http://www.cityoftaylor.com/news/2004PR/100404.htm>.

⁷⁹ Zorn, February 17, 2005.

I feel it is important to note, however, that Taylor’s impressive feats appear to have come with some costs—not all of which are monetary, and not all of which seem to have been born equally by the city’s residents.

Growth Concerns

“People in the community’s responses [to change within Taylor] have been very interesting,” says Weinstein. She notes that residents have been “almost cheerleaders” for new development that they like, but that “they always get very nervous when it’s near their house”—it is discomfoting to have the world change around you, she explains.⁸⁰

Weinstein explains that concerns about loss of open space emerge every time a large piece of land with some trees on it faces development. She notes that what people are often really worried about is not development per se, but seeing development happen close to their homes. Yet the City takes these concerns seriously. “There really is a need for open space,” says Weinstein, but she acknowledges that “it’s a struggle to [retain this] while balancing your development needs,” especially given fiscal constraints. Development is a priority for Taylor. As Pitoniak notes, “new development means new tax revenue,” as well as new amenities for the community.⁸¹ In addition, new growth in Taylor has often also meant the remediation of land that served as “open space” in consequence of contamination.

In order to alleviate local concerns about the loss of open space, the City is now considering a plan to sell a portion of a large, under-utilized park for housing and to use the proceeds for the purchase of small pocket parks throughout the city. Taylor is also considering a tree preservation ordinance. Pitoniak speaks of “greening” the community, and of the City’s commitment to “harmonize” its “pro-development position” with open space preservation. Through these measures, the City is attempting to address local concerns about the impacts of growth. For some residents, however, the mere fact of change—not just physical, but economic and social—will likely remain a source of discomfort.

About these residents, Pitoniak is philosophical. “It’s clearly the case [that] the community has fully embraced our upscale investment strategy,” he says. He acknowledges that there are always nay-sayers, and that there will always those who care only about lower taxes. Yet Pitoniak believes his role is both to gauge what the majority of the community wants and to advance those priorities.⁸² “I don’t pretend to believe that every new development is viewed as totally positive by everyone,” Pitoniak admits in a recent newsletter message to Taylor residents, “[but] I think you would agree...that there is a new sense of vibrancy in our community.”⁸³ Pitoniak explains that he must demonstrate leadership by promoting policies that will be advantageous to Taylor, even if Taylor’s residents do not fully understand the approach at that time. “The pride in the community has never been higher,” he says, noting that the City gets a great deal of positive feedback from area residents. “I have so much confidence that we’re doing the right thing for the community.” Yet change is always difficult.

⁸⁰ Weinstein, interview by author.

⁸¹ Weinstein, interview by author; Pitoniak, interview by author.

⁸² Pitoniak, interview by author.

⁸³ “A Message from the Mayor,” *Taylor Info*, Winter 2005, p.2.

“There’s a process [people] go through,” says Zorn. He explains that residents sometimes feel “anger” and “denial”—“almost a mourning [of] a loss, in a sense” in response to the changes the City has led the community through. Zorn says that people “get through” their resistance, however, and that City efforts to engage the public (through informational pieces, design charrettes, public review processes, and the communication of a clear vision about where the city is headed) are critical in helping residents to embrace change.⁸⁴

The Costs of Upgrading

The Villages of Taylor development—and the elimination of the crime-ridden housing project that preceded it—has had a powerful and positive impact on the community. Property values are up, crime is down, and an area once referred to as “Crack Ridge” and “Sin City” now provides an award-winning testament to the fact that local governmental commitment to high quality affordable housing can make all the difference. Yet, this change, too, has perhaps been less than smooth.

Zorn says that Fair Housing laws prevent full knowledge about the race of the units’ occupants, but estimates that at least 75% of the old apartments were occupied by African-Americans—all concentrated within a 1/2 mile area of the otherwise very white city. Zorn explains that City propaganda in support of the redevelopment effort focused on safety, crime, deconcentrating poverty, and bringing new income into the community—similar premises to those of Hope VI projects from the same time period. He notes that race “was never part of an active campaign” in favor of the project. Yet, Zorn suspects that the racial prejudices of some residents might have been a factor in winning public approval for the millage that helped to fund the initiative. “That may have played a role in it. I can’t tell you, you know, for certain. But it did,” he says.⁸⁵

Pitoniak is confident that the project was done “with total sensitivity to the Section 8 tenants” and “wasn’t [a] knee-jerk [reaction] to low-income housing.” He notes that the Section 8 contracts will be converted to mobile vouchers; that most of the city’s Section 8 clients are still living in the city; and that the project’s former occupants can continue to live on the site “as long as they’re law abiding.”⁸⁶

Yet Pitoniak also notes that the public meeting with residents of the old housing project was highly contentious. Pitoniak dismisses former residents’ vocal opposition to the Villages of Taylor plan as dissent originating with local drug lords. He recalls the quiet, yet encouraging remarks he received from African-American mothers as they left the meeting.⁸⁷ Yet another possible reading of opposition to the deconcentration plan might be residents’ reluctance to being “deconcentrated.” I wonder if occupants of the old housing project were objecting in part to the loss of a place which—though troubled—was their community. I wonder if these occupants were concerned that they would receive a negative reception if relocated to another, whiter section of the city.

⁸⁴ Zorn, interview by author, February 17, 2005.

⁸⁵ Zorn, interview by author, February 17, 2005.

⁸⁶ Pitoniak, interview by author.

⁸⁷ Ibid.

Taylor still services roughly 80% of the 1,400 Section 8 vouchers it held prior to the Villages of Taylor. Zorn estimates that the racial composition of the new development is similar to that of the old HUD complexes. The Villages of Taylor is also better managed and provides a far more attractive place for people of a variety of incomes to live.⁸⁸

Yet, according to Pitoniak, over 1,000 people have been evicted under the new development's "zero-tolerance" policy over the past six and a half years—some for lease violations, others for criminal activity. Pitoniak notes that although the majority of those who live in the new development are minorities, violations are so carefully documented that not one of the evictions has been the subject of a news report. "It's not about getting rid of minorities," he explains, emphasizing that the development is still largely minority occupied. "[Evictions are] about the individual not living up to their social responsibility."

