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**Debra Walker**

Michigan and Church - Neighborhood Advisory Council

Dear Ms. Walker,

Thank you for representing those of us who reside in the “impact area” on the Neighborhood Advisory Council (NAC). I recognize that serving in this capacity is a significant investment in time and energy; your devotion to the good of our neighborhood is much appreciated as always.

I was able to attend much but not all of the recent meeting on Tuesday, April 20 and -- after a few days to reflect -- wanted to share with you my thoughts and reactions to the topics up for discussion. I begin with an admission of ignorance; my vocation is in matters of finance, thus some of these areas of debate are outside the domain of my day-to-day expertise. Second, there were people participating in this discussion for whom I have great respect -- any disagreement I may have with them is purely intellectual, not personal. Lastly, I have been wrong before and will be wrong again -- the thoughts below are based on my thinking as of today. Should more relevant information become available or in my awareness, it's possible that my positions on these questions may change. In short, I'm open to further discussion.

**OVERVIEW**

The Michigan and Church St Development is a big win for Corktown, its businesses, and its residents. The development will bring almost two hundred new units onto land which currently has significantly less economic activity. Those units will presumably add several hundred new residents as well as thousands of square feet of retail space, providing infill to an area of Michigan Avenue that is underutilized. This is precisely the type of injection of population density that solidifies Corktown as an urban center and distinguishes it from the automobile-centric, sprawling development that we generally see in the suburbs. With all due respect to our neighbors in the suburbs, I would prefer that Michigan Avenue become an economic corridor filled with bustling businesses, both local and national, on a

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pedestrian-designed avenue rather than an eight-lane speedway with strip malls on both sides. How do we achieve this? Population density. And the reality in a place like Detroit is that even with population density, creating parking solutions with good urban design is still necessary to attract residents. A bustling residential complex with a parking garage designed for **safety, security, ground-floor amenities, and pedestrian-friendly traffic features** is a win. Finding a way to make sure that **community services** and **community amenities** are supported is a win.

The income taxes being paid by these residents and employees will allow this development to generate \$500,000 city income tax **every year**...not bad for what is essentially one city block. Those numbers do not include all of the taxes generated by the retail business activity, which only add to those numbers. I admit that I do not know how much tax gets generated by the mostly vacant land in its current state, but I highly doubt that it approaches anywhere near the amount above.

Finally, each of these residents is now bringing spendable money to our community, fueling our restaurants to re-open, new retail to re-open, and hundreds of jobs. Let's not forget that as an urban center, each of these residents will now be bringing in thousands of tourists from the neighboring suburbs as well as out-of-state guests. In fact, it's worth a reminder that our developers are from out of state. A successful project here is not limited to the millions of dollars we can see in the near-term. **This is the type of achievement that draws other businesses, other residents, other employers, and more jobs.** The multiplier effect in this cannot be ignored. If there be a way to successfully complete this development with consideration to the existing residents, *it would be a very costly mistake to pass up this opportunity.*

#### STORAGE BUILDING

*The community would like the existing storage building to not be demolished and to be fully preserved as the single highest priority from community input. This also includes concerns related to the size of the garage.*

The above language comes from the summary of community input dated April 14. I understand the desire to preserve historic structures in our community and purposely chose to live in a neighborhood governed by the Historic District Commission because I find aesthetic value in historic architecture. There is cultural significance of the historic architecture in Corktown as well as all throughout the city. Detroit has an amazing heritage of architectural significance, and I have over the years supported the gargantuan efforts of many to preserve, revive, and repurpose vacant buildings, factories,

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warehouses, churches, and theaters. Whether it be the scope of projects like Michigan Central Station or smaller works such as the historic Third Precinct on Hunt Street, I am an avid supporter of “adaptive reuse” as a way to preserve some of the architectural jewels in our community.

That said, not all historic works are equally valued, nor is the economic case for adaptive reuse always equally feasible. Again, reiterating that I am not an expert in the field of historic architecture as well as some ignorance in these matters, I would remark that among all of the architectural tours on which I’ve attended in the city, not once can I recall any attention been spotlighted on the storage facility whose demolition is being proposed. Certainly, I respect those who oppose its demolition and would even say that I myself would prefer that some way to preserve the building be considered. But do we place its preservation value on par with that of the Workers’ Row House? Or Michigan Central Station? Or the old Free Press Building?

