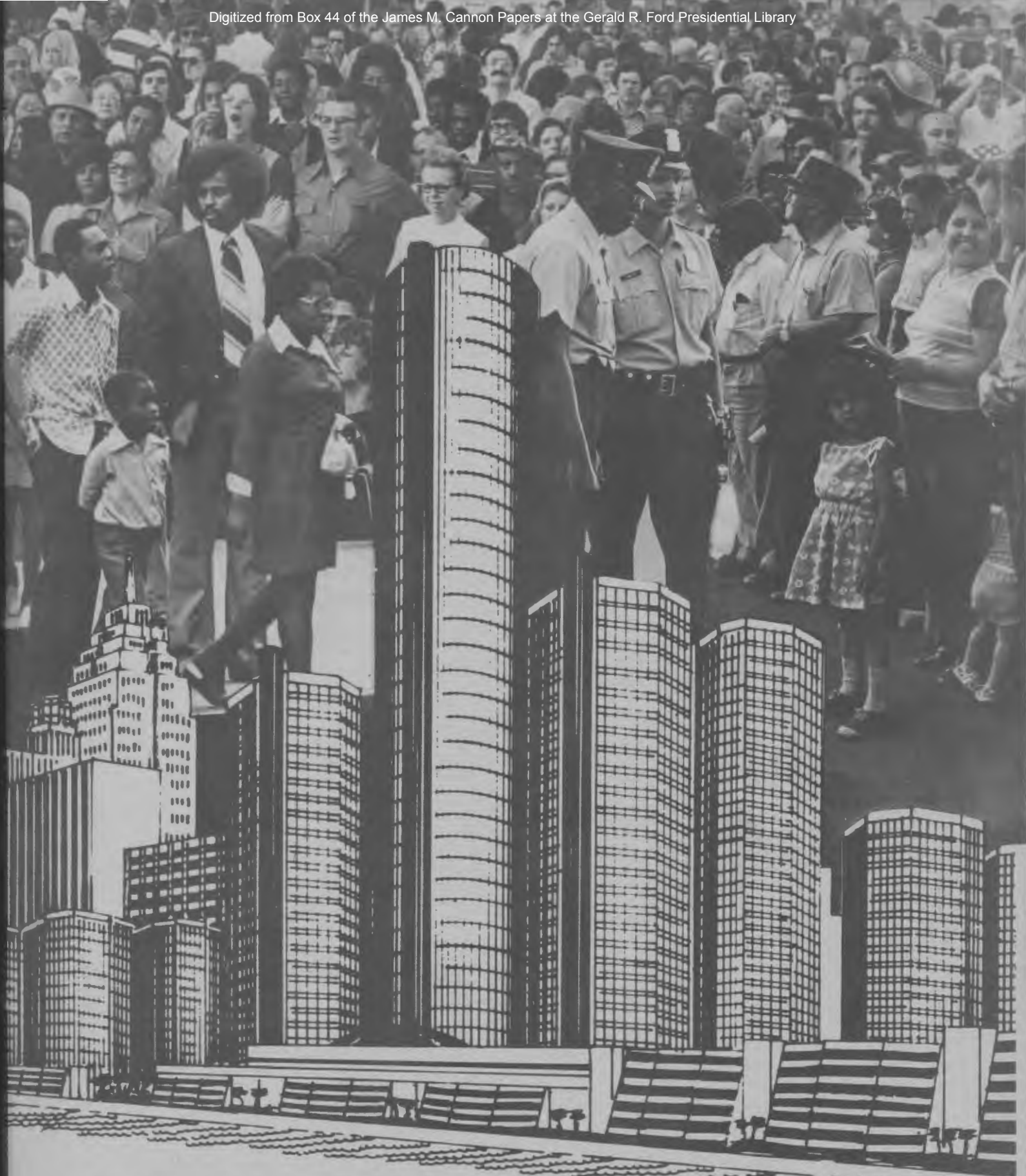


The original documents are located in Box 44, folder “1975/04/30 - Meeting on Detroit (2)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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MOVING DETROIT FORWARD . . .

A Plan For Urban Economic Revitalization

COLEMAN A. YOUNG, MAYOR

APRIL, 1975



MOVING DETROIT FORWARD . . .

A Plan For Urban Economic Revitalization

Coleman A. Young

Mayor

Detroit, Michigan

April, 1975

MOVING DETROIT FORWARD

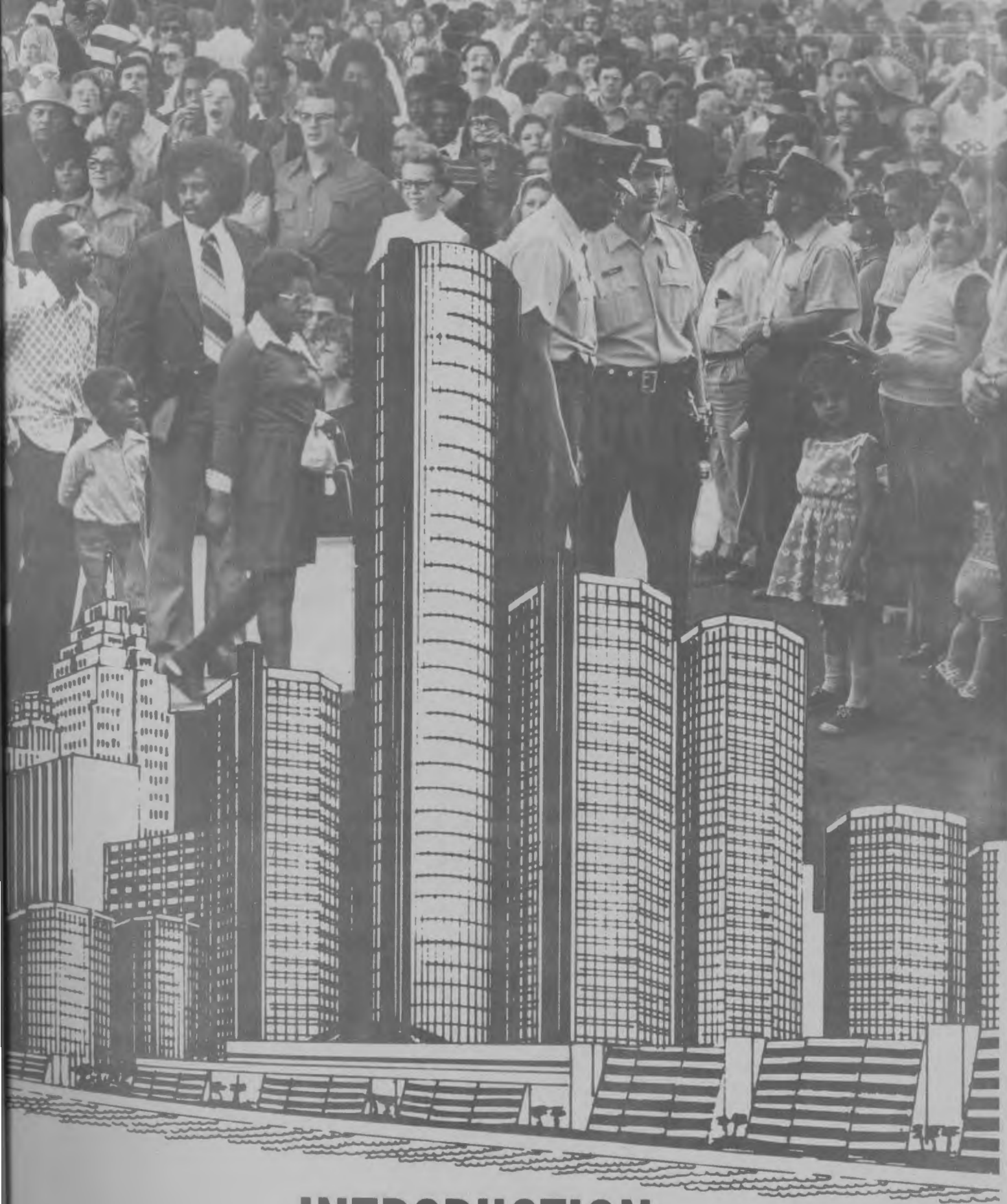
A PLAN FOR URBAN ECONOMIC REVITALIZATION

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INTRODUCTION

INTRODUCTION

DETROIT IS A SPECIAL KIND OF TOWN...

Detroit, one of the nation's oldest cities, the country's industrial heart, has also developed into the world's automotive headquarters, America's second largest import-export center, and the fifth most populous city in the U.S.A.

As a result of the growth of the automobile industry and of advanced technology, Detroit has experienced boom times; and, we have built our expectations to strive for affluence. In the process of striving for affluence, Detroit has retained its awareness of those who have not enjoyed and participated in the "American Dream".

United Foundation began in Detroit. And, yearly, Detroiters set records for giving.

It was in Detroit in 1968, that the first urban coalition, comprised of representatives of business, labor and minority groups, forged the organizational bonds to facilitate the full participation of racial and ethnic minorities in the City's economic and social mainstream. Nationwide, urban coalitions following the Detroit model have developed to address the problems of those who have historically suffered from America's inbred racism.

A SPECIAL KIND OF TOWN...DETROIT

Even though Detroit is in the midst of depression, through local initiative and utilizing its own resources, Detroit has begun the task of revitalization. Phase I of Detroit Renaissance Center, a 600 million dollar hotel and office complex on the riverfront, is nearing completion. Elmwood III, a new residential community, a "new town in town", is being developed on the rubble of what was once known as "Black Bottom"; and a major electrical supplier, Gale Electrical Company, has just announced plans to relocate within an industrial park fifteen minutes from downtown Detroit.

A conservative estimate suggests that 1.2 billion dollars has been committed, in non-city controlled funds, towards the revitalization of Detroit by the commercial and industrial sectors. In short, a solid economic base exists within the City buttressed by the strength, commitment and resiliency of its people.

YES, DETROIT IS A SPECIAL KIND OF TOWN

Detroit's unique growth and aging process has left a rich and varied culture. But, it has also impaired the ability of the City to respond fully to pressing problems, especially in areas of housing, industrial and commercial development, transportation and crime.

Sixty per cent of Detroit's housing was built prior to 1939. Today, much of it is substandard. In addition, approximately 20,000 HUD properties (vandalized homes and vacant lots) constituting one-third of the Department of Housing and Urban Development's national inventory, are in Detroit. Additionally, 800 properties revert to HUD ownership on a monthly basis.

Major manufacturing industries have moved from the city in search of higher revenues, reduced costs and new efficiencies by the utilization of single storied plants. The out-migration has resulted in the loss of jobs in Detroit and the erosion of the city's tax base.

Commercial strips burdened with deterioration and subsidized competition from the newly developed suburban shopping centers have caused intensified population shifts, stagnation of neighborhoods, and loss of personal and public revenues.

Crime has had an immeasurable effect upon the attitudes of the city's residents and business establishments. Not only have homicides, robberies and rapes increased, but mounting callousness feeds the paranoia of non-safety. Crime's causes are as numerous as the social theorists. The fact remains that without substantial resources to hire and train minority personnel, to implement effective crime prevention programs, and to modify police-community attitudes, Detroit can only hope to maintain a holding pattern and thereby continue to lose residents and revenues.

Inadequate transportation alternatives have heightened the dependence on the automobile. As a result, pernicious effects on the environment, in terms of land use and pollution, have occurred. In addition, the effects of the energy crisis have nearly crippled the backbone of Detroit's local economy: the auto industry.

The auto industry has suffered visibly and dramatically from the current economic slump; and its hardships have had disastrous effects on the national and local economy. Massive layoffs have pushed the Detroit metropolitan area unemployment rate to 12.4 per cent. Today, more than 136,500 Detroiters,

23 per cent of the labor force, are jobless. And the rate among inner city workers, primarily young Black and Latino males, has surpassed 50 per cent.

SURVIVAL is now the issue. Will the City continue to suffer a loss of population; a flight of industry; a diminishing tax base; a concentration of the problems of the poor, the elderly, the dispossessed; and an unemployment rate greater than twice the national average? Or will decisive action by harnessing governmental resources, the commitment and expertise of the public and private sectors, counter the stagnation and thereby
MOVE DETROIT FORWARD.

The challenge facing the Federal government is how best to accept, to strengthen and to encourage the initiatives of municipalities in their efforts to combat the unemployment, economic and energy crisis with which they are confronted. The extent of the problems may vary, but the problems detailed in Detroit are symptomatic of the problems that exist in all of America's major cities. Detroit has served as the nation's early warning system on the state of the U. S. cities; and, it has been in the forefront in developing viable alternatives to complex problems, and changing needs.

In the past, Detroit has demonstrated its ability to accommodate and adapt to changing needs and demands. The national need for armaments and support equipment during World War II, resulted in the successful retooling of the automotive industry, a diversification within the local economy, and branded Detroit as the "arsenal for democracy". Adaptive capabilities and the willingness to retool to meet contingencies remains a strength of the City and its people.

Improvements of the quality of life through full employment, and, the diversification of economic and industrial activity are primary objectives that all municipalities strive to attain. Economic conditions aggravated by the uncertainties of energy sources, have bankrupted the abilities of cities to effectively respond and to meet their primary objectives. The Federal government must intercede with committed decisiveness to provide the massive resources necessary to sustain its greatest asset--the nation's cities. Detroit's two fold Plan is a pragmatic approach addressing the City's depression level unemployment crisis and providing a means to revitalize the City over a sustained period of time.

A CITY REVITALIZED...

A city is both a service institution and a mix of industrial and commercial activity. The industrial, commercial, housing, transportation, and public works programs proposed herein are designed

for maximum impact on employment; the generation of public and private revenues; and the enhancement and supplementation of activities of the business sector. To maximize the effectiveness of the proposed project activities, the private sector will assist the City in the development of detailed implementation plans, and the development of appropriate administrative and managerial capabilities. A combination of: direct grants-in-aids; interest free loans; guarantees of debt issued; and low interest bearing loans; of the magnitude outlined, to finance the development activities will provide the necessary stimuli for sustained growth and revitalization.

Detroit proposes that the Federal government commit to the City 2.5 billion dollars for the implementation of activities outlined in this Plan. This immediate dollar commitment will serve to provide the necessary economic stimuli to achieve: greater economic-industrial mix; full employment (at a minimum, unemployment on a level commensurate with the national average); and the improvement of the quality of life of the urban Detroit resident.

IMMEDIATE NEEDS...

To meet the immediate, depression level unemployment crisis, Detroit proposes 555.1 million dollars in Federal allocations for public service employment. We propose to provide meaningful jobs at the prevailing wage for 10 to 15 per cent of those currently unemployed in Detroit. We propose to provide employment retraining services for the structurally unemployed and the chronically underemployed to maintain a labor force sufficiently skilled and varied to attract new industry and to encourage the expansion of the local economy.

DETROIT IS A SPECIAL KIND OF TOWN...

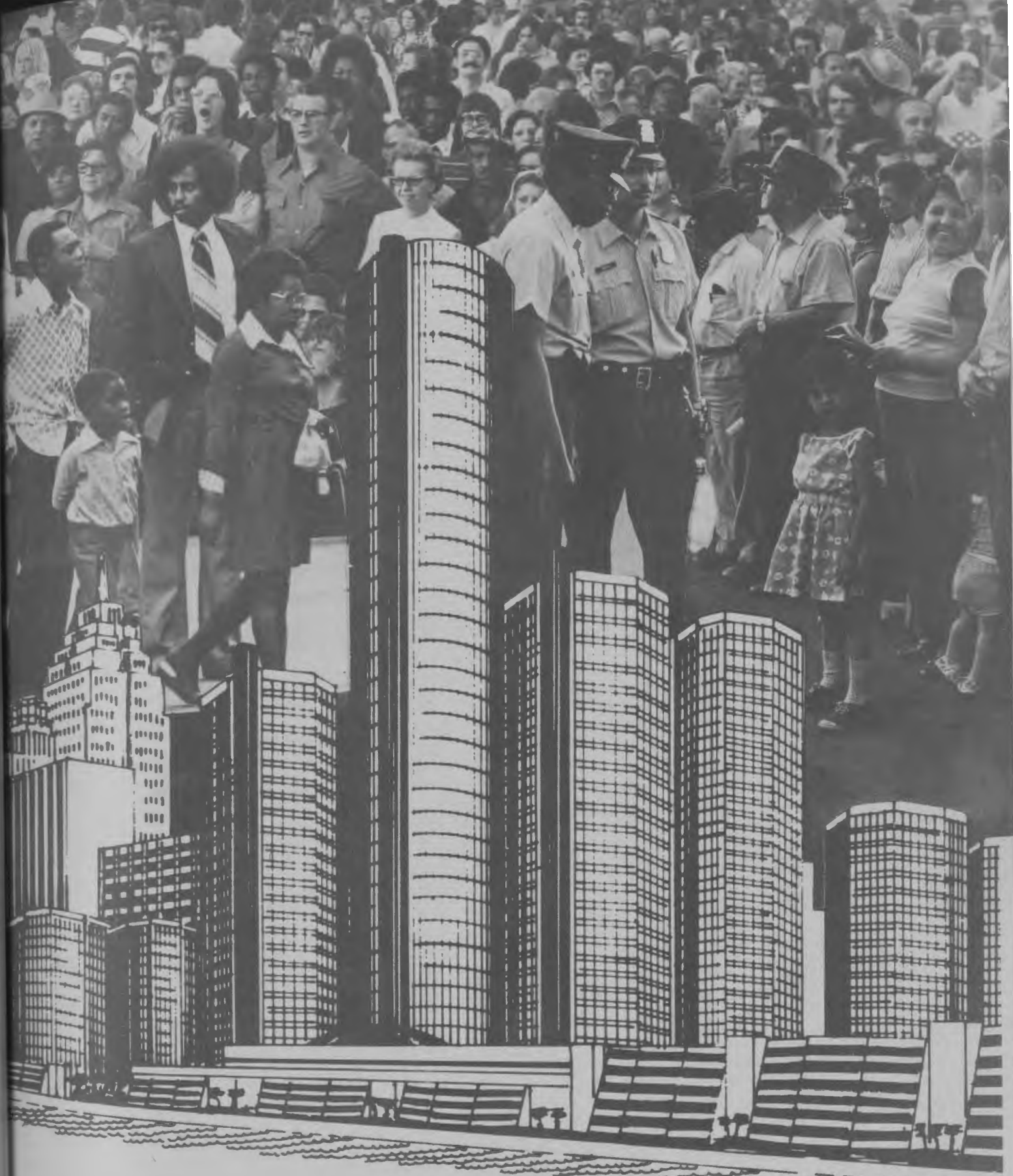
Within these pages we outline those aspects that make Detroit unique today:

AN UNEMPLOYMENT RATE GREATER THAN 18 PER CENT; THE SITE OF ONE THIRD OF THE DEPARTMENT OF H.U.D.'S NATIONAL INVENTORY IN BLIGHTED AND VACANT PROPERTIES; THE ONLY CITY WITH THE HIGHEST DENSITY OF POPULATION THAT DOES NOT HAVE A RAPID TRANSIT SYSTEM; THE AUTOMOTIVE CENTER OF THE COUNTRY WHOSE FINANCIAL CRISIS, AS A RESULT OF INFLATION, RECESSION AND FEDERAL REGULATORY REQUIREMENTS, HAS RESULTED IN MASSIVE LAYOFFS WITHIN THE INDUSTRY AND IN RELATED INDUSTRIES RELIANT UPON AUTOMOTIVE SPENDING DECISIONS;

AND, DESPITE THE ECONOMIC DEPRESSION IN THE CITY, THE PRIVATE SECTOR HAS DEMONSTRATED ITS CONFIDENCE BY THE COMMITMENT OF 1.2 BILLION DOLLARS TOWARDS THE REBUILDING OF DETROIT.

Private efforts alone are insufficient to counter the severity of the problems that Detroit faces. The municipal coffers are in deficit and the City is faced with insufficient resources to address its crisis. Previous efforts, through the various categorical grants and revenue sharing, although well intended have not been and are not now sufficient to meet Detroit's growing needs.

Business and Labor are committed to strengthening and rebuilding Detroit. However, the massive resources to carry out the commitment are not internally present. Detroit can look only to the Federal government for decisive action. Therefore, in cooperation with the various interests in the City, and in partnership with Labor and Industry, Detroit proposes its PLAN FOR URBAN ECONOMIC REVITALIZATION.



Employment Program For Revitalization

EMPLOYMENT PROGRAM FOR REVITALIZATION

Detroit became one of the largest metropolitan areas in the United States because of the economic strength of the automobile industry. High wage factory jobs, requiring little education and relatively low level skills, attracted many people. The impact of declining and changing demands on the automobile industry, brought on by the current economic recession, has resulted in the permanent layoff and economic dislocation of many Detroiters. The unemployed automotive workers, those affected from the secondary impacts of automotive layoffs, together with the "normally" large numbers of structurally unemployed have boosted the unemployment rate to 23.6 per cent for February, 1975. More than 136,500 Detroit residents, of a total labor force of 567,000, are jobless. Approximately one out of every four Detroit workers are out of work.

The drastic drops in auto production, for the 4th quarter of 1974, North American production was 38% below the same period in 1973, have had detrimental effects on other areas of the local economy. Supplier firms have felt the decline in demand as have selected firms that have built a dependency upon the auto industry's capital spending decisions. Total manufacturing declined almost six percentage points from 1973 levels. Retail sales, hovering at 1973 levels, are anticipating only modest growth. Residential construction has ceased as a result of high interest and mortgage rates, leaving the building industry in turmoil, and its workers at unemployment rates greater than the national average.

Two significant long-run employment trends for the Detroit area have been identified. One trend relates directly to the automobile industry, and the other relates to a movement toward an economy that is more heavily service oriented.

Despite the fact that the automobile industry has been in a position of relative decline, it has not diminished in its relative importance to Detroit. Rather than declining, if we examine pre-recession statistics, the number of persons employed in the automobile industry has increased from 1960 to 1970. Employment in the related areas of fabricated metals and machinery manufacturing had also remained at traditionally high levels. Within the motor vehicle manufacturing industry, however, an occupational evolution is occurring. The change reflects more white collar employment and a decline in blue collar employment.

In the blue collar group, growth for the major occupational areas of craftsmen and operatives has been minimal. Craftsmen increased by only one percent during the 1960-1970 period; operatives increased by seven percent. The industry's white collar employment, however, grew at an 18 percent overall rate for the same period. Within the group, professional and technical workers increased at a rate of

35 per cent; managers and administrators reflected an increase of 27 per cent. These category increases can be attributed to the growth of research and development activities in response to safety and environmental considerations, and the further expansion of activities in world markets. The increased utilization of computers has affected the clerical group, resulting in modest employment generation for clerical workers.

The second significant employment trend is taking place in the non-manufacturing sector. Large employment gains have occurred in the categories of wholesale, retail, finance, real estate, government and services. Within services, the greatest employment growth is evidenced in educational, medical and miscellaneous professional services. Growth demonstrated in the service sector corresponds to the "economy based on service" trend that is developing in major urban centers throughout the country.

The current flux in the local economy is expected to continue for sometime. During this transition period, the shift from a one industry heavy manufacturing dominated economy to a more diversified economy based on growth in the non-manufacturing and service sectors, continued high unemployment rates are expected. Large numbers of workers of the manufacturing sector will find that their skills are obsolete; while at the same time, the demand for workers with non-manufacturing and service oriented skill will increase. Detroit's high concentration of blue collar workers, 45.4 per cent, with manufacturing skills will suffer most acutely from these ongoing changes. The fact that 50 per cent of the city's population is minority, and a majority of its minority population is employed within the manufacturing sector in blue collar jobs, serves to exacerbate the seriousness of the short and long term employment trends.

Through its economic revitalization plan, Detroit proposes to address the employment crisis for the immediate, short term and long term. The emphasis throughout the plan is on the creation of developmental opportunities that strengthen the city's ability to plan for and encourage diversification of economic growth. Employment opportunities generated by the revitalization programs are sufficiently varied to provide for the short term absorption of the non-skilled and semi-skilled, who are now dislocated as a result of increased technologies and a changing economy.

The "Manpower Retraining Services for the Structurally Unemployed Program" is a structured effort to develop new skills, to modify and to alter existing skills. It is an effort on a massive scale, involving 30,000 persons, to isolate and to retrain a portion of the present labor force in anticipation and preparation of new industry needs. The benefits derived will allow the city to attract new industry (chemicals; food processing; health care delivery; research technologies, etc.) by having a trained labor force in place; providing meaningful employment; and generating private and public revenues.

In addition, more than 100,000 employment opportunities are detailed within the various program areas. With the removal of several existing Federal regulatory constraints, even greater benefits can be derived. We recommend the elimination of the \$10,000 annual salary rate ceiling attached to Public Service Employment Programs; the elimination of the prohibition against the use of public service employment funds for material and equipment in order that employment opportunities can be created in the public works area; and the elimination of the stringent restrictions on the participation of the private-for-profit sector, in order that their involvement and expertise may be utilized, particularly in the construction area.

To address the crisis of Detroit's 23 per cent unemployed, a severity that translates into one out of every four workers out of work, we propose the immediate Federal financing of an additional 10,600 public service jobs in the selected areas of: Health Care Services, Schools, Youth Services, Public Safety, Recreation, Housing, Environmental Beautification, and Community Agencies and Organizations. In the following pages, proposed project activities are outlined.

EMPLOYMENT PROGRAM FOR REVITALIZATION: PROGRAM COST SUMMARY
IMMEDIATE PUBLIC SERVICE JOBS AND RETRAINING ACTIVITIES

<u>PROJECT</u>	<u>TOTAL COST*</u> <u>(IN MILLIONS)</u>	<u>TRAINING SLOTS/ JOBS GENERATED</u>
1. Manpower Retraining Services for the Structurally Unemployed	\$439.35	30,000**
2. Health Care Service	15.0	1,500
3. Housing Code Inspection	5.0	500
4. Expansion of Library Services	4.0	400
5. Parks and Recreation Activity	5.0	500
6. Youth Services	5.0	500
7. Trainee Police Officer*	19.75	1,000
8. Public Schools	37.0	3,700
9. Community Agencies and Organizations	10.0	1,000
10. Environmental Beautification	<u>15.0</u>	<u>1,500</u>
Total	\$555.10	40,600

*NOTE: Total amount for three-year funding commitment = \$59.26 million.