The City is committed to providing high quality affordable housing in a manner that does not detract from surrounding neighborhoods. This is a laudable goal. It is also to the City's credit that enforcement of codes is taken seriously; this has allowed for what appear to be relatively peaceful, attractive, and well-run facilities. The number of evictions seems tremendously high, however. One wonders if this group of residents has born a disproportionate burden of the costs of Taylor's revitalization—and if this burden has remained "below the radar."

CONCLUSIONS

Taylor has had tremendous success in revitalizing itself. The City's aggressive pursuit of brownfields redevelopment, higher-end retail, and more upscale housing have brought real and tangible change to a community long dismissed by businesses, homebuyers, and especially developers. Time and time again, Taylor has used innovative techniques to accomplish its aims of upgrading the community and its reputation. The City's economic development team has made unprecedented use of brownfields tools; has forged new ground in affordable housing provision; and has created a new standard for what it means to be "pro-development." In addition, Taylor has shown that substantial local government investment in improving the public realm can make a powerful difference in a community—even in the eyes of potential investors.

The City has made the right investments at the right moments, and has done so successfully "for a long, long time."⁸⁹ City leaders attribute much of that capacity to the City's strong leadership and positive political environment. Pitoniak feels that this element has been essential in allowing Taylor to move forward:

"[M]uch of what we have done is cutting edge, innovative, at times even risky stuff. You can't do that kind of thing if the local political climate is [highly contentious and you are likely to be taken to task before the community for trying something new and different]...It paralyzes you. The safe thing is the same stuff, not the risky stuff. In our case, if the goal was to transform the community dramatically, physically and image-wise, we had to take risks. There was no way it was just going to evolve without significant proactive measures."

⁸⁸ Zorn, interview by author, February 17, 2005.

⁸⁹ Weinstein, interview by author.

In Taylor, explains Pitoniak, policy disagreements within City Council do not lead to name-calling or smear campaigns. Rather, there is a sense that “we’re in this together.”⁹⁰ Weinstein agrees that alliances between the Mayor and the City Council members have allowed Taylor to “create an effective local government that accomplishes wonderful, wonderful stuff. . . . It’s easy to get things done here because. . . people decided that they were going to be cooperative.” It seems that the City’s positive political environment has been critical in allowing Taylor to move forward while other communities have struggled.⁹¹

Yet here again, it is important to reference the structural limitations on Taylor’s ability to fully realize its goals of upgrading. For instance, Zorn believes strongly that the redevelopment tools available to local governments could be improved. It would benefit communities engaged in redevelopment if brownfields dollars could be used to subsidize development costs. It would greatly ease the difficult task of assemblage if—rather than resorting to condemnation—cities could acquire land in friendly transactions and “land bank” it for future development once a “critical mass” has been secured.

On a final note, it is important to emphasize the connection between a community’s stock of undeveloped land and its possibilities for revitalization. Taylor’s ambitious development efforts have been strongly motivated by fiscal necessity. Says Zorn, “The only way out of the current fiscal crisis is “sustainable growth.”⁹² Taylor’s capacity to grow—made possible, ironically, by decades of private sector disinterest—is largely rooted in its wealth of undeveloped land. Compared to fully developed inner suburbs like Oak Park and Ferndale, Taylor has tremendous opportunities to expand its tax base. But the pace of development has been rapid: roughly 40% undeveloped in the early 1990s, by 2000, less than 18% of Taylor’s open land remained.⁹³ Considering the growth of new subdivisions within the city, that figure is no doubt significantly lower today. What will Taylor do when it runs out of available land? What will happen when the City’s tax base is limited to existing development (subject to the Headlee /Proposal A caps on increase in taxable value), rather than the relative goldmine of new growth?

Taylor provides a fascinating case study because of the range of interventions its leaders have attempted, and because of the city’s impressive successes in transforming itself into a more fiscally sound, more economically diverse community. Yet, it also provides interesting insights into the limits and potential costs of change.

⁹⁰ Pitoniak, interview by author.

⁹¹ Weinstein, interview by author.

⁹² Zorn, interview by author, January 13, 2005.

⁹³ Weinstein, interview by author; Pitoniak, interview by author; Southeast Michigan Council of Governments, “Fiscal Capacity of Southeast Michigan Communities.”

TAYLOR	
CHALLENGES	
Population Decline	<i>Severe:</i> Taylor experienced a 19% population decline between 1980 and 2000
Demographic Change	<i>Moderate:</i> Taylor's population is aging
Housing Stock ⁹⁴	<i>Severe:</i> The city's housing stock consists primarily of small, low-quality homes
Undesirable Schools	<i>Moderate:</i> Some of the City's schools perform poorly ⁹⁵
Commercial Disinvestment	<i>Moderate:</i> Higher-end commercial offerings are unavailable in Taylor
Aging Infrastructure	<i>Moderate:</i> Taylor's roads are beginning to require reinvestment
Fiscal Woes	<i>Severe:</i> Declining revenue and rising expenses pose difficult budgetary challenge
Proximity to Decline ⁹⁶	<i>Severe:</i> A high crime housing project occupied the city's southwest corner
GOALS	
	Taylor seeks to attract higher-end residents and businesses, and to grow its tax base, by defeating its long-standing negative image.
PRIMARY STRATEGIES	
Redefining Identity	Recognizing the need for cities to reinvent themselves in response to changing circumstances, Taylor has strived to redefine itself as prestigious and economically diverse community.
Redevelopment	Taylor's dizzying array of redevelopment interventions have included a "private Hope VI;" aggressive recruitment of developers; 28 brownfields projects; a fleet of impressive new municipal building; and new higher-end housing
Promotion	Taylor has worked to inform residents and investors of the city's new image and offerings. Glossy informational pieces are an attempt to garner local support for development efforts and set a high caliber tone for potential investors.
Inter-jurisdictional Collaboration	By assuming guiding roles within inter-jurisdictional organizations, Taylor's leaders have attempted both to increase the city's prestige and to bring about policy reform.
ASSESSMENT	
Population Stability	<i>Moderate:</i> Population has continued to decline but is expected to stabilize; number households has increased, and further increase is anticipated
Fiscal Health	<i>High:</i> Because much of Taylor's recent development consists of new growth, taxable value increased 23% during the 1990s
Income and Poverty	<i>Unclear:</i> Interestingly, both income and poverty declined during the 1990s. The influx of higher-end housing is likely to increase Taylor's median income.
Goal Achievement	<i>High:</i> Taylor has convinced significant numbers of higher-end developers and residents that the city is a desirable place in which to invest

⁹⁴ Housing stock that does not match current market demands

⁹⁵ Delores Patterson and Jodi Upton, "Race Divides 2 Taylor Schools," *The Detroit News*, January 21, 2002, <http://www.detnews.com/specialreports/2002/segregation2/b08-395679.htm>.

