

PROSLANT

YPSILANTI
the possible
dream

prepared for the
city of ypsilanti by the
urban collaborative
detroit, michigan

ACKNOWLEDGMENT

Any analysis depends heavily upon the knowledge and insight gathered by others. Even more, it depends upon the willingness of the community leaders to share their perspectives of the urban scene, and to act upon newly gained awareness. This analysis was undertaken for, and in close association with:

George D. Goodman, Mayor
John D. Hooker, Mayor Pro-Tem
Nathalie E. Edmunds, Councilwoman
Martin H. Gillentine, Councilman
Norman E. Kennedy, Councilman
Susan Lindsay, Councilwoman
Lawrence Lobart, Councilman
O. Shreve Waldenmyer, Councilman
Harold R. Baize, Jr., Councilman
William Paul Clay, Jr., Councilman
Eric Jackson, Councilman

We express generous thanks for assistance to Joseph Warren, City Manager; Dawn White, Controller; Harry Todeschini, Assessor; James Ashby, Clerk. Our special thanks go to City Planner Frank Leimbach, and Attorney Ronald Egnor. Substantial information has been provided by the Chamber of Commerce, Merrit Martin, Director; Ypsilanti Township, William Gagnon, Supervisor; Superior Township, Zachary Gerganoff, Supervisor; and the State of Michigan Executive Office, Roy L. Williams, Special Assistant to the Governor.

The Urban Collaborative staff involved in this portion of the framework plan include:

William Deane Smith, Principal Planner
Ronald Snelling, Economist-Planner
Abraham Kadushin, Architect-Planner

Stanley Dolega
Donald I. King
Barbara Ricciotti
Paul Travalini

This work was funded by the City of Ypsilanti as a special project to establish a basic framework for future planning and development.

CONTENTS

FOREWORD.....	1
Alternative Futures	2
A Humanistic Environment	3
The Business of City Building	4
The Plan Elements	4
THE SOCIAL FRAMEWORK.....	5
Population Size: How Big is a City?	7
Population Variety: The Spice of Life	9
Population Density	13
Family Life Styles	15
Opportunity for Living	17
Life Services	19
THE PHYSICAL FRAMEWORK.....	24
The Existing Framework	25
Organization of Functions	27
Development Zones	30
Assets and Liabilities	36
Development Potential	38
Urban Structure	40
Urban Design Elements	45
Coordinated Planning for Physical Development	49
THE ECONOMIC FRAMEWORK.....	53
CITIES FOR SALE.....	55
The Economic Model	60
The Municipal Account	60
Community Facilities and Services Account	61
Land Development Account	61
Prototype Financing Model for Urban Redevelopment projects	69
DEVELOPMENT STRATEGIES.....	77
Overall Development Strategies	78
Joint Planning	80
Community Development Organization	81
Community Management Organization	82
Financial and Economic Strategies related to Development	83
RECOMMENDATIONS FOR ACTION.....	86
Attitudes	87
Bureaucracy	87
Development Funds	88
Development Control	89
Maintenance	90
Accountability	90

ILLUSTRATIONS

PROPOSED POPULATION DENSITY	14
FAMILY LIFE STYLES	16
EXISTING ACTIVITY AREAS	26
ORGANIZATION OF FUNCTIONS	28
EXISTING DEVELOPMENT RESTRICTIONS	31
DEVELOPMENT ZONES	33
ASSETS AND LIABILITIES	37
DEVELOPMENT POTENTIAL	39
EXISTING URBAN STRUCTURE	41
PROPOSED URBAN STRUCTURE	42
URBAN DESIGN ELEMENTS	46
URBANIZED AREAS	51
DEVELOPMENT VALUES	52

FOREWORD

The future - near or far - is a changing extension of the present. To seize the knowledge of the Now, and creatively shape its implications, will stamp our contemporary civilization with an uncommon brand of intelligence. In the Book of Proverbs lies the clear warning that "Where there is no vision the people will perish." With this in mind, our work has been to form a unique product with two principle themes. The first is that the mind of man can shape his own destiny, not simply allow it to unfold in some haphazard way, resulting in a grotesque labyrinth. The second theme is that many kinds of futures are possible, and that the divine wisdom of people provides them the ingenuity to create the most desirable elements for the benefit of mankind.

A variety of future alternatives were presented to the Council some months ago. The Council has undertaken this plan in order to take advantage of the alternatives open to it. The purpose of a plan is to make these alternatives realizable with the least restriction upon choice. A plan is a framework for decision-making. It does not give answers, or detailed pictures of what "will be." But, a good plan can improve the vision of the future and identify means for attaining that vision.

Any aspect of change and attention to the future, will bring about normal conflicts. A plan will not do away with conflicts, but it can make their resolution simpler and less painful.

The big gap in any plan is usually between philosophy of purpose embodied in the plan and the specific choices identified in the plan. The absence of a plan hides choices and makes awareness of them difficult. The existence of the plan increases the number and variety of choices and increases potential for realizing these promises. A good plan is marked by its simplicity; its few parts, easily understood; and its ability to respond to a wide array of implementation devices.

The underlying elements of this framework plan are; first, the realization of Ypsilanti's alternative futures; second, the evolution of a humanistic environment; and third, the business-like operation of the City to achieve financial stability.

ALTERNATIVE FUTURES

A brief recap of the futures available to Ypsilanti seems worthwhile. Our original recommendation was that the City choose any of five possible futures, or a combination of the five. They include:

1. The College Town
2. A retirement village
3. A human service center
4. A genuine suburb
5. A complete City

The method of doing this is to arrive at a basic condition of population to be reinforced by the development process. The primary test of the development process, beyond its financial benefits, is its ability to respond to the needs of people and to increase the benefits of urban life to them.

There always is conflict between economy and humanism in the development process. Social values are always challenged by financial enterprise. But, it is possible to have a financially viable development process, and at the same time have increased humanism in the implementation of the development. This is possible, however, only if there is a framework plan which takes into account a balance between the physical, social, and economic aspects of the development process. This plan proposes that no action be taken without the balance context of these three. Political decisions made in isolation of one aspect over another will necessarily be of only marginal value, and may even be harmful. Financial decisions made without reference to the social or physical environment will necessarily be deleterious to those environments. Consequently, this plan intends to reinforce the harmony and balance between these factors.

A major objective of the framework plan is to help create the highest quality environment, and for the city to become increasingly "humanistic" as the development process continues. This is a difficult concept. It is based upon the premise that a real city is a place in which all people, whatever their reason for existence, their manner of work, or their lifestyle can find a happy place to live and work. A truly humanistic city is one which is not exclusionary in nature, but which encompasses the highest ideals of life and economy. It means striving for the best quality of physical environment, the widest diversity of lifestyles, and the strongest economy to assist in the fulfillment of one's daily life. The measure of a humanistic city is the variety of population, and their ability to freely carry on commerce within the city.

A HUMANISTIC ENVIRONMENT

In the report entitled Xpsilanti I, each of these futures was outlined in detail. Increasing potential for realization of these futures is a major objective of this framework plan. One test of any plan is how well its implementation accomplishes any or a combination of these alternatives. Any plan or action which limits access to the futures must be considered improper and destructive.

THE BUSINESS OF CITY BUILDING

City building is that aspect of the development process, and the operation of the city, which is essentially a business operation. Many aspects of city administration are political in nature, requiring the representation of citizen interest in the fulfillment of the daily life in the body politic. However, there is also that operation of the city which has no direct relationship to public representation. In this activity our premise is that the city should be run on business terms. The city should not have to operate at a financial loss in order to meet the obligations to the citizens. Even more to the point, the city in its day-to-day business operations, should at best make a "profit", and at the least break even, in its financial enterprises. The city should not embark on a profit for profit sake venture, but should in its business operations be free from the obligations of indebtedness. Indebtedness only binds the citizenry to past mistakes and impedes progress in achieving future alternatives. It is critical to the creation of a harmonious, humanistic city that it be free from long-term debt, and be in a constantly strengthening financial position, widening its range of possible actions.

THE PLAN ELEMENTS

The elements of the plan have been constructed to achieve the objectives outlined in the foregoing pages. They are very simple and few in number. The first is the establishment of a population base as a constant reference against which to test the operation of the plan implementation strategies. The second is the reorganization of the City into development zones, which will make the operation of the development process much simpler than is possible under the present complex structure. The third is the establishment of the "community arithmetic" form of budgeting for the development process and delivery of services. This will combine both public and private development activities in a way that allows concerted and joint efforts to take place. Each of these is described in some detail in the following sections. They are the contents of the framework plan. They are not miraculous in nature, nor are they complex in operation. Their purpose is to be simple, and easily used by anyone in either the public or private sector. It is only their simplicity and directness of application that can make them usable in achieving the City's future. These plan ingredients are the basis for decisions toward a better Ypsilanti. They are also the basis for communicating both the plans and the strategies to the public at large, in order that the citizenry can share in this vision of the future, and endorse actions toward the future.

THE SOCIAL FRAMEWORK

Any change will always affect people differently. Change always affects some positively and some negatively. The advantage of a plan for change is that its nature can be partially controlled, and at least some of its damages can be rectified. The object of a sound social framework plan is to emphasize positive changes without penalty to any specific group or individual. Although this is a literal impossibility, it has clearly to be the intent embodied in the framework plan, and will be a measure of the effectiveness of the strategies proposed to implement the plan. In no instance can competition be encouraged between financial gains and social losses. The essence of the social element of the framework plan is to maintain balance between the physical, social, and economic characteristics of the planning and development process.

It is always difficult to devise a precise plan for social good. Individual concepts of social "good" vary dramatically. Unlike the profit and loss statement in a development ledger, there is no account of human good versus evil in the process of change. Those who do not benefit from the process endure the suffering, while those who do benefit are often unaware of the suffering caused to others. Change is not an additive process alone, it is an exchange. Something is given and something is taken. Those who receive are called wise or thrifty or resourceful, and those who lose, are called the "disadvantaged."

There is a tendency among those who make population forecasts to arrive at some form of quota system which is supposed to establish a balanced population makeup. This is usually based upon the concept of a middle "class" base with a substantial sprinkling of upper "class" and as few possible lower "class" people. Such forecasts are almost notorious for their lack of responsiveness to the complexity of human conditions. It is these kinds of forecasts that encourage competition between municipalities for population growth, just as they compete with each other for an expanded tax base. This kind of thinking compounds conflict between laborers and "professionals," between Blacks and Whites, and between young families and the elderly. Unfortunately, there is just enough apparent truth in these population quotas to make them "acceptable."

The problem comes in implementing and enforcing quota systems. The problem grows even bigger when one tries to maintain a concept of absolute numbers. In several cities around the country, there have been attempts to maintain a fixed population size in the hopes that local resources could be allocated for the city's population only. This, in effect, places the municipality into the role of an immigration service, selecting the residents it wants, and restricting entry to those it does not want. There is no basic opposition to this from the point of view of controlling one's destiny. However, the methods available to execute such a plan are obnoxious and sometimes,

outrageous. The issue, then, becomes one of making the plan for a city socially beneficial and acceptable to its existing population, and at the same time, encourage population entry in a beneficial manner.

The social framework plan should provide expanded benefits of change to all cities and reduce the penalty of harmful change to those not directly benefiting from the development process. To accomplish this, the social plan for a city would contain several items:

1. A statement of the desirable population size.
2. A statement on the variety of population characteristics.
3. Statements of opportunity for participation in the process of change.

These three major aspects of a social plan are directly related to the overall development process for Ypsilanti.

POPULATION SIZE: HOW BIG IS A CITY?

The ultimate population size to be contained in, and served by, a city has been a subject of debate for centuries, ever since the first "planned" city nearly five thousand years ago. The first complete statement of desirable population size was made by Plato in his work The Republic. He declared the maximum size of a city should not exceed 5,000 people because that is all one could expect to meet in a lifetime. Later, that limit was raised to 10,000 by Pericles because that number was needed to maintain a full range of warriors, workers and intellectuals to assure vitality to the city life. Whether he knew it or not, Pericles defined a city, while Plato defined what we would today call a neighborhood. Later, Thomas Moore in his book Utopia set down the ideal condition as one which has a population isolated from all others. The size of the population was of no consequence, as long as it had every healthy aspect of humanity.

"Modern" American city planning grew out of English town planning in the early part of the century. During that time, the concept of a city was centered on the educational system. It was determined by the English planners that a city of 30,000 was the minimum population desirable, and the maximum, because that was the number required to support a high school. Naturally, a town without a high school could not be considered a real city. A town with more population than one high school could serve was considered excessive. However, the figure was later doubled to 60,000 people when it was decreed that high school education would no longer be segregated by sex.

Today, the size of a city is generally governed by two factors.

The first is the number of people required to carry on commerce and to assure provision of services. The second is the size that makes for reasonable administration of public services. This has led to the establishment of several sizes of city as desirable, depending upon the involvement of the municipality in commerce and industry. These sizes are generally as follows:

Town	15,000 - 20,000 people
Small City	80,000 - 90,000 people
Regional City	250,000 people
Metropolitan City	1,000,000 or more people

The various sizes are not just stages of growth, but are major distinctions in terms of the amount of industrial activity, the complete range of functional attributes and the geographic reference to major metropolitan centers. While there are cities of all sizes in between these ranges, these are considered optimum sizes to take advantage of available resources and service the citizenry.

We recommend that Ypsilanti be no less than 90,000 nor more than 120,000 people in order to be easily administrated and to meet the citizens' social and economic needs. It is our opinion that the limitation of the population size to this range will assure Ypsilanti and the Townships a well coordinated and satisfying urban environment. This size can be supported primarily because of the University, and the close proximity to such major regional resources as the metropolitan airports, while at the same time being independent from the pressures of Detroit metropolitan area population growth.

It is our further opinion that the location of this population should be concentrated primarily in Ypsilanti, the northern half of Ypsilanti Township and the southern half of Superior Township. Our investigations indicate that these populations tend to focus upon Ypsilanti, whereas other segments of both Townships focus on other urban centers. For example, the northern portion of Superior Township appears to be oriented for its day-to-day business on Ann Arbor. That population could not, therefore, be counted as an integral part of a population count centering on Ypsilanti.

The implications of such a limitation upon size for the Ypsilanti population base are primarily matters of geographic size, cost of public services, and daily commerce and industry sufficient to support an increasingly healthy environment. If the population substantially exceeds that number, it is our opinion that the service structure for the three municipalities will become incapable of efficient management, and will have to be reassembled at a later date from a poor financial position. In addition, the essential focus on the uniqueness of the Ypsilanti area, namely, Eastern Michigan University and the Huron River basin, will be lost. The two Townships and the City will become nebulous suburbs, with little to distinguish

them from their neighbors.

We recommend that future population growth be approached not as a continuing trend, onward for several decades, but that the City and Townships agree upon a terminal date for addition of new population, and a redirection of their energies for the maintenance of the population established by that date. We suggest this because the development characteristics to attract new population and to expand the urban environment are vastly different from those required to maintain what is already built and to service people already at hand. At some point, those governments involved in the new growth and development process must come to understand that they build for those who are not yet here only at the expense of those who already reside in the municipality. The attraction of new population and the building of new communities is magnetic in character and dramatic in nature. The maintenance of an environment that is already built is not nearly so exciting as the building of a new one. However, one of the functions of government is to service the citizens. This can best be done by a clear realization of the balance necessary between new growth, the redevelopment of older, worn-out areas, and the maintenance of those areas which house the population.

The establishment of population size and location must be a matter for joint planning between the City and the Townships. It is very difficult to carry out joint planning of this sort when the total land areas involved are to be completely urbanized, without reference to a multi-municipal population structure. Therefore, one of the very first aspects of joint planning needed is an agreement on the total population size and its variety, character, and geographic distribution.

POPULATION VARIETY: THE SPICE OF LIFE

In addition to determining the maximum desirable population size, the makeup of the population requires conscious planning. There are several examples in the United States of population structures which are nearly homogenous. Some of these are the wealthy suburbs. We all know of poor rural and urban communities. But, some cities are healthy and vital, and yet have both rich and poor, young and old, Black and White peoples. It seems difficult to account for the vitality of cities with such diverse population, unless the reason is to be found in the essential variety of population itself. We suggest that this is the case, and that a truly healthy city supports all categories of people, regardless of their socio-economic "class." Indeed a city's health is dependent upon maintaining a heterogeneous population.

The characteristics of a full population variety are already inherent in the City of Ypsilanti. The grouping of population characteristics identified in the Ypsilanti II Report, revealed

nearly equal segments of the population between age, race, occupation, and income. This variety is less dramatic in the adjacent Townships, but it is still noticeable. Most townships have an almost totally homogenous character, and encourage expansion of an essentially middle-class population to the detriment of both the wealthy and not so wealthy. This results from restricting planning and development activities. These restrictions need not be a matter of public act, but just a condition of the economic character of the times.

Naturally, special actions will have to be undertaken to assure the continued variety of population needed to be in the overall growth of the area. If a wide variety of population is not maintained, cities and townships will eventually stagnate. The key variable in a population structure is the constant rate of ongoing change to attract a new population. The ability of a population to regenerate its elements without adding new numbers is an essential key to the whole process.

It is often thought that a "stable" community is the essence of a modern city. The idea that a community population is free from internal change, and free from the influence of changes outside of the municipality is highly touted by those who confuse social conditions with economic desires. In fact, that "stability" is only a temporary phase; a passing fancy for a given generation of a neighborhood, not a city. It takes only casual observation to realize that there are no stable neighborhoods. The very nature of neighborhoods and cities is that they are unstable. When a community or neighborhood is built, it attracts a certain category of people. Those people live there for as long as their interests dictate they should. When they move, new people come and the area is no longer "stable." But, the ability to attract new people, who desire the same lifestyle, and who also are able and desirous of maintaining the neighborhood for that lifestyle, is the key to a healthy neighborhood, and a healthy city.

When a community is built, for example, primarily for young families to raise their children in, it must be capable of supporting future young families to raise their children in as well. If the neighborhood becomes unsuitable for that purpose, and instead, becomes a neighborhood for different lifestyles, then the character of the neighborhood and its basic service structure will be altered. Since most neighborhoods were not built to house long-term resident populations in the first place, the transition to house a transient population could have destructive results. The reverse is also true. It is, therefore, essential to build separate neighborhoods at the outset that house different lifestyles meeting the needs of different people, in terms of the family character and the income. In this way, one can have a viable city made up of "stable" neighborhoods, capable of responding to change with the least amount of harm.

Who could have thought, two or three decades ago, that the fabled

American "dream" of home ownership would be challenged. But, yet and still, as American communities grow increasingly wealthy, the demand for home ownership is decreasing rather than increasing. How is this to be accommodated in the growth of a modern city? What changes are to be made in the developing of new communities and the alteration of older communities, to account for this basic alteration in American family ideals? Clearly, that is a requirement of the planning process to insure that a variety of conditions be available in the modern city to satisfy a changing variety of human needs. This variety is crucial to the planning process.