**NOTE: 30,000 designated re-training slots

MANPOWER RETRAINING SERVICES FOR THE STRUCTURALLY UNEMPLOYED

PROJECT DESCRIPTION

The City, through its Manpower Department will administer the planning and retraining services to address the question of Detroit's structurally unemployed (as a result of shifts from labor to capital intensive production in the manufacturing sector, increase in research and development activities and growth of the service sector, skills developed in response to the automotive industry's needs are now becoming obsolete). The purpose of this program is to: (1) identify by number and category persons in the labor force with obsolete, or soon to be obsolete skills (2) identify "new" industry skills required in the local economy (3) through contractual services with area educational and training institutions provide skill and educational training to alter, modify, raise participant skill levels, and/or develop new skills reflective of the needs of the changing local economy.

RESOURCES REQUIRED

Training Costs: \$2,500 per person x 30,000	\$ 75	Million
Wage & Fringe Benefit Subsidy:	360	Million
Administration 10%	4.35	Million
TOTAL	\$ 439.35	Million

IMPACT STATEMENT

1. Jobs - 30,000 training positions	
2. Personal Income Generated	\$ 309.6 Million
3. Taxes	
Local Income @ 2%	\$ 619,950
State Income @ 3.9%	\$ 1.207 Million

*"New" industry areas could include: chemicals; pharmaceuticals; food processing; health care delivery; research technologies.

HEALTH CARE SERVICES

PROJECT DESCRIPTION

This project is designed to provide the needed non-professional assistance in the field of health care services. Individuals employed in this project will perform various functions, including the following: Identification of lead paint hazards in residential homes, assist individuals in the resolution of family and other social problems, provide nutritional information to disadvantaged families, provide hearing and vision test for all public school students.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$ 13,950,000
Administrative Cost - 5%	750,000
Material Cost - 2%	300,000
<hr/>	
TOTAL:	\$ 15 Million

IMPACT STATEMENT

1. Jobs - short term (12 mos.) 1,500
2. Personal Income Generated: \$ 12,495,000
3. Taxes
 - Local Income @ 2% \$ 249,900
 - State Income @ 3.9% \$ 487,305
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

SCHOOLS

PROJECT DESCRIPTION

This project will provide for additional assistance to teachers in the classroom, as well as provide administrative support. It will provide for additional security personnel to help maintain public safety and additional custodial and labor personnel to maintain school buildings and grounds.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$ 34,410,000
Administrative Cost - 5%	1,850,000
Material Cost - 2%	740,000
<hr/>	
TOTAL:	\$ 37 Million

IMPACT STATEMENT

1. Jobs - short term (12 mos.) 3,700
2. Personal Income Generated: \$ 30,821,000
3. Taxes
 - Local Income @ 2% \$ 616,420
 - State Income @ 3.9% \$ 1,202,019
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

YOUTH SERVICES

PROJECT DESCRIPTION

This is a comprehensive community service project designed to provide Detroit youth with viable alternatives to anti-social and/or destructive behavior.

The project will provide for referrals from the police, school, and parents who have a need for the type of special service offered under this project. Trained street workers will act as liaisons between the youth, their parents, school and the juvenile justice system.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$ 4,650,000
Administrative Cost - 5%	250,000
Material Cost - 2%	100,000
<hr/>	
TOTAL	\$ 5 Million

IMPACT STATEMENT

1. Jobs - short term (12 mos.) 500
2. Personal Income Generated: \$ 4,165,000
3. Taxes
 - Local Income @ 2% \$ 83,300
 - State Income @ 3.9% \$ 162,435
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

TRAINEE POLICE OFFICERS

PROGRAM DESCRIPTION

Under this project, Trainee Police Officers will be hired by the Police Department and placed in precinct stations and mini-police stations with responsibility for civilian duties. The thrust of the recruiting drive will be aimed toward the hiring of qualified minority applicants. The trainees will be provided with training designed to improve their English skills and knowledge of criminal law. They will be phased into the Criminal Justice Institute on a quarterly basis to begin regular police officer training. The presence of Trainee Police Officers in the precinct and mini-police stations should eventually result in the release of a number of uniformed police officers for street duty.

RESOURCES REQUIRED

Wages and Fringes - 93%	\$18.370 million
Administrative Cost - 5%	.988 million
Material Cost - 2%	.395 million
Total	\$19.753 million
Funding for 3.0 years	59.259 million

IMPACT

1. Jobs - 1,000 for a period of 36 months
2. Personal Income Generated \$11 Million
3. Taxes
 - Local @ 2% .220 Million
 - State @ 3.9% .429 Million
4. Income Multiplier
 - 300 jobs x \$9,000 x 1 year \$2.7 Million
5. Employment Multiplier - 300 jobs x 1 year

*Refer to Public Safety Program for Revitalization

PARKS & RECREATION ACTIVITY

PROJECT DESCRIPTION

This project is designed to provide increased security, improve the cleanliness and beautification of the city's parks and develop or expand recreational programs in parks located near residential areas.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$4,650,000
Administrative Cost - 5%	250,000
Material Cost - 2%	100,000
<hr/>	
TOTAL	\$ 5 Million

IMPACT STATEMENT

1. Jobs - short term (6 mos.) 500
2. Personal Income Generated: \$4,165,000
3. Taxes
 - Local Income @ 2% \$ 83,300
 - State Income @ 3.9% \$ 162,435
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

EXPANSION OF PUBLIC LIBRARY SERVICES

PROJECT DESCRIPTION

This project is designed to assist in the process of expanding library services beyond those ordinarily provided by the library. Under this project the library would be able to extend its operating hours from 54 hours to approximately 75 hours per week. Local residents will be able to use the library as a ready source of information on almost any subject. Community Aids will be employed to disseminate information of current interest to local residents.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$ 3, 720,000
Administrative Cost - 5%	200,000
Material Cost - 2%	80,000
<hr/>	
TOTAL	\$ 4 Million

IMPACT STATEMENT

1. Jobs - short term (12 mos.) 400
2. Personal Income Generated: \$ 3,332,000
3. Taxes
 - Local Income @ 2% \$ 66,640
 - State Income @3.9% \$ 129,948
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

HOUSING CODE INSPECTION

PROJECT DESCRIPTION

This project is designed to help maintain the quality of residential housing in Detroit. Individuals will be trained as Housing Inspectors. They will identify code violations and instruct property owners of necessary corrective action.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$ 4,650,000
Administrative Cost - 5%	250,000
Material Cost - 2%	100,000
<hr/>	
TOTAL	\$ 5 Million

IMPACT STATEMENT

1. Jobs - short term (12 mos.) 500
2. Personal Income Generated: \$ 4,165,000
3. Taxes
 - Local Income @ 2% \$ 83,300
 - State Income @ 3.9% \$ 162,435
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

ENVIRONMENTAL BEAUTIFICATION

PROJECT DESCRIPTION

For the seven warm weather months, April through October, a variety of Environmental Beautification projects will be undertaken by persons employed by this project: Street and alley clean up; clean up of vacant lots; removal of diseased trees; planting of new trees; general grounds clean up and maintenance of public housing areas and other public facilities.

RESOURCES REQUIRED

Wages & Fringe Benefits - 93%	\$ 13,950,000.
Administrative Cost - 5%	750,000.
Material Cost - 2%	300,000.

TOTAL: \$15.0 million

IMPACT STATEMENT

1. JOBS
Short-term (7 months): 1,500
2. PERSONAL INCOME GENERATED annually: \$12.495 million
3. TAXES
Local Income @ 2% \$ 249,000.
State Income @ 3.9% \$ 487,000.
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

COMMUNITY AGENCIES AND ORGANIZATIONS

PROJECT DESCRIPTION

This project is designed to provide increased social services. It will provide for the employment of persons as project workers, case workers, community organizers, in community based agencies or organizations which lack the funds to employ such personnel.

RESOURCES REQUIRED

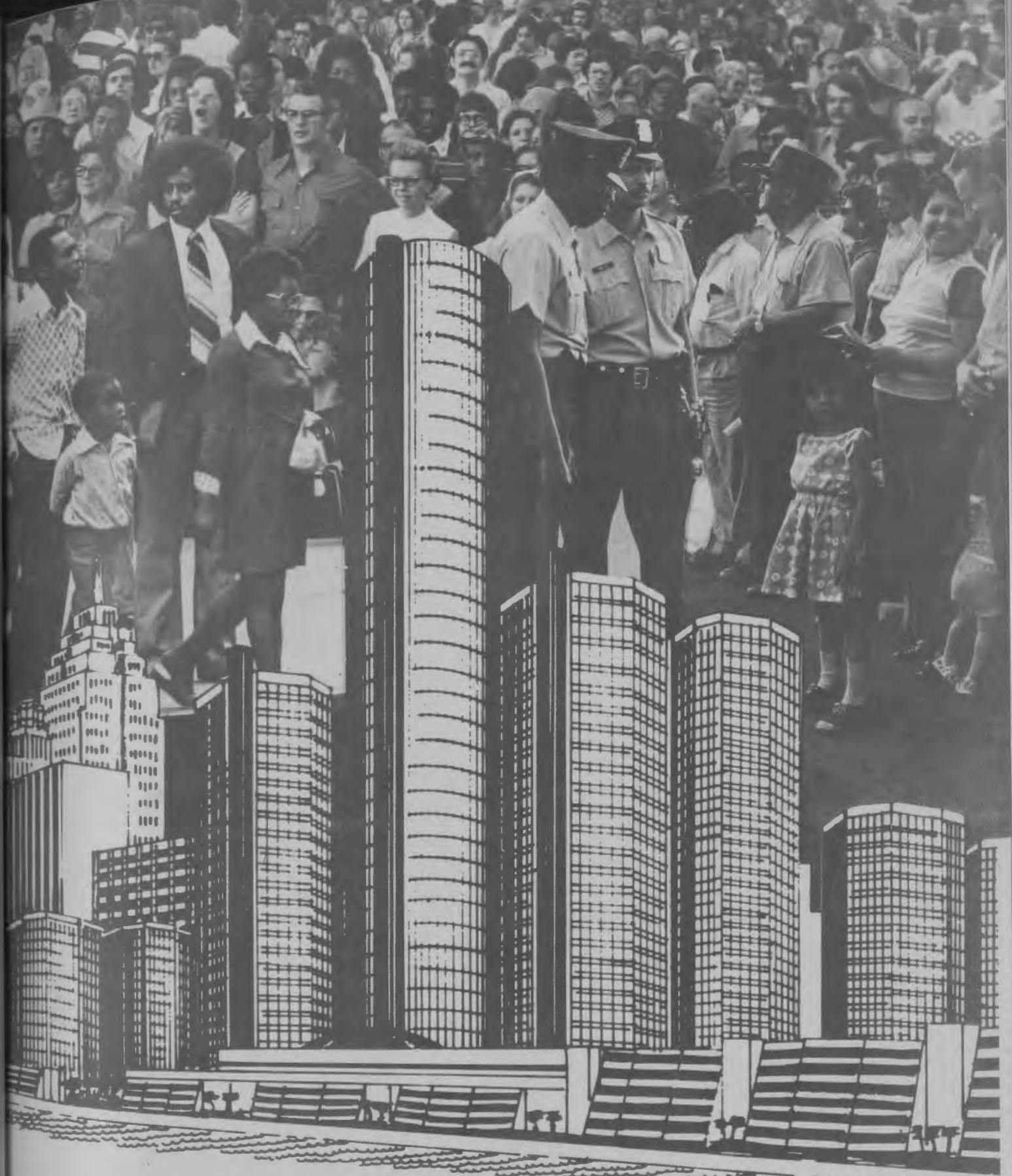
Wages & Fringe Benefits - 93%	\$ 9,300,000
Administrative Cost - 5%	500,000
Material Cost - 2%	200,000
<hr/>	
TOTAL	\$ 10 Million

IMPACT STATEMENT

1. Jobs - short term (12 mos.) 1,000
2. Personal Income Generated: \$ 8,330,000
3. Taxes
 - Local Income @ 2% \$ 166,600
 - State Income @ 3.9% \$ 324,870
4. Additional jobs and revenues will be generated as a result of the multiplier effect.

PROJECT JOB TITLES

PROJECT	POTENTIAL JOB CLASSIFICATION
HEALTH CARE SERVICES	Clerical Community Health Assistant Hearing & Vision Tester (Public School) Institutional Attendant (Bldg. Attendant in hospital) Medical Attendant Nutrition Aid Social Service Aid
HOUSING CODE INSPECTION	Housing Inspection Aid
LIBRARY	Clerical Librarian Community Aid
PARKS & RECREATION	Laborers Park Security Officer Recreation Aid Tree Artisan Helper
YOUTH SERVICES	On-Site Unit Manager Supervising Streetworker Streetworker Ancillary Service Worker
TRAINEE POLICE	Trainee Police Officer
PUBLIC SCHOOLS	Clerical Custodian Laborer School Service Assistant (Teacher's Aid) Security Intern
COMMUNITY AGENCIES & ORGANIZATIONS	Clerical Case Workers Community Organizer Community Project Worker Maintenance
ENVIRONMENTAL BEAUTIFICATION	Laborer Tree Artisan



Industrial Program For Revitalization

INDUSTRIAL PROGRAMS FOR REVITALIZATION

Detroit has suffered continued hardships from the changes associated with industrial development since the end of World War II. At that time, industries began to relocate to rural areas of the south and west. The dispersal of firms is explained in part by the desire of industry to increase revenue and reduce costs by moving to areas where land, labor and other costs of production were far lower than in the high wage urban north. In addition, the increasing age of structures coupled with the industrial obsolescence associated with multi-storied industrial buildings forced industries to seek other locations suitable for construction of large plants. The new locations were often out of the Detroit area since the land required for new structures could not be obtained easily and cheaply in the City.

Industries which left Detroit include some of the largest corporations in the world. This trend has slowed considerably in recent years. The impact of the loss of industry is difficult to measure, but the number of jobs lost and the erosion of tax base has been greater on Detroit than any other American city.

Many manufacturing facilities remaining in Detroit are faced with the same economic pressures which have caused other industries to leave. Facilities are even older and more obsolete now compared to modern plants elsewhere. In addition, these plants are often located in areas of the City where physical and economic degeneration affects not only profits but the safety of workers. These problems are compounded by the large number of monetary incentives offered by states that actively recruit industry out of large northern cities. It has been only recently that Michigan has provided similar incentive legislation as a means of self-defense.

Fortunately, Detroit still has a strong economic base. That is attributable not only to historic trends, but to the natural advantages offered by the City. In spite of the current economic downturn, this strength is manifested today in a number of ways. Growth is clearly visible in the construction of the Renaissance Center and the expansion of Detroit's medical, university and wholesale distribution centers. In addition, heavy industry has recently shown renewed interest in the City by investing in new equipment and renovating existing facilities.

Still, the problem of aging structures, deteriorating industrial corridors, and lack of suitable space for development remains.

In order to solve these problems, which are so typical of northern industrial cities, and at the same time take advantage of Detroit's unique economic strength, we propose actions in several categories, which are detailed in the following pages. Among the proposed actions are the development of industrial corridors and parks, the recycling of old major industrial plants, and the creation of incubator industries, to assist in the growth of Detroit's multi-facet small industry base. Special emphasis will be placed on attracting industries of the future, particularly those associated with health and social services.

Many of the proposed actions are oriented towards the assembly of land parcels of sufficient size to be utilized by both manufacturing and service industries. Some of the proposed actions have been independently evolved at different times in different areas. For example, industrial parks by themselves are not a new concept, nor is the expansion of riverfront industry. However, Detroit has the opportunity to combine several aspects of industrial development techniques in a manner which will take advantage of each of those aspects to yield a result greater than any one technique could achieve singly. The establishment of industrial parks in Detroit, for example, could include the expansion of existing industrial corridors, the recycling of existing industrial facilities and the clearing of land for new industries to move into the City. Those new industries would be attracted by the growth and redevelopment of an existing industry into new facilities. Detroit is so situated that it can provide opportunities to both present industries and to formulate new industries.

Detroit is unique in being able to take advantage of both its natural resources on the riverfront, the availability of land, and a substantially trained labor force. This combination of ingredients goes a long way to insure the success of industrial development efforts in a joint venture between the City, State and the Federal Government. The efforts proposed here will not only strengthen present industrial activities but will expand employment, investment in capital facilities, and tax returns to all levels of government.

EMPLOYMENT OPPORTUNITIES GENERATED: INDUSTRIAL PROGRAMS FOR REVITALIZATION

PROJECT	COST (IN MILLIONS)			SHORT TERM	LONG TERM	TOTAL
1. Riverfront Development	\$ 9.0			100	5,000	5,100
2. Industrial Corridor Development	17.3			100	9,000	9,100
3. System of Industrial Parks	36.0			2,000	8,000	10,000
4. Recycling of Existing Industrial Plants	115.0			2,500	10,000	12,500
5. Mechanism for Incubating Ind.	92.0			1,200	5,000	6,200
6. Expansion of City Airport	27.1			100	50	150
7. Detroit Medical Center	80.0			1,000	1,500	2,500
8. Detroit General Hospital	80.0			1,000	1,500	2,500
9. Water Main and Sewer Renovation	29.0			76	150	226
10. Resource Recovery System	40.6			200	-----	200
	\$526.0			8,276	40,200	48,476

RIVERFRONT DEVELOPMENT

PROJECT DESCRIPTION

Detroit's riverfront is a crucial and rare source. It is ideally suited for housing, parks, institutional development and industry. Presently, it is punctuated by large numbers of semi-efficient industrial plants and a large number of obsolete warehouses and rail storage yards. The economic value is greater than its present level of utilization allows to be realized. This project proposes to maximize the economic and developmental potential of the land through: land acquisition; relocation of existing industries; demolition of vacated structures; preparation of sites for new developers; creation of a Riverfront Park; establish a foreign trade zone; construction of foreign trade zone industrial facility; housing projects (see Housing Programs for Revitalization).

The riverfront land borders on an inner-coastal waterway, a location which carries additional opportunities for industrial development which are unique in the central U.S.A. Because it is a water and rail entry point into Canada, and has direct access to the inner-coastal system, the international rail and highway system, a foreign trade zone is proposed. Some of Detroit's larger corporations are located on the riverfront; their expansion needs can be accommodated through the redesign of present land use strategies and can be made available if the City acquires additional land.

ACTIONS REQUIRED

1. Obtain \$8 million from appropriate Federal and State agencies for acquisition of riverfront land, relocation of existing industries to more suitable industrial areas and the demolition of vacated structures in order to reuse land industrially.
2. Obtain \$1 million from Federal and State agencies to provide supportive facilities (such as recreational) that would make land more attractive for industrial reuse.
3. Identify potential users for an industrial processing facility in a foreign trade zone and establish such a zone on acquired land.
4. Obtain a guarantee of \$4 million from State and Federal levels for construction of a suitable foreign trade zone industrial facility.
5. Obtain \$7 million from State and Federal Governments for construction of a seawall and necessary land fill to reduce the cost of riverfront development activities (See Housing Programs for Revitalization).
6. Assure the assignment of Federal contracts through the appropriate Great Lakes Marine Associations in order to

- increase port traffic to the Great Lakes area and Detroit ports.
7. Obtain \$2 million from the Huron-Clinton Metropolitan Authority for a new Riverfront Park.
 8. Obtain \$2 million from the State Department of Natural Resources - Waterways Division for new marinas.
 9. Transfer the port renewal project to City of Detroit ownership and remove land use restrictions.

RESOURCES REQUIRED

Capital:

*Property Acquisition (State recreational funds): \$ 2 million

**Construction: 7 million

TOTAL: \$ 9 million

*\$8 million in property acquisition for reuse of industrial land accounted for in plant recycling program.

**\$7 million in construction included in Riverfront Landfill Project.

IMPACT STATEMENT

1. JOBS GENERATED

Short-term construction and engineering jobs 100

Long-term industrial retained or new jobs 5,000

2. PERSONAL INCOME GENERATED annually: \$ 50 million

3. TAXES

Local Income: \$ 800,000
State Income: \$ 1.6 million
Real & Personal Property: \$ 15 million

4. Additional employment and income is generated as a result of the multiplier effect of this project.

INDUSTRIAL CORRIDOR DEVELOPMENT

PROJECT DESCRIPTION

There are hundreds of basically sound and readily useable structures available at low cost throughout industrial corridors. These corridors contain large amounts of vacant land, presently in irregular forms of assembly. The establishment of industrial parks throughout the City can take advantage of both of these conditions. This requires the acquisition of land for the development of large new industries in the City, while at the same time improving the utility service structure, security, and service systems to the existing industrial corridor. These industrial corridors are ideally suited to expansion into an industrial park concept.

ACTIONS REQUIRED

I. Land Assembly

1. Create an industrial development system of funding and incentives for industrial expansion.
2. Acquire and remove the blighted, abandoned residential structures adjacent to industrial corridors.
3. Provide for the concept of "public condemnation" for industrial development.
4. Obtain Federal funding for building demolition in cities to free up land for industrial expansion, making cities competitive with the suburbs in their ability to attract and retain industry.
5. Establish an information system which would store data on current cleared land. This data could be available at any time and be used to identify patterns for future site development.

II. Utility Infrastructure Expansion

Either:

1. Have costs of infrastructure development borne by firms requesting service, but provide incentive in the form of State tax write-off to be authorized by new state legislation.

Or:

2. Finance infrastructure development from municipal capital improvement budget allocation made possible through bond guarantees by the State of Federal government.

III. Crime and Security

1. Install alarm systems which connect the establishment to the local police precinct immediately upon illegal entry. Federal grant money for a study to tie such a system into LEIN*.
2. Alter the physical layout of existing corridors to restrict access by unauthorized public. Access could be limited by closing or rerouting streets, providing wide greenbelts and neighborhood parks scattered around the perimeter of industrial corridors.
3. Other cleared space could be attractively fenced and turned into an outside storage center, with portions leased to area manufacturers.
4. Obtain funds for traffic rerouting and street closing from the State Highway Authority.
5. Obtain and utilize EDA and HUD Block Grant monies for acquisition and clearance of adjacent land for improvements designed for the strengthened viability of industrial areas.

RESOURCES REQUIRED

Capital:

*Property Acquisition:	\$10 million
Construction	7.3 million
TOTAL	\$17.3 million

*\$2 million of property acquisition cost will eventually be recovered through the resale of land.

IMPACT STATEMENT

These concepts will suggest a new orientation toward industrial and commercial development in central cities and will set the basic groundwork for actual location and expansion of industry treated in other sections. As a consequence, it is difficult to state the impact of this program in precise numerical terms; the figures below should therefore be considered very approximate.

1. JOBS

Short-term construction and engineering:	100
Long-term Industrial retained or new:	9,000

*LEIN - Law Enforcement Information Network

2. PERSONAL INCOME GENERATED annually: \$ 110 million

3. TAXES

Local Income:	\$ 1.8 million
State Income:	\$ 4 million
Real & Personal Property:	\$ 21 million

4. Increases of several thousand jobs and several millions of dollars can be anticipated as a result of the multiplier effect.

ESTABLISH A SYSTEM OF INDUSTRIAL PARKS THROUGHOUT THE CITY

PROJECT DESCRIPTION

This will be an effort to acquire 400 acres of land within the City and to prepare that land for industrial use. The absence of large land parcels, 40 acres or more, is often cited as an obstacle to development in Detroit. If we are to develop such large parcels and prepare them for immediate use, we will be in a better competitive position vis a vis the surrounding suburban areas, and other industrial parks throughout the State and around the country.

ACTIONS REQUIRED

1. Create an Economic Development Corporation as allowed in P.A. #338.
2. Provide tax incentives and loans and grants for industrial park development.
3. Use City's experts and contract with outside experts in industrial park location to contract with users and establish location.
4. Obtain \$34 million from Federal government to acquire and to prepare land for industrial park redevelopment.
5. Obtain \$2 million in Federal manpower funds to provide necessary services.
6. Use P.A. #198 to allow Plant Rehabilitation and Industrial Development.

RESOURCES REQUIRED

Capital:

*Property Acquisition:	\$ 24 million
Site Improvements:	10 million

Manpower:

Other Employment:	2 million
TOTAL:	\$ 36 million

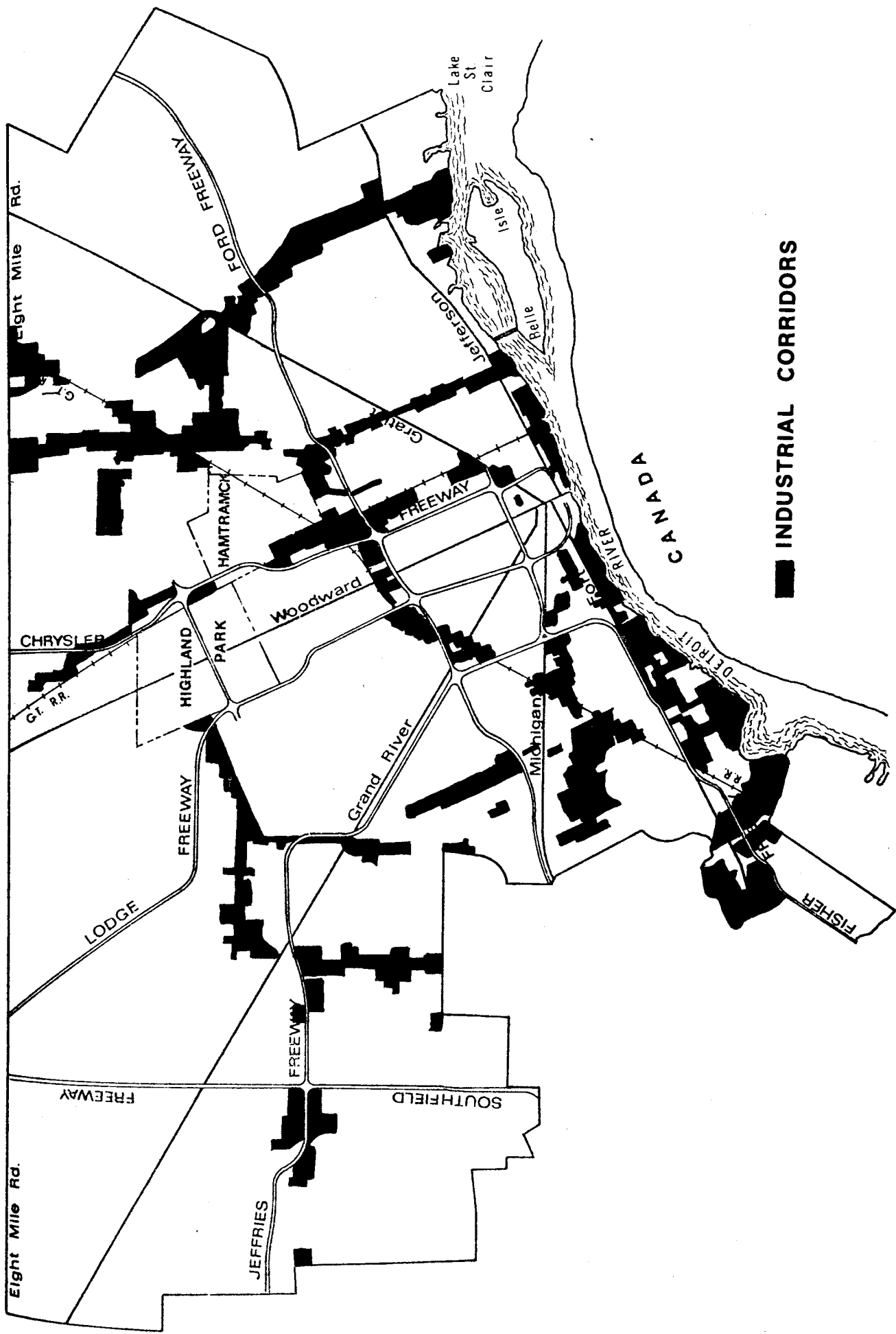
*\$4.8 million of property acquisition costs will eventually be recovered through resale of land.