⁹⁶ Proximity to blighted areas

VI. COMPARISONS, CONCLUSIONS, AND LESSONS LEARNED

	FERNDALE	OAK PARK	TAYLOR
CHALLENGES			
Population Decline	Severe	Moderate	Severe
Demographic Change	Moderate	Severe	Moderate
Housing Stock ¹	Moderate	Low	Severe
Undesirable Schools	Moderate	Severe	Moderate
Commercial Disinvestment	Severe	Severe	Moderate
Aging Infrastructure	Severe	Low	Moderate
Fiscal Woes	Severe	Severe	Severe
Proximity to Decline ²	Severe	Severe	Severe
GOALS			
	Ferndale seeks to retain population, commercial investment, and to expand its tax base by becoming a hip, populous, “urban” center	Oak Park seeks to remain an attractive community for residents and businesses by capitalizing on its high-service, family-oriented character.	Taylor seeks to attract higher-end residents and businesses, and to grow its tax base, by defeating its long-standing, negative image.
PRIMARY STRATEGIES			
Redefining Identity	<ul style="list-style-type: none"> • Envision city as artsy, fun, diverse, and progressive 		<ul style="list-style-type: none"> • Envision city as economically diverse and prestigious
Good Government		<ul style="list-style-type: none"> • Show sensitivity to diversity in planning and policy decisions • Maintain the highest quality of city services 	
Redevelopment	<ul style="list-style-type: none"> • Actively recruit and work to retain downtown investment • Improve downtown’s curb appeal 	<ul style="list-style-type: none"> • Take opportunistic advantage of small infill projects 	<ul style="list-style-type: none"> • Recruit high-end residential and retail • Upgrade the public realm through public expenditures
Promotion	<ul style="list-style-type: none"> • Create buzz through unusual offerings and amenities • Create a media stir through untraditional political stances. 		<ul style="list-style-type: none"> • Communicate message directly to developers • Keep public informed of local change and its benefits
Inter-jurisdictional Collaboration	<ul style="list-style-type: none"> • Exert legal and political pressure for regional change 		<ul style="list-style-type: none"> • Assume leadership roles within multi-community organizations

¹ Housing stock that does not match current market demands

² Proximity to blighted areas

	FERNDALE	OAK PARK	TAYLOR
PRIMARY STRATEGIES CONT'D			
Annexation		<ul style="list-style-type: none"> Acquire residential and commercial land from neighboring township 	
ASSESSMENT			
Population Stability	Moderate	Moderate	Moderate
Fiscal Health	Moderate	Moderate	High
Income and Poverty	Moderate	Moderate	Unclear
Goal Achievement	High	Moderate	High

All places hope for vibrancy but different communities adopt different notions of what kind of place they want to be and which interventions—if any—they will use to reach their goals. Given the range of stresses that Detroit’s inner suburbs confront, it sometimes appears that there is little a local government can do to improve its lot. The trends of population flight, economic disinvestment, and a fiscal policy that provides few opportunities for built-out communities can make it seem that decline is inevitable—that the circle of blight will eventually expand to encompass the inner ring communities that lie in its wake.

This study examined three communities that have all attempted to address their challenges and further their goals through a range of purposeful interventions. Although success has been mixed and structural challenges like revenue shortages persist, the experiences of Ferndale, Oak Park, and Taylor demonstrate that the local governments of inner suburbs can in fact positively influence their demographic, economic, and fiscal circumstances.

OVERVIEW OF CITIES

Ferndale

Fifteen years ago, the City of Ferndale was in rough shape. Struggling with serious infrastructure needs, severe population declines, and with no money for redevelopment, it appeared that Ferndale might soon be enveloped by the blight that plagued neighboring Detroit. Today, however, Ferndale has a reputation for being a hip and interesting place to be. The challenges confronting the city have not diminished entirely: fiscal pressures continue to be a grave concern, absolute population growth may prove unattainable, and maintaining a lively downtown requires ongoing effort and investment. Yet, the City has managed to convincingly redefine itself in a manner that people and businesses find desirable. Ferndale has successfully achieved stability.

Oak Park

Oak Park faces perhaps the hardest challenge because its development patterns have constrained the range of options with which the city can address its changing circumstances. Oak Park has

confronted dramatic population turnover, commercial disinvestment, and a troubling fiscal situation. Fully built-out, primarily residential, and lacking a clear downtown, Oak Park must bolster its viability by enhancing the assets it does have: affordable homes and a recreation-rich, high service environment. The ability of the community to retain its appeal to families is compromised by a struggling school system—an area over which the municipal government has little control. Yet, primarily by providing a safe, welcoming, and responsive home to a diversity of minority groups, Oak Park has continued to be a viable city rather than a site of ongoing disinvestment: population has stabilized, as have income and poverty levels. An impressive array of the region’s minority populations—particularly Orthodox Jews—continue to regard Oak Park as a place in which to invest their future.

Taylor

Taylor is impressive simply for the sheer volume of revitalization activities the City has pursued. Focusing heavily on upgrading the low quality of both its public and private realms, Taylor has made substantial changes in the kind of community it is—and is perceived to be. Changing public perceptions is difficult but Taylor now *is* a city with a high quality public realm, higher-end housing, and the potential for upscale retail offerings. Convinced that Taylor is a viable community for the middle- to upper-middle class, metro Detroiters are buying swiftly-selling homes in Taylor’s new subdivisions, and developers are pursuing plans to construct thousands more units of similar caliber. Ferndale and Oak Park, also under threat of decline, seem to have been successful in achieving stability. Taylor, however, continues to grow—and stands to become a *more* vibrant a community than ever it has been. Though we will likely not know the full extent to which Taylor has been able to transition itself until the 2010 Census, it seems that Taylor has come the farthest of the three communities investigated in this thesis.

ANALYSIS OF INTERVENTIONS

Redefining Identity

Both Taylor and Ferndale sought to redefine what kind of community they were, and to reposition themselves within the regional hierarchy. As their case studies demonstrate, such an effort can powerfully impact a city, creating an energy and excitement that attracts private sector interest. This sort of intervention requires widespread approval among local residents, however. If even one’s own population does not “buy into” the niche promoted by municipal government, efforts to advance that niche are unlikely to succeed.