The best way to assure such a variety of population, is to assure a large variety of housing types and locations, and a wide range of employment opportunities. In addition, the city must offer the widest possible assortment of activities to attract a citizenry. These activities must include those necessary to leisure and recreation, commercial enterprise, cultural activities, and the like. It is of interest to note, that whenever a city contains within it the greatest variety of attributes for its citizens, it also attracts people to participate in its unique activities from outside the community, thereby providing it with an even greater market potential. In short, the existence of a wide variety of conditions makes it possible for municipalities to "choose" their population and to maintain a healthy population mix based upon attractiveness, rather than upon restrictions.

The profile of a healthy, varied population is the only measure a city has for predicting its population growth. As was mentioned in earlier paragraphs, it is very dangerous to utilize a quota system. Quota systems are always unreliable, because they are based upon only partial facts. But in addition, they are enforceable only by negative, restrictive means, rather than positive, creative values.

For a city to remain active and healthy, it must have a cyclical population profile. That is it must have the capacity to regenerate itself. As the present population grows older, it is replaced by a younger population coming in. In addition, that segment of the population which tends to be more migrant and to move to other cities, should have its replacement counterpart attracted to move in from other areas. If ever the situation is reached where there is an exportation of one category of population and an importation of another category, then the city will assume the characteristic of a processor of human conditions. That is, it will take in people and process them to move back out again. That situation can be tolerated only if the proceeds for the export function are sufficient to repay the loss suffered by other community interests. There can be no such thing as

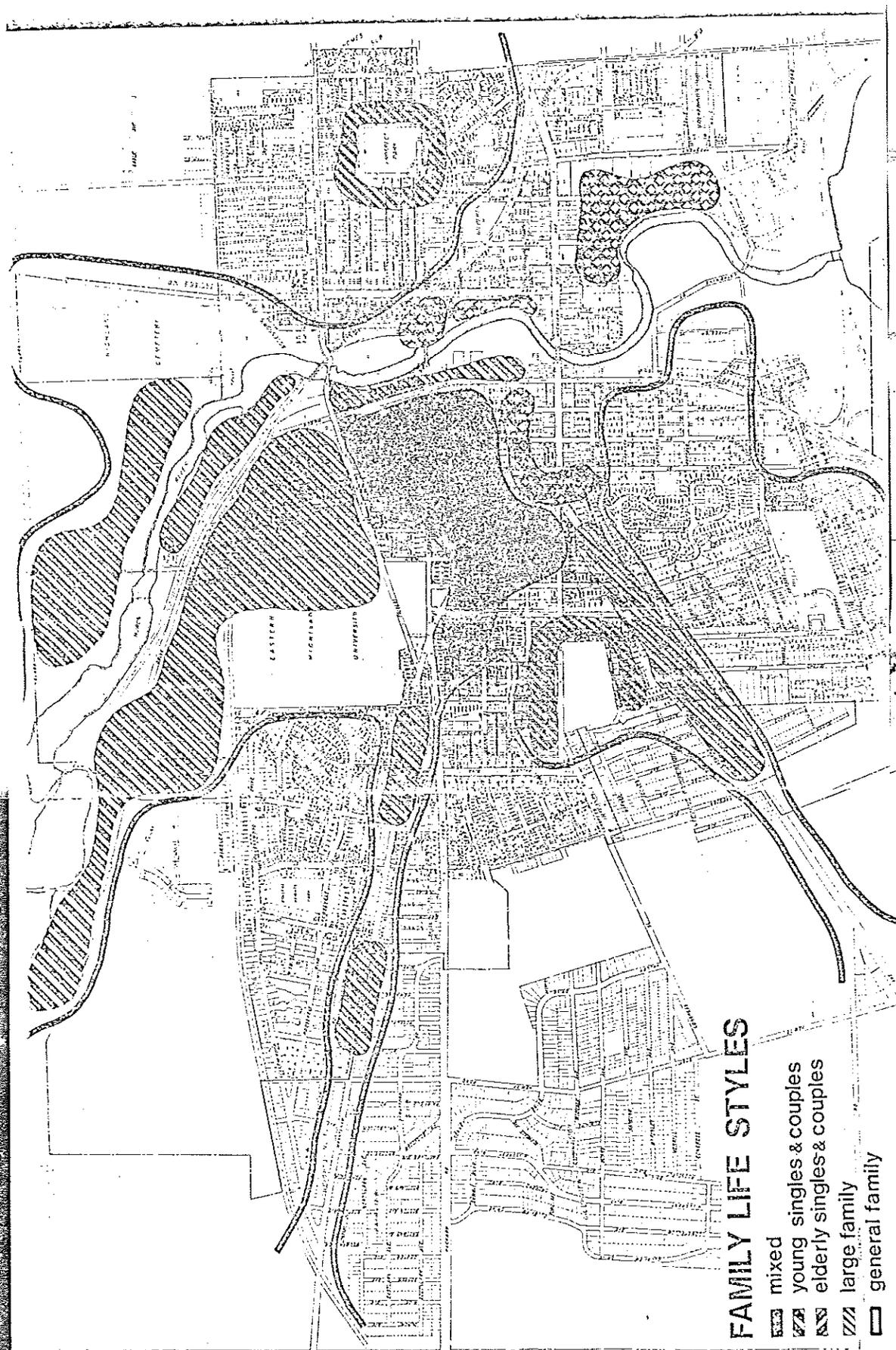
part of their life. They often elect to rent an older house in the City until they can amass enough money to buy a new house of their own. The problem comes when they want to buy their house, and the only place to do so is in the suburban areas. This means suburban areas begin to get a population growth. That quite often penalizes the Townships because these families need an increasing number of elementary schools and other services, which are a burden upon the taxpayers of the Township. At the same time, the City already possesses many of the resources a young family needs, such as schools and playgrounds. For example, it is nearly impossible for a mother with young children to live in a suburban area without being all tied down. That same mother living in the city can move around more freely, and not be hindered by the inability to have a second car. But later when the children are teenagers, or have left home, this family might be well suited to the "suburban" life.

This example suggests that population growth should be fostered in those areas which allows the city and the townships to take advantage of the resources already paid for, with the lowest investment possible for new resources. If the only way to attract population into an area is to make heavy public investments, then those new investments should be countered against existing investments to determine the best location for that particular segment of population growth. The drawing entitled "Family Life Styles" indicates those areas which are capable of supporting a variety of family living conditions and lifestyles. Based upon the availability and distribution of resources and facilities, and upon a growth potential which does not require excessive resource utilization.

Population Density

The drawing entitled "Proposed Population Density" illustrates where new population should be attracted through the development process. The drawing shows the location of families in terms of high, medium high and medium low density. Low density areas are not indicated since they already exist, by and large, in single-family neighborhoods all over the City, and new low density neighborhoods are not proposed.

High density housing is concentrated in those areas which tend to support existing multi-functional activities and increase their viability, and along areas of special amenities, notably the Huron River. This means that a large number of high density units should be built in the downtown area, along Riverside Park, in the Cross Street area, in Depot Town and opposite Waterworks Park on the Huron River. In addition, medium high density housing is recommended to be closely associated with the whole length of the Huron River, along major routes entering the City, and most significantly, adjacent to downtown, the University, and the Human Services Center areas. The greatest growth potential for



FAMILY LIFE STYLES

- ▨ mixed
- ▧ young singles & couples
- ▩ elderly singles & couples
- ▦ large family
- general family

the City depends upon access to the Huron River basin. Therefore advantage of orientation to that natural asset should be taken concentrating housing units along both banks of the river. Naturally, the combination of the Huron River and the central functions areas represent the most advantageous locations for new higher density housing developments.

The concentration of higher density housing along Washtenaw and Michigan Avenues is necessary since activity along those routes increase property values. Normally, those higher values are responded to by the inclusion of strip commercial development. However, in Ypsilanti multiple housing has as high a land value, and in some cases higher, than does strip commercial. In addition, it has a much longer longevity and creates a more desirable type of facility than is normally found in strip commercial development.

Family Life Styles

The drawing entitled "Family Life Styles" illustrates the general location of housing and neighborhood types needed to provide housing for families with widely different lifestyles. It is necessary to make special provisions for location of housing to assume a variety of lifestyles in relation to the different amenities of the City. Those who like downtown living are generally different in character from those who like life in a purely single-family neighborhood. For this reason we have specified lifestyles in terms of age, and general family size and family type. The drawing shows a concentration of mixed lifestyles between downtown and the University. This area is unique in the City as the only place in which any conceivable kind of lifestyle can maintain itself in a healthy fashion. It is bordered by the Huron River Drive. Riverside Park and the Huron River, and downtown.

The major arterial roads of Washtenaw and Michigan and along the Huron River adjacent to and north of the campus area are recommended as areas ideal for young singles and young couples. These areas which contain recreational amenities and facilities suited to use by active young people, whereas older families might not take full advantage of the assets. Near downtown and the Human Services Center, both young and elderly singles and couples should be encouraged to take advantage of the facilities and services offered in these areas. Around Prospect Park and Recreation Park we propose that new housing be concentrated for families with a large number of children. Some older houses in these areas are already suited for that purpose. They are presently occupied mostly by senior citizens. We recommend that future families moving into these areas be families with children so that those children can take easy advantage of the recreation facilities of the parks and the nearby schools.

Each of these recommendations is made so as to locate particular



PROPOSED POPULATION DENSITY

- ▨ high
- ▩ medium high
- ▧ medium low

family lifestyles in close proximity to the amenities and services most suitable to those lifestyles. For this reason, families with large numbers of children are located next to park areas with facilities suitable for children. Young couples and singles are located next to areas in which recreational opportunities are available. Senior citizens are located within easy walking distance of commercial facilities and services. Those areas which comprise the majority of residential areas of this City are already suitable for general family living, as opposed to special family lifestyles. In these areas, any kind of family setting is possible within the context of the single-family residential neighborhood.

OPPORTUNITY FOR LIVING

In order to assure the City and the Townships of the population of size and variety needed to maintain a healthy city, one should explore the opportunities that have to be provided to attract that population. These opportunities must be seen as the principle mechanisms for attracting and maintaining a varied population, and also, as devices for limiting the growth demand for the area. The premise is that a continued demand for an area maintains its "market value." Once that demand is fully met, the demand ceases to exist and values begin to decline. To saturate the market by meeting every demand, guarantees early obsolescence of a community and the transferral of desire for its lifestyle and resources to other communities.

A city need not compete with other communities to maintain that market. In fact, the opposite is the case. Cities which select a given market for the population structure, and maintain that selection, are in the strongest possible position. Those which opt for unlimited growth and continued "greed" for any section of the market they can get, necessarily saturate themselves, dilute the market, and eventually destroy the potential for maintaining themselves socially and economically. It is absolutely crucial that a market be predetermined, in terms of population size and character, and that that market not represent overambitious undertakings or unrealistic assessments of the people's needs. Presuming that the population plan is clearly established, and well supported by local municipal and business interests, then the "budget" for both the growth and operation of a municipality can be maintained and balanced, and the citizens can reap the benefits of those investments. In order to do this, we propose that a specific opportunity plan would address employment, cultural attractions, and life services.

Employment

It is normally thought that employment planning is based upon the attraction of industries bringing with them numerous advantages, especially in the area of tax benefits. This has been discussed earlier under Economic Resources. But, "industries" also have employees, as well as taxable properties. The most significant resource of any city is its employed people, not a facility which pays taxes. It is, after all, these people who buy the services of the city, and who live in the houses built in the city. Therefore, the essence of employment opportunities is to provide the greatest possible variety of employment opportunities, not just the greatest number.

This involves a strong emphasis to build and expand facilities which employ professional people, service providers in excess of industrial "laborers." The reasons for this are twofold. First, it is obvious that employment opportunities of the future are increasingly oriented toward service functions and decreasingly oriented toward industrial production, such as in automobile manufacture. Service providers, such as hospitals, maintenance organizations, schools, recreational facilities, etc. are rapidly increasing, relative to capital and operational dollars invested, while the number of "blue collar" workers is decreasing. The implications are obvious. In future years, there will be a far greater number of service employees and a vastly decreased number of production employees.

The City and the Townships should strive to increase the total number of people working in the service industries, the number of students attending the University, and the number of "cultural" assets which are directly related to the service industries. These assets include a major expansion of entertainment and recreational facilities, for all seasons and for all ages. These include almost everything concerning: swimming pools, poolhalls, theatres, restaurants, parks, fairs, marinas, ski hills, toboggan runs, bicycle paths, horse trails, canoe liveries, etc., etc., etc. All of these are also service industries but they are not essential, such as is a hospital. Their existence is a major attraction to a population, and provide opportunities for active support of the City. In every instance where it is possible to attract, by inclusion of special cultural facilities, a new population element, that element represents a desirable market and should be pursued.

While industrial plants, and the jobs they provide are desirable, and their employees make up a major part of any industrialized population, it is very easy to overbalance the numbers of these employees with others. When this happens, unemployment is exaggerated in slow economic periods, and layoffs are frequent, while a production shift is made, or a market for that product weakens. A city that depends heavily upon that element of the work force, will naturally subject itself to the slightest shift in the national economy. Such a city must, therefore, possess a fragile economy and a fragile social structure. The City should pursue with all haste the encouragement of growth in the university, the hospitals, the recreational facilities, and any other service or supportive industry which is generally demanded, as well as needed, by a varied population.

Life Services

As important as employment characteristics are, it must be remembered that a population which is not well serviced in its chosen lifestyle is an unhappy one, and one which will look elsewhere for a home. Jobs alone are not enough. New houses and good roads are also not enough. In addition, a population must be assured that it can reasonably maintain its health, that its children are well educated, and that in general it can enjoy recreational activities without penalizing its other needs. A city which makes this possible can assure itself of a healthy population, capable of supporting and participating in the changes brought about by the development process. It is only the unhealthy and disenfranchised population that is truly abused in the process of change. It is never the healthy population, or the population capable of participating in urban life.

To create employment opportunities, we suggest stressing of human service facilities and commercial services in the planning of the city. At the same time, these services are absolutely essential to the maintenance of a healthy population. The inevitable result will be that the very services which guarantee a sound employment and economic base to a city, also assure it of healthy varied lifestyles.

The crucial ingredients for sound population planning, for both the City and the Townships, are the amount, variety and

quality of human and commercial services, while at the same time, guaranteeing a varied population to take advantage of these services. The ability to carry out such a plan will assure easy entry for new families and sanctity for those who are already there. It will be desirable for the wealthy, and more secure for the poor. It can be a truly modern type of city with the advantages of its historic past maintained and opportunities for a bright future assured.

The specific elements of a social plan, a part of an overall development framework, includes all of those things that deal with the social health of a community. They can be arranged in the following basic categories.

1. Communications. This involves primarily the utilization of schools, libraries, the University and various community centers as major elements in the communications system. Of course, this also includes the newspapers, radios, and television. The cost of connecting these communications systems, and organizing their multiple voices in the support of a large, common effort, is difficult at best. The residents should be able to use these communication elements to achieve a "sense of community" and to identify strongly with the future of Ypsilanti. These devices should be brought directly into the development process in order that no mature citizen who can read, hear or see is unaware of the plans and potential the future offers, as well as its hazards.
2. Learning and Education. Naturally, this involves the public schools and the University directly. It also includes all forms of adult learning centers, training programs, job upgrading, and so forth. These programs must be related to the overall development plan, with special emphasis on transferring present day difficulties into future opportunities. Not only should teachers and educators become familiar with the development process, but the process and the concepts of the City's future should become a daily part of education throughout all levels of the school system. If this is properly done, whole generations of citizens can grow up with a vision of a better future and an understanding of what participation in community development requires.
3. Health Maintenance and Care. The existence of a healthy community cannot be overstressed.

Both preventive care and care after illness are required in all physical, mental and emotional aspects. This will necessarily involve the entire health profession, including hospitals, private physicians, clinics, and the like. In addition, it requires acquainting the populace with what it takes to lead a "healthy life." This can prevent illnesses from becoming so serious that they require remedial action, and thereby reduce the burden on health care facilities and staff. It can also assure sound community life, and prevent ill-health from becoming a major economic adversity. Every community subsidizes its hospitals, its clinics, and its health professionals. An effective health prevention system would reduce the number of the capital investments in these facilities, while at the same time, increasing the number and variety of health personnel to deal with the health problems of the community.

4. Recreation. Ypsilanti is blessed with substantial park areas. These are not, however, well developed or sufficiently attractive to meet the complete recreation requirements of the community. A major part of a social plan is to assure the establishment of the complete range of recreation services, both indoor and outdoor, and to regard these as services rather than facilities. Such services can play a major role in uniting the City and the Townships and in developing a common interest among diverse populations.
5. Religion. Religious functions have played a major role in the development of Ypsilanti, and are active in its continued operation. Not only have the various churches invested substantial capital expenditures, but in addition, church leaders play major roles in the improvement of various aspects of community life. These are normally related to the social service aspects of the City. Attempts should be made to expand the involvement of these leaders into the full community development process in order that this basic volunteer orientation can be introduced to the business-like air of capital development.
6. Personal and Social Services. There are a

wide range of services oriented primarily to family living. These are seldom included in the official planning of a community, but they are vital to the complete and proper functioning of the community. They include everything from day care services to youth counseling and consumer affairs. Normally, these are provided by various voluntary agencies. But, money comes primarily from public sources. These services often conflict with each other, and are sometimes counterproductive and overlapping. These services must be planned into the whole fabric of the community so as to coincide with its changing needs brought about by population structure changes over time.

These basic social services, as well as others that can be envisioned from different perspectives, are to be included in any overall framework plan. The specific requirements and form of participation are not capable of being decided by an "outsider." However, their active involvement in the development process is essential if that process is to be complete and fruitful. In so doing, the following basic conditions will be satisfied. First, that the community's need for social services is every bit as strong as its need for physical facilities--the one supports the other. Secondly, all services will be paid for, in one manner or another. There are costs and benefits in social services, just as there are in physical development. Third, the prevention of poor social conditions is crucial to a strong, healthy community. It is more important to prevent deleterious conditions than it is to overcome already decayed ones. Fourth, social services must be made available to all. Entry into the social service systems of a community should be easy from any point in which the individual or the family chooses. This last point should be stressed. The normal bureaucratic tendency of social service and public delivery agencies is destructive and harmful to the social fabric. Mechanisms are to be devised as a part of the planning process to increase entry into the social services systems and to decrease restrictions and requirements to obtain the benefits of those services.

In this effort, it must be remembered that the annual cost of service delivery is greater than the cost of any capital improvement in the development process. When the programs are ill-conceived or poorly administered, then those costs exceed the net worth of the City and become in the end, a basis for bankrupting a city. It is never the physical facilities that cause these basic difficulties, but the operation and delivery of services. To be sure, facilities can be built and constructed in such a way as to reinforce and make efficient operation of service mechanisms. But in the end, it is the service mechanism

itself that must be well coordinated and maintained. Consequently, they must be planned in exactly the same way and at the same time as physical facilities. This cannot be stressed too strongly.

It is not simply a matter of coordinating services provided by different agencies. It is a matter of planning what services are to be delivered, by whom, at what price, and in what form. That single act, done jointly by the appropriate public and private bodies, can do more to increase the vitality of Ypsilanti than any other function.