IMPACT STATEMENT

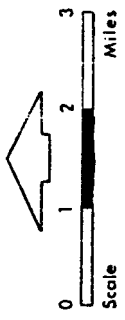
1. JOBS

Short-term construction and engineering jobs:	2,000
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- Long-term industrial (retained
or new) jobs: 8,000
2. PERSONAL INCOME GENERATED annually: \$ 100 million
3. TAXES
- | | |
|---------------------------|----------------|
| Local Income: | \$ 1.6 million |
| State Income: | \$ 3.9 million |
| Real & Personal Property: | \$ 20 million |
4. Additional increases of several thousand jobs and
several millions of dollars in income can be anticipated
as a result of the multiplier effect.



INDUSTRIAL CORRIDORS



RECYCLING OF EXISTING INDUSTRIAL PLANTS

PROJECT DESCRIPTION

Detroit has the bulk of its industrial capacity in facilities which average 50 years of age. Many of them are obsolete and beyond ordinary rehabilitation. This, coupled with the lack of sufficient land available for the whole, single step development, has resulted in economic pressures on companies to leave Detroit and seek new land in suburban areas and other states. Examples of companies occupying old industrial facilities include such large corporations as Chrysler, Parke-Davis, and Uniroyal.

In order to assure that these companies do not leave Detroit, but stay and expand, we recommend that steps be taken to develop new facilities in a recycling process adjacent to the present facilities so that these plants may begin to redevelop themselves in Detroit without prohibiting the capital outlays that render such projects infeasible.

ACTIONS REQUIRED

1. Immediately prepare joint development plans with the industries involved to create development timetables and action priorities agreeable to both government and industry.
2. Obtain \$10 million for the purchase of land and \$105 million for the demolition of buildings and the reconstruction of land support facilities.
3. Acquire lands for industrial expansion that are:
 - a. Currently known to be for sale.
 - b. Zoned for commercial use.
 - c. Suitable for industry use but currently zoned and/or being utilized for non-industrial purposes.
4. Institute a revolving fund that would be made available to industry to assist them in meeting Environmental Protection Agency requirements.
5. Form an Economic Development Corporation that would be authorized to plan, finance, and execute projects, to assist industrial and commercial location and expansion within the City (P.A. #338, 1974, Economic Development Corporation Act).

RESOURCES REQUIRED

Capital:

*Property Acquisition:	\$ 10 million
Construction & Demolition:	105 million
TOTAL:	\$ 115 million

*\$2 million will be recovered through land resale.

These capital funds can either be low interest or interest-free government loans to private industry or private funding sources not associated with government. However, the key would be the assurance of the availability of private funds on a joint venture basis if appropriate public funds were also issued.

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering:	2,500
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Long-term industrial retained or new:	10,000
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2. PERSONAL INCOME GENERATED annually: \$ 125 million

3. TAXES

Local Income:	\$ 2 million
State Income:	\$ 4.875 million
Real & Personal Property:	\$ 25 million

4. Additional jobs and several millions of dollars in income will be generated as a result of the multiplier effect.

ESTABLISH A MECHANISM FOR INCUBATING INDUSTRIES

PROJECT DESCRIPTION

Many industries encounter difficulties establishing themselves in already developed industrial areas and require some form of assistance in getting started. In addition, existing businesses often find it impossible to modernize and expand in periods of economic decline. The incubator industries process would allow direct support to such industries.

The mechanism would require the erection of new or redeveloped facilities to be used to attract growing industries. The City also would assist by making available management services, manpower, and facilities. It is anticipated that industries would be allowed to develop for two-three years in this subsidized atmosphere until they stabilize to the point where they could leave the incubator and move into the normal industrial fabric of the City.

ACTIONS REQUIRED

1. Obtain \$30 million from Federal Government in order to purchase land upon which to erect new and efficient industrial "shells" which are capable of containing industries of any size and allow them to expand without having to leave the facility.
Such shells could serve to house any type of industry that would be so serviced as to allow normally competitive interests to be easily supportive of each other.
2. Construct industrial shells or rehabilitate existing multi-story industrial facilities with \$50 million in Federal loan and grant funds.
3. Establish management organization for "incubator industry" project.
4. Establish special tax discounts to provide "move in" incentives.
5. Assure passage of the Job Development Authority Act presently introduced into the State Legislature.
6. Receive \$10 million manpower grant from Federal Department of Labor.

RESOURCES REQUIRED

Capital:

Property Acquisition:	\$ 30 million
Construction:	50 million

Manpower:

Public Employment	\$ 10 million
Other Employment	2 million
TOTAL:	\$ 92 million

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs:	1,200
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Long-term industrial (retained or new) jobs:	5,000
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2. PERSONAL INCOME GENERATED annually	\$ 100 million
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3. TAXES

Local Income:	\$ 1.5 million
State Income:	\$ 3.5 million
Real & Personal Property:	\$ 20 million

4. Additional increases of several thousand jobs and several millions of dollars in income can be anticipated as a result of the multiplier effect.

EXPANSION OF CITY AIRPORT

PROJECT DESCRIPTION

This project is aimed at expanding the City Airport's arena of operations to include a greater emphasis on industrial support air traffic. Such firms as Burroughs, Parke-Davis and Chrysler would be primary users of the increased operations.

This project would include the construction of slightly larger runways and associated ramps and aprons, a new air freight terminal, the renovation of the executive terminal, expansion of the present air terminal, a de-emphasis on use of the airport by private small aircraft, and the establishment of the airport as a duty-free port. Presently, 210,000 air movements are recorded at the airport annually and out of 8,000 airports in the United States, City Airport ranks 74th in air traffic. Other than Metro, City Airport is the only airport in the vicinity that is rated by the Federal government as an international airport.

ACTIONS REQUIRED

1. Obtain FAA funds (two-thirds of total) and MAC funds (\$5,000) for the development of a new "Airport Master Plan."
2. Transfer jurisdiction of City owned properties from EPM Department to Detroit Airport Department.
3. Negotiate contracts with several industries for guaranteeing long-term leases of the facilities.
4. Obtain Federal Aviation Agency funding (12-1/2% of total) for the construction of runways and appropriate aeronautical facilities.
5. Establish loans for the erection of a new air freight terminal, the renovation of the executive air terminal, and expansion of the present terminal.
6. Establish City airport as a foreign trade zone.
7. Establish low-interest private or public loans for the construction of certain support activities such as restaurants, information centers, etc.

RESOURCES REQUIRED

Capital:

Construction:	\$ 26 million
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Manpower:

Other Employment:	\$ 1.1 million
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TOTAL:	\$ 27.1 million
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IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs:	100
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Long-term industrial (retained or new) jobs:	50
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2. PERSONAL INCOME GENERATED annually:	\$ 2 million
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3. TAXES

Local Income:	\$ 50,000
State Income:	\$ 120,000
Real & Personal Property:	\$ 500,000

4. Foster development of additional and commercial linkages.
5. Increase desirability of residential buildings due to increased demand.
6. Alleviate tax burden on residential property sector due to expansion of industrial base.
7. The airport itself will provide revenue to the City.

DETROIT MEDICAL CENTER

PROJECT DESCRIPTION

The Detroit Medical Center, which houses several hospitals, a university school of medicine, schools of nursing, a variety of health service organizations, and private health facilities, is not traditionally seen as an industrial undertaking. However, it employs 9,500 and requires an annual budget in excess of 180 million dollars.

The rapid completion of this project is an integral part of the expansion of new industries in Detroit. Therefore, the rapid completion of the Detroit General Hospital and the presently proposed VA Hospital are an integral part of assuring an industrial Detroit.

ACTIONS REQUIRED

1. Obtain the guarantee of interest-free loans for the construction of the Detroit General Hospital.
2. Obtain land acquisition funds to assure a site for a new Veterans Administration Hospital.
3. Obtain \$80 million commitment for V.A. to build hospital.

RESOURCES REQUIRED

Property Acquisition:	\$ 5 million
*Construction:	75 million
TOTAL	\$ 80 million

*\$80 million for General Hospital accounted for in Detroit General Hospital Project.

IMPACT STATEMENT (V.A. HOSPITAL ONLY)

1. JOBS

Short-term construction and engineering jobs:	1,000
Long-term industrial (retained or new) jobs:	1,500

2. PERSONAL INCOME GENERATED annually: \$ 25 million

3. TAXES

Local Income:	\$ 400,000
State Income:	\$ 1 million
Real & Personal Property:	\$ 1 million

4. Probable generation of over 1,000 jobs and \$5 million in income as a result of the multiplier effect.

DETROIT GENERAL HOSPITAL

PROJECT DESCRIPTION

The present Detroit General Hospital facility is no longer economically efficient. Its new location has been secured within the Detroit Medical Center Complex. The program proposed here calls for the construction of a new building for the hospital in 1975. Plans have been completed and the site has been prepared. The project will complement the existing facilities in the internationally renowned Medical Center, the second largest in the United States.

Since Detroit General serves as a teaching hospital for the Wayne State University Medical School, and the colleges of Nursing and Pharmacology; the new location immediately adjacent to these schools is ideally suited for teaching. Further, since the new hospital will be physically centered to many other hospitals, patients will be able to receive specialized care from the most comprehensive array of service available anywhere.

Some work on the project has already begun. Additional funds are needed to complete it.

ACTIONS REQUIRED

1. Obtain Federal interest-free loans for construction of the project.
2. Change physician malpractice laws to insure availability of medical personnel to provide services.

RESOURCES REQUIRED

Capital:

Construction:	\$ 80 million
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IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs:	1,000
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Long-term service (retained or new) jobs:	1,500
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2. PERSONAL INCOME GENERATED annually	\$ 25 million
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3. TAXES

Local Income:	\$	400,000
State Income:	\$	1 million
Real & Personal Property:	\$	1 million

4. Probable increase of several hundred jobs and several millions of dollars in income will be generated as a result of the multiplier effect.

WATER MAIN AND SEWER RENOVATION

PROJECT DESCRIPTION

Many development projects are being planned for the inner-city where the infrastructure of sewer and water service is inadequate for modern urban users. This project is intended to reinforce these projects by replacing or renovating water mains and sewers that are either deteriorated or inadequate for modern service. When completed the project will make new development projects in the inner-city possible, will help enhance property values in sound neighborhoods, and make water and sewer service more satisfactory. The majority of the work will be concentrated in the older, inner and middle portions of the City, however, outer portions of the City where developers did not provide adequate sewer and water service will also receive a share of the project.

ACTIONS REQUIRED

1. Obtain grant funds from the Environmental Protection Agency or the Department of Housing and Urban Development to accomplish these projects.
2. Develop design and engineering plans.
3. Establish procedure to renovate or replace all inadequate or deteriorated sewers throughout the City.

RESOURCES REQUIRED

Capital:

Construction and renovation of water mains and sewers	\$ 25 million
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General Maintenance:

Major sewer cleaning project:	4 million
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TOTAL:	\$ 29 million
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IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs:	76
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Long-term construction and engineering jobs:	150
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2. PERSONAL INCOME GENERATED by project	\$ 1.9 million
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3. TAXES

The project itself will not provide any taxes, however, if property values are enhanced by the project then assessments could increase, and tax revenues would thereby increase.

RESOURCE RECOVERY SYSTEM

PROJECT DESCRIPTION

Detroit requires a recycling center to process the 3,000 tons of rubbish that are produced daily. A study justifying the center has been conducted and preliminary plans for a plant operation exist. In addition, a site for the construction of a recycling plant has been identified. The implementation of this project is essential to reduce the operating costs to the City of waste disposal and energy production. It is also central to the economic revitalization of the City as a producer of an alternate fuel source for the critical private electrical power company serving the Detroit area. The recycling center will permit the release, for tax producing purposes, of other existing rubbish disposal facilities on the riverfront, adjacent to the City Airport, and in the wholesale distribution urban renewal project area.

ACTIONS REQUIRED

1. Obtain \$40.6 million grant under the Federal Resource Recovery Demonstration Program.
2. Acquire 27 acres of land for site for the recycling center.
3. Contract with the Detroit Edison Company for the purchase of solid waste as a supplementary fuel.
4. Prepare final plans and construct the plant.

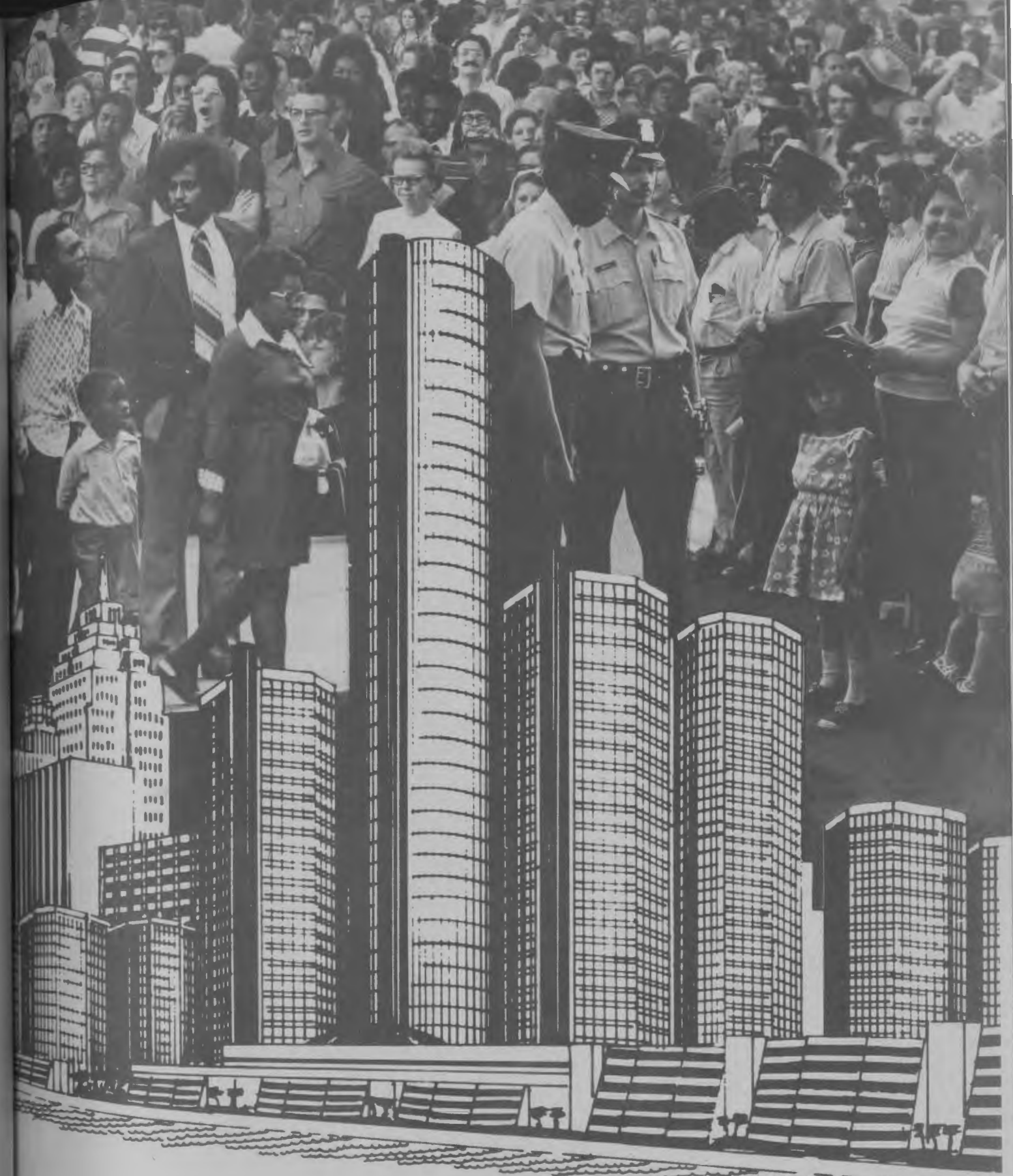
RESOURCES REQUIRED

Capital

Property Acquisition:	\$.6 million
Construction:	40.0 million
TOTAL:	\$ 40.6 million

IMPACT STATEMENT

1. JOBS
Short-term construction and engineering: 200
2. PERSONAL INCOME GENERATED annually: \$ 4 million
3. TAXES
Local Income: \$ 35,000.
State Income: \$100,000.
4. Reduced net waste disposal costs.
5. Reduced street lighting costs.
6. Reduced use of fossil fuels by City and Detroit Edison.



Commercial Program For Revitalization

COMMERCIAL PROGRAM FOR REVITALIZATION

The problems that face commercial development in Detroit are numerous. The high cost of land, the lack of parking, the obsolescence and deterioration of many commercial buildings and the competition posed by suburban shopping centers all impede development. There are three separate areas of actions to improve Detroit's commercial development competitiveness: the removal of deteriorated retail strip areas; the redevelopment of the central business district; and the strengthening of neighborhood shopping centers.

Declining retail strips exist throughout the City of Detroit. Vacancies, boarded-up stores and the rapid turnover of businesses characterize segments of virtually all of the City's major commercial arteries. Peripheral areas which seemed relatively immune from deterioration are experiencing problems previously associated with older areas closer to downtown. This trend imperils both still-viable commercial areas and nearby residential areas.

The greatest obstacle to the rehabilitation and modernization of Detroit's commercial strips is, of course, the cost involved. Parking can theoretically be provided for shoppers. Substandard facilities can be restored to an economically useful state. The appearance of blighted areas can be improved. However, the dollar price of these improvements is staggering. The acquisition cost of an average Detroit commercial block -- about one-half acre -- is \$350,000, excluding demolition costs.

Thus, the cost to acquire and demolish only 100 blocks throughout the City is more than 35 million dollars. It is estimated that an area equal to more than 2,000 commercial blocks is blighted. The cost to acquire and clear this land exceeds 700 million dollars.

While Detroit's Central Business District (CBD) remains economically viable, this area, like other commercial areas within the City, has lost both retailers and shoppers within the last several years. Significant amounts of office space within downtown Detroit are vacant as the result of move-outs of such professional service agencies as law firms, accounting firms, and advertising agencies.

Additionally, it is expected that, at least for the short-term, the completion of the four major office buildings of the Renaissance Center will have an adverse impact on some of the older, marginal office buildings in the CBD. The completion of the McNamara Building will add to the growth of downtown Detroit. A downtown shopping mall, which would include a Kern Block development, would ideally complement these other developments.

The problems are not insoluble. A recent study undertaken by the City of Detroit concluded that a significant portion of the commercial land in the City, approximately 30% of the total land area that is considered excess could successfully be turned over to other uses, such as residential and recreational. Further, since many whole commercial blocks are vacant, land assembly for development of these other uses should be easier. Market studies have indicated that the City needs and would support several neighborhood shopping centers. Some of the existing commercial centers in the City remain vital. These areas could be strengthened and expanded, utilizing adjacent vacant land and serving as anchors for other development.

In order to realize the goal of a healthy and revitalized commercial sector, we propose a variety of actions to complete ongoing downtown development projects and to eliminate the tremendous burden of vacant strip commercial lands. We propose to: construct a downtown shopping mall which will compete on an equal footing with suburban shopping centers; to insure the health of neighborhood shopping centers so essential to our citizens; and to combine shopping, housing, and other facilities so as to guarantee the long life of Detroit's commercial base.

EMPLOYMENT OPPORTUNITIES GENERATED: COMMERCIAL PROGRAMS

PROJECT	COST (IN MILLIONS)	SHORT TERM	LONG TERM	TOTAL
1. Downtown Development and Improvement	\$ 41.0	3,300	3,960	7,260
2. Downtown Shopping Center	20.0	2,000	4,000	6,000
3. New Courthouse	70.0	1,500	400	1,900
4. New Wayne County Jail	40.0	1,000	210	1,210
5. Redevelopment of Commercial Strips	88.5	300	5,000	5,300
6. Neighborhood Shopping Centers	43.0	650	700	1,350
7. Demolition of Obsolete Commercial Buildings	5.0	100	----	100
	<u>\$307.5</u>	<u>8,850</u>	<u>14,270</u>	<u>23,120</u>

DOWNTOWN DEVELOPMENT AND IMPROVEMENT

PROJECT DESCRIPTION

A number of individual actions can be taken to strengthen existing downtown development in Detroit. Many of the activities proposed here will expedite sluggish development. Others will provide for development which would not take place through private efforts alone, for example, the introduction of new housing into the downtown area (Housing Program for Revit.) which will facilitate movement between various downtown areas. Similarly, a new courthouse and jail, the already funded new police precinct station, a new community college are all essential ingredients of a successful downtown area. This project proposes to provide for the acquisition of property, demolition of vacant structures and site construction activities to enhance developmental efforts, particularly by the private sector for the overall rejuvenation of CBD.

ACTIONS REQUIRED

1. Obtain immediate funding for the construction of covered Pedestrian Ways between buildings and parking garages and between private buildings. Obtain immediate funding for the rapid completion of Downtown projects already initiated, including the Civic Center; HUD funding commitment to ongoing renewal projects.
2. Passage of the Downtown Development Authority Act, which can be used as a tool to undertake development activities in the key commercial centers of Detroit.
3. Provide funds for land acquisition and public improvements for the Wayne Court Community College Campus, the new jail, and the new courthouse.
4. Establish a working arrangement between the Municipal Parking Authority and private parking corporations for joint operation and fee structuring of all parking lots on a zone basis; utilize these resources for the construction of additional parking garages.
5. Develop an approach to the financing of parking structures which allow multiple use, e.g., parking, commercial and residential. Both the public and private sectors must share in the financing of the structure so that construction is expedited. At the same time, the tax laws relating to parking lots must be revised so that land presently held for use as parking lots can be profitably turned into development parcels. This may require entering into joint ventures with parking lot owners, allowing them equity for their land if those lands are committed to housing, commercial or other development entities.

6. Establish a real estate management and marketing mechanism to increase the usability of secondary office and commercial space in central Detroit and the New Center area. Since it is apparent that the private real estate industry has not responded to the appropriate demands; we recommend the formation of an organization whose sole purpose is to attract new users to vacant and soon to be vacant offices and to structure an operational program suitable to their needs.
7. Adopt tax-incentive legislation favoring rehabilitation of existing office and retail structures.
8. Downtown conservation programs to eliminate blighted buildings and make land available for expansion and renovation of adjacent retail establishments.
9. Reduce crime by:
 - 1) increasing foot patrol forces
 - 2) providing increased street lighting
 - 3) working with existing legal, educational, and preventive institutions in order to better understand and identify the dynamics of criminal behavior.
10. Improve aesthetics by increased attention to maintenance and beautification of public property.
11. Encourage off-hours use of retail and entertainment services by promoting downtown residential development.
12. Promote downtown properties in mass media and through personal recruiting. Provide relocation information and assistance.

RESOURCES REQUIRED

Capital:

Property Acquisition (Community College, Parking Garages)	\$ 10 million
Demolition	\$ 5 million
Construction (for Public Improvement) (Civic Center, Pedestrian Ways)	<u>\$ 26 million</u>
TOTAL:	\$ 41 million

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs 3300

Long-term commercial (retained or new) jobs 3960

2. PERSONAL INCOME GENERATED annually: \$59.4 million

3. TAXES

Local Income:	\$ 1,056,000
State Income:	\$2.64 million
Real & Personal Property	\$2.64 million

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

DOWNTOWN SHOPPING CENTER

PROJECT DESCRIPTION

The Downtown Shopping Center will include a pedestrian retail mall on Woodward Avenue and calls for the construction of a fully enclosed multi-use (retail and other commercial) facility on the Kern Block. This project will complement the existing commercial and retail establishments in the downtown area and will make the CBD more competitive with suburban shopping centers. In addition, it will serve as a strong inducement for residential development in downtown Detroit.

ACTIONS REQUIRED

1. Obtain guarantee of low interest federal financing for the shopping centers: Woodward Mall; Kern Block facility.
2. Identify a developer for the Kern Block multi-use facility.
3. Obtain State Highway Department consent for construction of the Mall on Woodward.
4. Relocate utilities and provide parking for the Kern Block development.

RESOURCES REQUIRED

Capital:

Property Acquisition	\$ 5 million
Construction	<u>195 million *</u>
TOTAL:	\$200 million

* \$ 180 million reflects private sector investment

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs 2000

Long-term commercial (retained or new) jobs 4000

2. PERSONAL INCOME GENERATED annually \$ 45 million

3. TAXES

Local Income:	\$900,000
State Income:	\$1.8 million
Real & Personal Property	\$ 8 million

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

NEW COURTHOUSE

PROJECT DESCRIPTION

A number of the local courts are presently scattered throughout several buildings in downtown Detroit. This situation results in duplication of costs -- e.g., several law libraries record keeping -- which could be avoided if all the courts were housed in one location. Further, citizens having business before the courts would be aided by a central court location.

This project consists of the construction of a single building to house the Traffic Court, Probate Court, Court of Common Pleas, Court of Appeals, and Circuit Court. The building will be constructed on the Larned-Bates, urban renewal site.