The leadership in both Taylor and Ferndale have thus far been successful in securing local support for the repositioning of the community. In both cases, support seems to have hinged on municipal government’s capacity to offer tangible, widespread benefits to city residents. Not all of Ferndale’s resident’s may seek hip, artsy hang-outs like those that have emerged downtown, but all can appreciate the fact the downtown’s storefronts are no longer vacant and that additional businesses have had at least a modest impact on the city’s fiscal situation. In Taylor, efforts to display a more upscale face to the world have resulted in high quality municipal buildings and recreational facilities that serve all of the city’s residents.

In terms of external marketing as well, redefining an identity is a tricky balancing act: attempt to occupy a niche too different from that of neighboring communities, you may have trouble generating private sector confidence, and may in fact alienate some of the residents and businesses you seek to recruit; but try to occupy a niche that is too similar to your neighbors', and your efforts are likely to be seen as unconvincing imitations. Even successful imitations may have negative economic impacts. In markets that are near capacity, duplicative positioning could be harmful to both your community and your neighbors'.

Ferndale executes this balancing act well. It pointedly distinguishes itself from nearby cities that also offer active, restaurant-and-retail-oriented downtowns by emphasizing its down-to-earth, edgy feel. At the same time, it capitalizes on downtown amenities the region's residents have come to associate with its most popular downtowns: on-street parking; interesting architecture; walkable streets with decorative lighting, street furniture, and interesting stores into which they might peek.

Had Ferndale tried to forge a more upscale identity akin to nearby Royal Oak or Birmingham instead of "keepin' it real"¹ by capitalizing on the city's working class roots, City efforts may have resulted in what seemed to be shabby versions of those neighboring downtowns, rather than the funky, unpretentious feel that has brought new life to Ferndale. The city's leaders readily admit that changing the look and feel of the downtown area was a mighty endeavor that took many years. Yet, the success of the intervention demonstrates that redefining the identity of a city—even if one focuses on advancing that identity only within a tightly circumscribed area—can be an effective way to attract residents and businesses, as well to increase tax base. Recognizing opportunities for a distinctive regional niche is a key element of success.

Good Government

High quality city services are generally among the strongest assets a suburb has. Confidence that one's trash will be picked up on a timely basis, that one's streetlights will be kept lit, and that one's street will be plowed within 24 hours of a snowfall are some of the prime reasons that people choose to live in suburban rather than urban environments. But perhaps the most important aspect of service provision is safety: residents need to know that they can depend upon a prompt response from police and fire departments.

Moreover, many suburban residents value the "small town feel" of their suburb. If something *does* go wrong, they often know just who to call. A suburb that can no longer meet high standards of service provision, or in which residents feel far removed from the municipal government, is in danger of losing its competitive edge.

The importance of high quality service provision was mentioned by city staff in nearly every community I visited. Yet dedication to service provision as one of a city's primary means to retain and attract residents is an intervention unique to Oak Park, and is in part a response to the city's tremendous diversity. Retaining a strong connection between municipal government and the different sub-populations that reside within Oak Park is an important way to keep the overall population stable and prevent disinvestment. In understanding that its minority enclaves play a

¹ Cristina Sheppard-Decius, interview by author, Ferndale, MI, February 18, 2005.

central role in keeping the city strong, Oak Park provides an important strategy to which other communities experiencing demographic transitions can look.

On the other hand, if the City of Taylor is unable to alleviate the growth concerns of its residents, its ambitious redevelopment strategies may have to be scaled back. Change always comes with costs but thus far, in the minds of most residents, the positive results of change have outweighed those costs. Great new recreational offerings, distinctive municipal buildings, streetscape improvements, and higher quality homes have made residents receptive to the transitions this community is experiencing. As undeveloped land becomes scarce, however, municipal leaders will be under increased pressure to balance development with preservation. Conflicts might also emerge as Taylor becomes home to more middle- and upper-income residents. Many of Taylor's current residents have strong roots within this traditionally blue collar community and may be hostile to a large increase of upscale outsiders. Taylor is attempting not just a change in local retail offerings or an expansion of tax base, but a purposeful and fundamental change in the city's character and demographic composition. In order to retain the support of residents, city leaders will have to be attentive and responsive to the concerns of their constituents.

But attentiveness, responsiveness, reliable trash collection, and a personal touch all require time, commitment, and especially funding. The fiscal crisis faced by Michigan's municipalities is frightening to suburban leadership in part because it threatens their capacity to continue providing a high level of personalized service to residents. Efficiencies and creative budgeting can help mitigate the problem, but in the end, the capacity of a community to capitalize on "good government" depends on the availability of revenue to pay for these services.

Good government is fundamentally about providing home seekers and businesses with compelling reasons to choose that community over others, and successful implementation can help prevent flight. But if the fiscal barriers are also external—if keeping residents and businesses within the community will not resolve the gap between revenues and expenses—then finding the necessary funds to support high quality services in the long-term will be difficult. This is the case in Detroit's inner suburbs. Retaining and attracting residents is critical but given tax caps and local government aid cuts, good government is only a partial solution, and is perhaps unsustainable for many communities.

Redevelopment

Redevelopment encompasses a broad range of direct and indirect interventions—all of which can be critically important to keeping a community vibrant. In Taylor, for instance, the City's significant expenditures on upscale municipal and recreational facilities supplied the community with the leverage it needed to attract the higher-end residents—and the developers—it sought. Furthermore, without the City delivering a strong message to developers about why investment in Taylor's greenfields and brownfields was worthwhile, the development captured by Taylor would likely have been lost to known "growth" communities on the region's periphery. Similarly, development in downtown Ferndale has involved both public investments and direct recruitment of businesses. Without either the physical face-lift or the business development efforts, the revitalization attempt might not have been successful.

Two important points emerge from analysis of redevelopment efforts. First, a combination of public investment *and* proactive recruitment of private investment may be necessary to achieve the full benefits of a redevelopment strategy. Simply creating a physical environment that seems to match the needs of investors may not be enough. In order to attract private investment, inner suburbs will establish clearly defined retail districts, improve infrastructure to ease connection costs and improve service, and upgrade the appearance of local streetscapes. But without an aggressive effort to alert potential private investors to the improvements—and to show them how the public investments will positively impact their *own* investment—public improvements may be little noted by potential investors.