THE PHYSICAL FRAMEWORK

Social and economic goals must be translated into a physical plan if the development process is to make any sense. The physical plan provides the facilities and embodies in a geographic framework the concepts of social good and economic gain. The purpose of the physical framework is to guide the evolution of the development process in response to social objectives and economic means. It is a mechanism to assure that decisions about physical planning and development have social significance and are capable of implementation to benefit the needs of Ypsilanti citizens.

THE EXISTING FRAMEWORK

Cities are a complex array of functions and facilities. These have normally grown without much planned relation to each other in ways determined primarily by the prevailing market and the spirit of the times. It is little wonder that cities which were once small and relatively simple in form have, in the last couple of decades, grown to two or three times their earlier size, and have increased in complexity beyond comprehension. Most Americans have difficulty in feeling comfortable about their cities, in having a "sense of place" or a feeling of belonging. How can one belong to a collection of separate, even conflicting, values. A city is no longer a place, a city can no longer be a home in the old sense of that word. Much of the spirit or identity of the city passed with the advent of modern commercialism.

While Ypsilanti is not a very large city, it nevertheless suffers the dilemmas of its larger counterparts. Ypsilanti has seen the fragmentation of a once cohesive physical fabric. It has witnessed the flight of commercial activities to adjacent areas. In short, Ypsilanti has suffered at the same time, the pangs of growth and the despair of obsolescence. The result of all of this is a patchwork urban quilt with housing, commercial, industrial and institutional facilities all intermingled with little to distinguish the best from the worst in the City.

A simple examination of the City's land use map reveals the great intermixture of functions, so that hardly a single area is identifiable for a primary function any more, except for the University. The drawing entitled "Existing Activity Areas" indicates the overlapping of these areas and the intermingling of commercial and residential functions. This is not to say that there should be no interrelationship among functions, but it is obvious from this diagram that there is very little that is clearly a discernible "place" in Ypsilanti. It is very hard to tell where one activity begins and another ends. Consequently, it is almost impossible to identify in a friendly way the key places in Ypsilanti. Certainly there is no obvious basis from which to establish a framework for future growth and change.

These activities should be reorganized to bring together those

functions which support each other, and to establish development controls which support the proper growth of major functions. Conversely, it is necessary to separate neighborhoods from each other, in order that each may maintain its unique character and support that particular life style for which it was built. This reorganization should also take into account the kinds of facilities and services required to achieve the basic alternatives presented to the Council in the Ypsilanti I report. These include the expansion of human services, the ability to take advantage of the University in a college town setting, and the provision for a variety of resident life styles. To accomplish these objectives, the physical framework plan consists of:

1. The assignment of major function centers to key locations; and
2. The establishment of development zones to provide growth control devices for the development process.

ORGANIZATION OF FUNCTIONS

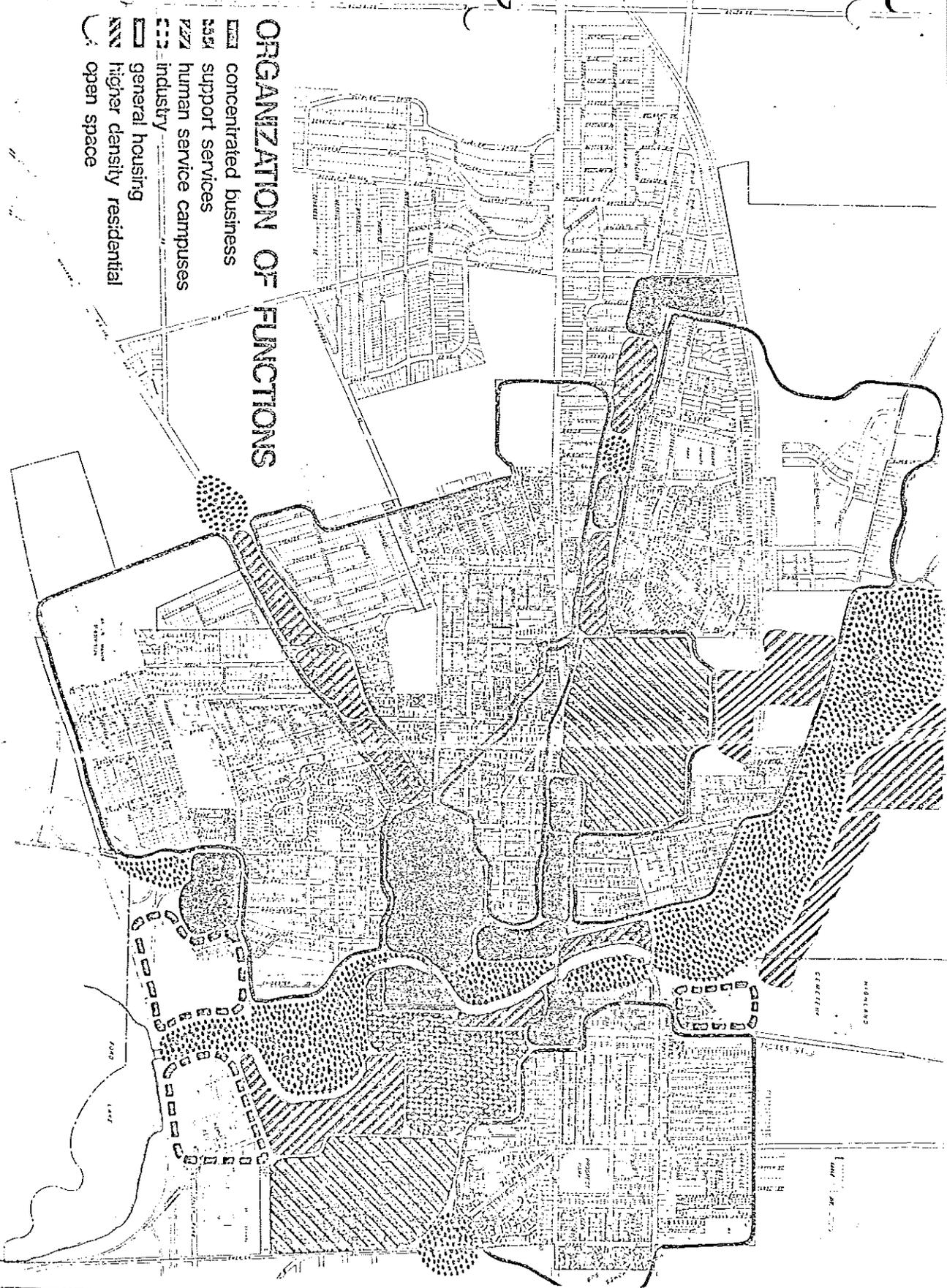
The drawing entitled "Organization of Functions" indicates a geographic reorganization of the primary urban functions of Ypsilanti to satisfy these alternatives. This organization has three major interconnected foci. In addition, it takes advantage of the Huron River basin, and orients some of the City's primary functions to the River. Finally, it identifies the separate residential areas and attempts to strengthen the definition of those areas into neighborhoods.

The central focus is the downtown area of Ypsilanti. This is a much expanded version of downtown. It is no longer to be viewed as a retail-commercial center, but as a truly multi-functional area. Downtown will have to be expanded to include 900-1,000 new housing units, all manner of commercial and entertainment activities. It will have to emphasize offices, and cultural and entertainment activities, as opposed to stores, appealing to all age levels. Further, Downtown will have to be a uniquely attractive place if it is to succeed commercially. Therefore, its physically precise definition is essential, and its connections to the rest of the City must be protected by a clear physical transition to the adjacent areas.

The second major functional area is the Human Service Center. As was indicated in the social plan, a major expansion of human service functions and facilities is required. The basis for dealing with these in Ypsilanti is centered on the Beyer Hospital area. This plan envisions the major expansion of health related services in that area, and accompanying social services which tend to support family health in the broadest sense of that word. It is suggested that land be aggregated in this area to bring about those kind of functions and to allow them to work in an integral

ORGANIZATION OF FUNCTIONS

- concentrated business
- ▨ support services
- ▧ human service campuses
- ▩ industry
- general housing
- higher density residential
- open space



way with each other. In addition, land and roadways should be reorganized to encourage easy interrelationship between separate entities.

The third primary functional area is Eastern Michigan University. The University has to be viewed as a major complex of office, educational, research and cultural functions. It can no longer be left as a blank spot on the City's zoning maps, simply because of public ownership. It must be identified as a special functional zone and dealt with in the overall planning of the City in that fashion.

Each of these major functional areas is connected by other unique and intense activities. The downtown district is connected with the University area by an intensely developed office, commercial and housing corridor along Huron and Cross streets. The reason for the intensity is to concentrate those functions which service or are related to both of the two primary functional areas, and to keep service uses out of the adjacent residential neighborhoods. Between Downtown and the Human Service Center, is an area set aside primarily as a retail service area. These are not human services, nor are they strictly retail-commercial in nature. However, there are a wide variety of commercial services which can benefit the citizens of Ypsilanti and the surrounding areas. These services include functions without any precise geographic limitations, but with the similar characteristic that they all require a high degree of vehicular accessibility. There are many services, such as newspapers, distribution centers, laundries, and the like, which are oriented to automobile distribution into a surrounding metropolitan area. It is proposed that these functions be aggregated in this place so as to be easily accessible to the general public, and at the same time, have easy service access throughout eastern Washtenaw County.

Most other area designations are self explanatory. They are either residential, commercial or industrial in nature. These need not be described in detail here. However, special emphasis should be placed upon the open space areas along the Huron River. These areas must be held inviolate to construction, and must be regarded as a primary resource of the City. To that end, they are interconnected throughout the entire length of the City, and into both adjacent Townships. The existence of these open spaces as a major resource for the development and servicing of the City cannot be overstressed. These are the single most available and valuable resource for the "marketing" of the City, and for the pleasure of the citizens. Failure to take advantage of this asset from every point of view, socially, economically, and physically, will result in a major loss. We propose that these areas be carried as a public use zone for all the three municipalities, and funds set aside to develop them on a multi-municipal basis. That means that the open space areas should be shared with Ypsilanti and Superior Townships,

both in terms of use, and the responsibility of their enhancement.

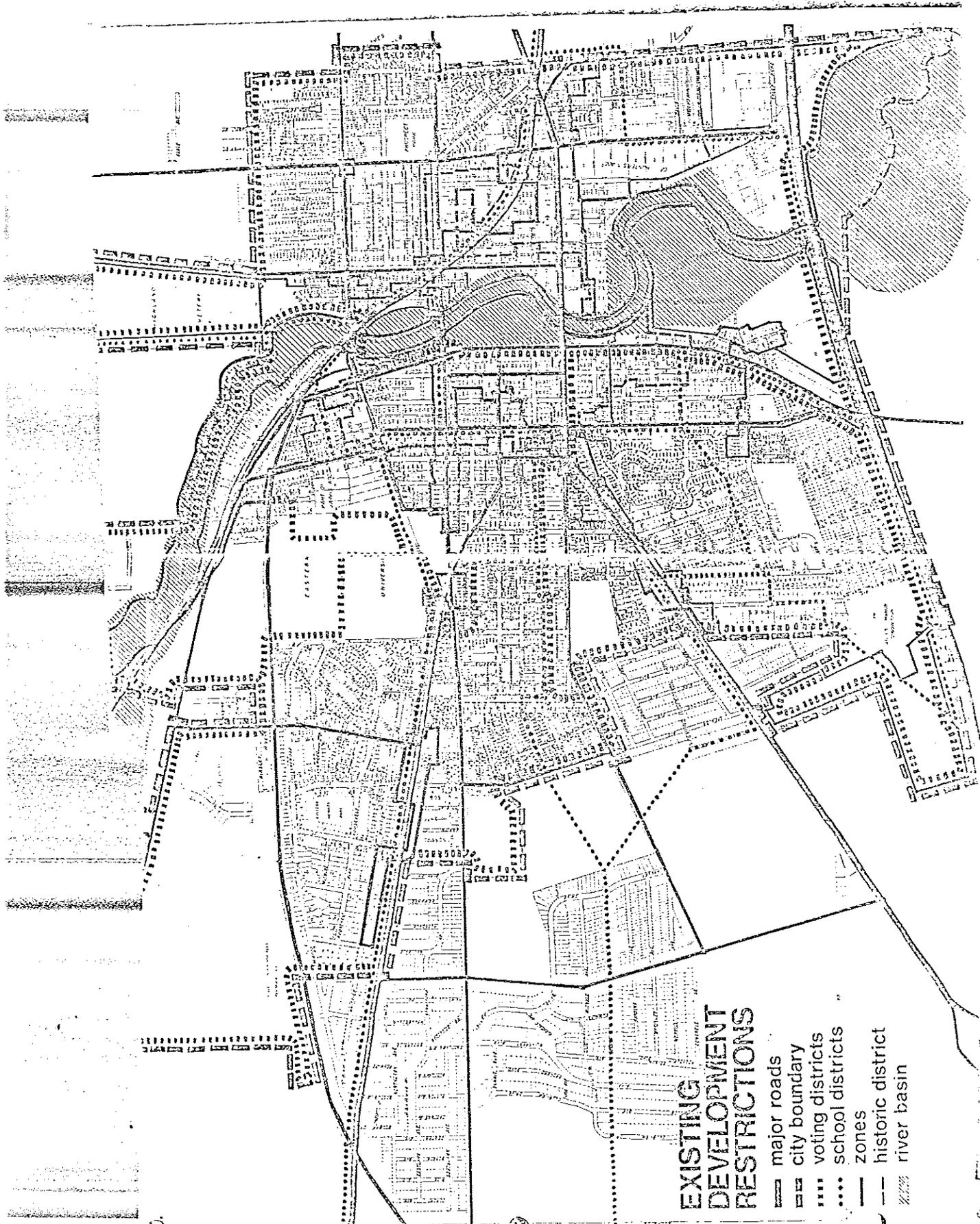
DEVELOPMENT ZONES

Most cities have grown haphazardly in the last several decades. Each period of growth has resulted in new layers of rules and regulations, one over the other, until there is a jungle of zoning codes, lot lines, tax assessments, etc., which make effective development control of the city nearly impossible. These "zones" are all restrictive in nature, and all are aimed at keeping the people and the developers from doing "bad things." The whole evolution of zoning was defensive in nature, designed to keep the bad things away from the good things. Consequently, what is missing is a structure or container of rules which encourages good development, not merely punishes poor development. The drawing entitled "Existing Development Restrictions" reveals the absurd result. The lack of distinction in the present development control regulations makes it literally impossible to control development funds and to guarantee home owners of the maintained value of their house, and at the same time, reward both homeowners and businessmen for maintaining and expanding their investment in the City.

Our cities have been built up, utilizing all these rules and regulations, and they are still a mess. They haven't encouraged the good things to happen. Our cities might be much worse off without such regulations, but there is no evidence to that effect. Some of the most attractive cities in America have been built without such regulations. However, the key now is to create a development structure which encourages and rewards good, sound, healthy development, while at the same time, limits the opportunities to misuse the development process.

We propose establishing development zones as a device to erase many of the superfluous and restrictive barriers, and to replace them with clear, well organized geographic districts which will serve as containers for control devices. These development zones are to be determined primarily by the character and intensity of the functional land uses currently in the City, as well as those proposed to be reorganized. For example, residential neighborhoods should be identified as development zones, with the emphasis on maintaining and strengthening the residential character of that zone. By contrast, the downtown area of Ypsilanti should be a zone capable of supporting the wide variety of development and operational demands. Naturally, the one should be clearly distinguished from the other. There should be no question about where Downtown begins and the neighborhood begins.

These development zones are to be the containers for all appropriate development mechanisms, including zoning regulations,