* Refer to Public Safety Program for Revitalization

ACTIONS REQUIRED

1. Obtain Federal and State financing for the construction of a new court facility.
2. Obtain the concurrence of the Wayne County Board of Commissioners to locate Wayne County courts in the new building.

RESOURCES REQUIRED

Capital:

Construction	\$70 million
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IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs	1500
--	------

Long-term service (retained or new) jobs	400
--	-----

2. PERSONAL INCOME GENERATED annually	\$8 million
---------------------------------------	-------------

3. TAXES

Local Income:	\$130,000
State Income:	\$320,000
Real & Personal Property	\$100,000

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

NEW WAYNE COUNTY JAIL

PROJECT DESCRIPTION

The existing Wayne County Jail has a legal capacity of 799 prisoners. The functional capacity of the current facility is approximately 650; however, since certain prisoners must by law and by humanitarian practice be separated from the others (the old, the young, the diabetic, the suicidal, the homosexual, the drug addict, etc.) the total number that can be housed is less. Because of the current shortage of detention space, the number of persons in the jail has, at times, far exceeded both practical and legal limits, a practice which the Wayne County Circuit Court has ordered to cease.

This project consists of the construction of a new 700 bed Wayne County Jail, to be located in close proximity to the present Wayne County Jail.

Construction of the new jail will bring Wayne County into compliance with the Court order. More importantly, it will alleviate some of the problems caused by overcrowded conditions -- assaults, rapes, suicides -- in detention facilities. As a new building, it will have the added benefit of renewing a part of Detroit's downtown.

*Refer also to Public Safety Program for Revitalization.

ACTIONS REQUIRED

1. Obtain \$40 million from Federal and State agencies for construction, architectural design, and engineering.
2. Complete design schematic for 700 bed facility (Giffels/Sims joint venture designs are scheduled to complete in June. Their work is being financed by a \$157,000 grant from the Law Enforcement Assistance Administration.)
3. Complete design and construct the jail.

RESOURCES REQUIRED

Capital:

Construction

\$40 million

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs 1000

Long-term service (retained and new) jobs 210

2. PERSONAL INCOME GENERATED annually \$4.2 million

3. TAXES

Local Income:	\$ 63,000
State Income:	\$158,000
Real & Personal Property	N/A

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

REDEVELOPMENT OF COMMERCIAL STRIPS

PROJECT DESCRIPTION

Many of the City's strip commercial areas are in various states of physical and economic decay. The Commercial Land Utilization Study found that approximately 30% of the more than 300 miles of strip commercial frontage is no longer needed for commercial purposes. Such outmoded commercial strips and sites must be converted to alternate uses, such as housing or recreation.

The purpose of this project is the consolidation of existing viable commercial facilities now included in decayed strips into stronger neighborhood centers. This program requires funds with which to undertake the rapid removal of excess commercial facilities in strip form and provide for their relocation into new neighborhood centers. This activity, undertaken on a large scale, would make a dramatic change in the physical condition and visual appearance of the City. In addition, it would provide lands for housing and other community facilities with direct relation to both present and future transportation systems.

ACTION REQUIRED

1. Obtain grants from the Federal Government to demolish substandard buildings along identified thoroughfares.
2. Acquire land on major arteries, such as Woodward, Grand River, Gratiot, East Jefferson, and Michigan Avenue, as well as other major thoroughfares, such as Mack, Warren, Puritan, Livernois, Fort Street, etc.
3. Landscape these lands for an interim period while long-term redevelopment is under way. This landscaping is essential to bring about a dramatic change in the appearance of the City of Detroit.
4. Relocate businesses to more appropriate, efficient, and convenient neighborhood centers.
5. Prepare site plans for neighborhood centers with special emphasis on the relationship of buildings, parking areas, and local circulation systems. A center's relationship to existing local transportation and proposed mass transit facilities and proposed "incubator" industry locations will also be considered.
6. Obtain guaranteed loans from the Small Business Administration for new businesses relocated as a result of the strip commercial activity.

7. Utilize manpower employment grants from the Federal Department of Labor to obtain employees for demolition of old buildings and preparation of landscaped areas.
8. Totally rezone all strip commercial to include multiple use activities under the planned unit development regulation rather than B2/B4 so that there will be joint public and private participation in the re-use of these lands.

RESOURCES REQUIRED

Capital:

Property Acquisition & Demolition	\$77 million
Construction	5 million
Employment Grants	1.5 million
Guaranteed Loans	<u>5 million</u>
	\$88.5 million

*Approximately \$8 million of the total cost will eventually be recovered through land sales.

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs	300
Long-term commercial (retained or new) jobs	5000

2. PERSONAL INCOME GENERATED annually \$75 million

3. TAXES

Local Income:	\$1.5 million
State Income:	\$3 million
Real & Personal Property:	\$2.3 million

4. Because of the multiplier effect, additional jobs and additional revenues will be generated.
5. Development of additional commercial linkages.
6. Increased demand for surrounding residential buildings due to improved local services and esthetics.
7. Eased residential tax burden on residential property sector through expansion of commercial base.

NEIGHBORHOOD SHOPPING CENTERS

PROJECT DESCRIPTION

Since the mid 1950's when the approach to retail marketing shifted from commercial strips to shopping centers, many older areas of Detroit have become increasingly underserved with few basic retail outlets. This project will strengthen and enlarge the commercial shopping centers throughout Detroit. Specific emphasis will be placed upon three categories of shopping centers.

1. The large community-wide centers such as those at Grand River and Oakman, and Gratiot and Van Dyke which already have substantial retail stores and a variety of commercial activities but which are in distinct trouble.
2. Shopping centers of 6-8 acres which would serve a trade area with a radius of 1-1/2 miles. Included in them would be a major chain supermarket, a drugstore, and ancillary facilities such as a bank, a dry cleaner, a beauty shop, a medical office and a small restaurant.
3. The cluster of two or three stores around an intersection within walking distance of a reasonable population; typically a foodstore, a drugstore, a dry cleaner, or other similar activities.

The purpose of this project is to make monies available for the revitalization of the large shopping centers and to include them in those activities which would be dislocated by the demolition of the obsolete strip commercial facilities referred to in the previous project.

As the first step toward establishing several neighborhood shopping centers, 6-8 acres in area, the City hired a nationally-known market research specialist to identify and prioritize the areas of greatest need and potential within Detroit. Twelve sites were so ranked. A six-acre site at Kercheval and McClellan on the City's southeast side was chosen for development of the first shopping center through urban renewal. Businesses dislocated through the demolition of obsolete strip commercial facilities would be included in this type center also.

The third aspect of this program would be to make economically feasible the "mom and pop" convenience stores so crucial to a low density residential population.

ACTIONS REQUIRED

1. Acquire Federal funding for land acquisition in the immediate vicinity of the larger community shopping centers in order that new facilities can be constructed in which to move facilities or businesses dislocated through the strip commercial redevelopment process; and to reorganize parking and circulation systems within those shopping centers. Land should also be made available to assure proper landscaping and orientation to the surrounding adjacent areas in order that the traditional housing abandonment which takes place around incompatible shopping centers can be avoided.
2. Obtain Small Business Administration interest loans and insurance guarantees for any new business willing and able to locate into these commercial centers so that these facilities can be constructed with the least risk to the private sector.
3. Obtain legislative actions removing legal restraints which unnecessarily impede the acquisition of blighted properties. In addition, obtain legislation permitting the acquisition of land which does not meet the present standards for blight but which is necessary for a city development program.
4. Establish an Economic Development Corporation under Public Act 338 of 1974.
5. Establish subsidies for the "mom and pop" neighborhood centers to reduce their financial burden, thereby reducing the price of their goods and services to the residents of Detroit. This will require the establishment of community-wide management services to provide, on a consulting basis, property management assistance to the owners of these facilities.

It may include access to the merchandising mechanisms of the larger enterprises by these small businesses. This would mean, for example, that the "mom and pop" store can operate on a credit card basis supported by the banking industry and may take advantage of the buying power of the large wholesalers presently used by chain stores such as A&P and Kroger. It would also mean access to the advertising of these large entities.

RESOURCES REQUIRED

Capital:

Property Acquisition	\$19 million *
Construction	\$21 million **
Manpower	<u>\$ 3 million</u>
TOTAL:	\$43 million

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs 650

Long-term commercial (retained or new) jobs 700

2. PERSONAL INCOME GENERATED annually \$10.5 million

3. TAXES

Local Income:	\$210,000
State Income:	\$420,000
Real & Personal Property:	\$1.2 million

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

Note: * \$2 million of the \$19 million property acquisition costs will be recovered through land sales.

** Construction costs of \$21 million to be financed with low interest bearing loans (6%)

DEMOLITION OF OBSOLETE COMMERCIAL BUILDINGS

PROJECT DESCRIPTION

Vacant buildings, or buildings that are deteriorated and obsolete, have a devastating physical effect on their surrounding area. This program is designed to effectuate the rehabilitation of such buildings and to encourage their maintenance and upkeep. It is not intended to conflict with the demolition of structures recommended in the Redevelopment of Commercial Strips Project. Demolition will be undertaken only when facilities cannot be rehabilitated to useful purpose.

ACTION REQUIRED

1. Obtain \$5 million grant for demolition.
2. Enact legislation holding building owners personally liable for demolition of buildings which are abandoned, obsolete, and deteriorating.
3. Establish a public demolition fund for expediting demolition and the rapid resale of land.
4. Modify State tax laws to encourage owners to improve their properties. Present tax laws, by assessing improved property at higher rates than unimproved property, discourage rehabilitation.
5. Improve procedures for blight declaration and land acquisition by the government for public purpose to provide greater speed and efficiency.

RESOURCES REQUIRED

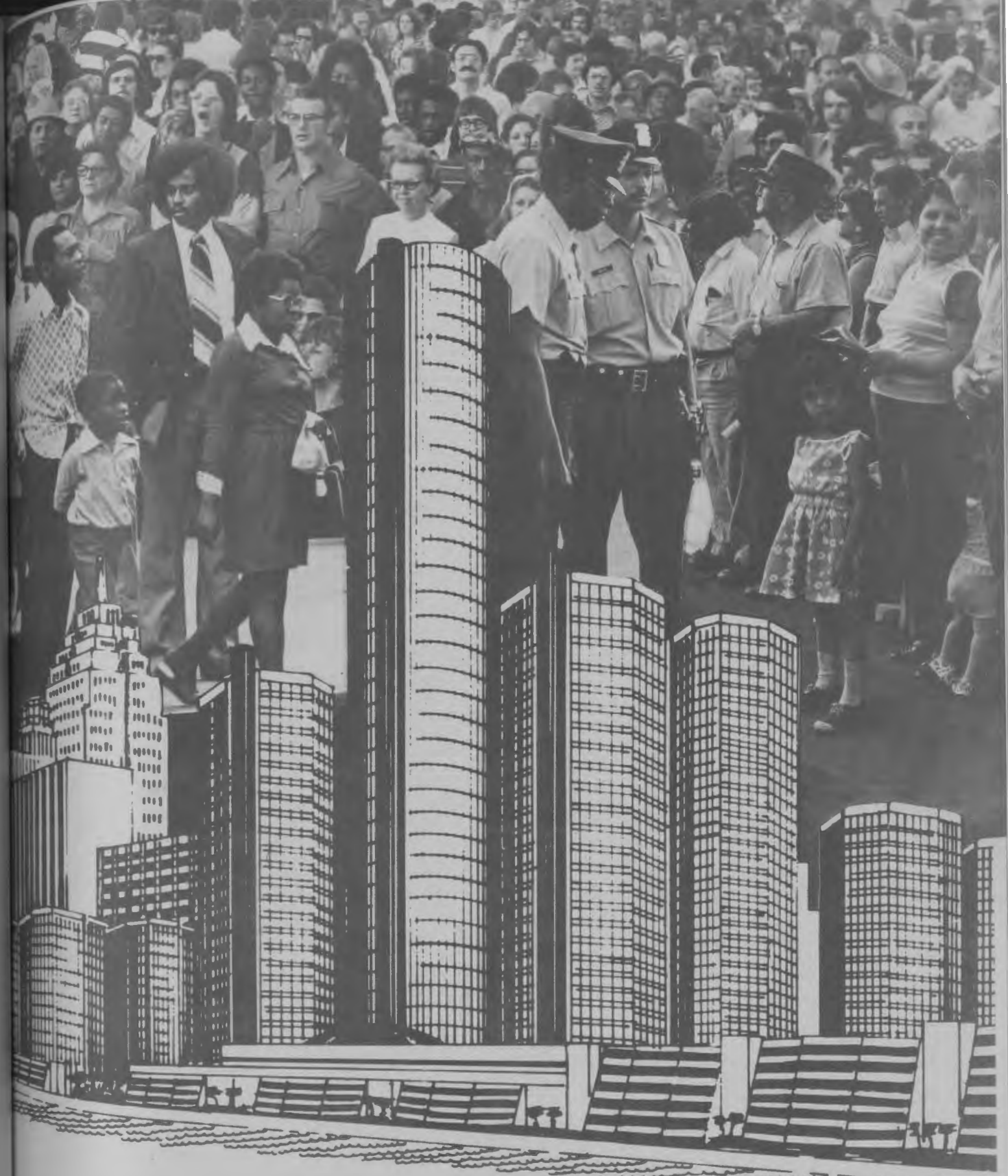
Public Demolition Fund	\$5 million
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IMPACT STATEMENT

1. JOBS

Short-term demolition jobs	100
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The chief benefit derived from this program will be the aesthetic improvement of the City.



Housing Program For Revitalization

HOUSING PROGRAM FOR REVITALIZATION

The problems of inadequate or substandard housing in the City of Detroit are inseparable from questions of poverty and changing social structure. Sixty percent of the City's present 513,000 housing units were built prior to 1939; over a third of the existing stock is more than 50 years old. Many of these homes were poorly built in the first place in the haste to shelter a rapidly expanding population. Now the older neighborhoods, crowded with homes on narrow lots and without room for parking cars, are no longer attractive or convenient.

As business, industry, and more affluent families join in the familiar metropolitan flight to the suburbs, the population of Detroit has become smaller. Total population declined by 156,000 from 1960 to 1970. Population per household also declined from 3.2 to 3.0; in part reflecting a changing life-style of low birth rates and more single people living alone; in part reflecting the relative increase in the proportion of the elderly as younger families moved out of the City. Over 20% of all households are headed by senior citizens. Altogether, about 120,000 households in Detroit are receiving either Social Security or some form of public assistance. This figure represents one-fourth of the City's total households.

With the changing profile of households, the City's housing stock is becoming progressively unsuitable and obsolete for housing its population. In addition, the large number of poor households in Detroit means that reinvestment in the housing stock sufficient to prevent the deterioration and the replacement of dilapidated units is not possible via personal finances. It is estimated that some 30% of the housing stock is significantly deteriorated; some 60,000 units are considered to be substandard. Abandonment and demolition of housing units is currently taking place at an annual rate of about 10,000. HUD has foreclosed on nearly 20,000 properties since 1970, and has torn down nearly half of them. Simply to maintain sufficient housing units to accommodate the current population in minimally standard housing will require construction of 5,000 new units per year for the next five years. Furthermore, in order that such high replacement rates need not be continued indefinitely, the 100,000 remaining units exhibiting deterioration must be rehabilitated.

Finally, if the City is to maintain a balanced population and strong tax base, middle and upper income families must be retained and attracted. This portion of the population has declined, both relatively and absolutely, in recent years, contributing to the erosion of the tax base and deterioration of the housing stock.

Housing strategies to appeal to middle and upper income groups, and especially to Detroit blue collar workers, must make choice sites available for new housing construction. as well as activities to improve the quality of existing neighborhoods of all income ranges.

Detroit has begun to undertake major programs to meet its most severe housing needs, redevelop neighborhoods, and redesign the structure of parts of the City. Readily available vacant or underutilized sites have been identified to begin work on the goal of 5,000 new units per year. But there are not sufficient resources available to utilize the land so as to resolve Detroit's housing problem.

In order to prepare for new housing development in future years, and to resolve immediately the tremendous burden placed upon Detroit by the failure of HUD homeownership programs, two programs of real estate activities are proposed. The first involves the acquisition of all abandoned homes in neighborhoods where HUD owns a high proportion of properties and their demolition to make way for new single-family housing development. A program of neighborhood improvements will accompany this treatment. The other program provides for mechanisms to acquire or otherwise control land which is desirable for residential development in order to rationally expand the housing construction program.

Since Detroit has hundreds of thousands of older homes which can offer many years of adequate shelter, if they are not allowed to deteriorate irreparably, several programs providing for housing rehabilitation assistance are included. The first program proposes to take over all HUD-owned homes in salvageable condition and in decent neighborhoods, repair them, and rent them out under the supervision of a management corporation, to low and moderate-income families. The second program employs large numbers of unemployed workers to repair all houses in deteriorating condition in the City. Since many families either cannot afford or cannot obtain private rehabilitation financing, this sort of assistance is greatly needed to preserve the housing stock. In addition to the public works approach to rehabilitation, a set of mechanisms to reduce the cost of financing repairs is proposed. A low-cost program to assist residents to improve the security of their neighborhoods is proposed to counteract fears of crime.

Taken together, these programs will stimulate the local economy through substantially increased short-term employment and make an immediate and dramatically visible impact on the viability of the City's housing stock.

EMPLOYMENT OPPORTUNITIES GENERATED: HOUSING PROGRAM

<u>PROJECT</u>	<u>COST (IN MILLIONS)</u>	<u>SHORT TERM</u>	<u>LONG TERM</u>	<u>TOTAL</u>
1. Real Estate Activities to Promote Development	\$106.0	100	600	700
2. Riverfront Seawall	17.0	150	---	150
3. New Housing Development	452.0*	4,350	35	4,805
4. Rental Program for HUD Homes	46.0	1,000	100	1,100
5. Single Family Housing Rehabilitation	78.0	1,700	125	1,825
6. Rehabilitation Assistance Program	24.275	800	25	825
7. Neighborhood Sec. Assistance Program	5.25	25	---	25
8. Demolition of Dangerous Buildings on a Neighborhood Basis	7.0	150	---	150
	<u>\$735.525</u>	<u>8,275</u>	<u>885</u>	<u>9,160</u>

* \$415 million mortgage guarantee

REAL ESTATE ACTIVITIES TO PROMOTE DEVELOPMENT

PROJECT DESCRIPTION

There are several areas in the City which offer great potential for industrial, commercial, or residential growth. At present, however, there are only limited tools available for land acquisition in these areas. In order to preserve these opportunities and guide development in ways which are desired by the City, we will undertake a program to obtain control of critical pieces of land. The primary objective is to control land long enough to initiate development.

In addition, the acquisition of sites by the City will make them more attractive to developers, since land assembly and writedown, if necessary, are accomplished without the delays and difficulties associated with urban renewal. Obtaining large tracts of relatively inexpensive, suitably located land will make development in Detroit more competitive with the suburbs.

The opportunity for favorable real estate activities in critical locations is reinforced by the large number of vacant and abandoned properties owned by HUD. These properties, and all others which later come into HUD ownership in selected areas having potential for development and characterized by deterioration and obsolescence, will be transferred to City ownership. These properties, along with any tax-foreclosed properties in the area, will be maintained by the City until the land is conveyed to a development interest. In addition, the City will acquire privately-owned properties as needed to assure planned development. Alternative means of guaranteeing control such as options, and leasing to interim users or preleasing to future occupants, will be used wherever possible to lower the cost of maintaining land.

It has been estimated that annual maintenance costs would run to about \$1,000 per acre for completely cleared land, while property taxes are foregone. Federal aid would be necessary to support adequate maintenance.

The following areas are recommended for real estate activities to provide development opportunities:

Industrial

West Riverfront:	700 acres
Connor Corridor:	500 acres
Lyndon Corridor:	200 acres
Airport-Huber:	500 acres

Residential

East Riverfront:	125 acres
Near East Side:	500 acres
Downtown:	50 acres

ACTIONS REQUIRED

1. Obtain \$101.2 million grant for acquisition and maintenance.
2. Implement acquisition program.
3. Dispose of properties in most appropriate manner for enhancing development.

RESOURCES REQUIRED

Capital:

*Property Acquisition and Clearance	\$100 million
Maintenance Equipment	1.2 million

Manpower:

Public Employment	
Manpower for property maintenance	4.8 million
TOTAL	\$106 million

*Approximately \$20 million of total project costs will be recovered through land sales.

IMPACT STATEMENT

1. Jobs

Short-term construction (demolition)	100
Intermediate-term retained or new	600

2. Personal Income Generated Annually	\$ 4.8 million
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3. Taxes

Local Income	\$ 87,000
State Income	\$ 160,000
Real & Personal Property	\$ - 12 million (temporary)

4. More than 100 jobs and the resulting income will be generated because of the multiplier effect of the employment created by this project.

RIVERFRONT SEAWALL PROJECT

PROJECT DESCRIPTION

This downtown riverfront project consists of demolition of the existing sea wall; construction of a new sea wall at the harbor line; and landfill for a large new housing development project. In addition, the installation of all utility hookups necessary for seasonal marina use will create major commercial development programs. By constructing the new sea wall directly at the harbor line, the Free Press/Penn Central site will be enlarged from its current 57 acres to its maximum potential size of 70 acres. Proper utility hookups will ensure that riverfront activity such as a riverboat restaurant, yacht docking facilities, and other uses can be easily accommodated. The sea wall will extend 4,000 feet, roughly from 3rd Street to 12th Street.

ACTIONS REQUIRED

1. Obtain \$17 million grant from Federal agencies.
2. Construct 4,000 foot sea wall at harbor line, to be made of steel sheet and wood timber pilings with concrete cap.
3. Demolish existing sea wall.
4. Landfill 13.1 acres.
5. Install necessary water, sewage, gas, electric, telephone hookups.

RESOURCES REQUIRED

Capital:

Sea Wall Construction	\$ 7 million
Demolition, Construction, Utility Infrastructure	10 million
TOTAL	\$17 million

IMPACT STATEMENT

1. JOBS

Short-term construction & engineering	150
Long-term industrial (retained or new)	N/A

2. PERSONAL INCOME GENERATED ANNUALLY	N/A
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3. TAXES

Local Income	N/A
State Income	N/A
Real & Personal Property	\$100,000

NEW HOUSING DEVELOPMENT

PROJECT DESCRIPTION

In order to replace the housing stock lost to decay and abandonment, and to provide housing more suitable for changing household types, Detroit needs to build at least 5,000 new units per year for the next five years. The purpose of this program is to create opportunities and mechanisms for the development of new housing units. A special, although not sole, emphasis is to provide suitable housing in attractive locations for middle and upper income households in order to maintain a balanced community and healthy tax base.

This program involves acquisition and preparation of land; provision of mortgage funds from public and private sources' subsidization of rents; and provision of public improvements. Part of the development of housing on the massive scale envisioned will be managed by a new quasi-private corporation which will receive funds from the various public and private sources and be responsible for land assembly, development packaging, and neighborhood management, as necessary. Part of the mortgage funds commitment is expected to come through private lending channels and part from the Michigan State Housing Development Authority.

ACTIONS REQUIRED

1. Obtain guarantees of mortgage insurance, housing assistance payments, management funds, and community development funds from HUD.
2. Obtain guarantees of mortgage and acquisition funds from the Michigan State Housing Development Authority (MSHDA) and private sector. Acquisition funds will be used for options or leases rather than outright purchase.
3. Work with MSHDA to secure a special mortgage fund free from their usual restrictions in order to permit more flexible sorts of development.
4. Establish a quasi-private development mechanism to speed up the development process, purchase and hold land, and perform related functions.
5. Acquire land in key areas of Detroit, both for immediate development and later opportunities.
6. Plan and schedule appropriate neighborhood improvements.
7. Obtain commitments of Section 8 housing assistance subsidies from HUD for two years at a time.
8. Secure HUD implementation of Section 802 bond and note guarantees.

RESOURCES REQUIRED

Capital:

Acquisition and Clearance	\$ 12 million*
Housing Mortgage Fund Guarantees	
Michigan State Housing Development Authority	\$200 million**
Department of H.U.D.	\$215 million**
Neighborhood Development & Site Improvements	\$ 13 million
Housing Assistance Subsidies (for 4,000 units)	\$ 12 million

IMPACT STATEMENT

1. JOBS

Short-term construction	4,350
Long-term new	35

2. PERSONAL INCOME GENERATED ANNUALLY \$ 700,000

3. TAXES

Local Income	\$ 17,500
State Income	\$ 32,000
Real & Personal Property	\$ 4.8 million

4. Additional jobs and income will be generated because of the multiplier effect of this project.

*Funds for acquisition where no immediate development proposals are available are included in "Real Estate Activities to Promote Developments." Examples of sites with immediate development potential and the types of development proposed for them follow.

**Guarantee of \$415 million in mortgage funds available for Detroit New Housing Development.

NEW HOUSING DEVELOPMENT: COMMITTED SITES

RIVERFRONT WEST

PROJECT DESCRIPTION

The proposed Downtown Riverfront West 2,500-unit housing development will be built on approximately 35-acres of prime riverfront property immediately adjacent to and west of Cobo Hall which is the western most building in the Civic Center. The land is presently under option to a major developer, and architectural and engineering work is under way. Construction is scheduled to commence in the Fall of 1975, assuming construction and mortgage financing can be arranged.

The 2,500 units planned for Riverfront West development will be constructed in three phases, with the first phase having approximately 900 units. Because of its prime in-town location and vista of the river, the units will be marketed specifically to meet the needs of moderate and middle income individuals and households, many of whom presently are employed in the Downtown Detroit area. Since this project will represent the first major, non-subsidized housing development within the City of Detroit in the past decade, its role in revitalizing Downtown as a desirable place to live will be a significant as that of Renaissance Center in restoring the vitality of the business community.

ACTION REQUIRED

1. Ear-marking of \$100 million in mortgage guarantees through F.N.M.A. or G.N.M.A. for the three phases of the development.
2. A commitment of mortgage insurance for the project at not less than 90% of replacement cost.