Second, as both Ferndale and Taylor demonstrate, it is important not just to invest public dollars or recruit private investment, but to attempt these interventions *strategically*. Municipal leaders should focus on spending public money in ways that are likely to truly attract private sector interest. They should seek to recruit not just private investment but the sort of businesses or developments that fit with notions of what kind of community leaders hope to achieve. Using redevelopment strategies to attract residents and businesses, and to expand tax base, is best furthered by accordance with long-term goals and vision.

Promotion

Promotion can be critical to attracting residents and businesses: if you are unable to communicate why your community is a good place in which to invest, you are likely to go unnoticed by potential investors. Promotion must be executed with care, however. As Ferndale's Cristina Sheppard-Decius points out, it is important to advance a positive image of your community but it is also important that the claims you make be credible.² An obvious mismatch between marketing boasts and the reality of a place is likely to result in negative perceptions of an area. Promoters should articulate goals and vision as well as the steps that have been taken in that direction, but they should not claim a status they have yet to achieve.

Ferndale's leaders are masters of public relations. News of the city's reformulated identity is advanced by word-of-mouth "buzz" about Ferndale's quirky events, shops, and patrons but city leaders are proactive in furthering that buzz. By drawing the attention of media outlets to what is happening in the city, the city's leaders are able to promote the new Ferndale across the metro region at no cost. Media efforts are bolstered by the work of the Downtown Development Authority in marketing the downtown as a distinctive and attractive destination for local shoppers and businesses. Efforts have been successful but have required a sustained and staffed commitment.

Taylor's leadership is also skilled in marketing. The glossy newsletters produced for residents as well as the slick informational booklets created for potential investors send the message that Taylor is very serious about attracting high quality development. In their look and content, each of Taylor's promotional pieces advance the upgraded image city leaders are striving to achieve. Even in times of scarcity, both Taylor and Ferndale have remained committed to using city resources to market a positive image.

² Sheppard-Decius, interview by author.

Inter-Jurisdictional Collaboration

Joining with other local governments to actively address the structural challenges one's community faces is an important strategy—and indeed, the one that is most likely to result in long-term solutions to dilemmas like disinvestment and a pandemic fiscal crisis. This is a strategy that Ferndale pursues loudly by waging political battles with the county, the state, and SEMCOG, and that Taylor pursues quietly by assuming leadership roles within organizations poised to kindle substantive policy changes.

Many of the challenges facing Detroit's inner suburbs are too large for any one community to effectively address on their own. Bringing greater state and federal resources to inner ring places, halting the cycle of decline, and addressing the fiscal policies that unfairly burden built-out communities will require a strong and united voice. For individual leaders within local government, therefore, the intervention lies as much in regional coalition building as in direct advocacy for policy change. Forging relationships with neighboring communities will be a challenge for local governments accustomed to ongoing competition over resources and tax base, however. Successful inter-jurisdictional cooperation will require that local governments reframe their understandings of what kinds of intra-regional relationships are advantageous.

Furthermore, inter-jurisdictional collaboration requires local resources, even outside of membership dues within cooperative agencies and organizations. Taylor's mayor and economic development director play key roles within many of these organizations and serve on committees and panels aimed at improving transit provision and fostering redevelopment. Ferndale's city manager is involved both regionally and nationally in the campaigns for broad-based reinvestment in older communities and a reduction in racial and economic segregation within metropolitan regions. He estimates that he spends a full 10% of his time on these issues.³ The staff resources consumed by collaboration efforts can be considerable.

In addition, some of the policies that advance regional goals may ultimately require communities to assume additional costs (e.g. for transit) or to accept changes within their borders (e.g. affordable housing). While policy alterations seem necessary for the long-term health of metro Detroit's communities, such efforts are unlikely to offer benefits in the short-term, and concrete, tangible improvements within any one municipality may be few. In a divisive political climate, especially in times of such fiscal austerity, local governments are therefore likely to face opposition to the expenditure of resources on cross-community cooperation.

For all of these reasons, while experts emphasize the need for policy change, this is perhaps the most difficult strategy to implement effectively. Metro Detroit is a highly fragmented region of over-burdened local governments, each with their own set of priorities. Can regional government or the newly formed Michigan Suburbs Alliance spur changes that will meaningfully impact inner suburbs? Many local leaders are skeptical. Building a coalition strong enough to bring about change is a daunting task for this divided region. It depends on the willingness of local governments to devote time and resources to issues beyond their borders in spite of pressing local needs. It depends on the capacity of communities to recognize not just their differences but the challenges and opportunities they share in common with their neighbors. It

³ Tom Barwin, interview by author, Ferndale, MI, January 18, 2005.

rests on the widespread realization that, in the long-run, metro Detroit's communities will rise and fall together.

Successful inter-jurisdictional cooperation will require strong leadership, a powerful public relations campaign, and clear incentives for communities.

Annexation

Annexation is distinct from the other strategies in that few communities have the opportunity to pursue it. Most inner-suburbs are "land-locked," surrounded by other fully-developed cities. In addition, annexation is a risky strategy that is very difficult to reverse. As Mary Edwards finds in her study of annexations in Wisconsin—and as Oak Park discovered in its annexation effort—absorbing a neighbor is not always fiscally advantageous and can have powerful social and economic ramifications.⁴ A community considering annexing land should fully investigate the ease with which prospective neighborhoods can be integrated into the city's fabric, both socially and in terms of infrastructure, maintenance, and public safety costs.

The related strategy of consolidation is important to mention as well, as it is increasingly viewed by metro Detroit's inner suburbs as a potentially viable option. Because the fiscal challenge that older, built-out communities in Michigan face is so severe, even stable, well-managed communities can now find themselves on the brink of insolvency. Smaller cities are beginning to weigh the advantages of not just service-sharing, but fully consolidating with a larger neighbor. Because Detroit's inner suburbs are so varied, absorption can mean the loss of identity, of a distinct character, of many of the qualities that caused residents to select that community in the first place. In a situation where a community is forced into severe service cuts and high taxes, however, its desirability to residents and businesses may become so compromised that many of those assets are lost anyway. Although this is a decision that most communities would confront with anguish, in comparison to bankruptcy and receivership, consolidation can be a compelling alternative.