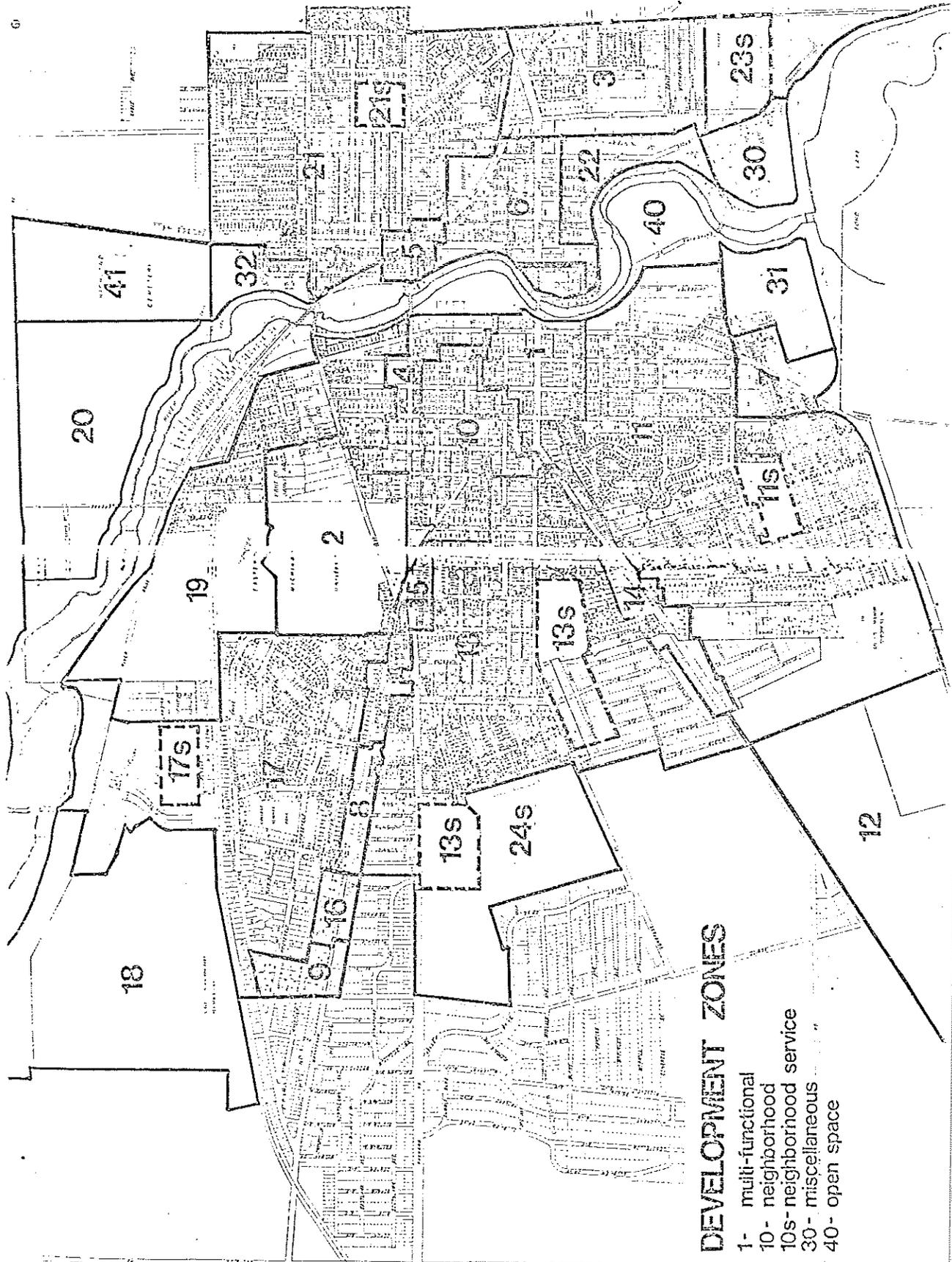
**EXISTING
DEVELOPMENT
RESTRICTIONS**

- major roads
- - - city boundary
- voting districts
- school districts
- zones
- historic district
- ~~~~~ river basin

building codes, financial budgets and environmental maintenance operations. The drawing entitled "Development Zones" establishes areas with different development requirements and different management needs. The numerical designation of the zones is strictly a bookkeeping matter, and has no significance in terms of priorities. The zones are organized, however, in exact relation to the proposed functional areas, and are intended to identify the specific development limits for each area. As an example, the downtown area also has the downtown development zone. Similarly, the human services area has a zone of its own. The primary functions of the University, separate from its housing functions, has a zone designating their location.

Each zone carries with it a basic quantification of facilities required to attain its maximum value. It is all well and good to identify an area as a Human Service Center or Downtown. But, there needs to be established, more than a general concept for each of these areas, a specific development plan and program for each zone. Such plans and programs should state the population to be served or housed; the facilities required in terms of buildings, land and parking; the capital and operating budgets required; and a timetable in which development process is to take place. In addition, participants in the development process have to be identified at the earliest possible date in order to take advantage of this framework. It is not the purpose of this plan to identify that program, but instead to establish a framework within which such programs can be fostered by the participants in each area. Each zone should have, for planning purposes, a basic description of its existing characteristics, in terms of population; land and buildings, an estimate of its existing capital value; and a budget for its maintenance and operation. Based upon these, the program for future development can be generated, along with the anticipated increased capital value and the associated operations budget. The following pages indicate for each zone, a basic statement of concept and purpose. It is left for the Planning Department of the City, the Township and the appropriate participants in the development process, to establish detailed programs for each zone.

As a guide to establishing such a development program and budget, a hypothetical program and budget is indicated for zone 1. This is only an outline of the functional characteristics required. It is not to be construed as a precise statement, but only as an indication of the general magnitude and array of the facilities required to service a population of up to 120,000 people, in a cohesive urban development structure.



DEVELOPMENT ZONES

- 1- multi-functional
- 10- neighborhood
- 10s- neighborhood service
- 30- miscellaneous
- 40- open space

Each of the development zones described on the preceding pages, carries with it significant aspects that make it unique from its neighboring zone. The primary functions of some zones conflict with uses that exist within them. But, one cannot afford the luxury of weakness in the rebuilding of the City. In many instances, conflicts between decisions of the past and decisions for a better future will arise. There are many examples of this. Churches and schools built in residential neighborhoods can easily destroy the character of that neighborhood that they are intended to serve. The inability to establish clearly defined neighborhood service zones, which can contain churches, playgrounds, schools, etc., can result in rupture of the neighborhood spirit. On the other hand, it is unreasonable to expect that a school or a church which has been located, even if improperly, in a neighborhood will be moved. As unfortunate as the original choice of location of the facility may be, the question is how to integrate that facility into the neighborhood fabric, while at the same time, not encouraging or allowing further disruptions to continue by the addition of similar out-of-place facilities.

Sometimes the converse is true. Often there is a misconception, based upon past experience, of desirable location, which is counter to desirable future alternatives. For example, one would never normally think of putting an elementary school in a downtown business district. Yet, in those instances where this has been done, the schools turn out to be the healthiest schools, with the greatest ease of access by the children. In addition, those schools provide, as a rule, the best education. While a school may not need to be downtown, there is no reason to think of it as an isolated facility situated in a "green pasture."

In like fashion, there is every reason to encourage the University to build in downtown Ypsilanti, as opposed to continuing its outward migration into the countryside. In short, in the unique functional zones of the City, almost every conceivable activity, except the most greedy, is to be encouraged. In the residential areas, only residential functions and those facilities that directly support that individual neighborhood are to be allowed. It is the combination of exclusiveness in residential areas, and inclusiveness in the multifunctional areas, that keynotes the physical framework plan.

The elected leaders of all the municipalities, citizen representatives, business leaders and service providers should create a program for the major functions of the City, based upon what it has now and what it should have in the future in order to maintain a healthy city. The University should meet with the City and other vitally interested parties to formulate an overall plan for the University area. The same is true of the Downtown area. The organization of functions and the establishment of development zones is the basic framework to guide the location

and the magnitude of facilities to be provided through the development process. The specific requirements for each function and each zone are a matter of subsequent planning by intimately involved parties.

The way people want to live together in a community setting is, of course, the key to the physical planning process. The use of physical planning in development to provide opportunities and choices for a better lifestyle is its primary reason for existence, and its final test of effectiveness.

ASSETS AND LIABILITIES

It is often thought that the development process should support those things considered by the "community" to be its assets. Accordingly, businessmen in a downtown area will want a new parking garage to strengthen its viability; factory management will want a new parking lot to strengthen their bargaining base with employees. There is, as often as not, a distinct relationship between assets and liabilities, and often the requested improvement is really sought as a device to overcome a liability, rather than to strengthen an asset.

It is necessary to know which are the real assets of the urban community, and which are its liabilities. One cannot rely alone upon the comments of the persons affected by the development process, for that which appears to be a liability to them may also be a potential asset to someone else. Many of the properties facing the river, for example, are in terrible condition. These properties are in themselves liabilities. However, the existence of underutilized properties, which contain a high potential for reuse, is an asset. The riverfront is an asset, the accessibility to property along the riverfront increases that asset. The realization of the full potential of those assets, and the simultaneous elimination of liabilities, is a key ingredient in the development process.

The drawing entitled "Assets and Liabilities" illustrates the major developmental assets and liabilities of Ypsilanti. The major assets consist of the University's primary campus area, the whole riverfront park system, some special facilities such as the new high school, and some portions of its underutilized land. By and large, the principal liabilities are poorly utilized and underdeveloped lands which are not immediately adjacent to a facility with high development potential. These liabilities must generally be thought of as requiring replacement through the redevelopment process. It is of some interest that in the downtown area and in the University's high-rise residential area, both must be considered as areas where assets and liabilities are of near equal value. The University housing is a high intensity development that was established without appropriate supportive services to sustain its attractiveness as an apartment and dormitory complex. Consequently, the buildings themselves represent an asset, but the functions represent a liability. Assets and liabilities in downtown, are mixed in that there are several businesses and services in the area functioning properly, but there is an equal or greater amount of underutilized and vacant space. The assets are such that the functions performed as desirable while the physical condition of downtown must be considered a liability in terms of the development process.



ASSETS & LIABILITIES

- assets
- /// liabilities
- ▣ mixed

DEVELOPMENT POTENTIAL

The drawing entitled "Development Potential" illustrates the factors which constitute varying degrees of land for potential development purposes. There are four principal factors: 1) land with a low use intensity; 2) land which is ready for change from one use to another; 3) land which has a good orientation to desirable amenities, such as the riverfront or parks; and 4) land which has a good market reference. Land with a good market reference is that which is located near or in the midst of an already intensely used area, and commands the presence of an existing market. Development actions could either strengthen that market or generate a new market. Those areas containing all four factors of development potential are most suitable for development at this time. Those lands with 3 factors are also suitable for development purposes, but not so highly as areas having all four factors. Areas with only two factors are not suited to primary development, but may be utilized for development of low use intensity functions.

The drawing also illustrates a sequencing of development activities. One would attempt, as a first sequence step, to develop that land with the highest development potential. Phase 2 of the development sequence would therefore go on the land with the next highest development potential, and so on. The reason is obvious: maximizing the greatest potential now increases secondary potential to a higher level, making it a high potential for Phase 2 development. Still further, the sequencing of development according to potential guarantees a continuation of the development process in a series of logical steps, each benefiting from the previous one. It allows for the planned evolution of physical, financial and social change in the City, minimizing the risks and inequities to the population, and maximizing development potential and available resources. Careful attention to the relationship of development projects to existing development potential and sequence avoids the mistakes of haphazard development and unrelated development activities.

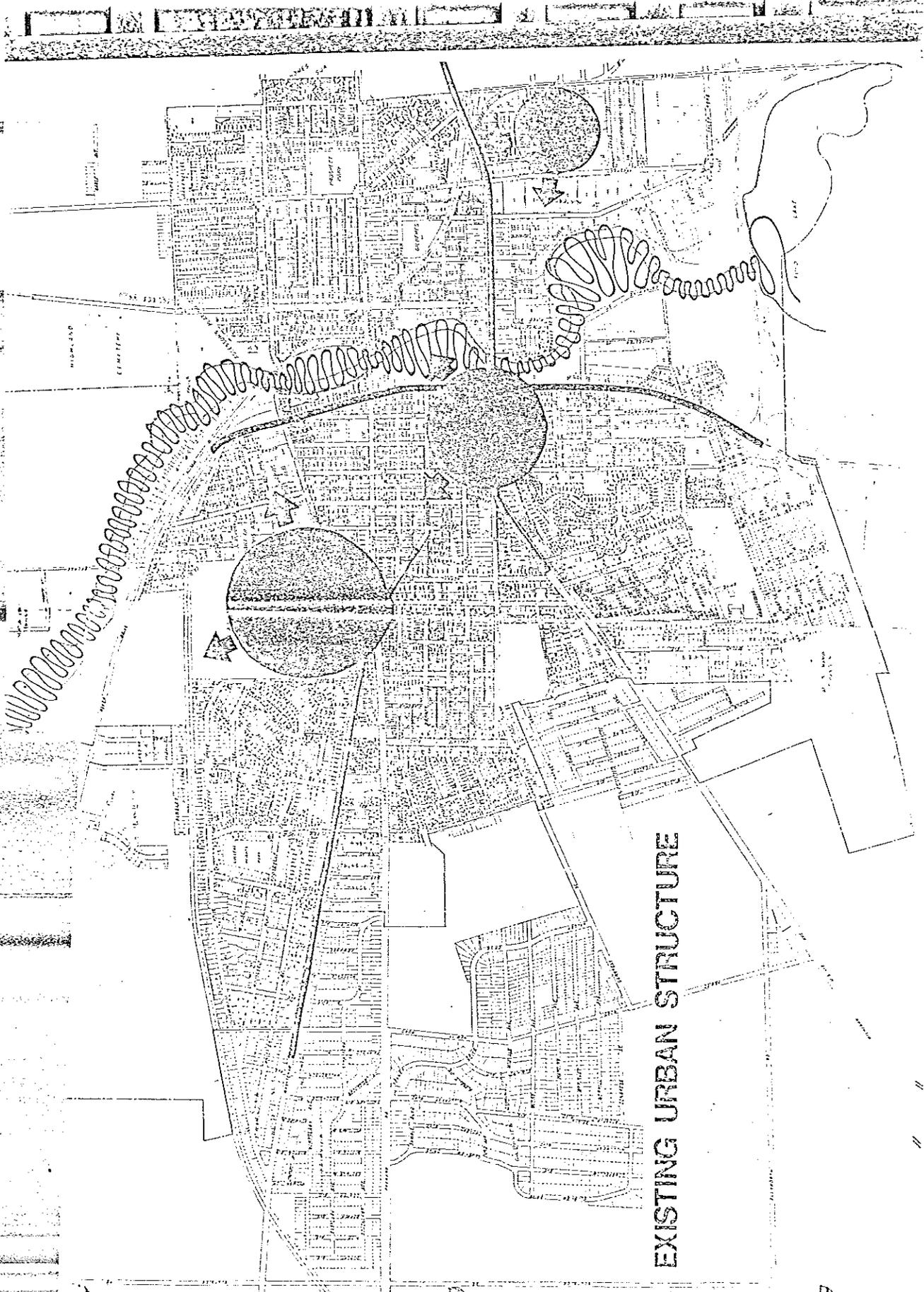
URBAN STRUCTURE

The development process concerns itself not only with individual development projects and the relationships between them, but with the overall urban structure as well. The structure of the city is the container of the development process. The structure governs the direction of future growth and the generation of relationships in years to come.

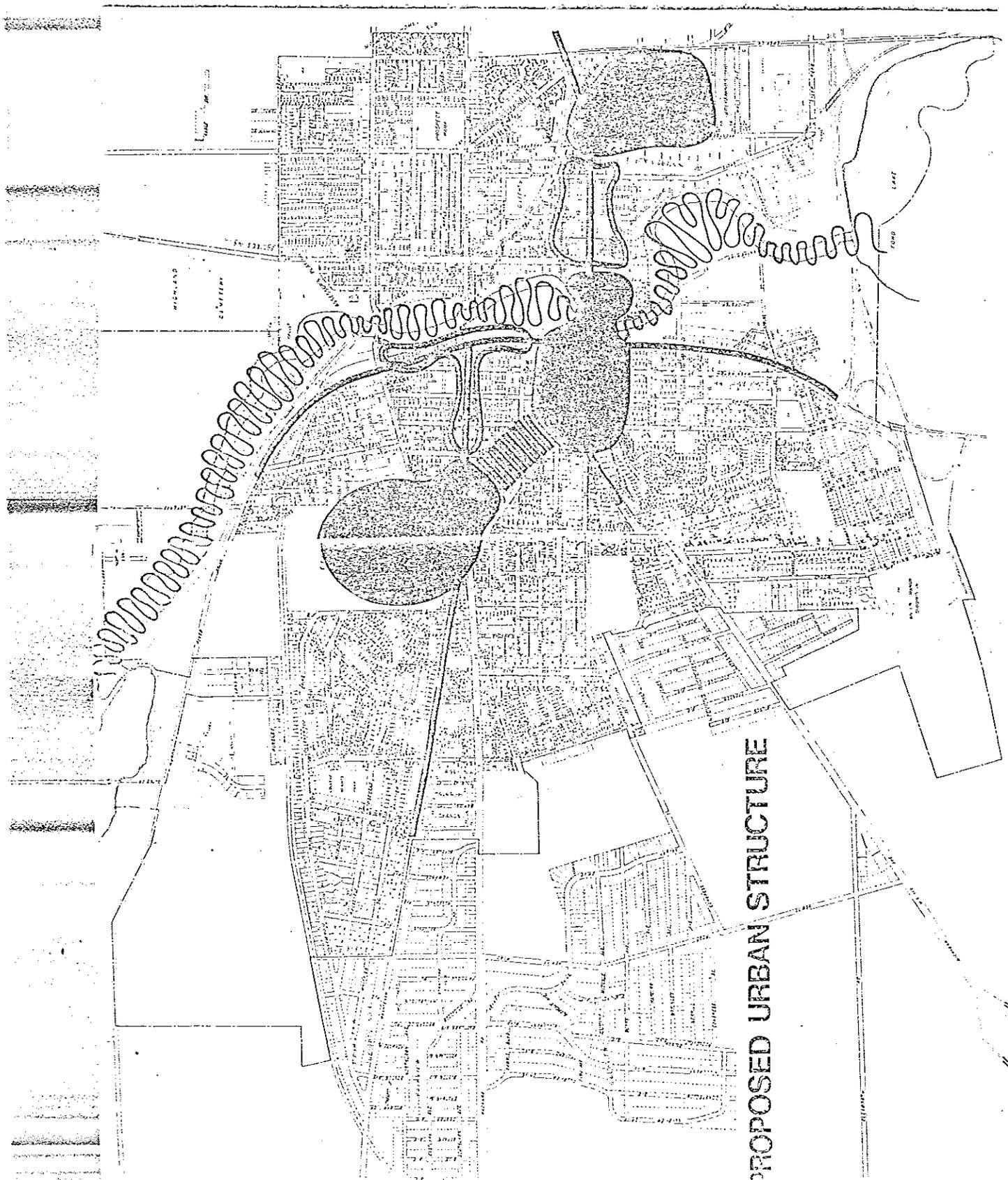
Very seldom have cities in the United States been planned to guarantee a structure which assures self-regeneration through the development process. Those cities in which such planning has been undertaken have maintained a higher level of value and usefulness, by and large, than those cities which have not. In the case of Ypsilanti, the urban structure was originally that of a gridiron pattern transversed by random diagonal streets, all converging upon a central mercantile area. Very little structural recognition was given its natural assets, such as the riverfront or the gentle hills which contain the City. In more recent years, the emergence of strong industrial centers and of a major University complex, have been done, in spite of limitations imposed by the original structure. The original structure could not properly contain such changes so as to be constructive to the development process and benefit the City as a whole. In future years it is clear that continued growth of these multi-functional centers will further dismember the structure of Ypsilanti and render its harmonious development even less likely, unless appropriate steps are taken.

The drawing entitled "Existing Urban Structure" shows three strong centers, the downtown, the University, and the health center area, in terms of their relationships to each other, to the open space system, and to the major circulation systems of the City. It is clear from this that there is no overt or planned structural relation of these three units. The circulation system, which was originally created to service the downtown area, and still does so, does not adequately service either the University or the health center area. In fact, the general growth and access relationships of these areas are contrary to mutual strengthening and are outward or multidirectional in nature. The downtown area is attempting to grow both north and west, toward the University and the riverfront. The university is attempting to grow in all directions and expanding its influence into adjacent undeveloped areas. The health center is attempting to grow to the north to reach Michigan Avenue, and to the west where development values are low. There is a great deal of opportunity for these areas to positively influence each other.

The drawing entitled "Proposed Urban Structure" illustrates how these structural elements can be more positively related to each other, by a concentrated effort to relate development functions and service activities between the downtown area, the



EXISTING URBAN STRUCTURE



PROPOSED URBAN STRUCTURE

human "proceeds," however. It is much better to not be an exporter or an importer of population, but to maintain a balanced population structure while moves in and out continue on a normal basis.

Profiles of the population structure indicate those areas in which inadequacies presently exist. In Ypsilanti, there has been an increasing predominance of senior citizens over the past two decades. This indicates that many people choose to remain in Ypsilanti after their children have grown and left. It is a healthy situation that the senior citizens do not feel they have to move out. By the same token, it represents a possible danger, in terms of the City's ability to attract young families who want to pursue the life cycle of raising a family in the City.

Conversely, the Townships are the location of most of the new families. That indicates that there is a "competition" between the City and the Townships for a population base. On the other hand, if the overall population plan is considered to be a planning ingredient of all three municipalities, then it is fair to say that the population profile for the three is a healthy one. It is simply that the new lands in the Township attract young families, whereas the high service areas in the City attract older families, or families not bent on raising children. Naturally, that situation will change at some point in the future. After the Townships are built up, they will no longer be able to attract that kind of population. By this time, the City will be substantially into the redevelopment process and will again be attracting young families. So, the location of lifestyles is a matter of choice in the planning and development process.

The essence of this profile will be the variety of locations to assure every family of a choice in how it wants to live. Can a young family that wants to raise children live as well in the City as in the Township? Can they have a choice between a house and an apartment in either location? Can they have a choice between a house and an apartment in the City, as well as a house and an apartment in the Township? If all of that variety of choices exist for all families, the chances are excellent that Ypsilanti will be a healthy city; a dynamic city attractive to many, many more people than it really needs. If, on the other hand, a family finds its choices are limited only to a new house in the Township versus an old house in the City, there is no real choice and fewer families will choose Ypsilanti.

The population profile shows that the City and the Townships may both wish to attract young families, who either do not wish to raise children right now but may do so in the future, or who have just begun to raise children. If these families are attracted into the Township, they have the advantage of being able to build a house on a large lot, access to the open spaces, and so forth. However, young families are very often unable or unwilling to make the capital investment for a house in the early

Each of the development zones described on the preceding pages, carries with it significant aspects that make it unique from its neighboring zone. The primary functions of some zones conflict with uses that exist within them. But, one cannot afford the luxury of weakness in the rebuilding of the City. In many instances, conflicts between decisions of the past and decisions for a better future will arise. There are many examples of this. Churches and schools built in residential neighborhoods can easily destroy the character of that neighborhood that they are intended to serve. The inability to establish clearly defined neighborhood service zones, which can contain churches, playgrounds, schools, etc., can result in rupture of the neighborhood spirit. On the other hand, it is unreasonable to expect that a school or a church which has been located, even if improperly, in a neighborhood will be moved. As unfortunate as the original choice of location of the facility may be, the question is how to integrate that facility into the neighborhood fabric, while at the same time, not encouraging or allowing further disruptions to continue by the addition of similar out-of-place facilities.

Sometimes the converse is true. Often there is a misconception, based upon past experience, of desirable location, which is counter to desirable future alternatives. For example, one would never normally think of putting an elementary school in a downtown business district. Yet, in those instances where this has been done, the schools turn out to be the healthiest schools, with the greatest ease of access by the children. In addition, those schools provide, as a rule, the best education. While a school may not need to be downtown, there is no reason to think of it as an isolated facility situated in a "green pasture."

In like fashion, there is every reason to encourage the University to build in downtown Ypsilanti, as opposed to continuing its outward migration into the countryside. In short, in the unique functional zones of the City, almost every conceivable activity, except the most greedy, is to be encouraged. In the residential areas, only residential functions and those facilities that directly support that individual neighborhood are to be allowed. It is the combination of exclusiveness in residential areas, and inclusiveness in the multifunctional areas, that keynotes the physical framework plan.