In short, I do agree that in an ideal world we would find some way to preserve the storage building. But do I believe that preserving this should be our **highest** priority? Above safety/lighting? Above traffic control and noise pollution? Above walkability/ground-floor retail? Neighborhood amenities? Jobs and job training? Above the project itself? In this case, I can’t say that I share that priority; and I believe that losing the overall development in order to save this building would be a mistake when instead we could be focusing on so many other ways to ensure community benefit.

#### AFFORDABILITY

There has been much discussion on the affordability of these units. I agree that housing affordability is a problem. As well we should acknowledge the existence of a much larger problem of poverty in our community. That said, my position is that this development is limited in its ability to solve those problems for some unique reasons. First, we should distinguish between housing that is intended to provide a social service as compared to that which is designed to mitigate and prevent displacement.

For example, it’s one thing to ask a new Corktown restaurant to have some less-pricey menu options to be welcoming to the community. It’s another thing altogether to ask them to operate as a soup kitchen two days per week. (Though a nearby church offers many badly needed social services, and I would completely want new economic activity to support their work). Real estate is no different. We certainly need more housing aimed at solving our social ills; I believe it needs to come from the city and state because our existing systems do not allow for the solutions to come solely from private businesses. Certainly the millions in new income tax revenue could be used to support this.

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There is much debate about how affordability is calculated and much commentary about how its calculations are based on a large census tract which is not necessarily representative of most Detroiters. At the same time, we should recognize that if we were to erect buildings based on the affordability of most Detroiters, the buildings would never get built; the rental income generated would not support the construction of the building...and sometimes not even the maintenance of the buildings. This is not theoretical -- for those of living in Detroit for the last few decades, this has been our direct experience.

Furthermore, we are not talking about demolishing or emptying an existing residential building and replacing it with a new building and new tenants. The proposal being debated is essentially for land which is mostly unused.

Lastly, the type of development that would be the highest and best use of real estate on the Michigan Avenue corridor is likely to be so expensive to construct that it will likely exclude many; if we can mitigate that by even a little bit, we should call that a victory. Do I believe there should be more, safer housing for lower-income residents? Definitely. But to put that housing on the most highly-desirable parcels of real estate costs everyone more in the long run.

If our objective here is to make sure that we are encouraging lower income residents to be able to live here -- which I support -- then I think it's fair to accept a smaller number of units which support a rental rate low enough to house residents at 50-60% of AMI.

Michigan Avenue has the potential to be an economic powerhouse for Corktown, and I want to make sure that economic growth has a positive benefit for those who are being impacted by the changes. I would support that benefit coming in the form of training, job development, employment, safety, coordination and support of existing community and social services. *But to kill the proposal because some people wanted **forty** affordable units and the developer was only willing to give **twenty**...this would be short-sighted and to our detriment.*

## CONCLUSION

This development has the potential to be a major, long-term benefit for Corktown and the people and businesses in Corktown. Serious energy should be spent to make sure that the development is providing **much-needed jobs and job-training to Detroiters**. We should find a way to ensure that the success of this project can provide increased financial support to **community resources and community programming**. The overall design of the project should promote Michigan Avenue as a corridor that is safe and desirable for

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pedestrians to congregate and enjoy. This is more than simply re-paving a sidewalk and calling it “walkable”. It is a combination of **good urban design, ground-floor retail, outside seating and lighting, traffic control**...all areas where my expertise is limited. But I believe that focusing our energy there is advantageous compared to risking the project to save the storage facility, which would be a mistake. And rather than arguing about whether twenty units or forty units are affordable, let’s make sure that this development can find a way to benefit existing community resources that could benefit hundreds of residents. I believe this would be to the greatest good for the community.

Again, I appreciate your ear on this matter as well as all of your work to make sure our interests are being represented. As always, I am open to further discussion should you wish to continue the conversation.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Mangona", with a long horizontal flourish extending to the right.

**Gerald Mangona**