FACTORS CONTRIBUTING TO SUCCESS

A Sense of Urgency

A sense of urgency about the need for municipal intervention—among both city leadership and citizens—can be an important factor in the success of a given strategy. For instance, before attempting the infrastructure investments that would launch its revitalization efforts, Ferndale needed to obtain voter approval for a tax increase. Voters had already turned down two far smaller millages with similar aims, and were likely in no mood to revisit the issue again. But by convincing residents that the city's infrastructure needs were *critical*—that drinking water was traveling through unacceptably decayed pipes, that exploding water mains were becoming an ongoing and expensive hassle, and that the crumbling streets should not be tolerated a moment longer—promoters of the initiative were able to convince voters that public investment was urgent. Grassroots activists are well-versed in the following truth: if people believe that an

⁴ Mary Edwards, "Annexation: A 'Winner-Take-All' Process?" *State and Local Government Review* 31, no. 3 (1999): 221-31.

investment can be put off or that a change can be delayed until tomorrow, the likely result is a lack of support for action. Municipal governments working to gain public support for an intervention would be wise to emphasize the urgency of the situation.

A Space for Rejuvenation

A key resource for communities striving to bolster themselves is available space for (re)development. In Taylor, the large tracts of undeveloped land—even environmentally contaminated land—provided a sufficient base from which the City could begin to attract developers, new residents, and additional tax base. Much of this development is considered “new growth,” which allows the City, at least initially, to fully benefit from the increased value of the improvements.

Ferndale, too, had a viable area in which to focus its economic development efforts. The small lots and distinctive buildings in Ferndale’s walkable downtown, while less attractive to chain retailers, provided the perfect environment for unique shops and restaurants that depend upon window shoppers and passersby. Though revitalizing the downtown has required substantial effort and investment, and while the battle to keep storefronts filled is an ongoing one, the success of Ferndale’s interventions was assisted by a strong match between its physical resources and its goals.

Development patterns in Oak Park, however, have left the community with a larger challenge. As a fully built-out community, it has few available lots with which to entice new development. It also lacks a clear downtown, and its commercial corridors are characterized by strip developments rather than early twentieth-century architecture.

Taylor and Ferndale both had underutilized land on which they could situate their redevelopment efforts. That physical space allowed for a creative space in which those communities could recreate themselves as something new. Taylor and Ferndale had more capacity to implement a reworked vision based on local strengths, local challenges, and opportunities to hone a competitive niche. As a primarily residential, built-out, 1950s-era suburb of ranch homes, Oak Park has little choice *but* to focus on strengthening its appeal to families. For pragmatic reasons as well as fiscal ones, the kind of development patterns a city has experienced have a powerful impact on the strategies they might use to retain their vibrancy.

A Contextually Appropriate Effort

The importance of local context pertains to social and economic factors as well as to spatial considerations. It is important for local governments to understand that the success of an intervention or combination of interventions in other communities does not guarantee the success of similar efforts within one’s own community. No two cities are identical; an effective strategy for a place rests on a solid understanding of local challenges, assets, and realities.

The interventions attempted by the communities described in this thesis provide clues as to what might be effective in stabilizing other places but as the executive director of Ferndale’s Downtown Development Authority insists, it is critical to carve a path well-suited for one’s own

community rather than simply following in the footsteps of others. Even if Oak Park and Taylor had clearly defined, architecturally interesting downtown districts, the hip, edgy, young professional-oriented repositioning that proved convincing in Ferndale would be not likely be a path to success in more socially conservative Taylor or family-oriented Oak Park. The active streetscapes thought to promote exciting, culturally charged interactions in Ferndale might be rejected by Oak Park residents as places that foster loitering. Ferndale's extreme political stances and professed openness to diversity might be off-putting in blue-collar Taylor. Metro Detroiters more generally, with their mental maps of the distinctions between area communities, would also be skeptical about the hipness potential of Oak Park or Taylor. Decisions about interventions must take into account not just physical considerations but whether a strategy is likely to generate excitement—and a sense of ownership—among current residents and businesses, as well as whether that strategy is likely to be convincing to outsiders. Interventions create opportunities for change, but the kinds of change local leaders select must be viable within the local context.

In addition, as the Oak Park case demonstrates, intervention decisions must be grounded in an understanding of current local needs. Because of the demographic transitions taking place within the city, it was important that interventions acknowledge change and embrace those groups that have chosen to make Oak Park their home. A primarily redevelopment-oriented approach, for instance, would have failed to address the immediate concerns of those residents and businesses currently located within the community. This does not mean that redevelopment should not play an important role in future interventions within Oak Park. It suggests, however, that intervention strategies should be carefully crafted and sequenced with sensitivity to the changes a community is experiencing, with an understanding of who lives and does business within that community, and with a nuanced appreciation for the challenges, assets, and circumstances that shape the community into the kind of place it has come to be. Interventions should provide a path to desired future outcomes but they are unlikely to be successful unless they are grounded in the current realities of a place.

Public Investment

Local government expenditures were an important component of not just redevelopment efforts, but of nearly every other variety of intervention as well. Developing a competitive, broadly embraced new identity, going the extra length to exceed residents' service expectations, waging an effective marketing campaign, building a strong collective voice for state or federal policy change, and absorbing pre-existing neighborhoods into a city all require the investment of additional resources.

Good government tactics, for instance, require a staff that is large enough to adequately respond to residents' concerns and well-compensated enough to be committed to *addressing* those concerns. Good government also requires a budget that fully accounts for regular maintenance expenses and includes cushions for unexpected needs such as extraordinary snow falls or sewer repairs.

Promotion, too, requires significant staffing over an extended time period. Furthermore, the development of a compelling message, the creation of a high quality design aesthetic that can be used for "branding" an area, and the production and distribution of attractive marketing materials

can all be expensive propositions. Significant manpower and increased operational funds are generally needed to implement intervention strategies effectively.

Unfortunately, however, the shortage of dollars is a major component of what makes intervention necessary in the first place. An irony confronting inner suburban governments is that bolstering the vibrancy of a stressed community requires investments that these communities cannot easily make. In order to leverage additional resources for public investment, the inner suburbs in this study have used different techniques. Ferndale was able to raise additional money from residents by securing voter approval for bonding and a tax hike. They have also leveraged small pockets of money from state, federal, and county programs (e.g. a Michigan “Cool Cities” grant and the county Main Streets program help finance downtown façade improvements). Taylor has made extensive use of tax increment financing in its effort to attract development. This includes Taylor’s heavy use of Michigan’s brownfields program, which provides state dollars to assist with the clean up of contaminated sites.