The elected leaders of all the municipalities, citizen representatives, business leaders and service providers should create a program for the major functions of the City, based upon what it has now and what it should have in the future in order to maintain a healthy city. The University should meet with the City and other vitally interested parties to formulate an over-all plan for the University area. The same is true of the Downtown area. The organization of functions and the establishment of development zones is the basic framework to guide the location

and the magnitude of facilities to be provided through the development process. The specific requirements for each function and each zone are a matter of subsequent planning by intimately involved parties.

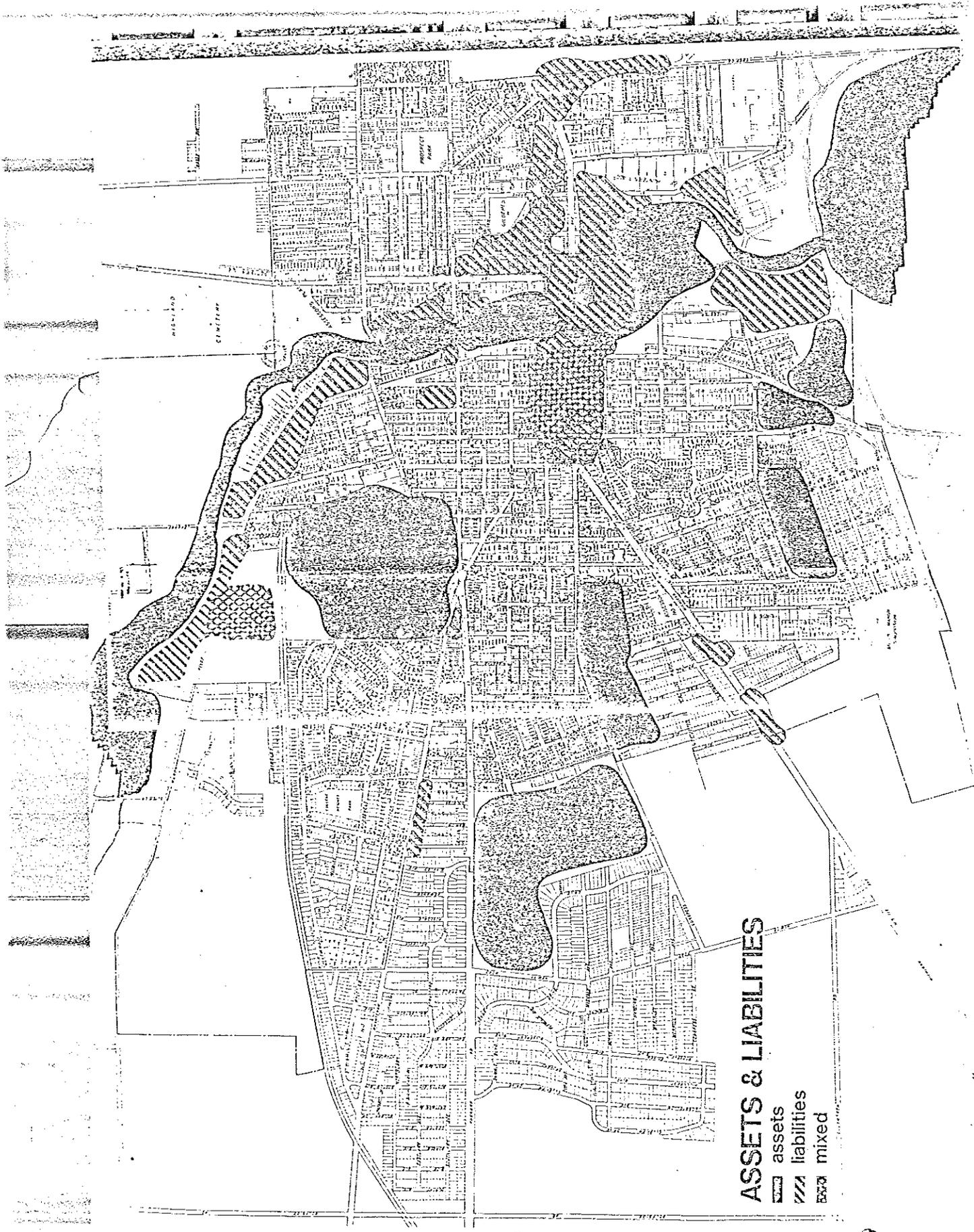
The way people want to live together in a community setting is, of course, the key to the physical planning process. The use of physical planning in development to provide opportunities and choices for a better lifestyle is its primary reason for existence, and its final test of effectiveness.

ASSETS AND LIABILITIES

It is often thought that the development process should support those things considered by the "community" to be its assets. Accordingly, businessmen in a downtown area will want a new parking garage to strengthen its viability; factory management will want a new parking lot to strengthen their bargaining base with employees. There is, as often as not, a distinct relationship between assets and liabilities, and often the requested improvement is really sought as a device to overcome a liability, rather than to strengthen an asset.

It is necessary to know which are the real assets of the urban community, and which are its liabilities. One cannot rely alone upon the comments of the persons affected by the development process, for that which appears to be a liability to them may also be a potential asset to someone else. Many of the properties facing the river, for example, are in terrible condition. These properties are in themselves liabilities. However, the existence of underutilized properties, which contain a high potential for reuse, is an asset. The riverfront is an asset, the accessibility to property along the riverfront increases that asset. The realization of the full potential of those assets, and the simultaneous elimination of liabilities, is a key ingredient in the development process.

The drawing entitled "Assets and Liabilities" illustrates the major developmental assets and liabilities of Ypsilanti. The major assets consist of the University's primary campus area, the whole riverfront park system, some special facilities such as the new high school, and some portions of its underutilized land. By and large, the principal liabilities are poorly utilized and underdeveloped lands which are not immediately adjacent to a facility with high development potential. These liabilities must generally be thought of as requiring replacement through the redevelopment process. It is of some interest that in the downtown area and in the University's high-rise residential area, both must be considered as areas where assets and liabilities are of near equal value. The University housing is a high intensity development that was established without appropriate supportive services to sustain its attractiveness as an apartment and dormitory complex. Consequently, the buildings themselves represent an asset, but the functions represent a liability. Assets and liabilities in downtown, are mixed in that there are several businesses and services in the area functioning properly, but there is an equal or greater amount of underutilized and vacant space. The assets are such that the functions performed as desirable while the physical condition of downtown must be considered a liability in terms of the development process.



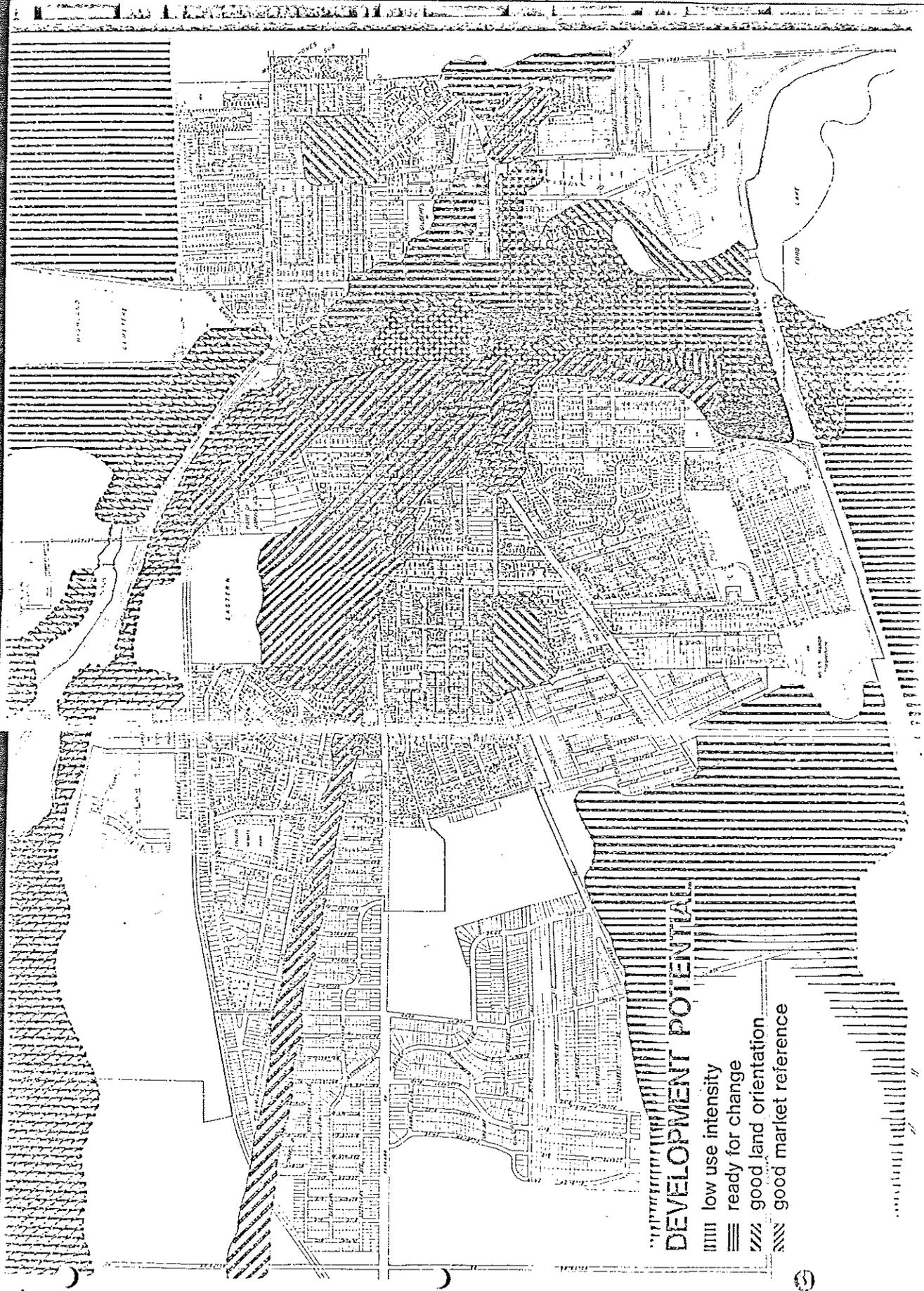
ASSETS & LIABILITIES

-  assets
-  liabilities
-  mixed

DEVELOPMENT POTENTIAL

The drawing entitled "Development Potential" illustrates the factors which constitute varying degrees of land for potential development purposes. There are four principal factors: 1) land with a low use intensity; 2) land which is ready for change from one use to another; 3) land which has a good orientation to desirable amenities, such as the riverfront or parks; and 4) land which has a good market reference. Land with a good market reference is that which is located near or in the midst of an already intensely used area, and commands the presence of an existing market. Development actions could either strengthen that market or generate a new market. Those areas containing all four factors of development potential are most suitable for development at this time. Those lands with 3 factors are also suitable for development purposes, but not so highly as areas having all four factors. Areas with only two factors are not suited to primary development, but may be utilized for development of low use intensity functions.

The drawing also illustrates a sequencing of development activities. One would attempt, as a first sequence step, to develop that land with the highest development potential. Phase 2 of the development sequence would therefore go on the land with the next highest development potential, and so on. The reason is obvious: maximizing the greatest potential now increases secondary potential to a higher level, making it a high potential for Phase 2 development. Still further, the sequencing of development according to potential guarantees a continuation of the development process in a series of logical steps, each benefiting from the previous one. It allows for the planned evolution of physical, financial and social change in the City, minimizing the risks and inequities to the population, and maximizing development potential and available resources. Careful attention to the relationship of development projects to existing development potential and sequence avoids the mistakes of haphazard development and unrelated development activities.



DEVELOPMENT POTENTIAL

- ||||| low use intensity
- ==== ready for change
- //// good land orientation
- //// good market reference

URBAN STRUCTURE

The development process concerns itself not only with individual development projects and the relationships between them, but with the overall urban structure as well. The structure of the city is the container of the development process. The structure governs the direction of future growth and the generation of relationships in years to come.

Very seldom have cities in the United States been planned to guarantee a structure which assures self-regeneration through the development process. Those cities in which such planning has been undertaken have maintained a higher level of value and usefulness, by and large, than those cities which have not. In the case of Ypsilanti, the urban structure was originally that of a gridiron pattern transversed by random diagonal streets, all converging upon a central mercantile area. Very little structural recognition was given its natural assets, such as the riverfront or the gentle hills which contain the City. In more recent years, the emergence of strong industrial centers and of a major University complex, have been done, in spite of limitations imposed by the original structure. The original structure could not properly contain such changes so as to be constructive to the development process and benefit the City as a whole. In future years it is clear that continued growth of these multi-functional centers will further dismember the structure of Ypsilanti and render its harmonious development even less likely, unless appropriate steps are taken.

The drawing entitled "Existing Urban Structure" shows three strong centers, the downtown, the University, and the health center area, in terms of their relationships to each other, to the open space system, and to the major circulation systems of the City. It is clear from this that there is no overt or planned structural relation of these three units. The circulation system, which was originally created to service the downtown area, and still does so, does not adequately service either the University or the health center area. In fact, the general growth and access relationships of these areas are contrary to mutual strengthening and are outward or multidirectional in nature. The downtown area is attempting to grow both north and west, toward the University and the riverfront. The university is attempting to grow in all directions and expanding its influence into adjacent undeveloped areas. The health center is attempting to grow to the north to reach Michigan Avenue, and to the west where development values are low. There is a great deal of opportunity for these areas to positively influence each other.

The drawing entitled "Proposed Urban Structure" illustrates how these structural elements can be more positively related to each other, by a concentrated effort to relate development functions and service activities between the downtown area, the

to the adjacent portions of the City is obvious. It should be quite clear when one has arrived at "the campus." Secondly, the buildings on the campus have to be harmoniously related to each other. That is, they cannot fight or combat with each other for visual prominence. If several buildings succeed in competing with each other for dominance, then the campus itself will be destroyed.

The downtown area is identified in urban design terms by a well-defined edge, with internal open spaces distributed within it. This is the opposite of a campus setting. It means that the edge on the area is defined with buildings, rather than with open space, and that the primary open spaces are urban spaces defined by the buildings themselves rather than by lawn and trees. It will be necessary to view the future downtown area as a more densely built up area, with spaces carved out for pedestrian use. In a similar fashion, the smaller commercial areas of the Campus Town, Depot Town, and the proposed new shopping center at the entry to the south side of town from I-94 should also be developed as physically contained areas with interior open spaces. This is necessary in order to achieve the desired contrast in the identification of "a place." These places can be so attractive, with interior spaces so worth visiting that by themselves they attract attention and increase the potential for mercantile involvement.

The areas connecting the human services campus with the downtown area, and connecting the University with downtown, needs to have a fairly rigid urban design character. There should be an obvious physical connection between the urban centers by development of buildings fairly close together, which create a "wall" in effect. Then the entry into the key functional areas of the City will be more distinct, and the direction from one area to the other more clear. This can overcome the random, ragged kind of strip commercial development that has been prevalent in the past. This requires fairly strict control of development on individual parcels of land between the various urban centers, and along the Huron River. The attempt should be to avoid the outstanding presence of one building over another, in order to achieve a harmonious relationship of all the buildings connecting the major urban centers. A wide variety of buildings, signs, set-backs and spaces will be less desirable than the fairly distinct similarity of all of these buildings. That will increase their overall market value, and at the same time, decrease the environmental disparity presently in existence.

In all instances, the attempt has been to make clear distinction between areas of commercial enterprise and the surrounding residential neighborhoods. Also, distinct attention has been placed for the entering of the downtown area, or the entering of the City, or the entering of the various other functions of the City. Not only should it be clear how to get to a place, but it also should be quite clear to the traveler when he has arrived. If

there is no physical distinction between a residential area and a commercial area, then one can be sure that there will be little distinction in development values, and the nature of activities will suffer. The merchant will suffer through loss of attractiveness of his store, the resident will suffer because of the loss of residential character which tends to strengthen overall vitality of the neighborhood.

Properly done, the urban design statement can be a guide to the architect and his client in terms of the evolution of individual design projects. It can result in a much more pleasant and harmoniously developed city, and a much finer environment than will be the case if each individual effort is carried off in a random, haphazard fashion, with no consideration for the environment as a whole, or the public at large. This natural individualism carried to its limits will destroy the urban fabric, and render the City a rag-tag assemblage of pieces, each screaming for attention from the other, and each in turn robbing the City of its potential for greatness.

COORDINATED PLANNING FOR PHYSICAL DEVELOPMENT

It is folly to presume that the development process stops at municipal limits. It is equally foolish to plan for physical development only up to the city lines. The development process transcends municipal boundaries quite easily and so should planning for it. In this regard the overall development plan should be established by both function and location.

Functional planning is planning for housing development throughout the City and adjacent Townships. In a similar fashion, planning for transportation, commercial uses, recreation facilities, or any land use category should be done without restraint by the limits of the City boundaries. Since financial investments will not be limited in such fashion, neither should physical development planning. At the earliest possible date, joint planning efforts should be undertaken between Superior and Ypsilanti Townships and the City of Ypsilanti in order to provide for coordinated development policies and plans.

Geographical location planning is a function of the location of activities. For example: there should very clearly be a plan for "downtown Ypsilanti." Since the operations going on in downtown Ypsilanti also affect the adjacent Townships, and vice versa, downtown planning should become not only a part of the overall plan for Ypsilanti, but of the two Townships as well.

In identifying the details of specific places it is necessary to identify what specific functions will take place, what their building volume will be, what the costs will be to private investors and to the City, specifically what activities by way of merchandising and marketing will take place over a given time period. This is true of every place which has a unique function. Unique functions in the Ypsilanti area will include the downtown area of Ypsilanti, the University area, the industrial development belt which is shared between the two Townships and the City, all the recreation facilities along the Huron River and other places which are shared by the two Townships and the City, and other specific aspects as they may arise such as "campus town," Depot Town, etc.

It will be necessary to have a locational reference for housing types by occupancy, density, cost, etc. It is not sufficient to have a category which identifies only single family dwellings vs. multiple housing. It is more significant to identify housing by who lives in it and at what price.

Properly done, a physical development plan can be evolved which is agreeable to all interested parties which has an easily identified rate of investment and a relatively precise rate of evolution. In this regard the amount of public investment or the public actions required to attract private dollars will be much more easily predictable than in the past. Consequently, the

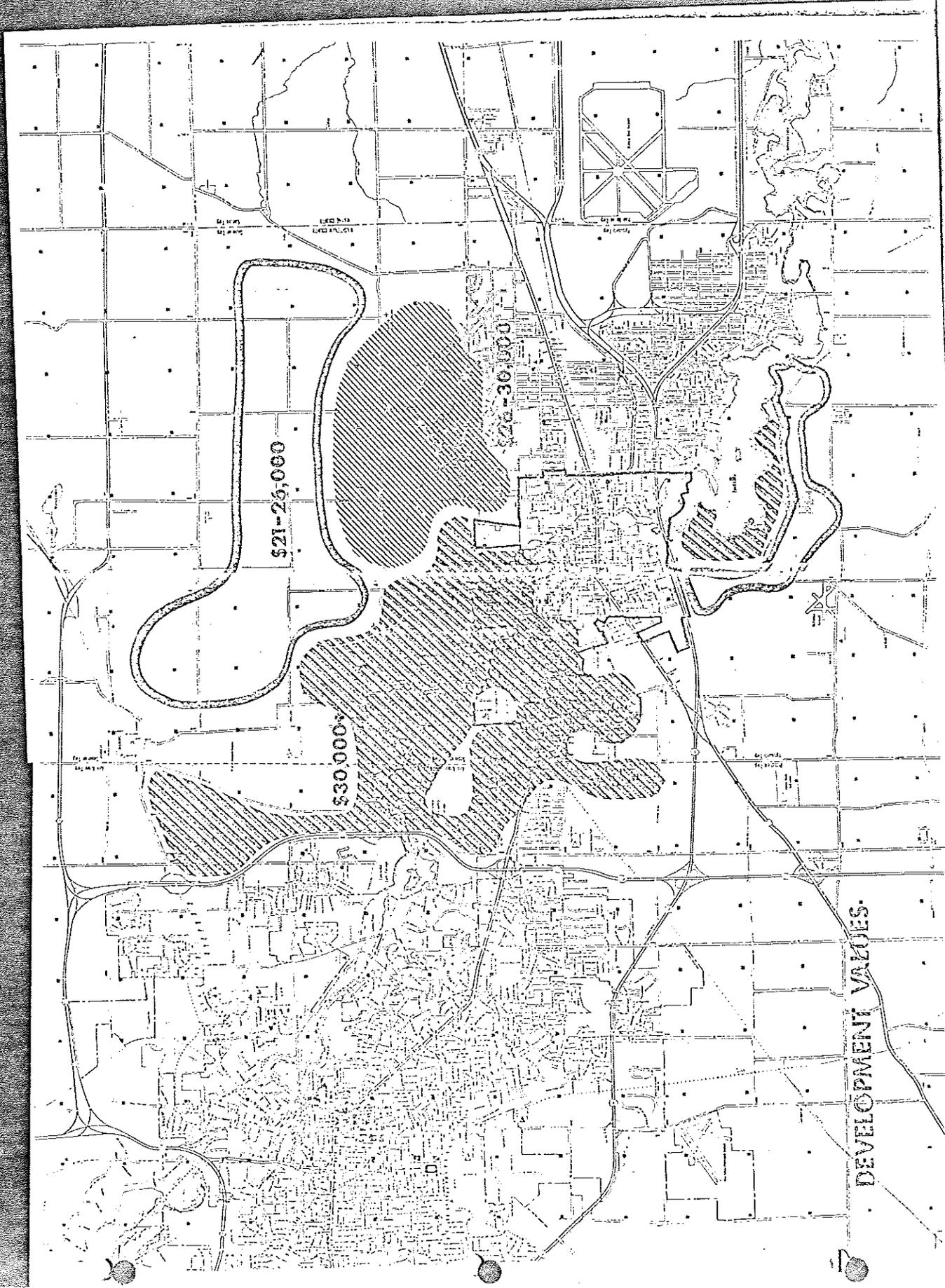
capital improvement budget should become a part of the overall development strategy. In this way, specific dollars allocated for public improvements can be related to dollars allocated for private investments.

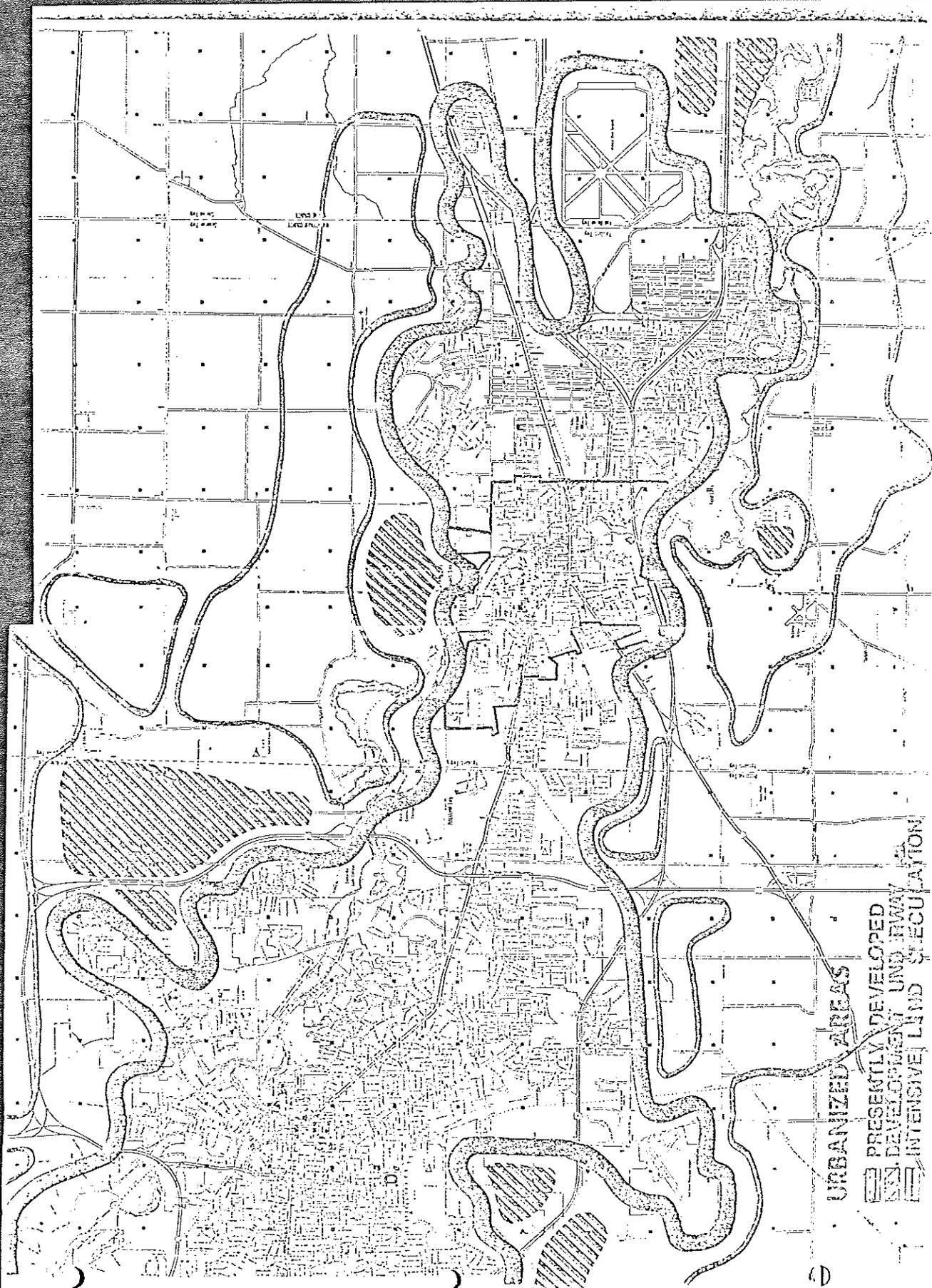
An overall development plan should identify:

1. The redevelopment staging of land; the times at which land should be either put into new development or should be eligible for redevelopment.
2. The proposed uses and densities of use for all pieces of land.
3. The capital investments required to develop land and the service investments required to operate facilities.
4. Special functional centers which would receive much more design, planning and implementive attention than would other sectors, which would be largely left to the operation of the private market.

The drawings on the following pages indicate various aspects of this approach to planning. The drawing entitled "Existing Urbanized Area" indicates land in the general area of Ypsilanti which is already developed, and is undergoing development, and that which is eligible for new development under the present method of operation. The drawing entitled "Development Values" indicates the present cost evaluations of physical development in the Ypsilanti area, based upon assessment of development sales prices during 1973 and 1974.

Other drawings depicting, in more detail, various development aspects of areas within Ypsilanti, are shown in subsequent sections. In all cases, the process of distinguishing overall development from specific projects should be maintained, the mechanism for relating private to public dollars should be maintained and a balance between physical, economic and social factors should always be maintained. In this manner, normally unforeseen factors detrimental to the development of a city can largely be avoided and the fullest opportunity can be taken of the true potential available.





URBANIZED AREAS

PRESENTLY DEVELOPED
DEVELOPMENT UNDERWAY
INTENSIVE LAND SPECULATION

THE ECONOMIC FRAMEWORK

The test of a plan is its capacity to be implemented through the investment of funds and the generation of revenues. A number of hard assumptions are required in the projection of any plan in order to make decisions to proceed. All costs and revenues must be estimated over the life of each separate project, for each development zone and for the City as a whole. In addition, both public and private actions must be budgeted to include both direct and indirect costs and to estimate social and economic gains for the community. Unfortunately, few developers, and even fewer cities, have mechanisms to establish a complete budgeting plan of the development process. Such a plan would deal with overall economic development of the entire city and each of its development zones, as well as for every individual project. In this way, the costs involved in any given project can be related to city development and compared with the overall framework plan.

An overall financial framework which takes into account public and private actions, has been developed for building new cities and for large scale redevelopments in one or two large cities. Cedar-Riverside in Minneapolis and the Hartford Process in Connecticut are the best examples, along with the new city of Columbia, Maryland. The present capital and operational budgets for Ypsilanti bear no imprint of the private development process. In similar fashion, private development activities take little account of the public investments. The strongest private interest in public capital improvement is in rural areas, where land speculation is based largely upon the extension of sewers and roads.

We propose that an overall development account be prepared which allows the City to have a complete budget of all development activities, both public and private. A similar budget should be prepared for each zone, and for each individual project. In this way, the City and private interests will be able to correlate their budgets and their plans for future growth and change with relation to other ongoing economic activities.