RESOURCES REQUIRED

Capital:

Mortgage Guarantees

\$100 Million*

*Cost reflected in Resoures Required for New Housing Development, pg. 64

ELMWOOD III

PROJECT DESCRIPTION

This project represents one of the major opportunities for the City to expand its housing development program in a near in-town location. Elmwood III is a 188-acre urban renewal site which has been 99% cleared for redevelopment. This project is the last phase of a 500-acre General Neighborhood Renewal Plan which was started in the early 1950's. Less than two miles from the center of downtown, Elmwood III is being planned as an urban community which will ultimately contain about 2,500 units of housing and related facilities. In contrast to Riverfront West, which is being developed and marketed as a downtown high rise for people who seek the advantages of an in-town location, Elmwood III is being planned as a small community providing a selection of all types of Housing units. The project marketing objectives will include significant opportunities for home ownership utilizing condominium and cooperative programs, as well as providing housing opportunities for a wide range of people with different incomes, social and ethnic backgrounds and family types.

To this end, the Community and Economic Development Department of the City, the Elmwood III Citizen's District Council (responsible for citizen participation for the project area) and Detroit Renaissance (an organization comprised of the major corporate and business interests of the City) have entered a formal agreement outlining their respective input and responsibilities in the preparation and implementation of a redevelopment plan for Elmwood III. It is anticipated that the plan will be completed by mid-1975 and actual construction of its first phase will commence in early 1975. The plan, based on preliminary concepts will require the use of additional funds not now in the renewal budget in order to provide amenities such as a multi-functional service and recreational center which will enhance the community image of the Elmwood III area.

ACTION REQUIRED

1. Commitment of mortgage guarantees through H.U.D., H.F.L.B.B. and MSHDA (State) to assure that favorable financing terms will be available to developers and purchasers.
2. Commitment of additional community development block grant funds from the H.U.D. discretionary funds to match with state, city and private donations to the capital cost of a multi-purpose facilities to serve the project and its surroundings.

RESOURCES REQUIRED

Capital:

- | | | |
|----|--|---------------|
| 1. | Mortgage guarantees
First Phase - 500 Units | \$15 Million* |
| 2. | Grant - Community
Multi-Purpose Facility | 3 Million** |
| | TOTAL | \$18 Million |

*Cost reflected in Resources Required: New Housing Development - Housing Mortgage Fund Guarantees, pg. 64

**Cost reflected in Resources Required: New Housing Development - Neighborhood Development Site Improvements, pg. 64

NEW HOUSING DEVELOPMENT PROPOSED SITE

RIVERFRONT SITES

The Detroit River, separating Detroit from Windsor, Ontario, is the region's finest natural resource. In Detroit, much of the riverfront is occupied by factories, warehouses, railroads, and similar uses which prevent its enjoyment by the people. Now, however, a number of these facilities are abandoned or underutilized, thus presenting the opportunity for redevelopment for residential use.

The following sites have been identified as having a potential for immediate action. All can be accomplished within the next five years. Other riverfront sites to be acquired for future development are included in the foregoing section on "Real Estate Activities to Promote Development."

1. East Riverfront Near Downtown

This site encompasses 112-acres immediately east of Renaissance Center. Residential development here would extend and be reinforced by the revitalization of the riverfront begun by prominent leaders of the business community. The land is currently owned by a number of people and occupied by old manufacturing facilities. When developed, the site can support 2,400 units of moderate to luxury housing in high-rise structures and townhouses. Estimated costs for the project are:

Land Acquisition	\$ 25 million
Site Preparation	3 million
Construction	96 million
TOTAL	\$124 million

2. Grayhaven Island

This site includes the 16-acre Grayhaven Island joined to the mainland by a bridge and 9 more acres of the mainland. A few large vacant homes are on the island, the rest of the land is empty. Some 500 units of moderate and luxury housing, high-rise and townhouses, can be built on the site.

Land Acquisition	\$ 1.7 million
Site Preparation	4 million
Construction	20 million
TOTAL	\$ 22.1 million

3. Windmill Point

These 14 acres of riverfront land adjacent to Grosse Pointe Park are currently occupied by the U.S. Marine Hospital and Lakeside Trailer Park. An extensive riverfront park system begins just to the west of this site.

The Marine Hospital will be declared surplus shortly and the City of Detroit will request the property. Along with the removal of the Trailer Court, the site will accommodate 300 units of medium-to-upper-income housing.

Land Acquisition and Relocation	\$, 730,000
Site Preparation	80,000
Construction	12 million
TOTAL	\$ 12.8 million

DOWNTOWN SITES

High-rise, middle and upper-income housing in the Central Business District is recommended on vacant or under-utilized parcels. These units will be attractive because of their proximity to business and commercial activities; conversely, their added population will stimulate downtown business. These buildings will also accommodate commercial space on the lower floors, both as a convenience to residents and as means of increasing the profit-making ability of the venture.

The sites which follow can all accommodate 20 to 30 story high-rise apartments with one or two floors of commercial space and multi-level parking garages to accommodate residents. Costs vary by land prices and size of structure suitable.

1. Howard, Third, Lafayette, Lodge Expressway

Land Acquisition	\$. 5 million
Construction:	
Apartment Building	9. 5 million
Garage	1.25 million
TOTAL	\$11.25 million

2. First, Bagley, Cass, State

Land Acquisition	\$.45 million
Construction:	
Apartment Building	8.7 million
Garage	\$ 1.68 million
TOTAL	\$ 10.83 million

3. Park, Clifford, Washington Boulevard, Grand River

Land Acquisition	\$ 1.75 million
Construction:	
Apartment/Commercial Building	13 million
Garage	2 million
TOTAL	\$ 26.75 million

4. West Adams, Witherell, Madison, John R.

Land Acquisition	\$ 1.1 million
Construction	
Apartment Building	10 million
Garage	1.5 million
TOTAL	\$ 12.6 million

WOODWARD AVENUE

Woodward Avenue is a major artery through Detroit, linking the Central Business District with the New Center -- Detroit's "other downtown" -- and passing through along the way the Medical Center, housing the nation's second largest medical complex, and cultural center, home of the Library, Art and Historical Museums, a major university, and numerous smaller specialized institutes of higher learning. Separating these areas of growth and vitality, however, are blocks of under-utilized or abandoned commercial frontage. Redevelopment of Woodward in this area would reinforce the projects already underway. Sites which could be developed immediately are the following:

1. Woodward between Forest and Garfield.

This site contains 1.8 acres. Because of its location and the difficulty of providing ample parking, the site is most suited for housing senior citizens or employees of the medical institutions and the University. These limitations dictate moderate rent levels. The site can accommodate 150 units in a high-rise structure.

Land Acquisition	\$ 600,000
Site Preparation	70,000
Construction	4.25 million
TOTAL	\$ 4.92 million

2. Woodward between Canfield and Willis

This site of 1.5 acres is subject to the same limitations as the one above and is thus best suited for the same type of development. A building with 100 units of moderate income housing is proposed.

Land Acquisition	\$ 400,000
Site Preparation	65,000
Construction	4 million
TOTAL	\$ 4.465 million

RENTAL PROGRAM FOR HUD OWNED HOMES

PROJECT DESCRIPTION

The purpose of this program is to provide moderate cost housing while creating a mechanism for rapidly re-utilizing HUD-owned abandoned houses. There are many families who prefer living in single-family houses but who lack the resources and experience to purchase and maintain them. At the same time, abandoned houses remain in HUD's inventory for 18 months or more, inviting vandalism and blighting neighborhoods. In this program, the HUD-owned homes will be rehabilitated, rented out, and managed by a private or quasi-private management entity.

The houses will be transferred to the corporation at no cost. With grants for rehabilitation and subsidies for on-going management, rents need only cover utilities, payments in lieu of taxes, and any difference there may be between the subsidy and the amount needed to provide suitable fees to the management group. Proper underwriting would also assume returns on the principal investment. Some of the houses will be offered on a rent-option to buy basis, in order to increase housing alternatives to Detroit residents.

It should be noted that HUD would otherwise have to repair most of these houses. In this proposed manner, HUD will be saving itself the cost of demolition, property management, staff costs entailed by holding and determining disposition of properties, and various costs related to sale, such as advertising and brokers' fees.

A final part of the program involves HUD setting up a mechanism to transfer houses to the corporation while still occupied by families who are defaulting their mortgage through no fault of their own and are not likely candidates for reinstatement.

ACTIONS REQUIRED

1. Obtain \$6 million grant to subsidize management.
2. Identify and obtain a guarantee of transfer of all HUD-owned homes located in viable neighborhoods and in repairable condition.
3. Establish management entities capable of handling the repair, rental, and on-going management of the houses.
4. Obtain \$40 million grant to finance rehabilitation.
5. Restructure service programs to meet the needs of renters rather than owners.

RESOURCES REQUIRED

Capital:

Rehabilitation Funds \$ 40 million

Manpower

Other Employment

Managment Subsidy 6 million

Total \$46 million

IMPACT STATEMENT

1. JOBS

Short-term construction \$ 1,000

Long-term retained or new 100

2. PERSONAL INCOME GENERATED ANNUALLY \$ 1.5 million

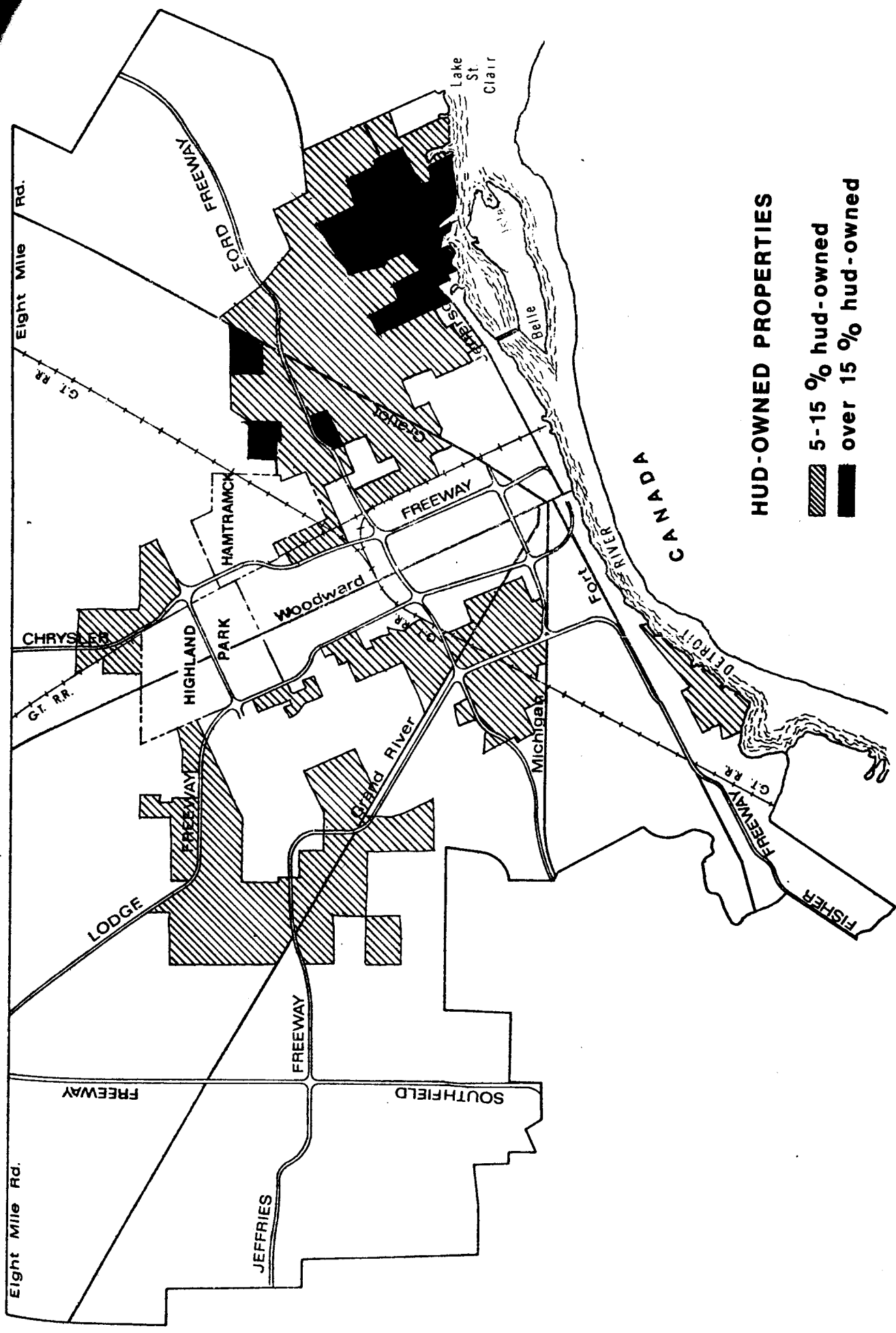
3. TAXES

Local Income \$ 24,000

State Income 50,000

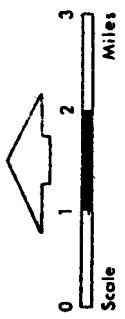
Real & Personal Property (in Lieu) 4.8 million

4. Additional jobs and income will be generated becuase of the multiplier effect of the new jobs created through this project.



HUD-OWNED PROPERTIES

- 5-15 % hud-owned
- over 15 % hud-owned



SINGLE-FAMILY HOUSING REHABILITATION

PROJECT DESCRIPTION

The older housing stock in Detroit is in serious need of repair. Beyond the units which are or will soon become so dilapidated that they must be torn down, there are some 100,000 single-family houses in various stages of deterioration. If these houses are to be prevented from becoming hopelessly dilapidated and requiring costly replacement, a massive rehabilitation program must be undertaken. The purpose of this program is to upgrade the housing stock while at the same time providing jobs for unemployed workers.

Many of the people living in deteriorated housing cannot afford repairs and even for those who can, financing is frequently not available or only available at exorbitant interest rates because of the location or age of the house. Therefore, the rehabilitation program will provide funds for the purchase of materials through a grant from the federal government and for the work to be carried out by unemployed workers with the aid of federal manpower funds. It is estimated that 15 percent of the workers will be unskilled, 45 percent semi-skilled and 40 percent skilled. In addition, neighborhood improvement in areas where a substantial proportion of houses are undergoing rehabilitation are needed to assure the long-term viability of the homes and the neighborhood. These improvements will include, as needed, street light replacements, street and alley resurfacing, tree planting, and park development.

ACTIONS REQUIRED

1. Establish a private or quasi-private development corporation to manage this undertaking.
2. Obtain \$78 million manpower and materials grant funds from the state and federal governments for 1st year.
3. Develop and schedule program to provide various neighborhood improvements.

RESOURCES REQUIRED

Capital:

Construction & Rehabilitation

Materials estimated at \$1,000 per house	\$ 20 million
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Neighborhood Improvement	6 million
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Manpower

Public Employment	\$ 50 million
Other Employment	2 million
TOTAL	\$ 78 million

IMPACT STATEMENT

1. JOBS

Short-term construction (public employment) 1,700

Long-term retained or new 125

2. PERSONAL INCOME GENERATED ANNUALLY \$ 51.9 million

3. TAXES

Local Income \$ 1 million

State Income \$ 3.5 million

Real & Personal Property \$ 1.28 million

4. Several hundred additional jobs and several million dollars of additional income will be generated because of the multiplier effect of the new jobs created by this project.

REHABILITATION ASSISTANCE PROGRAM

PROJECT DESCRIPTION

A supplement to the rehabilitation of homes as a public works program is the reduction of the cost to property owners of such work in order to encourage them to maintain their properties in good condition. This program is intended to promote private rehabilitation through financial incentives and assistance. Multi-family buildings are included in this program as well as single-family homes. The extension of assistance to landlords is intended to prevent rent from being raised above levels which tenants can afford.

Elements of the program include:

1. Provision of a free rehabilitation inspection service to advise property owners of the scope and cost of work needed.
2. Rehabilitation grants to low-income property owners who cannot afford any additional debts.
3. Subsidies to lower the interest rates on rehabilitation loans to roughly 3%.
4. "Buy and fix" mortgage loans: mortgages which provide funds for rehabilitation as a part of the entire loan.
5. A revolving loan fund for urban homesteading and rehabilitation.
6. Federal income tax deductions to permit the write-off of maintenance and rehabilitation work over a period of 10 years.

The program proposed will rehabilitate 7,000 units in one year.

ACTIONS REQUIRED

1. Obtain \$24.275 million grant funds from the federal government for rehabilitation loan subsidies, grants, revolving loan fund, and inspection staff.
2. Establish a mechanism to administer the resources.
3. Obtain commitments from primary lenders for rehabilitation and mortgage funds.

RESOURCES REQUIRED

Capital:

Construction/Rehabilitation

Interest Subsidy Funds	\$ 19.75 million
Rehabilitation Grants	4 million

Manpower:

Other Employment

Rehabilitation Advisory Staff	400,000
Program Staff	125,000

TOTAL	\$ 24.275 million
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IMPACT STATEMENT

1. JOBS

Short-Term Construction	800
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Long-Term New or Retained	25
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2. PERSONAL INCOME GENERATED ANNUALLY	\$ 525,000
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3. TAXES

Local Income	\$ 8,000
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State Income	\$ 16,000
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Real & Personal Property	\$ 1 million
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NEIGHBORHOOD SECURITY ASSISTANCE PROGRAM

PROJECT DESCRIPTION

A serious deterrent to living in Detroit is the negative sense of security. In an effort to increase residents' sense of security, technical assistance and security equipment will be provided through this program. Block clubs and other community organizations will be assisted in encouraging neighborhood residents to participate in a mutual house and pedestrian watching program. Resident groups will also be encouraged to organize into cooperatives to do bulk-purchasing of home security devices such as locks, alarms, decorative screening, and identification engraving equipment.

ACTIONS REQUIRED

1. Obtain \$5 million grant funds to match homeowners' purchases.
2. Obtain \$.250 million grant for employment.
3. Assist block clubs and community organizations to encourage neighborhood residents to participate in a mutual house and pedestrian watching program.
4. Assist resident groups to organize into cooperatives for the purpose of bulk-purchasing of home security devices.

RESOURCES REQUIRED

Capital

Matching Grants to Homeowners:	\$ 5 million
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Manpower

Public Employment:	.250 million
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TOTAL:	\$ 5.250 million
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IMPACT STATEMENT

1. JOBS

Short-term employment:	25
No long term employment impact is anticipated.	

* Refer also to Public Safety Program for Revitalization.

DEMOLITION OF DANGEROUS BUILDINGS ON A NEIGHBORHOOD BASIS

PROJECT DESCRIPTION

In addition to the demolition of dangerous buildings throughout Detroit, there is a need to deal on a broader fashion with those areas in which HUD owns one-third or more of the homes and there is massive abandonment. In some neighborhoods, it may be more appropriate to clear them out entirely and make them ready for new single family housing development than to continue with scattered rehabilitation activities. The purpose of this project is to identify two to five such neighborhoods and to guarantee funds for demolition of all appropriate properties and transfer all sites so generated for new construction.

ACTIONS REQUIRED

1. Seek \$6 million grant funds for the demolition of all buildings required.
2. Absolve all HUD liabilities on these homes so as to incur no liens on the construction process.

RESOURCES REQUIRED

Capital:

Property Acquisition & Demolition of 3,000 units:	\$ 6 million
Transfer of Land:	1 million
TOTAL:	\$ 7 million

IMPACT STATEMENT

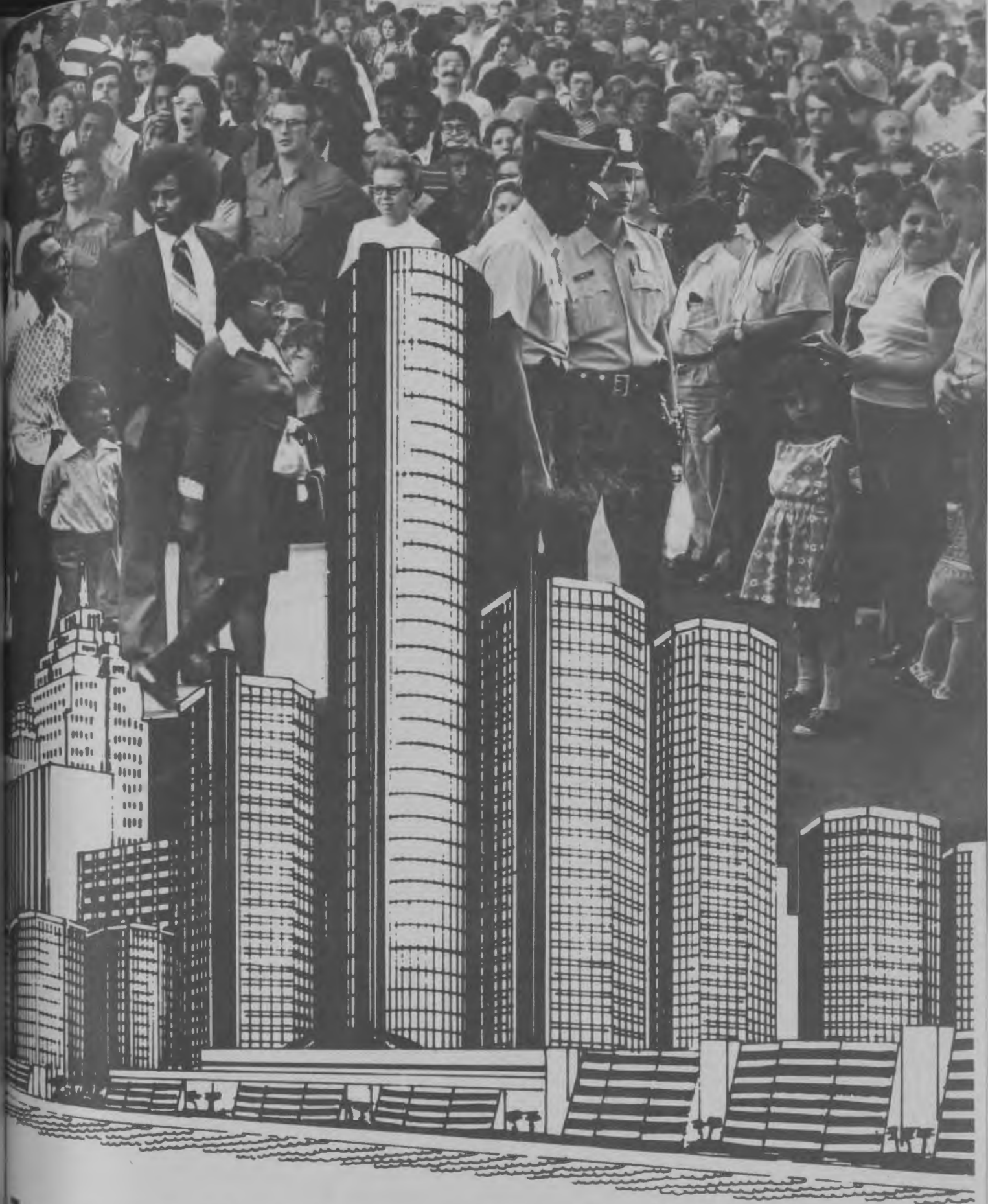
1. JOBS

Short-term construction:	150
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2. PERSONAL INCOME GENERATED annually:	N/A
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3. TAXES

Local Income:	N/A
State Income:	N/A
Real & Personal Property:	- \$ 450,000 (temporary)



Transportation Program For Revitalization

TRANSPORTATION PROGRAM FOR REVITALIZATION

Vital to the social, economic, and physical revitalization of Detroit is a transportation system which will provide for the accessibility of people to jobs, shopping, culture and recreation; for the transfer of goods; and for the interchange between economic activities within the city and the region. The successful completion of the proposed industrial, commercial, and housing projects will be impossible without improvement of the transportation system in the Detroit region.

Detroit already has an efficient freeway system which provides for certain elements of the transportation needs within the city. Detroit also has an extensive rail spine for industrial development, as evidenced by the concentration of industries along railroad corridors. In addition, Detroit is an international port, as a result of its being located along the St. Lawrence Seaway. The city is also served by two international airports although the Detroit City Airport is limited to the type of air traffic it can handle because of the minimal length of its runways.

With all of these assets, in terms of the total transportation system, Detroit still has many problems resulting from the absence of an efficient mass transit system. Because of the lack of such a system in the area, the resultant regional structure is inefficient in terms of all of the problems generally associated with urban sprawl: open space which is best utilized for recreational or agricultural purposes continues to be lost to urban development; the energy needs for the transportation of persons within the region continues to grow; important centers, scattered throughout the region, are without a rapid transportation connector essential if they are to operate efficiently.

These problems are not unique to the Detroit region but are typical of cities around the country. Transportation progress demonstrated in Detroit will have broad applicability to the largest number of American urban areas which, like Detroit, have been developed largely during the auto age. But, while typical in many ways, Detroit has some particular problems which demand attention now. The unavailability of automobiles for a large number of Detroit's residents is one such problem. Over 11 percent of Detroit's population is 65 years or older, with certain neighborhoods having one third of their population over 65 years. In addition, 35 percent, more than 540,000 of Detroit's residents are less than 20 years old, with nearly 300,000 being school children who are totally dependent on walking or public transportation. Almost one-half of Detroit's families have only one car available, and thus family members are often dependent on public transportation during long periods of the day.

In total, 28 percent of the households within the city have no automobile available to them, while more than one-half of the households within the inner 12 square miles of Detroit have no automobile available.

As a result of the unavailability of automobiles as well as the absence of a high level public transit system, many Detroiters find their accessibility to jobs very limited. In the central part of the city where some areas have an unemployment rate of nearly 50 percent, and where there is the highest incidence of persons with incomes below the poverty level, less than 10 percent of the working residents are employed outside of the city. Clearly, there is a real problem of accessibility by inner city residents to suburban jobs since more than one-third of all of Detroit's resident workers have jobs outside of the city.

In recent years, governmental, business and labor spokespersons within the Detroit region have become totally convinced that a modern rapid transit system would be a great stimulus for economic development in the Detroit area. A plan for such a system has been prepared by the Southeast Michigan Transportation Authority which addresses the needs of both Detroit and the region. It is an essential part of this program for the revitalization of Detroit that the first phase of this regional transit system be implemented at once. In addition, we propose the immediate implementation of a downtown people mover which will enhance the development potential of the downtown area and serve as a connector between the existing commercial center in downtown and the Renaissance Center which is under construction on the riverfront.

As a supplement to totally new transportation systems such as rapid transit and people movers, existing modes of public transportation will be expanded upon and modified to achieve performance levels that will make them vital and integral components of a multi-modal transportation system. Buses will be placed in exclusive lanes on freeways and on surface arteries to achieve an intermediate mode of travel known as Bus Rapid Transit (BRT). In addition, commuter rail service will be developed utilizing existing rail facilities to provide high performance transportation between Detroit and outlying communities such as Pontiac and Ann Arbor.