Several years ago, Oak Park attempted a millage to raise revenue for the improvement of municipal facilities. As in the initial Ferndale efforts, however, the measure was rejected by voters. It is asserted that the City did not adequately communicate to voters why the additional tax dollars were necessary to Oak Park’s continued vibrancy. It is possible that this intervention was simply the wrong strategy for Oak Park, or that it was ill-timed. The failed millage experience, however, highlights once again the necessity of broad local support for public investment—even and especially in times of difficult economic circumstances.

A Positive Political Climate and Strong Leadership

In each case, it took committed leaders with strong roots in the community in order for the local government to effectively intervene. Jerry Naftaly realized early on that Oak Park’s long-term viability lay in embracing the city’s diversity, rather than trying to prevent demographic change. Robert Porter, after convincing his community of the urgent need for public reinvestment, now joins activist City Manager Tom Barwin and a like-minded City Council in an aggressively progressive political establishment committed to making positive change in Ferndale and throughout the region. Taylor’s city government was once riddled by corruption and in-fighting, but since the 1980s, the City has been led by people who are focused on the city’s improvement. Mayor Gregory Pitoniak and Director of Economic Development Fred Zorn enjoy the support of Taylor’s political establishment, and this has made all the difference in their ability to make dramatic and sometimes risky interventions.

In addition, all three cities can point to experienced leaders. Mayor Pitoniak’s credentials, for example, include a Bachelors Degree in Urban Studies and Political Science, a Masters Degree in Public Administration, extensive professional experience in economic development, and a long stint in the Michigan House of Representatives.⁵ A lifetime resident of Taylor, Pitoniak is familiar both with the challenges confronting his community and the economic and political levers that might be used to address those challenges. In addition, Pitoniak is a full-time mayor within a strong-mayor structure of government. Pitoniak therefore possesses a wealth of time,

⁵ City of Taylor, “Welcome to Taylor, MI,” *Taylor Made for You*, <http://www.cityoftaylor.com>

experience, and authority to make change that goes well beyond what many inner suburban leaders can leverage.

Today's inner suburban mayor requires a skill set that far exceeds what has traditionally been expected of these figures. In addition to knowing his or her constituents and seeing that city operations proceed smoothly, the inner suburban mayor must now be well-schooled in economic development tools, marketing techniques, coalition building, the regional political climate, tax-service equilibriums, budgeting tricks, and the intricacies of state and federal programs and aid allocation schemes. Building expertise among staff members is also key, but it is unclear whether a part-time, non-professional mayor would have the time or skills—or whether a professional city manager would have the political backing—to lead a community effectively given the current set of challenges.

This has powerful implications for the many communities that depend on part-time volunteers for leadership and cannot necessarily afford to pay full-time mayors. Given the small size of many metro Detroit communities, some municipalities may also have difficulty locating willing and qualified individuals from among their residents. In these cases, understanding the skills and support a city manager must have in order to effectively guide an inner suburban community is critical for local office holders. Regardless of the form a city's leadership structure takes, maintaining a thorough understanding of intervention possibilities, techniques, and implications within that structure is essential.

RECOMMENDATIONS FOR COUNTY, REGIONAL, STATE, AND FEDERAL POLICYMAKERS

Just as the overarching policy framework has intensified a constellation of challenges for inner suburbs, new and modified policies could be powerful tools for alleviating stress in these communities. A change in Michigan's municipal tax policy, for instance, that would allow cities to fully capture increases in taxable value on developed properties, would dramatically alleviate the budgeting difficulties faced by built-out communities. Proposal A—often regarded as the root of the growing municipal fiscal difficulties—emerged in response to a similarly dysfunctional system for funding public education in Michigan. Some inner suburban leaders believe that the state will take action only when once stable municipal governments do what a few Michigan school districts did in the mid-1990s: run out of money and shut their doors.⁶ A better solution would be for state policymakers to develop a more equitable, more sustainable method for financing cities. Given the state's own budget crisis, which has led to the repeated reductions in state-shared revenue that have compounded fiscal challenges for cities, there is little capacity for state government to provide an infusion of dollars to cash-strapped cities. But state policymakers have a responsibility to at least ensure that tax policies do not prevent older communities from generating enough revenue to finance their operations.

Existing state and federal aid programs could also be tweaked to better match the needs of older communities that are struggling with “urban” challenges but may fall below poverty or population targets for most grants. Greater resources, for instance, could be made available for

⁶ Kevin Rulkowski, telephone interview by author, February 4, 2005.

the renovation of aging housing stock. HUD programs that support housing rehabilitation, such as Section 203(k), Section 223(e), and Property Improvement Loan Insurance (Title I), have been under-supported in recent years but could help fuel reinvestment in older residential neighborhoods.⁷

In addition, as suggested by Taylor's Director of Economic Development Fred Zorn, allowing brownfields dollars to be used to subsidize development costs as well as remediation expenses would give built-out communities more leverage in attracting infill development that might otherwise fall to exurban greenfield sites. Redevelopment efforts would also be aided by easing the difficult task of assemblage. Giving communities the tools to set up "land banks" and to acquire property in "friendly transactions" would enhance local government capacity to support strategic redevelopment, especially along struggling commercial corridors where business turnover may be high.⁸

An expansion of programs supporting downtown redevelopment could also have a strong impact on communities struggling to revitalize—or to create—traditional commercial centers. Inner suburbs may lack the in-house expertise to support these efforts, and some ongoing guidance could be the difference between the success and failure of a revitalization initiative. Currently, Oakland County's Main Streets program provides free technical assistance to eight communities. The program also provides a forum through which those leading a downtown revitalization effort can share ideas.⁹ Expanding the reach of Main Streets could provide an important tool for inner suburbs battling commercial disinvestment.

Other programs as well, offered at the state, county, or regional level, could provide management assistance for inner suburban leaders. Given the broad range of skill sets that managing an inner suburb can now demand, training in strategies such as economic development, marketing techniques, and maximizing scarce municipal dollars through efficiencies could be a powerful capacity-building tool for local government leaders. A consolidated pool of information on state, federal, and county programs available to assist metro Detroit's inner suburbs could also help municipal leaders better serve the needs of their communities.