Naturally, this process includes the Townships activities as integral parts of the account. There is no accurate economic model for merging accounts of the City with those of the adjacent Townships. We propose to use a model established by the Rouse Company in its building of Columbia, Maryland. It approximates more closely the budget intentions in Ypsilanti and the Townships than any other tested medium. We have modified their model to refer to the whole City, including new and redevelopment procedures, and to relate the total development cost of every zone and project, identifying the City's share of burden. The budget is established over a five-year period to relate to five-year capital improvement programs.

CITIES FOR SALE

In most current city planning, the great issues are thought to be matters of land development. The principal questions are those associated with its "highest and best" use. Unfortunately, this form of planning is often dismally short-sighted, resulting in inadequate urban systems and services, and lost futures.

This traditional approach to land use planning requires defining the activities to be allowed on the land, usually in terms of building types. Each activity type; schools, housing, stores, factories, streets, etc., is given a different land use designation. The intensity of these uses is prescribed as well, for example, high rise apartments are distinguished from single family houses. This approach to planning is worthwhile, particularly when one is trying to predict the occupancy characteristics of land, and to make plans for appropriate relationships between different land uses.

However, these are not the only uses of land, or even the most significant. The primary land uses fall into three basic categories. First is consumption of the land's natural resources for the provision of food, fuel, lumber, electric power, and so forth. These are uses of the land in terms of its basic condition for the sustenance of life. The proper management of land is, in fact, a most important activity upon which several others depend. For example, the existence of materials with which to build a variety of land occupant uses depends upon the availability of natural resources and their proper farming. Viewed in this way, the consumption of the earth's natural resources is land use.

The second major land use is functional occupation. This simply means that that which we have already discussed, namely housing, factories, schools, churches, and the like all of which are functional land uses. These occupant uses of the land are secondary to the primary resource use of the land but, are a basic category. One of the land resource uses is set aside, namely the production of food, and in its stead the creation of urban environments has taken place. This use, the occupation of the land through a variety of urban functions, is a second primary use of the land.

The third primary use of the land is capital generation. The use of the land as a basis of wealth and power, and the manipulation of the land to alter the distribution of wealth and power, is a primary land use. This is emphasized in Capitalistic countries: In the United States especially, the ability to buy and sell land at increasing values, thereby assigning artificial value to the land, is a major use of land. In the Communist and some socialist countries, land is not bought and sold, but its control represents a form of power. The organizational structure that controls the land also controls the distribution of resources and development functions. In the United States, land is controlled by a control of capital investment. For this reason, capital investment and capital regeneration must be seen

as one of the three primary uses of the land. This form of land use cannot exist without either of the first two, but, by itself capital generation constitutes a major use of land.

Now, what does all of this mean to the role of the cities in a world where planning has been relegated only to functional uses of the land. Only in recent years has there been broad scale thought given to planning the consumption of the earth's natural resources. Even functional placement planning throughout a city is relatively recent, but, not so late that we cannot make good sense out of it. However, there is no planning for capital investment, except by private entrepreneurs who wish a higher return on their investments. There is no overall public control or involvement in this third primary land use, that of capital generation. For this reason, other forms of public urban planning make little sense. If one does not plan at the primary use level first, it makes little sense to plan at the secondary functional levels.

The only apparent and presently useable access by municipalities to the primary land use levels is to become capitalistic entrepreneurs themselves.

If cities are to compete successfully with the forces which are robbing them of their financial essence, they must become competitive in land speculation, purchase, and ownership. There are never sufficient property taxes generated to pay for the running and the rebuilding of a city. There is also not enough inherent value in the present capital distribution system to make it worthwhile to rebuild the city. In fact, capital depletion has already taken place to the extent where the simple maintenance of the city is itself a liability.

However, if cities and other municipalities can begin to function as land development entrepreneurs, participating at the outset in the whole transfer of values on capital generation from land, then they can begin to realize a substantial gain on those investments. With these "profits" cities can become active participants in their rebuilding.

The idea that the whole development process can and should be done with public participation, is a new one. It is normally thought that the public should be held free from the "evils" of land speculation and free from the profit motives. What is really meant is that cities should be held free from economic viability. There is simply no way for cities to survive economically outside what is commonly referred to as the mainstream of American economic life. In order for cities to become viable, functional, and to survive, they must be competitive with the other basic financial activities in the nation. That means they must become capitalistic generations of economic development. Since the primary resource of the city is its land and its ability to control land through various legal and tax sanctions,

then the most logical devices for the city to use in pursuit of economic viability lie in the area of land development. In other words, the city should become a developer, acting jointly with private interests, for the public good.

In pursuing this course, there are several moral objectives the city can reach, beyond the level of economic stability itself. First, the city can begin to control where development takes place and what kind, more directly than through land use planning and zoning alone. That in itself, notwithstanding any financial gains, is sufficient reason for the city to become involved in development activities. To be able to control the rate and location of population growth, for example, means also being able to control the rate and direction of public services extension, of school development, of shopping center development, etc. This would mean being generally able to orient new growth properly to existing growth rather than turning its back on the old, as has been the habit in the past.

Secondly, the city can through outright purchase of the land, and its subsequent sale or lease to developers, make a return on its invested dollars. This return will be higher, particularly if the land is leased, than can be generated from taxes on development land in which the city does not participate. Even if the cities do not make a profit on the sale of the land per se, the cost of development can be reduced through avoidance of normal land speculation procedures. In this way, the city can sell some land at higher cost, and some land at a lower cost, thereby insuring that development at different cost levels will take place. Through this device cities can insure its population access to adjacent suburban development. Suburban development would no longer be characterized as "suburban" in the traditional sense, because the city will have developed it, and would perhaps be a participant in ownership.

Three, the city can loan money for development purposes. This money can be gained through the sale of its bonds, much in the same way as the MSHDA, and from allocations of the general fund. It can be loaned to developers at rates less than what they could achieve through a normal bank mortgage. The city can do this in order to insure, for example, that higher income housing is built in lower income areas, as well as to insure that lower income housing is built in higher income areas. The city can also use this mechanism to guarantee that parklands will be restored, or that a shopping center will go in the right place.

Four, the city can wind up owning the project at the close of the mortgage. One of the big dilemmas of urban development has been that once the buildings are all used up and need to be torn down they are owned by another brand of speculator who acts to "milk" the property of all residual value, leaving the city with completely consumed and often dilapidated structures to contend with. If, on the other hand, the city can purchase the land, and either sell or lease it to a developer on the

condition that at the end of the mortgage the ownership of the property returns to the city, the city will then be in a position to control the redevelopment process or refinance the project if there is still life in it.

Through these devices the city can participate from beginning to end in its own creation and redevelopment and can make a profit at doing it. Not only does the city make a profit, but the quality of development will be higher than if the city does not participate. There is no reason cities have to continue holding the old position towards development. The only immoral position a city can take is failure to take advantage of this kind of an opportunity.

THE ECONOMIC MODEL

No activity in the development process is more important than preparation and maintenance of the economic model. Based on a number of hard assumptions, it is a projection of all the financial implications of the task. Correctly structured, it will identify all costs and revenues over the life of the project and it will stage these costs and revenues. It will identify the interrelationships and effects of the various "actors" in the task. Public and private actions are not mutually exclusive and actions by the public side affect the private side; conversely, private development activities produce definable social and economic gains or losses for a community.

It is important to understand that an economic model can only be a reflection of specific development proposals. A precise model requires detailed analysis of the land, market conditions which dictate pace of development, and careful matching of these factors with a set of goals established for the new community to be developed. The economic model is a simulation of how the development process should ideally be carried out. It includes a budget, a projection, a target, a discipline, and a financial plan.

The economic model should include at least three accounts. The first is the Municipal Account. This is a statement which outlines the financial proceeds to Ypsilanti from full development, and states the City's financial commitments to the project. The second account is the Special Community Facilities and Services Account. These facilities and services are above and beyond those ordinarily supplied by local government. This account presents an inventory of the community facilities, services and added amenities needed to mount a successful marketing pace, and gives a financing plan for their funding.

The Municipal Account

The Municipal Account is that part of the economic model which identifies all the projected costs and revenues of the municipality in which the development project is to take place. It is distinct from the Development Account which identifies the developer's costs and potential revenues.

The Municipal Account should be divided into its capital and operating aspects in such a way as to coincide with the City's capital and budget procedures. The revenue side will identify potential real estate taxes given current rates at the existing assessment ratio and other revenues such as local and state taxes and state and federal grants. Real estate tax revenues can be adjusted and analyzed to account for special tax abatements which support below-market housing to meet housing goals.

The Municipal Account will reflect the public position vis-a-vis each project area at any point in the development process. The format and major components are shown on the following pages.

Community Facilities And Services Account

The Community Facilities and Services Account deals with costs and revenues related to providing social and personal amenities. It is as important and integral to community development as the Municipal or Land Development Account. It is the same kind of identification of costs and revenues and their interrelationship, but it deals with the quality of community life in a very special way. It describes what the quality of life for people can be. The provision of a special array of community facilities and services provides not only a superior human environment, but also sets an atmosphere for social innovations which are not likely to happen in conventional development patterns. To insure a balanced community, it will be necessary to provide a superior environment that compares favorably with any available in the metropolitan area for the population the City hopes to attract.

However, the creation of an amenity package and a service system might not be politically feasible if the source of funds for these services and facilities were to come from taxes to which all of the residents of the City had to contribute. One way to deal with this is to establish a community association with its own economic model to facilitate the basic goals of a particular community, and at the same time, function in an economically sound fashion. The financial plan for such an association identifies those who pay for the amenities; who will end up "owning" the amenities; what should be the mechanism for the transfer of physical amenities after they have been built and how to insure an on-going operation.

This social account will show its investments phased in such a manner as to induce a successful pace of commercial, industrial and residential development while at the same time, meeting the needs of the population within the project area. On the next page is the format for the facilities and services account. It is estimated that producing a full economic model for a particular community might require 6 to 9 months and \$15,000 to \$20,000, which is a part of project development costs.

Land Development Account

The Land Development Account is really the "entrepreneur's" account. It is a reflection of the basic analytical studies of

the site, allowable zoning, infrastructure costs to be incurred by the developer as opposed to infrastructure costs to be incurred by the municipality, market conditions, and political realities. The Land Development Account stages all the costs which the development entity will incur and all revenues it hopes to generate for its own account over time. It does so within the prescribed framework of established goals and market conditions and realities.

In the value creation approach, the Land Development Account will reflect the capture rate based on current trends plus the extra market that can be attracted through a balanced community. It is this added market potential that is the incentive for developing a better community. In this same way, the job market is estimated. In doing this, jobs which are truly basic to the metropolitan area must be identified. Added to these are office jobs and other commercial employment that taken all together give the developer the basis for projecting a housing profile that has a basis in reality.

Infrastructure costs must be estimated and staged in conjunction with the expected pace of development of the various elements of the housing spectrum and commercial segments of the development process.

Real estate factors such as land prices and market acceptance for the various housing types must be identified. Estimated proceeds from residential and commercial development should be staged to reflect a rational pace of development. Projected sale proceeds must be shown to be sufficient to retire the debt that has been, and is being incurred, for land and infrastructure costs.

Planning, management, and marketing costs must be anticipated and staged. Other developer costs such as maintenance of undeveloped land, tax payments (if any) and special land sale discounts for specific development activities (contributions for school sites, low and middle-income housing, etc.) should also be reflected.

The "bottom lines" of the Land Development Account will then indicate the cumulative net position of any point in the proposed development process and identify such significant economic factors as the peak debt and the year in which it occurs as well as the estimated turn-around point. The magnitude of the financing and estimated interest costs are then readily available. A "financing ratio" (the ratio of the present value of future net revenue flows to debt) can then be estimated for any point in the development process and particularly for that point at which the peak debt occurs. It is this financing ratio or coverage which will determine the availability of financing for working capital and front-end money necessary to undertake comprehensive community development. An illustrative format is shown on a following page.

MUNICIPAL ACCOUNT -- CAPITAL COSTS

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Basic Infrastructure Costs</u>					
Treatment Facilities					
Trunk and Lateral Sewers					
Storm Drainage System					
Water System					
Roads					
Walkways					
					Gross Sub-Total
Grants					Net Sub-Total
 <u>Public Transportation</u>					
Rail Link					
Bus Stations					
Buses					
Internal Public Transit System					
					Gross Sub-Total
Grants					Net Sub-Total
 <u>Parks and Open Space</u>					
Metropolitan parks					
City parks					
Neighborhood parks					
Open space reserve					
					Sub-Total
 <u>Cultural Facilities</u>					
Libraries					
Museums					
					Sub-Total
 <u>Educational Facilities</u>					
Elementary Schools					
Middle Schools					
High Schools					
Community Colleges					
Universities					
					Sub-Total

MUNICIPAL ACCOUNT -- CAPITAL COSTS (CONT'D.)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Health Facilities</u>					
Hospitals					
Community Clinics					
City Clinics					
State Clinics					
Sub-Total					
<u>Other Major Public Facilities</u>					
Police Stations					
Fire Stations					
Postal					
Sanitation/Maintenance					
Sub-Total					
<u>Total Capital Costs to City</u>					
Costs Within Debt Limit					
Costs Exempt from Debt Limit					

MUNICIPAL ACCOUNT II -- OPERATING EXPENSES

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Population Reference					
Assessable Base Reference					
Expense Budget Revenues					
Real Estate Taxes Potential					
State Aid					
Federal Aid					
Service Revenues					
Project Revenues					
Other Sources					
Total Revenues					
Tax Abatements for Low-Income					
Total Revenues After Tax Abatements					
Expenses Before Debt Service					
Net Revenues Before Debt Service					
Debt Service					
Net Revenue Flows					

COMMUNITY FACILITIES AND SERVICES ACCOUNT

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Population Reference					
Assessable Base Reference					
Revenues from Special Assessment					
Operating Expenses Before Debt Service					
Debt Service Facilities					