The following described projects provide the basic ingredients of the Transportation Program for Revitalization. Initial planning work is complete; what remains is immediate implementation. It must be emphasized that the transit system proposed herein is critical to the proper and effective functioning of projects proposed in the industrial, commercial, and housing sections. The creation of a complete and comprehensive transit system is absolutely critical to Detroit's future. Without it, Detroit residents will continually be denied access to employment; the city's housing stock will continue to be abandoned; and commercial centers will continue to decline. These transit proposals are not just technological innovations in moving goods and people. These proposals represent Detroit's opportunity to alter its economic structure for the future.

EMPLOYMENT OPPORTUNITIES GENERATED: TRANSPORTATION PROGRAM

<u>PROJECT</u>	<u>TOTAL COST (MILLIONS)</u>	<u>SHORT TERM</u>	<u>LONG TERM</u>	<u>TOTAL</u>
Rapid Transit Phase I	\$ 637.0	19,100	----	19,100
CBD People Mover	54.0	1,530	----	1,530
Bus Rapid Transit	26.0	600	----	600
Commuter Rail	12.0	400	----	400
TOTALS	\$ 729.0	21,630	----	21,630

RAPID TRANSIT SYSTEM: PHASE I

PROJECT DESCRIPTION

In 1974, the Southeastern Michigan Transportation Authority had ably documented the needs and recommendations for a complete regional rapid transit system. The total system proposed is very extensive, (i.e., 74.7 miles at an estimated \$2.05 billion). However, it is the first phase of that system which will have the greatest economic impact on the City of Detroit most immediately in terms of construction activity.

Phase I (City of Detroit) consists of the construction of a high-level rapid transit system consisting of three lines covering approximately 10.7 miles. The lines considered for first-phase construction are: Woodward Avenue line, stretching from downtown Detroit to Grand Boulevard; the Gratiot line, stretching from downtown Detroit to a location near the Gratiot I-94 interchange; and the third line is approximately along Michigan Avenue from downtown Detroit to a location near West Grand Boulevard.

ACTIONS REQUIRED

Approval and funding for Phase I is needed now independent of approval of the entire regional system.

1. Final State approval of the Governor's \$175 million transportation program. As now outlined, this program will supply 10 percent (\$61.3 million), one-half local share of the total funding necessary plus an additional \$6.0 million for preliminary engineering and engineering design start-up.
2. Federal (DOT) authorization of the standard 80 percent (\$504.8 million) funding of transportation projects.
3. Local funding of the remaining 10 percent (\$61.3 million) share.

If authorization were immediately forthcoming, it is estimated that some preliminary construction could be underway in as soon as one year from the time of authorization and that the system could be fully operational by 1980.

RESOURCES REQUIRED

Preliminary Engineering Study	\$ 6.0 million
Construction (including detailed engineering and land acquisition)	<u>631.0 million</u>
TOTAL (Jan, 1979 Dollars)	637.0 million

IMPACT STATEMENT

1. JOBS

Short-term construction and engineering jobs 19,100

2. PERSONAL INCOME GENERATED annually \$382.5 Million

3. TAXES

Local Income: \$ 7.65 million

State Income: \$14.91 million

Real & Personal Property: Publicly owned system

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

LONG TERM

With the advent of a rapid transit system in the City of Detroit, population and activity would be encouraged into higher density development along the rapid transit corridors, thereby increasing the population of the city and lessening the use of energy by the private automobiles.

The first phase of rapid transit in the City of Detroit will have a number of long-term benefits to the economy and user.

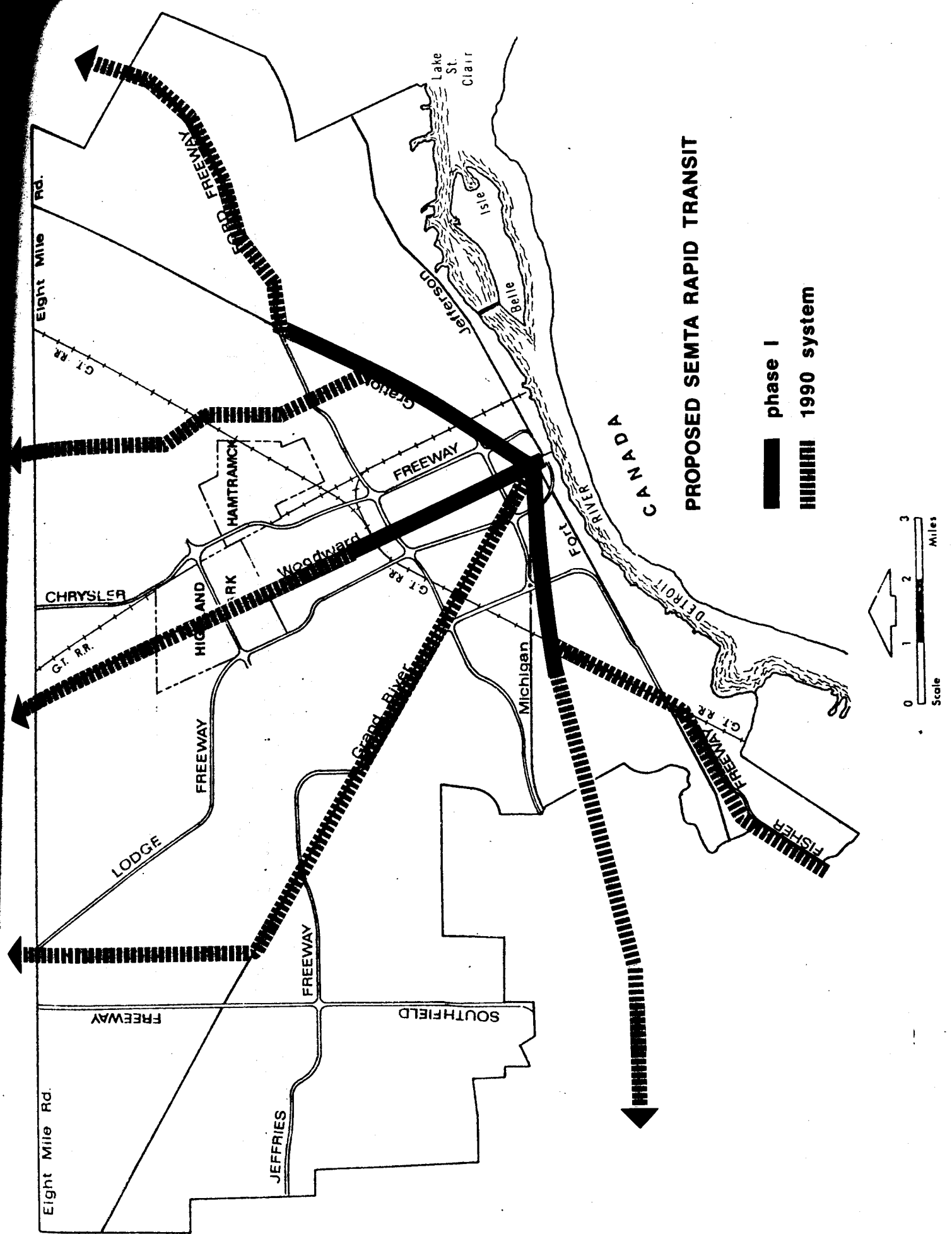
1. Convenient access to major activity centers that are oriented to the system.
2. Faster commuting. With less load on overloaded streets, the user will have an alternative to long hours on crowded expressways, going to and from work. More living time.
3. Commuting costs will be fractional, compared to the cost of stop-and-go driving in heavy traffic, plus parking.
4. Easier access to business and entertainment areas. When use of a car is not possible, user will still be able to get around easily and safely.
5. Revitalization. Quick convenient and inexpensive access to the city will be a positive factor in implementing the plans now underway to renew Detroit.

The location of more businesses and retail establishments in the downtown area is now discouraged by the fact that parking spaces eat up a great deal of land area which could be better utilized for buildings, and the cost of land in the downtown area makes it very difficult to use large acreage for parking spaces. An example of the difficulties the city faces is the Renaissance Center, the \$600,000,000 complex near the CBD now under construction, will need greater accessibility than can reasonably be expected with highways alone.

It is estimated that at completion, the Renaissance Center will employ some 40,000 people on a 33-acre parcel of land. Presently, over 65 percent of workers in downtown Detroit get to their jobs by automobile. The approximate number of persons in each automobile during the work-commuter hours is 1.5. A rough estimate of the number of automobiles which would be heading toward the Renaissance Center alone would be some 17,000 cars. When one takes into account that it takes approximately one acre of land to park 200 cars, we are then talking approximately 85 acres of land needed to park the 17,000 automobiles which may be expected at the Renaissance Center of 33 acres.

Rapid transit will probably be the major key factor determining the success of this important new complex.

6. New Employment Opportunities. Thousands of new jobs will be created as the system is constructed in stages, over a period of years. In addition to construction, the operation of the system will also provide many new jobs, the current estimate is 410 new jobs.
7. Added Real Estate Value. New mass transit can assist new, valuable real estate development on adjacent property. Rapid transit in the heart of the central city is the key that links the revitalization of major cities such as: Toronto, Montreal, San Francisco, and Washington, D.C.
8. No displacement of existing neighborhoods. The system as proposed will utilize existing highway and railroad rights-of-way, so that there will be no need to disrupt established areas.



BUS RAPID TRANSIT

PROJECT DESCRIPTION

Bus service will be extensively modified along four travel corridors to produce high performance characteristics in bus transportation intended to attract patronage in addition to the transit dependent. Objectives of this modified mode of transportation are to improve convenience, economy and comfort of public transit and to reduce travel time between destinations.

Such service would involve increased frequency, modernized equipment, establishment of traffic flow devices such as exclusive lanes and preferential signals, and provision of park and ride facilities.

The four corridors to be upgraded to intermediate level service known as bus rapid transit include: 1) Gratiot, CBD to 8 Mile Road; 2) Jeffries Freeway, CBD connecting to Northland along Greenfield; 3) Crosstown, within the I-94 corridor from Gratiot to Dearborn; 4) 8 Mile Road, from Northland to Eastland.

ACTIONS REQUIRED

1. Final State approval of the Governor's \$175 million transportation program. As now outlined, this program will supply 10 percent (\$2.6 million), one-half local share of the total funding necessary.
2. Federal (DOT) authorization of the standard 80 percent (\$20.8 million) funding of transportation projects.
3. Locally produced funding of the remaining 10 percent (\$2.6 million) share.

With project financing achieved, certain components of the bus rapid transit program would be operational within one year.

RESOURCES REQUIRED

Construction (including engineering and land acquisition)	\$ 20.0 Million
Rolling Stock	<u>6.0 Million</u>
Total	\$ 26.0 Million

IMPACT STATEMENT

Short-Term

1. JOBS

Short-term construction and engineering jobs

600

2. PERSONAL INCOME GENERATED ANNUALLY

\$12.0 Million

3. TAXES

Local Income	\$200,000
State Income	\$450,000

4. Because of the multiplier effect, several thousand additional jobs and several thousand dollars of additional income will be generated.

Long-Term

Bus rapid transit will fill a need in the spectrum of mass transit services to be provided as part of the transportation program for revitalization. It will be longer range and more direct than local feeder bus service, but it will have more flexibility and will service areas not serviced directly by rapid transit.

Bus rapid transit will be a viable alternative to the automobile and will contribute to energy conservation through the choice of commuters not to use their own automobiles.

Bus rapid transit will provide for the better utilization of densely developed areas such as downtown Detroit by the delivery of people and not automobiles.

Bus rapid transit will become a desirable means of commuting for more people as costs of owning, maintaining and operating an automobile increase and as traffic congestion and parking costs become more intolerable.

COMMUTER RAIL

PROJECT DESCRIPTION

The establishment of a viable commuter rail system making inter-city commuting convenient and economical will serve as a complementary mode of mass transportation to the rapid transit and bus rapid transit systems. Commuter rail can be established quickly and inexpensively and can work in conjunction with the first phase usable segment of rapid transit in a meaningful way even if future segments take many years to complete.

The immediate program proposed is the upgrading of two minimal commuter operations, Detroit to Pontiac and Detroit to Ann Arbor. Under study will be two additional rail lines currently not in commuter use that may eventually be added to the commuter rail system connecting Detroit to Mt. Clemens and Detroit to Rockwood.

ACTIONS REQUIRED

1. Final State approval of Governor's \$175 million transportation program. As now outlined, this program will supply 100 percent of the total funding necessary.

RESOURCES REQUIRED

Detroit - Pontiac: (addition of a fifth train, upgraded equipment and parking lots)	\$5 Million
Detroit - Ann Arbor: (acquisition of new equipment, extension of line to CBD and temporary CBD terminal at Third Avenue)	\$7 Million
	<hr/>
TOTAL	\$12 Million

IMPACT STATEMENT

Short-Term

1. JOBS

Short-term construction and engineering jobs 400

2. PERSONAL INCOME GENERATED annually: \$7 million

3. TAXES

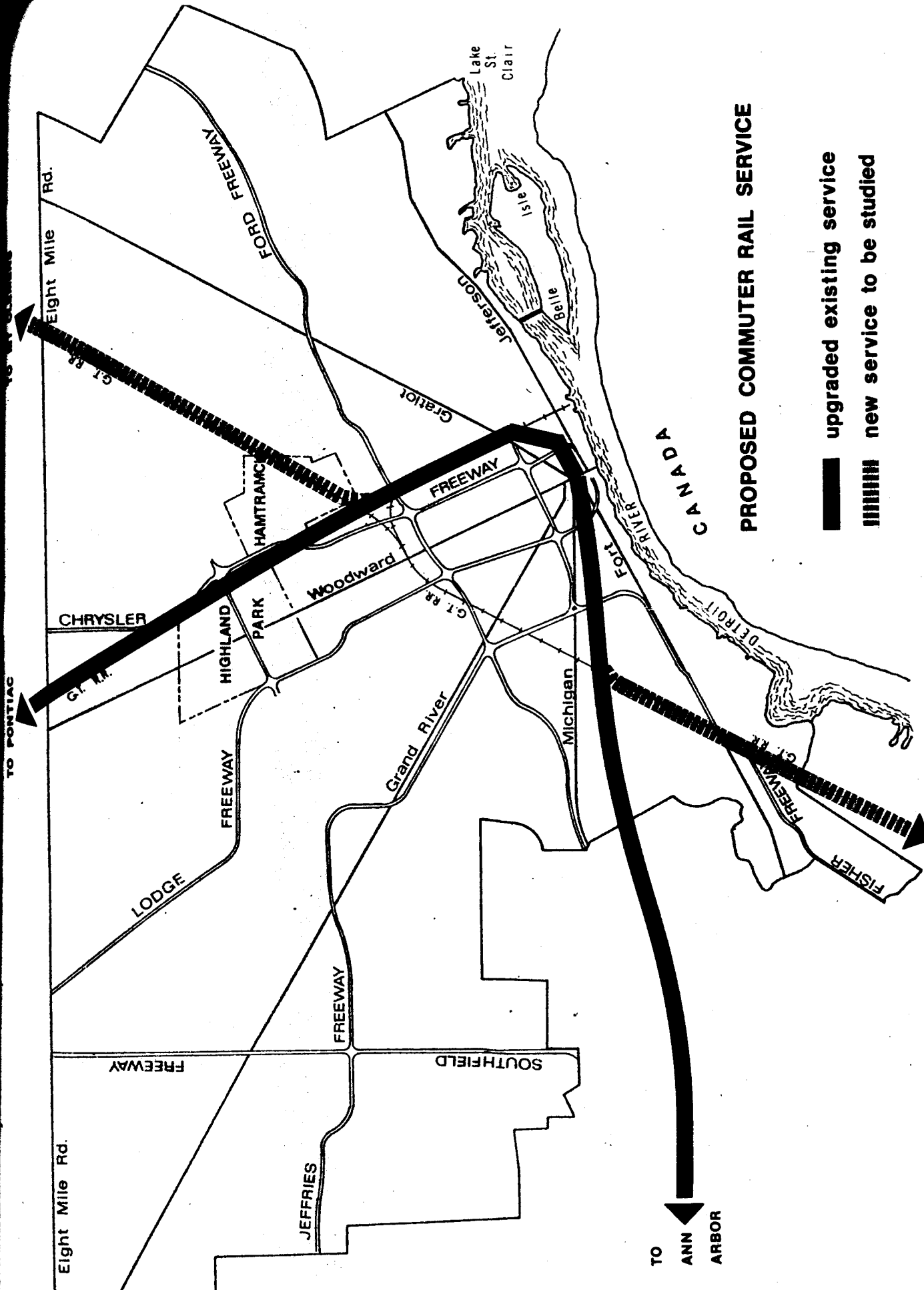
Local Income	\$140,000
State Income	\$273,000

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

Long-Term

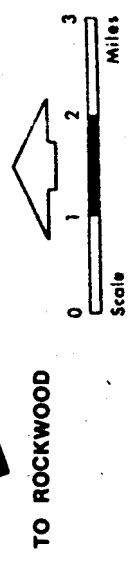
Rail commuter service has the capability of providing relatively high capacity (at moderately close intervals) with a low cost per-passenger-handled, and an efficiency in energy consumption unmatched by most motorized modes.

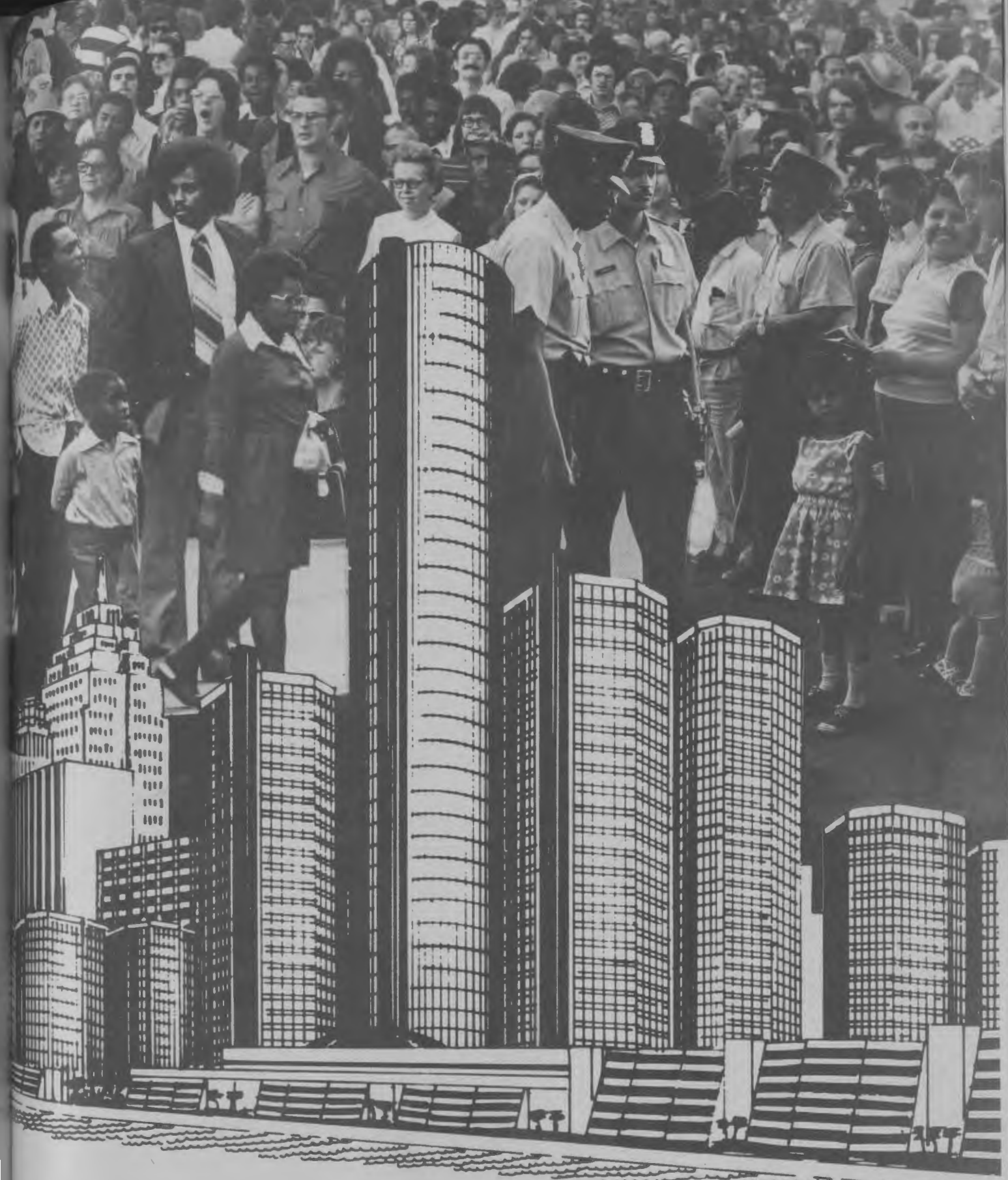
Commuter rail could provide a relatively low cost test of the demand for high volume transit and provide a significant public benefit during the years of development required by a rapid rail network. The experience of other cities, such as Toronto, is that commuter rail can be a popular, inexpensive form of public transportation.



PROPOSED COMMUTER RAIL SERVICE

- upgraded existing service
- new service to be studied





Public Safety Program for Revitalization

PUBLIC SAFETY PROGRAM FOR REVITALIZATION

Little more than one year ago, the "pushers, the rip-off artists, and the muggers" were invited to leave the City of Detroit. As the year end reports were tabulated, Detroit residents read that killers, robbers, and rapists operated on a bigger scale in 1974. Some even say the biggest growth industry in Detroit is crime. The media, in its reports, however, fails to dramatize the fact that crime is not peculiar to Detroit, but that crime is a national phenomena and no major city has been able to alter its momentum effectively.

Safe communities, or communities perceived to be safe, encourage investment by business and industry, other factors being equal. Knowing that the crime factor and the growth and expansion of economic opportunities are intertwined, the reduction of crime remains a high priority for every major city.

Crime has not only affected the physical and psychological welfare of the Detroit resident, but it has dramatically affected business attitudes and has proved an obstacle to future growth and development. And without growth, Detroit's future is its past.

Detroit recognizes its commitment to the safety of all its residents and has accepted the challenge by instituting forthright, aggressive policies and actions to reduce the incidence of crime. It is naive, however, to think that, with its meager resources, Detroit can do it alone - or that any major city can combat a national phenomena without support from the federal government paralleling the magnitude of the problem.

In Detroit, a city with strong neighborhood orientations, effective crime reduction programs are now propositioned on the concept of a People's Police Department - a police department that is responsive to the needs of the community and respected and trusted by the residents served. Although an old concept, it is one that was almost lost to modern day technologies and urban sprawl.

A Civilian Board of Commissioners sets policy. The Police Reorganization Plan, designed to improve police operations, has stressed the decentralization of special units to achieve the goals of greater police visibility and improved patrol techniques. Examples of improved techniques: Helicopters, equipped with spotlights, are used for surveillance and provide speedy response to business establishments equipped with rooftop strobe lights activated by alarm systems; Random bus patrols and special signalling devices are utilized to deter vandalism, robbery, and assault on city busses; Installation of 12 and 6 channel radios has improved communication between dispatchers and patrol officers; Increased efficiencies have resulted from the implementation of the CARES (Computer Aided Response to Emergency Situation) program and the utilization

of prep radios for data retrieval from the National Crime Information Center and the Law Enforcement Intelligence Network; The establishment of a second Homicide Squad to investigate and direct all energies to the resolution of felony homicides has strengthened police capabilities and promises to impact on the high homicide incidence.

Mini police stations, extensions of police precincts, serve to increase police presence within city neighborhoods and enhance cooperative attitudes between police and community residents in the course of providing routine police services. Fifteen mini police stations have been established in senior citizen complexes, multi-use neighborhood centers, and in downtown Detroit. To date, more than 300 block clubs, business and commercial associations, and citizen groups throughout the city have requested the institution of mini police stations within their respective communities. By December 31, 1975, 55 mini police stations will be operational throughout the city.

A People's Police Department is only as effective as the personnel implementing its policies. It is the policy of the current Administration that city departments be representatively staffed, especially the Police Department. Only 18% of the 5,500 police personnel are minority group members. At the present rate of attrition, given that every new hiree were to be a minority person, by 1990 the composition of the Police Department would reflect 1975 demographics -- 50% minority population. Aggressive affirmative action policies have therefore been instituted. Furthermore, Detroit proposes immediate federal financing of 1,000 police personnel for a period of 36 months at a cost of \$59.259 million. (See Employment Programs for Revitalization.)

One thousand additional police personnel would provide police officers in sufficient numbers to impact on the crime problem in a significant manner and would expedite the attainment of affirmative action goals.

Police operations are only one facet of a criminal justice system that has been under close scrutiny within the last several years. Antiquated facilities and inadequate alternatives are proffered as the means to rehabilitate society's offenders. Within the Detroit Plan, programs for a construction of a new courthouse, a new Wayne County jail, and a juvenile home are proposed. Additional capital improvement projects, which will provide the necessary equipment to effectuate crime reduction, are detailed in the following pages. These remedies by no means address the more serious social problems attributed to the causes of crime; they do, however, speak to a recognition of some basic structural inadequacies.

Detroit is not insensitive to the social concerns nor to the root causes of social disruption that major American cities are now experiencing. This Plan, however, has taken a limited perspective and has addressed one aspect of the survival processes of municipalities. Crime as a national phenomena must be addressed by any city that strives to maintain growth and development. And cities must obtain the necessary support and assistance from all levels of government in order to impact the problem.

PUBLIC SAFETY PROGRAM FOR REVITALIZATION: SUMMARY

<u>PROJECT</u>	<u>TOTAL COST (IN MILLIONS)</u>	<u>EMPLOYMENT GENERATED</u>
1. Trainee Police Officers	\$ 59.259 *	1,000
2. New Courthouse	70.0 **	1,900
3. New Wayne County Jail	40.0 **	1,200
4. Neighborhood Sec. Assistance	5.0 ***	25
5. Central Public Safety Hdqtrs.	60.0	3,500
6. Police Precinct Stations	21.0	5,000
7. Combined Agency Narcotics Enforcement	2.558	-----
8. Communications Equipmt. Update	4.182	-----
9. Security Systems Detail	.430	20
10. Mini Station Community Service Officers	7.26	550
11. Mini Stations Co-op Employment	.492	220
12. Special Security Force	3.737	250
13. Youth Home - Juvenile Court Expansion	20.0	475
Total	\$119.66	10,190

* Cost and employment generated are reflected in Employment Program for Revitalization.
 ** Cost and employment generated are reflected in Comm'l Program for Revitalization.
 *** Cost and employment generated are reflected in Housing Program for Revitalization.