In addition to supporting the "how-to" of local government intervention, programs could also be developed to help finance the costs of effectively implementing these efforts. Matching grants that fund visioning processes, strategic plans, or marketing studies would help communities identify contextually appropriate interventions for the challenges they face. Matching grants that municipalities could use to leverage additional private investments—such as Ferndale's "Cool Cities"-backed downtown façade improvement program—would enable fiscally strapped communities to offer incentives for high-quality reinvestment.

And of course, a strong federal, state, and regional commitment to a "fix-it-first" approach to infrastructure investments could have a profound and positive impact on health of the region as a

⁷ Robert Puentes and Myron Orfield, "Valuing America's First Suburbs: A Policy Agenda for Older Suburbs in the Midwest" (Washington, DC: The Brookings Institution Center on Urban & Metropolitan Policy, 2002) p.15; Robert Porter, interview by author, Ferndale, MI, February 23, 2005.

⁸ Fred Zorn, interview by author, Taylor, MI, January 13, 2005.

⁹ Cristina Sheppard-Decius, interview by author, Ferndale, MI, February 18, 2005.

whole. This type of reinvestment—especially when combined with local streetscape improvements, as was done in Taylor and Ferndale—would provide communities with the opportunity to breathe new life into aging corridors. A “fix-it-first” strategy also makes sense from a financial standpoint. By using scarce dollars to ensure that existing infrastructure is in good repair before undertaking the expense of building new infrastructure on the periphery of metro Detroit, policymakers can support efficient use of resources while alleviating some of the financial burden placed on aging communities.

Policymakers at every level should also continue seeking solutions to a dilemma that has a profound impact on the health of a community while existing almost entirely outside of municipal government control: public education. Michigan school districts are separate entities with their own finance and governance structures. Yet the performance of public schools strongly influences the desirability of the neighborhoods they serve. Policies that turn underperforming schools into quality schools will give communities a powerful tool in attracting and retaining residents.

Because the existing policy framework sets the rules by which municipalities must operate, overarching programs and regulations play an important role in determining the extent to which a local government can successfully intervene. It is therefore critical that federal, state, regional and county policymakers recognize the challenges inner suburbs are confronting, and take proactive measures to support the continued vibrancy of these communities.

RECOMMENDATIONS FOR INNER SUBURBAN LEADERS

Local government intervention is not a given. Rather, the decision to address population loss, economic disinvestment and fiscal difficulties within a community is a proactive assertion that change is possible and that municipal governments can make a difference—even in light of daunting, systemic challenges. Inner suburbs vary widely and what is effective in one community may not be successful in another. Municipal governments should therefore take care to harness public capital in ways that are a good local fit. This requires strong leadership, a firm understanding of local strengths and weaknesses, and a commitment to investing political and financial resources in spite of risk. It also requires the development of clear notions about where the city is headed, how it will get there, and why intervention is needed.

Inner suburbs should begin their effort to bolster vibrancy by taking an honest look at what kind of place they have come to be: Who lives there, and why? Are residents rich or poor, young or old, families or individuals? Is the city racially and socio-economically homogenous or is it a place of diversity? What regional role within the residential market does the community serve? What kinds of businesses locate within the community and where can they be found? How is the community changing? What are the opportunities for moving forward? On what strengths can new strategies be grounded? What are the threats to long-term stability? Over which issues is there support for action? City leaders should work with local residents and business owners to identify realities, assets, and concerns.

Cities then need to define a shared vision of what kind of place they plan to be in the future. This should be grounded in current realities but foster opportunities for positive growth and change. Residents and leaders may envision the community as a radically different place in the future, or more likely, as an improved version of the community as it is at that time.

Leaders should then guide efforts to determine what strategies for achieving those goals would be locally appropriate. The interventions described in this thesis can serve as a starting point for those discussions, but leaders should conduct their own investigations of what strategies have been effective in contexts similar to their own community. Talking to leaders within those communities is essential. Small successes are achieved every day, often with little fanfare or media recognition. Equally important, investigation of strategies that have proved *unsuccessful* can provide communities with invaluable information on possible pitfalls.

Investigation of what other communities have attempted is important but city leaders should engage in a careful “reality check” before adopting the techniques of others. Does the intervention make sense in light of local circumstances, fears and aspirations? Will it help advance local goals? Does the effort offer a good balance of potential costs and gains? What is the likelihood of success? In selecting an intervention, local leaders must take care to adopt strategies that can win the acceptance—and ideally the enthusiasm—of local residents and business owners. Most interventions will require considerable “tweaking” in order to be locally viable.

Even after an intervention decision is made, however, ongoing support for the initiative is essential. Most efforts will require a long-term commitment of staffing and dollars. City leaders should be wary of adopting a strategy they cannot adequately support. The failure of an intervention is always a risk, but an ill-supported, half-hearted intervention increases that risk considerably and could undermine backing for future efforts. At the same time, however, city leaders should be willing to adjust their strategy in response to new knowledge. If a marketing effort is falling flat, better to rethink one’s message or delivery tactics than to continue financing an ineffective approach. If redevelopment aspirations are just not being realized in spite of patience and support, better to reexamine the feasibility of the redevelopment approach than to continue to funnel scarce resources into a strategy that is not working.

In addition, there are few silver bullets; city leaders should realize that no one intervention is likely to be the answer to all of a community’s problems. Just as the municipal governments in Taylor, Ferndale, and Oak Park attempted a range of related interventions, inner suburbs seeking to bolster their vibrancy should be willing to engage in a multi-prong effort. As was the case in Ferndale, a repositioned identity will likely require significant promotion. As was the case in Oak Park, good government efforts will likely require an additional strategy aimed at increasing the local tax base. Inner suburban leaders should be willing to try multiple, mutually supportive, and strategically phased interventions.

Especially in difficult times, it is tempting to focus only on crisis management. Yet the cities that will be successful in spite of the odds are likely to be those in which leadership holds both a long-range vision of better circumstances and a well thought out plan for achieving it. In developing those plans and visions, inner suburban communities should look to their

counterparts within the region and across the country. By learning from the experiences of others, municipal governments can craft contextually appropriate interventions to the challenges that threaten their vibrancy. Until broader policy change occurs, the levers that will bring substantive local improvements to Detroit's inner suburbs lie within the hands of municipal government. Whether they choose to use those levers will make all the difference.

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