Total Operating Costs at...					
Net Position at End of...					
Facilities Capital Costs					
General Open Space					
Developed Parks					
Community					
Facilities (e.g. Meeting Rooms,					
Child Care Facilities, Swimming					
Pools, Tennis Courts, Etc.)					
Pedestrian Systems					
Internal Public Transportation					
Other Facilities					
Total Capital Costs					
Average Annual Level of Expenditure					
General Operating Expenses					
General Administration					
Community Centers					
Community Service					
Recreation Administration					
Youth Programs					
Nursery Day-Care Centers					
Maintenance of General Open Space					
Maintenance of Developed Parks					
Operation of Swimming Pools					
Miscellaneous					
Total					

LAND DEVELOPMENT ACCOUNT FORMAT

1974 1975 1976 1977 1978

Land Development Costs

Land Acquisition

Options

Leases

Purchases

Sub-Total

Basic Infrastructure Costs

Treatment Facilities

Trunk and Lateral Sewers

Water Lines

Power Lines

Streets

Gross Sub-Total

Project Administration

Management

Marketing

Administrative Facility

Sub-Total

Maintenance of Undeveloped Land

Taxes, or In-Lieu Payments

on Undeveloped Land

Total Costs Before Financing

Financing Costs

Total Costs with Financing

LAND SALE PROCEEDS

Residential Land

Single-Family Detached

Townhouses and Garden Apartments

Mid-Rise Apartments

High-Rise Apartments

Sub-Total

Office Land

Retail and Other Commercial Land

Municipal Land

Institutional Land

Industrial Land

Total Proceeds

Net Cash Position

Cumulative Cash Position

Significant Economic Factors

Estimated Peak Debt

Estimated Turn-Around

PROTOTYPE FINANCING MODEL FOR URBAN REDEVELOPMENT PROJECTS

The following is a preliminary report concerning the manner in which a development team might organize and finance an urban redevelopment project. It assumes economic feasibility of the project, i.e. the availability of land (at the right price) and tenant-occupants, and a market to be served. It assumes further, a project in which the city will construct a parking structure and a few major tenants will take substantial space.

A. General Considerations.

Before considering the various techniques for raising capital, it is wise to set a prospective for yourself, from which to view the project. I suggest the following: what you and your client, the City of Ypsilanti want is creation of a new shopping center mall to serve and promote the city. You don't particularly want to manage the center, nor are you motivated by considerations of return on capital, such as a private investor might be. What you want, then, is a scheme whereby you attract maximum capital (by way of equity investment and loan) maintain control of the project up to completion and then delegate management to a competent entity. This is consonant with basic real estate investment considerations which might be used to attract equity capital i.e. cash return and tax shelter. Your client, (as a tax exempt entity) cannot use tax shelter. But tax shelter, just like rents, bricks and mortar, can be sold and used to attract the necessary and needed dollars to pay for the project.

You should keep in mind that in competing for dollars, your project can offer some unique advantages, to-wit: city cooperation, capital and perhaps tax abatement, the prudent use of which could free up and increase cash flow to investors, or be ploughed back in the form of low rental to attract business-tenants. You should keep in mind, as well, that the period of construction offers great tax losses (called soft money) so that the ownership entity should be in existence by the time work is commenced.

B. Model.

I am going to establish some givens which I will use hereafter to illustrate what I say. Assume, therefore, for illustration only, that the following facts apply to your project:

1. Total cost of project:	\$9,870,000.00
2. Available first mortgage funds:	8,000,000.00
3. Equity need (1 minus 2):	1,870,000.00
4. Projected income:	1,410,000.00
5. Projected expenses:	365,000.00
6. Free and clear cash flow (4 minus 5):	1,045,000.00
7. Debt service on first mortgage:	760,000.00

8. Spendable Income (6 minus 7):	\$ 285,000.00
9. Depreciation allowance (per annum):	400,000.00
10. Soft Money (deductable from construction):	8,000,000.00
11. Price on sale-leaseback of land:	1,410,000.00
12. Land rental (per annum):	159,500.00

As you can see, your problem is: How to raise your equity capital of \$1,870,000.00 (line 3) without over-diluting your project. What you have to sell in order to raise this capital is: a) \$285,000.00, your cash flow, b) the ability through tax-abatement to increase this sum considerably, c) immense tax losses during construction and thereafter.

C. Conventional Financing.

You obtain \$8,000,000.00 in loan capital and either put in your own \$1,870,000.00 or syndicate* and sell interests to investors for the \$1,870,000.00. This gives you all the dollars you need, but puts a terrific burden on you, i.e., raising \$1,870,000.00 from private investors. You don't want the city to put up this money because the city can't use the tax losses and you would be abandoning one of the values you have for raising capital. Thus, you must organize the deal so that the equity injected comes from persons who can use tax loss and cash flow and you must sell \$1,870,000.00 worth of such investment.

D. Sale-Leaseback.

This involves selling the land for \$1,410,000.00 (line 11) taking a long-term lease back on the land and retaining ownership of the improvements to be constructed on the land. In this way, you retain control of the premises as long-term tenant, you reduce your equity requirements from \$1,870,000.00 to \$420,000.00 (\$1,870,000.00 (line 3) minus \$1,410,000.00 (line 11)) and retain ownership of the depreciable assets thus retaining the ability to sell tax-loss plus cash flow (now reduced by the rental on the land).

The thing to keep in mind here is that you are maximizing your markets for the land and for the tax losses, and thus minimizing the effort necessary for raising equity capital.

E. The Development/Ownership Entity.

This entity should be one which can pass through the tax losses to its owners, i.e., a general or limited partnership. The entity should be established prior to commencement of construction and can be composed of: a) Local investors and/or potential occupants for the shopping mall; b) Bigger investors (looking for a return in capital and tax loss and not necessarily being local or potential shopping center occupants; c) a developer entity which will syndicate this package and use its position therein to obtain other funds for other similar projects.

* As used herein, the term "syndicate" means the investment of capital by passive investors.

F. Adenda.

City options necessary land and plans project. Developer locates sources of equity and loan capital, and in so doing makes sure that lenders and sale-leaseback investors needs are consistent with city's plans and specifications. Developer syndicates, purchases options from city, contracts for sale-leaseback and loan funds, developer contracts with city and other tenants for shopping center lease. Developer constructs and afterwards hires manager.

Developer can leave syndicate open to investment by city and/or other tenant/occupants who may wish dual capacity and/or mortgage lender/land lessor.

The developer, who would be the general partner in a limited partnership, could be two corporations one of which could be Urban One.

Attached are schedules descriptive of and alluding to factors to be considered in projecting the ultimate project.

[Note - Schedules utilize hypothetical but reasonable figures.]

SCHEDULE 1 - Basic Project Data

1. Type of Center -

Department store; national and/or local; mall, enclosed or open, etc.

2. Tenants -

National Department store -	165,000 square feet
Local Department store -	90,000 square feet
Small stores -	175,000 square feet
<u>Total Leasable area -</u>	<u>430,000 square feet</u>

3. Location -

X acres in downtown Ypsilanti at intersections of _____
(other descriptive data)

4. Developer -

Description of development, scheme, team and entities.

5. Summary of Financial data (from schedules 2 and 3)

a) Cost and equity requirement -

(i) Projected cost -	\$9,870,000.00
(ii) First mortgage -	8,000,000.00 (82% +)
(iii) Equity needed -	
[(i) minus (ii)]	1,870,000.00 (18% +)

b) Summary Cash Flow -

(i) Projected income	\$1,410,000.00
(ii) Projected expenses	365,000.00
(iii) Projected free and clear cash flow	
[(i) minus (ii)]	1,045,000.00
(iv) Debt service [8 3/4%, 30 years, 9.47	
constant]	760,000.00
(v) Spendable Income [(iii) minus (iv)]	285,000.00

SCHEDULE 2 - Estimated Project Cost

1. Cost -

a) Land cost (6% ±)	\$580,000.00	
b) Land Development (14% ±)	1,475,000.00	
c) Construction:		
National Department Store :		
(15% ±)	1,800,000.00	
Local Department Store		
(10% ±)	1,050,000.00	
Mall Stores (14% ±)	1,450,000.00	
Mall HVAC (4% ±)	460,000.00	
Mall Store Allowance		
(7 1/2% ±)	740,000.00	
d) Overhead:		
Architectural, legal,		
engineering (6% ±)	575,000.00	
e) Financing (including construction		
loan interest (13% ±)	1,270,000.00	
f) Contingency (7%±)	470,000.00	
	<u>\$9,870,000.00</u>	

Total cost:

\$9,870,000.00

2. Capital Structure

a) Cost	9,870,000.00	
b) First mortgage (82%±)	8,000,000.00	
c) Equity Requirement (18%±)		
[(a) minus (b)]		1,870,000.00

SCHEDULE 3 - Estimated Income and Expenses

1. Income -

National Department Store (16% +)	237,600.00
Local Department Store (12% +)	164,000.00
National or rated Mall stores (4% +)	644,000.00
Local Mall stores (15% +)	216,000.00
Other (11% +)	148,000.00

Total Income: \$1,410,000.00

[Note: all leases have tax and operating escalation;
all leases have % provisions in excess of base rent of
\$70.00/square foot for National Department Store and
\$57.50 / square foot for local department store]

2. Expenses -

Real Estate taxes	\$165,000.00
Insurance	17,000.00
Building Main- tenance	22,000.00
Merchants Asso- ciation	21,000.00
Management	49,000.00
Common area	81,000.00
Misc.	10,000.00

Total expenses 365,000.00

3. Summary -

Income (1, above)	1,410,000.00
Minus: Expenses (2, above)	(365,000.00)
Equals: Free and Clear cash flow	1,045,000.00
minus: (mortgage debt service)	(760,000.00)

Net spendable cash: 285,000.00

SCHEDULE 4 - Land Leaseback: Summary of Basic Terms

1. Financing: Land Leaseback, subordinate to first mortgage for \$8,000,000.00
2. Property: Shopping Center project
3. Lessee: Public interest investment group (piig) which has assembled land for purpose of bulk sale, leaseback financing, only includes local people and/or first mortgagee or fee landlord wishing equity position; should be in tax qualified limited partnership form.
4. Amount to be raised on sale/leaseback: \$1,450,000.00
5. Cash Flow available for land rental on sale/leaseback:

a) Potential Income (Schedule 3)	1,410,000.00
b) Vacancy allowance	(15,000.00)
c) Income [(a) minus (b)]	1,395,000.00
d) Expenses (Schedule 3)	365,000.00
e) Net Income prior to debt service [(c) minus (d)]	1,030,000.00
f) Debt service	(760,000.00)
g) Net spendable cash before land rental [(e) minus (f)]	270,000.00
h) Annual land rental (11% + on \$1,410,000.00)	(159,000.00)
i) Net income after land rental [(g) minus (h)]	120,000.00

(Spendable dollars and cushion)
(Net spendable income (line g) = 1.69 x land rental, a good ratio)
6. Proposed Capitalization:

a) First mortgage (82%)	8,000,000.00
b) Land leaseback funds (13%)	1,450,000.00
c) Equity requirement (5%)	420,000.00
d) Total cost	9,870,000.00
7. Comparison of equity requirements with and without land leaseback financing:

Without land leaseback:	
a) First mortgage (82%)	8,000,000.00
b) Equity requirement (18%)	1,870,000.00
c) Total cost	9,870,000.00
With land leaseback:	
a) First mortgage (82%)	8,000,000.00
b) Land leaseback funds (13%)	1,450,000.00
c) New Equity requirements (5%)	420,000.00
d) Total cost	9,870,000.00

The foregoing was an example in the operation of the development process with one or two of the mechanisms of the City involved. It can be seen from this that the same process can be applied to housing or any other aspect in which private money might normally be involved.

Suppose, for example, that a parking garage is built as a portion of the overall development in the project previously described at a cost of some \$2,000,000.00. If that \$2,000,000 was raised by the sale of City bonds, the City would have an obligation for that \$2,000,000, plus the retirement interest on the bonds and operating costs are involved. Suppose this parking garage were built on a lease guarantee by private development for \$2,000,000 cost. At this point, the City is still obliged only for a \$2,000,000 project, a higher interest rate and, of course, for the cost of operation. But, the effect has been to attract \$2,000,000 of private money, leaving the \$2,000,000 of City bond money available for another purpose, perhaps within the same project, now making it possible to have spent \$4,000,000 on the project, rather than \$2,000,000, with at least double the return. In addition, property taxes would be generated if privately developed. If the City were to lease the land for the garage, then rent would also be paid the City. This approach to economic development through physical development makes it possible to capitalize on a limited number of public dollars and to expand the liability for investments beyond the present confines of the City and its local investors. Of course, the City could, at any time of its choosing, set up an arrangement whereby it resumes full ownership of the parking garage and, of course, the responsibilities for ownership that go along with it.

The point to be made here is this: If a group of businessmen, merchants, property owners, would-be investors and a developer are to be able to take fullest advantage of investment potential in Ypsilanti, then the creation of a device, a land-holding trust, a foundation, a syndicate, or whatever the form, must be created which will allow their combined efforts to be greater than the sum total of their individual efforts and, at the same time, allow shared development between public and private enterprise. It is in this fashion that funds presently not attracted to Ypsilanti will be attracted at a very rapid rate.

DEVELOPMENT STRATEGIES

OVERALL DEVELOPMENT STRATEGIES

Our work in Ypsilanti began with an exploration into possible futures for Ypsilanti--what it could be and what the attendant costs and actions would be in order to accomplish each of these possible futures. The City Council and Administration decided to embark upon a multi-faceted future which would place the City of Ypsilanti in a far better financial and service position than it presently is and would maintain responsibility and authority for city development functions in the hands of the City Council. To this end, we were instructed to proceed with the development of a framework plan and implementation of strategies which would facilitate the proper rebuilding and maintenance of Ypsilanti, and the creation of a posture for City Government which would allow it to meet future challenges in a constructive and positive way.

Naturally, this entails development of strategies for the acquisition and use of funds, for prescribing actions by government, and for fostering good relations between public and private sectors. We believe that the best procedure is to establish a fiscal position which would enable Ypsilanti, through the times ahead, to remain financially self-sustaining, and at the same time, to be able to control its redevelopment efforts by controlling the financial mechanisms of the development process itself. Failure to do this would result in an increasing dependency of Ypsilanti upon outside resources, which the present city government seems unwilling to do. The strategies we have evolved depend upon meeting the following basic criteria:

First, all possible funding sources should be identified and approached in such a way as to make investments in Ypsilanti much more attractive than would normally be the case. Secondly, the City should control the flow of capital development dollars, and the dispensation of environmental services. Third, the City should be viewed as a business operation, with clear costs and benefits established at the broadest economic and social levels.

These three criteria require the City to become intimately involved in the development process and to view this involvement with an eye toward "making money," attracting funds either for direct cash grant expenditures by government, or by private investment. In any event, the intent is to increase the overall cash investment in Ypsilanti. This further involves establishing a working relationship with areas outside the City where similar financial investments are likely to occur which may directly affect Ypsilanti. The primary objective then is to establish (1) an overall plan by which these funds and resource allocations can be identified and (2) mechanisms by which they can be governed.

The strategies identified here deal with government and private

funds simultaneously, with overall social and political structures, and with the overall planning and development process. These strategies are recommended in the following pages within these three areas of interest.

JOINT PLANNING

It should be obvious to those aware of the development process, that fragmented efforts and discontinuous projects can never lead to a well planned community. The present financial and physical condition of Ypsilanti and of the emerging Townships reveals the best that can be expected from the piecemeal approach to community development.

The present efforts of Ypsilanti and Ypsilanti Township to establish joint planning are laudable, and to be encouraged at every chance. But, these efforts must be vastly expanded from planning to include the whole development process for the greatest rewards to be gained. The key issue is the understanding of community development as an ongoing process, not an objective or an end. It is the whole process that is important in joint planning.

There are several excellent examples of the community development process in action in the United States. These include Columbia, Maryland; Reston, Virginia; Jonathan, Minnesota; Cedar-Riverside, Minnesota among the best. Each of these has in common joint planning of the entire development process, utilizing a complete development team approach.

The next steps to be taken in joint planning are:

1. Joint agreement on development policies and areas.
2. Joint agreement on an economic development model.
3. Joint establishment of a community development team.

We suggest a series of intensive work sessions to take these steps in 1974. We recommend two three-day work sessions, with limited discussion objectives, and spaced at two week intervals. These sessions, called charrettes, can be held in Eastern Michigan University facilities, with a session moderator to hold to the session topic. Each workshop should be staffed with experts in the selected subject area. The result of each workshop should be an agreement for joint effort in one of the key areas of community development.

COMMUNITY DEVELOPMENT ORGANIZATION

The City should establish, or cause to be established, a community development organization capable of initiating and completing all types of facilities. The existence of a variety of separate builders and developers does not meet the requirements of comprehensive community development or redevelopment. Nor is it possible to create a full development organization from the presently existing separate parts.

The objective of establishing such an organization is to undertake the development of whole communities, including housing, schools, parks, shopping, roads, etc., as a complete entity. This implies the creation of new communities in the adjacent Township, and the redevelopment of communities within Ypsilanti to contain all the advantages of new ones. This involves planning, financing, designing, building and marketing on a vastly expanded scale over present development activities.