CENTRAL PUBLIC SAFETY HEADQUARTERS

PROGRAM DESCRIPTION

The proposed Central Public Safety Headquarters will serve as the nucleus of the Detroit Police Department, Detroit Fire Department and Emergency Medical Service. This facility will replace the current antiquated facilities of both the Detroit Police and Fire Departments as well as bring together similar functions, thus eliminating duplication of facilities and unnecessary expenditures. For example, one below-ground level will contain a central communications facility, while a second below-ground level will contain all of the city's computer operations.

RESOURCES REQUIRED

Capital

Design, Engineering, Construction	\$60 million
Total:	\$60 million

IMPACT STATEMENT

1. Jobs

Short-term construction and engineering jobs	2,000
Long-term (retained or new jobs)	1,500

2. Personal Income generated annually \$9.5 million

3. Taxes

Local income	\$190,000
State income	\$380,000
Real and personal property	\$ 7,000

4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

DETROIT POLICE DEPARTMENT PRECINCT STATIONS

PROGRAM DESCRIPTION

Seven of Detroit's 13 precinct stations are currently in desperate need of new modern police and multi-use facilities so that they can meet the demands made of them.

At the present time, these precinct stations do not possess adequate facilities for the conduct of day-to-day police work. Detention facilities are cramped and outdated, there is not sufficient space to accommodate the current demands of the investigative personnel, uniformed personnel, administrative staff or desk personnel. As a result of the Department's reorganization the precinct station is constantly being given additional duties and responsibilities, many of which require additional space.

In addition to the above mentioned conditions, the changing role of the precinct station makes it necessary to have multi-use facilities to assist in fostering improved community relations. With proper facilities, a precinct station can be the center of community action, accommodate block club meetings, hold police-community get-togethers, and even offer recreational activities.

RESOURCES REQUIRED

Capital

Design, engineering construction	\$3 million
Seven stations	\$21 million
Total	\$21 million

IMPACT

1. Jobs
 - Short-term construction and engineering 1,000
 - Long-term (retained or new) jobs 4,000
2. Personal income generated annually \$60 million
3. Taxes
 - Local income \$1.2 million
 - State income \$2.4 million
 - Real and personal property \$8,000
4. Because of the multiplier effect, several thousand additional jobs and several thousands of dollars of additional income will be generated.

COMBINED AGENCY NARCOTICS ENFORCEMENT (C.A.N.E.)

PROGRAM DESCRIPTION

Discussions are currently underway between federal, state and local law enforcement agencies to launch a unified effort in the investigation, indictment and prosecution of drug-related criminal activity (C.A.N.E.).

Since the majority of narcotics traffic in Michigan is located in the Detroit Metropolitan Area, the Detroit Police Department will be responsible for supplying an appropriate amount of manpower and resources toward attempting to combat the narcotic problem.

To fight narcotics properly takes many dollars for investments (narcotic buys), sequestering witnesses, buying of information, and purchasing sophisticated equipment.

RESOURCES REQUIRED

	FIRST YEAR	SECOND YEAR	THIRD YEAR
Personnel	\$ 504,010	\$ 528,585	\$ 554,414
Fringe benefits for Civilians @ 37%	186,483	195,576	205,133
Operating Expenses	1,484,800	1,534,800	1,584,800
Equipment	383,560	-----	-----
	<hr/>	<hr/>	<hr/>
Grand Total	\$2,558,853	\$2,258,961	\$2,344,347

IMPACT

The impact of this program is not properly measured in terms of jobs and revenues generated. Rather, the more accurate gauge will be in terms of the reduction of narcotics in the city.

COMMUNICATIONS EQUIPMENT UPDATE

PROGRAM DESCRIPTION

Under this project, funds would be made immediately available to upgrade the department's ability to provide fast efficient communications between line units and the necessary back-up and supportive complexes. The installation of mini-computers within the patrol vehicle would greatly reduce the amount of time necessary in completing the activity of a radio run. It would also provide responding officers with a greater degree of knowledge of a particular situation as well as freeing their time for response to other requests for service. Vehicle monitoring devices that pinpoint patrol unit locations will greatly reduce dispatch time as the closest available unit will be immediately known. These factors will all increase the propensity of immediate apprehension.

RESOURCES REQUIRED

1. Hardware design and installation	\$3.782 million
2. Repair contracts	<u>.400</u> million
Total	\$4.182 million

IMPACT

Jobs and revenues would not be directly observed. Mid-term and long-term impact would result from reduced numbers of the incidents of crime.

SECURITY SYSTEMS DETAIL

PROGRAM DESCRIPTION

This project will establish a cadre of top flight security systems experts from within the Detroit Police Department and private industry to assist in the planning and evaluation of the total security system for all high rise and major construction projects in Detroit. This project will secure from private industry security experts in electronics, alarm systems, and security operations to work full time on the details of each system. Full time Detroit Police Officers with expertise in communications, training, and patrol will be loaned to the project to provide liaison and ideas to the project.

RESOURCES REQUIRED

Wages and Fringes - 93%	\$400,000
Administrative Costs - 5%	21,500
Material Costs - 2%	8,600
Total	<u>\$430,100</u>

IMPACT

1. Jobs - short-term (12 months) 20
2. Personal income generated \$280,000.
3. Taxes:
 - Local @ 2% \$5,600
 - State @ 3.9% \$10,920.00
4. Income multiplier $7 \times \$9,000 \times 1 \text{ year} = \$63,000$
5. Employment Multiplier 7 jobs x 1 year
6. Long term (two years and beyond) - fewer criminal activities within the complex

MINI-STATION - COMMUNITY SERVICE OFFICERS

PROGRAM DESCRIPTION

In this project all 55 mini-stations projected for the end of 1975 would be staffed with Community Service Officers. A Community Service Officer would be hired from the ranks of the underemployed and unemployed. They would be trained to go out into the area of the mini-station and assist citizens with Project Identification as well as serving to assist persons in securing necessary city, state and federal services. They would also survey their neighborhood for obvious safety and health hazards thus bringing such conditions to the attention of the appropriate city agency. They would perform the necessary follow-up activity to insure that these requests were fulfilled. The project would serve as a stepping stone to full time employment in the civic or private sector.

RESOURCES REQUIRED

Wages and fringes - 90%	\$5.94 million
Administrative cost - 5%	.66 million
Material Costs - 5%	.66 million
Total	<u>\$7.26 million</u>

IMPACT

1. Jobs - short term (12 months) 550
2. Personal income generated \$4.4 million
3. Taxes:
 - Local @ 2% \$88,000
 - State @ 3.9% \$171,600
4. Income multiplier - 165 jobs x \$9,000 x 1 year = \$1,485 million
5. Employment multiplier - 165 jobs x 1 year

MINI STATIONS CO-OP EMPLOYMENT

PROJECT DESCRIPTION

This project would be a cooperative effort between the Detroit Police Department and the Detroit Board of Education. In it, students in the Distributive Education Co-op and Office Co-op programs in Detroit's senior high schools will be utilized 20 hours per week in the mini stations to provide clerical assistance. These students have flexible schedules and can be available for work during most hours of the day and evening. This on-the-job training would be a valuable experience to the student because he can practice some of the skills he has learned in the classroom. It will also be valuable to have work experience when applying for future employment after graduation. As well as providing Detroit with more potential police officer candidates.

RESOURCES REQUIRED

Wages and fringes - 93%	\$457,600
Administrative Costs - 5%	24,600
Materials Cost - 2%	<u>9,850</u>
TOTAL	\$492,050

IMPACT STATEMENT

1. Jobs - short term (12 months) 220
2. Personal income generated \$457,600
3. Taxes:

Local @ 2%	9,152
State @ 3.9%	17,846
4. Income multiplier - 70 jobs x 1 year x \$3,000 = \$210,000
5. Employment multiplier - 70 jobs x 1 year

SPECIAL SECURITY FORCE

PROGRAM DESCRIPTION

Under this project, a private guard type security force would be hired to patrol sites of major new construction and identified renovated housing areas during the non-working hours of construction to prevent losses from vandalism and theft. It is anticipated that the guards would be both highly mobile and operate from fixed position. The guards would be hired, trained and supervised by the Detroit Police Department with bases of operation at the precinct stations or the mini-stations. This project is contingent upon the adoption of several of the major construction plans previously detailed.

RESOURCES REQUIRED

Wages and fringes - 85%	\$3.25 million per year
Administrative cost - 5%	.1625 million per year
Material Cost - 10%	<u>.325 million per year</u>
Total	\$3.7375 million per year

IMPACT

1. Jobs - project life (5 years) 250
2. Personal income generated \$2.5 million
3. Taxes
 - Local @ 2% \$50,000
 - State @ 3.9% \$97,500
4. Income multiplier - 75 jobs x \$9,000 x 1 year = \$675,000
5. Employment multiplier - 75 jobs x 1 year

YOUTH HOME - JUVENILE COURT EXPANSION

PROJECT DESCRIPTION

The present Juvenile Administrative Court facility and correctional institution located at Russell and East Forest is near capacity. It is expected that current trends in the increase in jury trials and other time and space consuming practices related to juvenile justice will continue. This was confirmed by the recent addition of judges to this court by the State Legislature. Therefore, it is necessary to expand the present facility and adjacent services such as parking.

ACTION REQUIRED

1. Obtain \$20 million Federal grant funds for the expansion of the present facility and associated services.
2. Acquire block bounded by Hancock, Russell, East Warren and Rivard and transfer ownership to Wayne County.
3. Transfer block bounded by Hancock, Russell, East Forest and Riopelle from Wayne County to the City of Detroit.
4. Design and construct new Youth Home.

RESOURCES REQUIRED

Capital:

Land Acquisition	\$ 1 million
Design and construction	19 million
TOTAL	\$ 20 million

IMPACT

JOBS

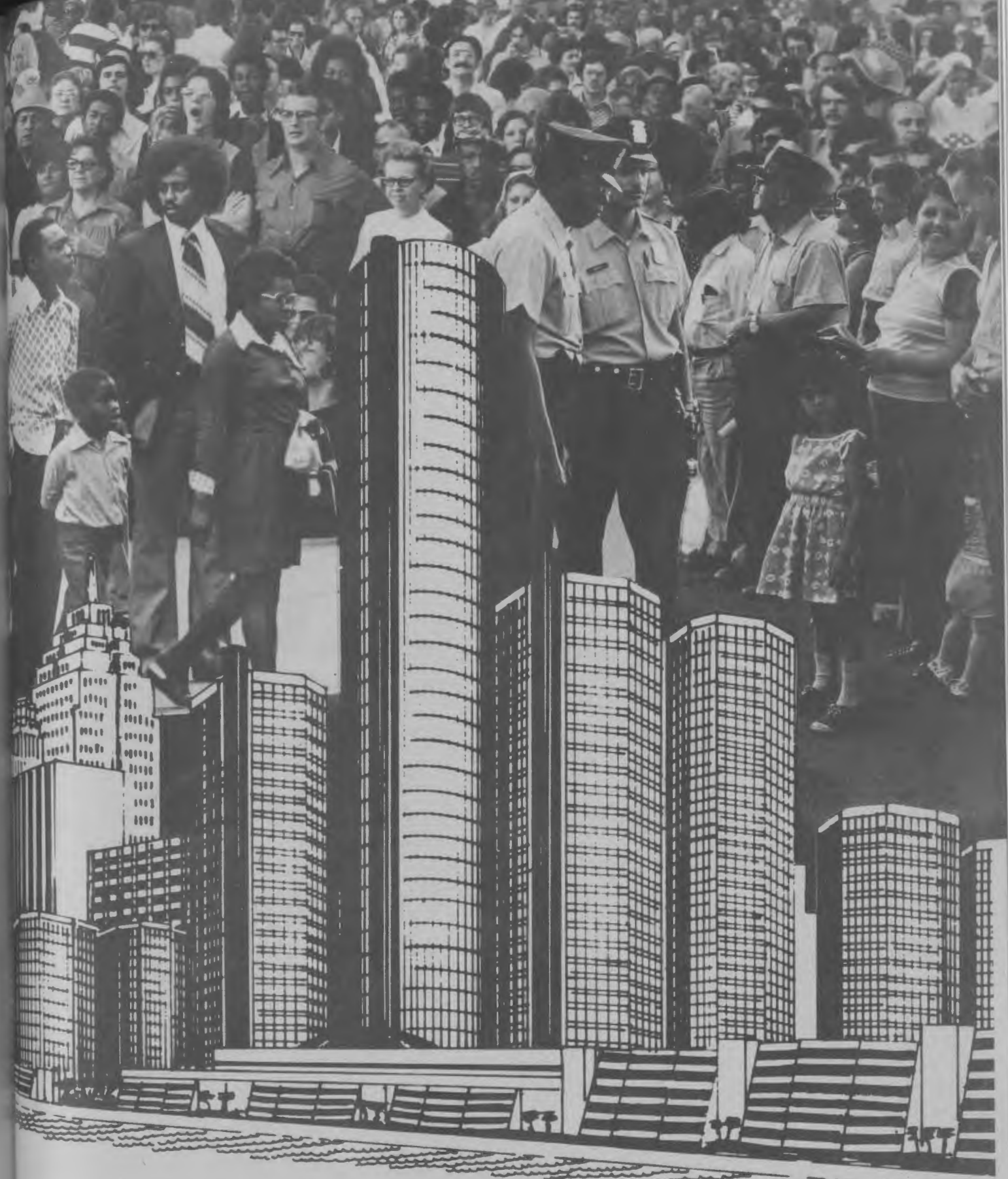
Short-term construction and engineering jobs	475
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Long-term service retained and new	175
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PERSONAL INCOME GENERATED ANNUALLY	\$ 7.8 million
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TAXES

Local Income	\$ 156,000
State Income	\$ 309,200
Property, Real and Personal	\$ 9,000



Program Costs Summary Statements

FINANCIAL STRATEGY FOR REVITALIZATION

There is a crisis in the nation's capital market. One of the most critical problems facing both business and the nation's cities is now they will raise the capital needed to finance new plants, equipment and facilities. Business and government rely on the money market for capital. In today's economy, with inflation, stagnation, high unemployment, high interest rates, and the depressed stock market, neither businesses nor cities can look to traditional sources of capital.

If business is to remain viable and competitive, new sources of capital must be made available. Current rigid EPA standards, coupled with the need to become self-sufficient in energy, have increased the use by business and utilities of the bond market, to finance the costs of their newly required facilities. The stock market is stagnant. On December 6, 1974, the Dow Jones averages reached a low of 577.60, the lowest point since 1962. As a result, business now aggressively competes with Cities for the limited supply of capital, thus aggravating the crisis in the nation's cities.

With the depressed stock market and interest rates at high levels, business has had to abandon or delay, indefinitely, plans for new plants and facilities. The record high interest rates experienced in 1974 and demand for capital have made it impossible, for all but the very high rated Companies and Cities, to sell bonds. Cities such as Detroit and New York have been forced to withdraw bond issues from the market because of the lack of demand. Detroit is unable to market a \$30 million issue to finance the first phase of a new hospital. Because of market conditions, a vital construction project estimated to cost \$80 million has been indefinitely postponed, dampening an already depressed construction industry.

The demise of cities is imminent if they are unable to finance the replacement of vital municipal facilities needed for the health and welfare of its citizens. This cannot be permitted to happen.

There needs to be a general economic program for a gradual but determined reduction of interest rates. The enclosed program proposals are designed primarily to meet the needs of Detroit and other cities and serve to relieve the pressure on the long-term capital market which will indirectly aid and assist business in the satisfaction of its capital needs.

The Federal Government is called upon to intercede and to provide to Cities the necessary capital, a combination of direct grants in aid, interest-free loans, debt guarantees, and low-interest public facility loans, to finance developmental projects.

The financing methods proposed above are not new. They have been tried and found viable. What is new is that they have never been combined with a project of this magnitude, designed to meet the immediate needs of cities and preserve this nation's greatest assets - its cities.

In the following pages, budget and impact summary statements are provided to present a more comprehensive treatment of federal and state assistance proposed.

PROGRAM COST SUMMARY STATEMENT

PROGRAMS FOR REVITALIZATION: SUMMARY STATEMENT

(Costs Computed in Millions)

	EMPLOYMT.	INDUSTR.	COMM'L.	HOUSING	TRANSP.	PUBLIC SAFETY	TOTAL
FEDERAL SHARE	\$555.10	\$517.0	\$297.5	\$522.825*	\$558.9	\$119.66	\$2,570.987
STATE SHARE Local Share	-----	9.0**	10.0	212.7***	96.0 74.0	-----	327.700 74.0
TOTAL COST (IN MILLIONS)	\$555.10	\$526.0	\$307.5	\$735.525	\$729.0	\$119.66	\$2,972.787

PERSONAL INCOME GENERATED	400.568	542.900	202.100	59.425	432.100	85.300	1,722,393
PROPERTY TAX GENERATED	-----	103.50	14.240	24.430	-----	.024	
CITY INCOME TAX GENERATED	8.019	8.585	3.859	1.136	8.602	1.706	26.329
STATE INCOME TAX GENERATED	15.616	20.095	8.338	3.758	16.826	3.401	56.978
FEDERAL INCOME TAX GENERATED	40.057	54.290	20.210	5.943	43.210	8.530	172.239

TOTAL NUMBER JOBS GENERATED	40,600****	48,476	23,120	9,160	21,630	10,190	153,176
PERCENT RETURN IN FEDERAL TAX DOLLARS FROM FEDERAL SHARE	7.2%	10.5%	6.8%	1.5%	7.7%	7.1%	6.7%

* \$215 million mortgage guarantee
 ** \$ 2 million grant from Huron-Clinton Metro Authority
 *** \$200 million mortgage guarantee
 **** 30,000 retraining slots included in total

EMPLOYMENT PROGRAM FOR REVITALIZATION

1. MANPOWER RETRAINING SERVICES FOR THE STRUCTURALLY UNEMPLOYED
2. HEALTH CARE SERVICES
3. HOUSING CODE INSPECTION
4. EXPANSION OF LIBRARY SERVICES
5. PARKS AND RECREATION ACTIVITY
6. YOUTH SERVICES
7. TRAINEE POLICE OFFICERS
8. PUBLIC SCHOOLS
9. COMMUNITY AGENCIES AND ORGANIZATIONS
10. ENVIROMENTAL BEAUTIFICATION

EMPLOYMENT PROGRAM FOR REVITALIZATION: SUMMARY STATEMENT

PROJECT	TOTAL COST (MILLIONS)	TOTAL EMPLOYMENT GENERATED	TRAINING POSITIONS	PERSONAL INCOME GENERATED (MILLIONS)	PROPERTY TAX REAL AND PERSONAL (MILLIONS)	CITY TAX GENERATED (MILLIONS)	STATE TAX GENERATED (MILLIONS)
1. Manpower Retraining Services for Struc. Unemployed	\$439.35	-----	30,000	\$309.6	\$-----	\$.620	\$ 1.207
2. Health Care Service	15.0	1,500	-----	12.495	-----	.250	.487
3. Housing Code Inspection	5.0	500	-----	4.165	-----	.083	.162
4. Expansion of Library Services	4.0	400	-----	3.332	-----	.067	.130
5. Parks and Recreation Activity	5.0	500	-----	4.165	-----	.083	.162
6. Youth Services	5.0	500	-----	4.165	-----	.083	.162
7. Trainee Police Officer*	19.75	1,000	-----	11.0	-----	.220	.429
8. Public Schools	37.0	3,700	-----	30.821	-----	.616	1.202
9. Community Agencies and Organizations	10.0	1,000	-----	8.33	-----	.167	.325
10. Environmental Beautification	15.0	1,500	-----	12.495	-----	.250	.487
TOTAL	\$555.10	10,600	30,000	\$400.568	\$-----	\$2.439	\$4.753

*Funding for three years = \$59.26 million

INDUSTRIAL PROGRAM FOR REVITALIZATION

1. RIVERFRONT DEVELOPMENT
2. INDUSTRIAL CORRIDOR DEVELOPMENT
3. SYSTEM OF INDUSTRIAL PARKS
4. RECYCLING OF EXISTING INDUSTRIAL PLANTS
5. MECHANISM FOR INCUBATING INDUSTRIES
6. EXPANSION OF CITY AIRPORT
7. DETROIT MEDICAL CENTER
8. DETROIT GENERAL HOSPITAL
9. WATER MAIN AND SEWER RENOVATION
10. RESOURCE RECOVERY SYSTEM

INDUSTRIAL PROGRAM FOR REVITALIZATION: SUMMARY STATEMENT

PROJECT	TOTAL COST (MILLIONS)	TOTAL EMPLOY. GENERATED	INCOME GENERATED (MILLIONS)	PROPERTY TAX REAL/PERSONAL (MILLIONS)	CITY TAX GENERATED (MILLIONS)	STATE TAX GENERATED (MILLIONS)
1. Riverfront Development	\$ 9.0	5,100	\$ 50.0	\$ 15.0	\$.8	\$ 1.6
2. Industrial Corridor	17.3	9,100	110.0	21.0	1.8	4.0
3. System of Ind. Parks	36.0	10,000	100.0	20.0	1.6	3.9
4. Recycling Existing Ind. Parks	115.0	12,500	125.0	25.0	2.0	4.875
5. Mechanism for Incubating Ind.	92.0	6,200	100.0	20.0	1.5	3.5
6. Expansion of City Airport	27.1	150	2.0	0.5	0.05	0.120
7. Detroit Medical Center	80.0	2,500	25.0	1.0	0.4	1.0
8. Detroit General Hospital	80.0	2,500	25.0	1.0	0.4	1.0
9. Water Main & Sewer Renovation	29.0	226	1.9	(Revenue = increased assessments)		
10. Resource Recovery System	40.6	200	4.0	()	.035	0.1
TOTAL	\$526.0	48,476	\$542.9	\$103.5	\$ 8.585	\$20.095

INDUSTRIAL PROGRAMS FOR REVITALIZATION: COST SUMMARY

PROJECT	PROPERTY ACQ. (MILLIONS)	CONSTRUCTION (MILLIONS)	SITE IMPROVEMENT (MILLIONS)	DEMOLITION AND CONSTRUCTION (MILLIONS)	MANPOWER (MILLIONS)	MAINT. (MILLIONS)
1. Riverfront Development	\$ 2.0	\$ 7.0	\$---	\$---	\$---	\$---
2. Industrial Corridor Dev.	10.0	7.3	---	---	---	---
3. System of Ind. Parks	24.0	----	10.0	---	2.0	---
4. Recycling Existing Ind. Plants	10.0	----	---	105.0	---	---
5. Mechanism for Incubating Ind.	30.0	50.0	---	---	12.0	---
6. Expansion of City Airport	26.0	---	---	---	1.1	---
7. Detroit Medical Center	5.0	75.0	---	---	---	---
8. Detroit General Hospital	--	80.0	---	---	---	---
9. Water Main & Sewer Renov.	--	25.0	---	---	---	4.0
10. Resource Recovery System	.6	40.0	---	---	---	---
TOTAL	\$107.6	\$284.3	\$10.0	\$105.0	\$15.1	\$4.0

COMMERCIAL PROGRAM FOR REVITALIZATION

1. DOWNTOWN DEVELOPMENT AND IMPROVEMENT
2. DOWNTOWN SHOPPING CENTER
3. NEW COURTHOUSE
4. NEW WAYNE COUNTY JAIL
5. REDEVELOPMENT OF COMMERCIAL STRIPS
6. NEIGHBORHOOD SHOPPING CENTERS
7. DEMOLITION OF OBSOLETE COMMERCIAL BUILDINGS

COMMERCIAL PROGRAM FOR REVITALIZATION: SUMMARY STATEMENT

PROJECT	TOTAL COST (MILLIONS)	TOTAL EMPLOY. GENERATED	PERSONAL INCOME GENERATED (MILLIONS)	PROPERTY TAX REAL/PERSONAL (MILLIONS)	CITY TAX GENERATED (MILLIONS)	STATE TAX GENERATED (MILLIONS)
1. Downtown Development and Improvement	\$ 41.0	7,260	\$ 59.4	\$ 2.64	\$1.056	\$2.64
2. Downtown Shopping Center	20.0	6,000	45.0	8.0	0.9	1.8
3. New Courthouse	70.0	1,900	8.0	0.1	0.13	0.32
4. New Wayne County Jail	40.0	1,210	4.2	N/A	0.063	0.158
5. Redevelopment of Commercial Strips	88.5	5,300	75.0	2.3	1.5	3.0
6. Neighborhood Shopping Centers	43.0	1,350	10.5	1.2	0.21	0.42
7. Demolition of Obsolete Commercial Buildings	5.0	100	----	---	----	----
TOTAL	\$ 307.5	23,120	\$202.1	\$14.24	\$3.859	\$8.338

COMMERCIAL PROGRAMS FOR REVITALIZATION: COST SUMMARY

PROJECT	PROPERTY ACQ.	CONSTRUCT.	DEMOLITION	MANPOWER EMPL. GRANT	GUAR. LOAN	PROPERTY ACQ. & DEMO.
1. Downtown Devel. and Improvement	\$10.0	\$26.0	\$5.0	\$----	\$---	\$----
2. Downtown Shopping Center	5.0	15.0	---	---	--	---
3. New Courthouse	---	70.0	---	---	--	---
4. New Wayne County Jail	---	40.0	---	---	--	---
5. Redevelopment of Commercial Strips	---	5.0	---	1.5	5.0	77.0
6. Neighborhood Shopping Centers	19.0	21.0	---	3.0	--	---
7. Demolition of Obsolete Comm. Bldgs.	---	---	5.0	---	--	---
TOTAL	\$34.0	\$177.0	\$10.0	\$4.5	\$5.0	\$77.0

HOUSING PROGRAM FOR REVITALIZATION: SUMMARY STATEMENT

PROJECT	TOTAL COST (MILLIONS)	TOTAL EMPLOYMENT GENERATED	PERSONAL INCOME GENERATED (MILLIONS)	PROPERTY TAX REAL/PERSONAL (MILLIONS)	CITY TAX GENERATED (MILLIONS)	STATE TAX GENERATED (MILLIONS)
1. Real Estate Activities for Promote Devel.	\$106.0	700	\$ 4.8	\$12.0	\$0.087	\$0.16
2. Riverfront Seawall Project	17.0	150	N/A	0.1	N/A	N/A
3. New Housing Development	452.0*	4,385	0.7	4.8	0.017	0.032
4. Rental Program for HUD Homes	46.0	1,100	1.5	4.8	0.024	0.05
5. Single Family Housing Rehab.	78.0	1,825	51.9	1.28	1.0	3.5
6. Rehab. Asst. Program	24.275	825	0.525	1.0	0.008	0.016
7. Neighborhood Sec. Assn.	5.25	25	----	----	----	----
8. Demolition of Dangerous Buildings	7.0	150	N/A	0.45	N/A	N/A
TOTAL	\$735.525	9,160	\$59.425	\$24.43	\$1.136	\$3.758

* - \$200 million in MSHDA mrtg. guarantees and \$215 million in HUD mortgage funds committed to Detroit New Housing Development activities.