Such a development organization would be especially well suited to the redevelopment of downtown Ypsilanti. Its financial capacity and development skills would be sufficient to undertake such difficult tasks.

The proposed development organization would require the following ingredients:

1. The setting of goals and priorities by joint public and private sector participants in order to assume proper use of public funds and reasonable returns on private investments.
2. The creation of a highly skilled development team, with responsibilities to both public and private agencies. The team approach to land purchase, planning and design, legal responsibility, financial endeavors, and marketing and management is essential.

COMMUNITY MANAGEMENT ORGANIZATION

Set up a community management and maintenance organization which will manage and maintain:

1. All public facilities
2. All facilities jointly developed with public and private funds
3. Any private facilities capable of contracting for management, marketing or maintenance services

A major aim of establishing such an organization is to bring about a mechanism capable of maintaining whole areas, such as downtown Ypsilanti, the public park system, or residential neighborhoods. This will bring about supporting activities not possible when each businessman must maintain his property as well as run his business. It sets up an organization which will see to it that both commercial and residential areas, and public areas, are fully maintained to avoid blight and decay, and to encourage full use.

Further, such an organization would manage the appropriate supporting actions. In residential areas, that could mean day care centers and supervisory recreation. In commercial areas, that could include marketing, advertising, special street bazaars, baby sitting services for shoppers and property management for merchants, including rental services for vacant properties. Such an organization could manage canoe liveries, fairs in the parks, and historic home tours, all to the general improvement of the environment and its use.

FINANCIAL AND ECONOMIC STRATEGIES RELATED TO DEVELOPMENT

Normally, a municipality or private concern looks for sources of funds with which to undertake the development of their city or their projects. In the case of city governments the view is generally toward larger forms of government, such as the State or Federal governments. This has not been unrewarding in the past, particularly in regard to matters of redevelopment, when such organizations as the Department of Housing and Urban Development have made available grants or low interest loans to build housing, various public works and in some cases, even commercial facilities and parks. Unfortunately, this means that the city's development posture must be related to the grants the Federal Government is willing to dispense, whether or not the needs of the city are met.

Attempts were made at the outset of this Consultant's work to attract Federal dollars into the City of Ypsilanti. This was anticipated to be largely more controllable here than elsewhere since the City had, at that time, a much better financial posture than do most cities and was not totally dependent upon Federal and State governments for its very operation. However, as time goes by and the physical facilities of the City grow older, and its tax base weaker, this enviable situation will not persist. It was also pointed out to the City Fathers that the very act of becoming dependent upon outside governmental resources surrenders a certain amount of autonomy not only in the development process, but in the very operations of the City, itself. Since quite often to receive Federal or State dollars for capital projects one must earmark service dollars to support those projects which often means robbing service dollars from other activities which may be more rewarding to the City.

It is our recommendation that the City attempt to attract all manner of dollars. Dollars by themselves are not generic; but, whether they come from the State, the Federal government or from private sources is not the significant issue; the relationship they bear to local dollars is the significant issue. If a cash flow can be generated to the positive benefit of the City, then the City will be well off regardless of the source of those dollars, within moral constraints of course. This should be seen very clearly as a competitive mechanism for operation by the City of Ypsilanti with other cities and with adjacent municipalities, not necessarily the Township. That is to say, if the City of Ypsilanti effects a positive cash flow it must be understood that this will be done because another city has a negative cash flow. This is the nature of the economy in the United States and has to be clearly understood. In effect, what this means is that the City of Ypsilanti must undertake "capitalistic" activities. It must seek to make a profit upon the services it delivers and particularly those related to the development process. This will require a vastly different approach to development than has been the case in the past. It will mean, among other

things, that the City must become involved in all forms of development projects and in various stages and cannot wait for approval alone. It must, in effect, initiate development projects of its own and with its own resources in such a way as to attract investors whether private or public. This is part of the normal business of a free enterprise system. In this regard, City government must become an active agent in a free enterprise system. The mechanisms for doing this are simple--the techniques are not simple.

The mechanisms include:

Establishment of a land-revolving fund separate from the capital budget in order to make funds available to invest in development projects. Of course, the fund will be compensated from the proceeds of the development activities. Secondly, the City will of necessity want to become supportive of overall development plans so that its investments can be protected. That will require the development of such a plan in order that the investments make sense and have the support of the City in such a way that private investors may feel secure in follow-up investments. Third, the City must be able to participate in land-ownership and turnover as an active participant with the developer in implementing any or all projects.

The specific acts which the City should be prepared to perform include:

1. The purchase or optioning of land for later sale, assignment or lease for development purposes.
2. The waiving of property taxes for specific periods of time in return for guarantees of investment by those controlling properties.
3. Willingness to sell and lease-back facilities in order to insure the cash flow of development processes within the confines of approved projects.
4. To make available bond money to developers for construction purposes at low interest to overcome the high interest rates charged for interim construction financing.
5. Being an active investor in public interest development corporations in order to have a constant return on the dollars invested.
6. Be prepared to become the owner of a project at the end of its mortgage life in order to avoid the effects of speculation which occur at the end of many projects, and also to avoid having to undertake such projects as urban renewal in the future in order to gain land that has to be cleared after the project life is ended.

There will be other actions the City will be disposed to taking as time goes by, but these constitute the basic actions which a city should be able to take either individually or in concert. Given that these actions are possible by the City, it becomes far easier to attract private investment capital into a redevelopment situation, particularly if it is into a project the City has officially declared it intends to support. If the development process can be speeded up, or at least unencumbered by the removal of unnecessary constraints, which is discussed in a later section, private dollars will follow public dollars invested in a ratio of 3 or 4 to 1, at a minimum, and as much as 8 to 1 at a later level of maturity of the project. The following discussion sets out an example of how this process works and the dollars involved in a typical project. An example of how this process works and the dollars involved follows.

RECOMMENDATIONS FOR ACTION

There are limitless tasks to be performed, and dozens of ways to approach each one. Perhaps that accounts in part for the apparent confusion about what steps to take toward the future. To attempt even a simple list of recommendations on each task would be a monumental, wasteful, and a misleading effort. There are three crucial areas, however, where energies should be focused to make possible the broadest benefits from the actions taken.

First: public and civic leadership must be jointly established which recognizes Ypsilanti's citizens as worthy benefactors of leadership efforts.

Second: City government must take the lead in rebuilding Ypsilanti, instead of waiting for Federal dollars and mythical private "initiative."

Third: Ypsilanti's future must be marketed--"sold"--to its citizens and others who might become citizens.

Without these bold steps, or others as strong and purposeful, there will never be a resolution to Ypsilanti's development needs. Those needs are matched only by the positive, productive and creative future promised by meeting them. Following are several specific proposals for action. These proposals are intended to identify the magnitude of required actions, as well as their character.

ATTITUDES

Develop a "plan" for Ypsilanti that the people know and understand--a plan in which all can find a place for themselves, and which developers can comfortably meet. Make sure that this "plan" is presented in simple terms to the general public every year, in the press, in the schools, and wherever education is a part of life. If properly done, a new outlook--an anticipation of better things to come--can be fostered in Ypsilanti. With an attitude that the future can be great, prevailing Ypsilanti leaders could take bold steps to rebuild the City with the support of the people.

BUREAUCRACY

The exercise of responsible leadership in the creation of a development policy and plan, and the withdrawal of public "supervision" after policy decisions have been made can drastically reduce bureaucratic intervention in the development

process. The first public roles are to determine the policies to be met by development, and to check the results to make sure legal standards are maintained. This can best be done by limiting the time for project involvement by city departments, and by allowing private interests to use a variety of means to complement or join public policy. Of course, development policies are required to describe physical, social and economic policies. The essence of this proposal lies in a "hands off" posture by the city once its policies are being embodied in development projects.

DEVELOPMENT FUNDS

Several actions can be taken by the City to increase the flow of development funds to Ypsilanti. They all require recognition that older cities are in competition for public and private development funds with new suburban areas where development is easy and cash returns are more direct.

First, establish a Land Revolving Fund, out of, but separate from, the general fund, with which to buy, option or develop land. The best results of using such a fund can be found in joint ventures with private developers. The fund can reduce the first cost burdens to developers, by using fund monies to option land while zoning and other approvals are obtained. The fully approved land is then transferred to a developer who reimburses the city and pays a fee of 5 - 7% of the project returns for the city's assumption of his burden. The benefits of this action are:

1. The attraction of funds by the removal of a barrier requiring a disproportionate amount of "front" money in older cities as compared with suburbs.
2. A "profit" is generated for the city, which can be used either to enlarge public development reserves or pay for municipal services.
3. By exercising land control the city can determine who the developer will be and consequently what the development will be.

In addition, laws permit the use of such funds anywhere within the United States. They are not limited to city projects. The city could, for example, buy a ski mountain in the north, with free access for Ypsilanti residents and paid access for others. The city could also participate in housing in the suburbs, retirement villas in Florida, and factories in Georgia.

The City should act now to establish a land revolving fund of at least \$1,000,000, and increase it by \$5,000,000 each year until an operating fund of \$100,000,000 is attained. The anticipated ratio of private funds to be attracted by this fund is twenty to one, or \$2,000,000,000. Naturally, the fund is self-regenerating, resulting in a constantly renewing attraction for private funds.

Second, the City can make available its bonds on selected projects for use as interim construction money. The bonds are sold usually at $4\frac{1}{2}$ to $5\frac{1}{2}$ %, at which rate the City must pay returns. Construction loans on preferred projects could be placed by the City at 7 - 8%, rather than the 10 - 14% charged by commercial banks. This substantial savings to the developer would make Ypsilanti projects more attractive--and the City could make a "profit."

Third, the City should bring legal action against the State of Michigan to require affirmative action in the approval of land plats. Federal law forbids any state or local government from perpetrating racial segregation, either directly or de facto. The State of Michigan gives official sanction to suburban developments, many of which can be proved to be racially segregated, and therefore in violation of federal law. The action would request an enjoinder of further plats until an affirmative action element could be devised. This would affect all suburban platting, and subsequently, all further suburban development until the element is inserted into the Plat Act. Since development funds cannot remain unused it is probable that at least a substantial portion of such funds would be diverted to central City redevelopment efforts, where platting is not required. This device, designed by Detroit attorney Paul Green, could do more to establish a constructive balance between urban and suburban development than any other single activity.

DEVELOPMENT CONTROL

Zoning regulations and the building codes are the primary development controls used by Ypsilanti. The best form of land control is ownership. The reorganization of ownership patterns is the largest single obstacle to urban redevelopment. It is the basis of urban renewal, and a cause of financial immobility. The City should buy land, as already described, and then lease rather than sell to private developers. Most developers do not require ownership--they need only the assurance of land control for the life of their investment. The advantages of such an arrangement are:

1. Land rents in excess of the tax returns on the land if it were privately owned.

2. Reduced pressure on private development funds to recover land costs at the outset of the project.
3. The City automatically regains land control at the end of the projects' life--without urban renewal. Such a device could be particularly useful in the purchase of downtown parking lots, which have relatively high returns, and low taxes.

Property taxes are a major device for controlling land development. In Detroit, the land is taxed at 10% of the property assessment, and the development on the land at 90%. State law permits local municipalities to provide tax abatement, if it is in the public interest. Tax abatement is currently applied to subsidized housing on the basis of 10% of gross income rather than the property tax which equals approximately 25% of monthly rent. If tax abatement were applied to downtown parking lots, for example, the returns to the City would increase fifteen times, on the average, over present tax returns. This would be a more equitable tax on property, which generates sound returns, and would increase the desirability of converting parking lots into development projects.

MAINTENANCE

The principle difficulty faced in maintaining urban properties is the lack of a sound framework within which to work. Code enforcement has been offered as a mechanism to overcome this difficulty, but it is abusive and restrictive. A device is needed which encourages a variety of approaches to maintenance, and rewards them all. Such a framework could be provided by Maintenance Specifications, developed by the City, as actions which can be performed for desired results. Such specifications would be used as instructions or guides for maintenance. An incentive to their use would be compliance with a Public Work Specification, the results of which are tax exempt.

ACCOUNTABILITY

Throughout this section reference has been made to various actions by the City. Some clarification needs to be made about which aspects of the "city" are to be responsible for development actions, and how they are to be held accountable. The key lies in distinguishing between development planning and implementation. Those who plan from within public agencies are seldom sensitive to the developers needs. Conversely, developers seldom take the time to "plan" their projects as fully as is needed.

There results an area in which a vacuum exists--in which neither the public planner nor the private developer ventures. Very often, projects "die" for lack of planning and development continuity; and no one is "accountable!"

To overcome this problem, some form of Public Interest Development Organization should be established with the assignment to jointly develop projects according to the policies established in the City's plan. Such an organization would be responsible to the Mayor, the Council and public investors, but not to other public agencies. It would also be free to undertake all manner of joint ventures with private entities, and with other public agencies such as the Michigan State Housing Development Authority. Its only function would be to assist in the rebuilding of Ypsilanti.

A Land Development Trust should be established to expand the resources of the Development Organization and to encourage participation from every person and entity in Ypsilanti in the redevelopment process. Such a Trust would sell stock in the Organization's projects at, for example, ten dollars a share. Everyone could own a piece of Ypsilanti. The dividends paid on this stock would be considerably less than on a traditional mortgage. In addition, these kinds of resources are virtually unlimited in quantity. Even more important to some, shares of stock could be traded for services or needed commodities such as land, buildings or trees. This is a way for the people to share in Ypsilanti's growth.

These are, of course, only a few of the alternatives available to Ypsilanti in meeting its housing needs. Whatever the final form of actions to be taken one central objective should be maintained--to make Ypsilanti a true city of choice for all people. It is irresponsible to predetermine what those choices should be. It is instead the role of government to provide the tools with which each element of society can choose its own life-style. Perhaps in this way, Ypsilanti can overcome its reputation as an "almost city" and achieve a new status as the "people's city."

Finally, a community management organization should be established to assure the highest quality of environment maintenance and property management. This organization could also be able to advertise the City, lease vacant space, and assist in all mercantile activities.