HOUSING PROGRAM FOR REVITALIZATION

1. REAL ESTATE ACTIVITIES TO PROMOTE DEVELOPMENT
2. RIVERFRONT SEAWALL
3. NEW HOUSING DEVELOPMENT
4. RENTAL PROGRAM FOR HUD OWNED HOMES
5. SINGLE FAMILY HOUSING REHABILITATION
6. REHABILITATION ASSISTANCE PROGRAM
7. NEIGHBORHOOD SECURITY ASSISTANCE
8. DEMOLITION OF DANGEROUS BUILDINGS ON A NEIGHBORHOOD BASIS

HOUSING PROGRAMS FOR REVITALIZATION: COST SUMMARY

PROJECT	PROP CLEAR AND ACQUIS (MIL)	CONSTR. (MIL)	PROP. ACQ AND CONSTR. (MIL)	REHAB FUNDS (MIL)	HSG. MGT FUNDS (MIL)	MGT SUB (MIL)	NGH. AND SITE IMPR. (MIL)	HSG SUB (MIL)	LAND TRANS (MIL)	MAN- POWER (MIL)	MAINT. EQUIP (MIL)
1. Real Estate Activities to Promote Develop.	\$100	\$---	\$---	\$---	\$---	\$---	\$---	\$---	\$---	\$4.8	\$1.2
2. Riverfront Seawall Project	---	7	10	---	---	---	---	---	---	---	---
3. New Housing Development	12	---	---	---	415	---	10	12	---	---	---
4. Rental Program for HUD Homes	---	---	---	40	---	6	---	---	---	---	---
5. Single Family Housing Rehab.	---	20	---	---	---	---	6	---	---	52	---
6. Rehab. Asst. Program	---	---	---	4	---	---	---	19.75*	---	.525	---
7. Neighborhood Sec. Assn.	---	---	---	5***	---	---	---	---	---	.250	---
8. Demo. of Dangerous Bldgs.	6	---	---	---	---	---	---	---	1	---	---
TOTAL	\$118	\$27	\$10	\$49	\$415*	\$ 6	\$16	\$31.75	\$1	\$57.575	\$1.2

* Mortgage Fund Guarantee

** Interest Subsidy Fund

*** Matching Grants to Homeowners

TRANSPORTATION PROGRAM FOR REVITALIZATION

1. RAPID TRANSIT: PHASE I
2. CENTER BUSINESS DISTRICT PEOPLE MOVER
3. BUS RAPID TRANSIT
4. COMMUTER RAIL

TRANSPORTATION PROGRAM FOR REVITALIZATION: SUMMARY STATEMENT

PROJECT	TOTAL COST (MILLIONS)	EMPLOYMENT GENERATED (TOTAL)	PERSONAL INCOME GENERATED (MILLIONS)	PROPERTY TAX REAL/PERSONAL (MILLIONS)	CITY TAX GENERATED (MILLIONS)	STATE TAX GENERATED (MILLIONS)
Rapid Transit--Phase I	\$637.0	19,700	\$382.5	\$---	\$7.65	\$14.91
CBD People Mover	54.0	1,530	30.6	---	.612	1.193
Bus Rapid Transit	26.0	600	12.0	---	.20	.450
Commuter Rail	12.0	400	7.0	---	.14	.273
TOTAL	\$729.0	21,630	\$432.1	\$---	\$8.602	\$16.826

TRANSPORTATION PROGRAMS FOR REVITALIZATION: COST SUMMARY

PROJECT	ENGINEERING	PROP. ACQ.	CONSTRUCTION & PROP. ACQ.	HARDWARE AND OPERATIONS
1. Rapid Transit Phase I	\$ 6.0	\$---	\$631.0	\$---
2. CBD People Mover	\$ 4.0	\$ 5.0	\$ 31.0	\$14.0
3. Bus Rapid Transit	---	---	\$ 20.0	\$ 6.0
4. Commuter Rail	---	---	---	\$12.0*
TOTAL	\$10.0	\$ 5.0	\$682.0	\$32.0

*100% State Funding

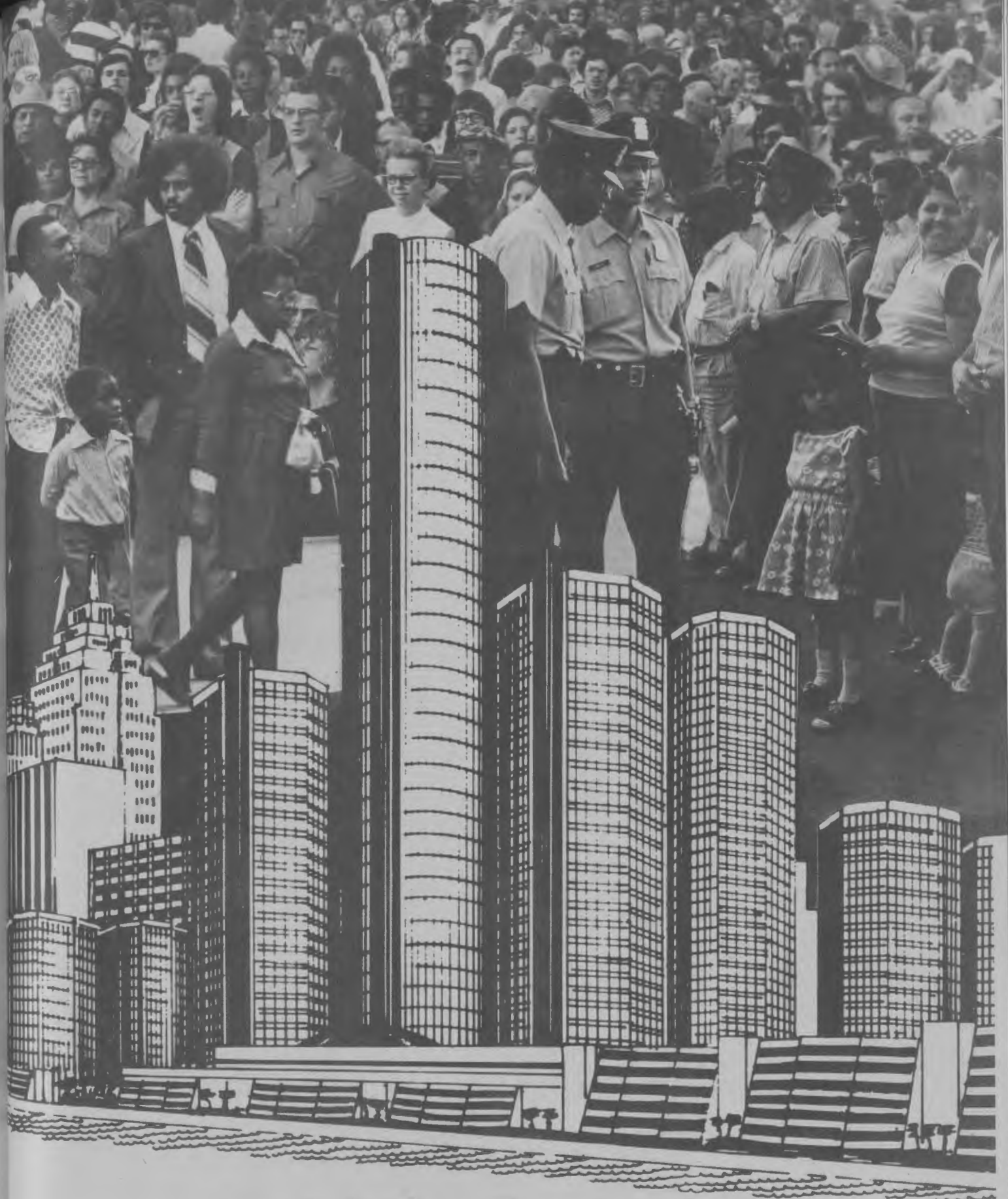
PUBLIC SAFETY PROGRAM FOR REVITALIZATION

1. CENTRAL PUBLIC SAFETY HEADQUARTERS
2. POLICE PRECINCT STATIONS
3. COMBINED AGENCY NARCOTICS ENFORCEMENT
4. COMMUNICATIONS EQUIPMENT UPDATE
5. SECURITY SYSTEMS DETAIL
6. MINI STATION COMMUNITY SERVICE OFFICERS
7. MINI STATIONS CO-OP EMPLOYMENT
8. SPECIAL SECURITY FORCE
9. YOUTH HOME: JUVENILE COURT EXPANSION
10. TRAINEE POLICE OFFICERS
11. NEIGHBORHOOD SECURITY ASSISTANCE

PUBLIC SAFETY PROGRAM FOR REVITALIZATION: SUMMARY STATEMENT

PROJECT	TOTAL COST (MILLIONS)	TOTAL EMPLOYMENT GENERATED	PERSONAL INCOME GENERATED (MILLIONS)	PROPERTY TAX REAL/PERSONAL (MILLIONS)	CITY TAX GENERATED (MILLIONS)	STATE TAX GENERATED (MILLIONS)
1. Central Public Safety Headquarters	\$60.00	3,500	\$ 9.5	\$.007	\$.190	\$.380
2. D.P.D. Precinct Stations	21.00	5,000	60.0	.008	1.20	2.40
3. Combined Agency Narcotics Enforcement (C.A.N.E.)	2.56*	-----	.36	-----	.007	.014
4. Communications Equipment Update	4.18	-----	-----	-----	-----	-----
5. Security Systems Detail	.43	20	.28	-----	.006	.011
6. Mini-Station - Community Service Officers	7.26	550	4.40	-----	.088	.172
7. Mini-Station Co-op Employment	.49	220	.46	-----	.009	.018
8. Special Security Force	3.74***	250	2.50	-----	.050	.097
9. Youth Home-Juvenile Court Expansion	20.00	650	7.80	.009	.156	.309
10. Trainee Police Officer	19.75**	1,000	-----	-----	-----	-----
11. Neighborhood Security Assistance Program	5.00****	25	-----	-----	-----	-----
	<u>\$119.66</u>	<u>10,190</u>	<u>\$85.3</u>	<u>\$.024</u>	<u>\$1.706</u>	<u>\$3.401</u>

* Three year program = \$ 7.16 million
 ** Three year program = \$59.25 million - cost is reflected under Employment Program for Revitalization
 *** Five year program = \$18.69 million
 **** Cost is reflected under Housing Program for Revitalization



Legislative Proposals

STATE LEGISLATIVE PROPOSALS

The efforts of the City of Detroit to revitalize itself deserve generous support. Laws which significantly impact the City's ability to achieve the objectives outlined in Moving Detroit Forward should be reviewed carefully to identify major impediments and develop alternatives wherever possible.

Specifically:

1. The Job Development Authority Act (H.B. 4786) should receive the quick and favorable attention of the legislature.
2. The legislature should move expeditiously towards passage of legislation granting municipalities increased flexibility in redevelopment. In its efforts to develop a comprehensive package the legislature should review the alternatives regarding:
 - local authority for acquisition, demolition, and relocation;
 - local financing of renewal;
 - revisions in taxation as a means of impacting land use and property maintenance and renovation; and,
 - mechanisms for dealing with blight and abandonment.
3. The passage of the Downtown Development Authority Act (S.B. 1152, 1974).
4. The enactment of legislation that provides tax abatement for rehabilitation of commercial and industrial structures.

FEDERAL LEGISLATIVE PROPOSALS

The cornerstone of this entire package of proposals is an acceptance and recognition of the necessity of providing special relief for urban areas experiencing unemployment at the level of 9% or more and classifying such areas as urban areas of severe economic depression.

I URBAN ECONOMIC DEVELOPMENT

A. Investment Tax Credits

A severe problem confronting most inner city areas is the inability to attract investment capital, either in the form of working capital, capital for new construction, or capital for rehabilitation for existing businesses.

Generally, the device of investment tax credits has been utilized as an incentive for attracting and directing capital to areas felt to be unattractive or in special need of some sort of lure for the taxpayer. Such should be the characterization of inner city business areas. Given acceptance of this characterization the Internal Revenue Code could be amended to provide investment tax credits for capital invested in "economically depressed urban areas" with an unemployment rate of nine per cent or more.

President Ford, in his State of the Union Message to the Congress and subsequent legislative submission proposed an increase for one year in the investment tax credit to twelve per cent for all taxpayers, including utilities. This proposed increase in the investment tax credit would be extended for an additional two years for utilities making qualified investments in certain electrical facilities.

This same type of treatment can be given to capital invested in the business centers of economically depressed urban areas. The following actions, if accepted, can achieve this end:

1. Amending the Internal Revenue Code to provide that whenever an urban area is designated an urban area of severe economic depression capital invested in its business center shall be eligible for an investment tax credit 15 per cent.

2. Automatic designation of any urban area as an urban area of severe economic depression whenever its rate of unemployment reaches nine per cent.
3. Continuance of the 15 per cent investment tax credit for urban area investments for a period of one year beyond the expiration date presently proposed by President Ford, and for an additional year at a reduced rate of 12 per cent for urban areas still retaining the designation "urban area of severe economic depression."
4. Specifically designating the following investments as eligible for investment tax credit treatment:
 - a. Working capital advanced to existing or new urban area businesses at reasonable interest rates.
 - b. Capital invested or loaned for the construction of new business facilities or purchase of equipment for new businesses in urban areas.
 - c. Capital invested or loaned for the rehabilitation of existing urban area business facilities and purchase of equipment for existing urban area businesses.

The investment tax credit proposal has the practical effect of inducing taxpayers to place capital in urban area businesses. It is a direct means of fostering increased urban area business activity, a consequence of which will be increased job opportunities for Detroit's chronically employed.

B. The Use of Industrial Development Bonds

The State of Michigan permits its municipalities to issue industrial development bonds. The advantages of this type of bond to a city like Detroit are obvious from an examination of the statutes. The issue of industrial development bonds encourage the influx of new industry and the expansion of existing businesses into areas where they might not otherwise locate. They also have the potential of increasing the employment opportunities available to persons who might otherwise remain unemployed and in need of public assistance.

Under certain restrictive conditions, the interest on industrial development bonds is exempt from federal income taxation. (Section 103(c) Internal Revenue Code). In light of the unemployment problems cities across the country are facing today,

a revision of the Internal Revenue Code's current treatment of industrial development bonds is desirable in order that the tax exemption be expanded to include interest on bonds from which the proceeds are used to finance plants or facilities which locate in "economically depressed urban areas," regardless of the size of the bond issue.

The following actions would be necessary to achieve this end:

1. Amending the Internal Revenue Code to provide that the interest on industrial development bonds, regardless of the size of the issue, is exempt from federal taxation so long as the proceeds are used to finance a facility which is to be located in an urban area of severe economic depression.
2. Automatic designation of any urban area as an urban area of severe economic depression whenever its rate of unemployment reaches or exceeds nine per cent.

By expanding the availability of tax exemptions on the interest of these bonds, they become much more attractive to the ultimate purchaser. The market for these bonds would, therefore, be increased and the location of industry in labor-surplus areas such as Detroit would be enhanced.

II FOOD ASSISTANCE PROGRAMS

On July 12, 1974, the President signed into law an amendment to the Agriculture and Consumer Protection Act of 1973, which provided additional funds and commodities for domestic food assistance programs administered by the Department of Agriculture. The amendment provided that:

"The Secretary of Agriculture shall until July 1, 1975, (i) use funds available under provisions of Section 32 of Public Law 320, . . . and not otherwise expended or necessary . . . to purchase, without regard to the provisions of existing law governing the expenditures of public funds, agriculture commodities and their products of the types customarily purchased under Section 32 . . . to maintain the traditional level of assistance programs as are authorized by law, including, but not limited to distribution to needy families pending the transition to the food stamp program, institutions, and supplemental feeding programs wherever located. . ."

Section 4(a) (1) P.L. 93-347 (1974).

The Department of Agriculture has consistently held the view that "maintaining traditional levels" of assistance does not require it to "enlarge" any supplemental feeding programs. Consequently, the Department, due to the discretionary authority of the Secretary of Agriculture under the existing legislation, has denied requests of Detroit and other municipalities for increased funding for supplemental feeding programs.

The most effective means of eliminating the discretionary authority of the Secretary of Agriculture is to amend the Agriculture and Consumer Protection Act of 1973 in a manner which makes it mandatory for the Secretary to increase the funding for supplemental feeding programs when certain factors are operative. More specifically, the Act could be amended to provide that:

The Secretary of Agriculture shall apportion the funds available under provisions of Section 32 of Public Law 320 and available funds of the Commodity Credit Corporation, to purchase agricultural commodities and their products to increase the traditional level of assistance for food assistance programs as are authorized by law in the following manner:

- (a) Sixty per cent of the total amount apportioned shall be set aside for economically depressed urbanized areas of localities with an unemployment rate of nine per cent or more.
- (b) Each economically depressed locality shall be entitled to sixty per cent of the total apportioned amount multiplied by the ration which the nine per cent or more unemployed population of such economically depressed urbanized area or locality bears to the total nine per cent or more unemployed population of all economically depressed urbanized areas or localities.

III MASS TRANSIT

Expeditious construction of Detroit's already formulated mass transit system would contribute significantly to reducing its high level of unemployment, serve as an incentive for increased

investment and business activity and raise property values of areas served. The major obstacle to achieving these much desired goals is the present organizational structure under which Detroit's mass transit system must be coordinated, approved, and implemented. In order to eliminate the problems attendant to and presently preventing construction of the mass transit system, Detroit must be accorded the status of an "independent designated recipient" under the Urban Mass Transportation Act of 1964.

This designation can be achieved by amending Section 5 (b) (2) of the Urban Mass Transportation Act of 1964. As presently written, this section in part provides that:

" . . . In any case in which a statewide or regional agency or instrumentality is responsible under State laws for the financing, construction and operation, . . . of public transportation services, such agency or instrumentality shall be the recipient to receive and dispense such (apportioned) funds."

Amended to give Detroit the status of an independent designated recipient, this section would contain the following language:

Notwithstanding the requirements contained in Section 5 (b) (2), an economically depressed urbanized area with an unemployment rate of nine per cent or more shall be designated a recipient to receive and dispense funds apportioned pursuant to this Act. Such designation shall not be subject to the concurrence of the Secretary.

This amendment has the effect of placing Detroit in a position where it communicated directly with the Department of Transportation with respect to implementation and approval of its mass transit system.

IV HOUSING

On October 18, 1974, President Ford signed into law the "Emergency Home Purchase Assistance Act of 1974," which, as an amendment to the National Housing Act of 1968, authorized \$7,750,000 to be used by the Government National Mortgage Association for the commitment to purchase and - purchase of mortgages covering family residences.

Under the Emergency Home Purchase Assistance Act of 1974:

"Whenever the (Secretary of Housing and Urban Development) finds inflationary conditions and related governmental actions are having a severely disproportionate effect on the housing industry and the resulting reduction in the volume of home construction acquisition threatens seriously to affect the economy and to delay the orderly achievement of the national housing goals contained in Title XVI of the Housing and Urban Development Act of 1968, the Secretary shall direct the Government National Mortgage Association to begin making commitments to purchase and to purchase mortgages . . ." Section 3(a), P.L. 93-449 (1974).

In addition to the factors outlined above as "triggers" for bringing about the Secretary's directing the release of funds for making commitments to purchase and purchasing mortgages it is proposed that the factor of "severe unemployment at the level of nine per cent or more within economically depressed urban areas" also be considered sufficient to warrant the release and utilization of funds authorized by the Emergency Home Purchase Assistance Act of 1974.

In more specific terms, Title III of the National Housing Act of 1968 would be amended to include:

1. Addition of the nine per cent unemployment factor as a "trigger" for directing the Secretary to utilize funds authorized by the Emergency Home Purchase Assistance Act of 1974;
2. Designation of "urban areas of severe economic depression" as special or first priority recipients of funds authorized by the Emergency Home Purchase Assistance Act of 1974;
3. Specific allocation and designation of \$1,500,000 of the Emergency Home Purchase Assistance Act's authorized funds for use only in urban areas of severe economic depression; and

This proposed amendment is not an alternative to also increasing over-all assistance to economically depressed urban areas under the Housing and Community Development Act of 1974. It is presented to provide a program of assistance "in addition to" whatever other special assistance which can be carved out of the existing programs authorized by the Housing and Community Development Act of 1974.



Addendum

ADDENDUM

Information used in computing Impact Statements:

1. JOBS

- a. Approximately one-half of short-term construction and engineering costs go toward labor. Taking \$10.00 as an average wage and dividing it into the amount for labor will result in the total manhours for an entire project. By dividing this number by 2,080 (the number of manhours in a year), the total number of people employed annually will result.
- b. Long-term industrial job estimates are made by referring to the number of jobs in similar existing industrial structures in Detroit.

2. INCOME

Personal income generated annually is estimated by multiplying the number of long-term jobs in the industry by the individual annual income level.

3. TAXES

- a. Local taxes are estimated by determining the percent of workers in an industry residing in Detroit and multiplying their annual personal incomes by .02, the local tax rate.
- b. State income taxes are estimated by multiplying personal income by .039, the State tax rate.
- c. Federal income taxes are estimated by multiplying personal income by .10, which is a conservative estimate of the tax paid by the average worker earning \$12,000 annually.

DETROIT: THE CITY

LOCATION AND SIZE

The City of Detroit is located in southeastern Michigan and contains approximately 140 square miles. It is located in the northeast quadrant of Wayne County and accounts for nearly one-fourth of its total area. The City is bounded by the Detroit River to the south, Oakland and Macomb Counties on the north, and by the out-Wayne County Civil Divisions on the east and west.

POPULATION

Detroit is the largest city in Michigan and the fifth largest city in the nation. In 1970, the population was 1,511,482 while Wayne County's was 2,666,751. The Detroit standard metropolitan statistical area, made up of Wayne, Oakland, and Macomb counties, contained about 4.2 million residents. Of those living in Detroit, approximately 56 percent were white, while 44 percent were black and others.

ECONOMY

Detroit's area economy is changing, and this change is manifested by the shifting of industrial and occupational patterns. With respect to industrial patterns, there is a general shift from the manufacturing to the non-manufacturing sector. It should be understood that this is a relative shift so that Detroit will remain a city partially dependent upon a modestly growing manufacturing sector. At the same time, industries such as finance, wholesale, retail and services will represent a greater share of the total Detroit area economy. Much of the growth in these industries will be attributed to the still strong manufacturing sector.

Within Detroit's changing industrial mix, the occupational mix is shifting. The professional and service occupations have been increasing and are expected to continue to increase. An example of this shift is in the automobile industry where the employment of professional, technical, and kindred workers increased by 35 percent from 1960 to 1970, while total automobile employment grew by 14 percent. (See employment graph attached.)

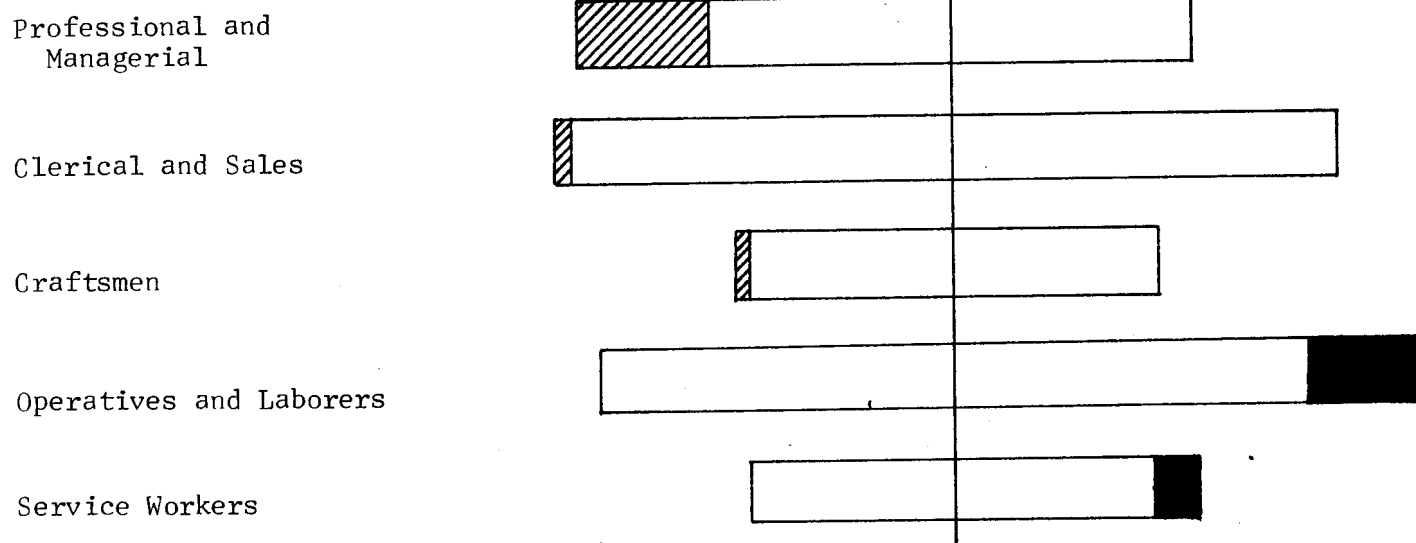
LABOR FORCE

In 1974 the labor force of Detroit was estimated to have averaged approximately 567,000 persons. Of that number, an average of 74,800 were unemployed for an annual rate of 13.2 percent.

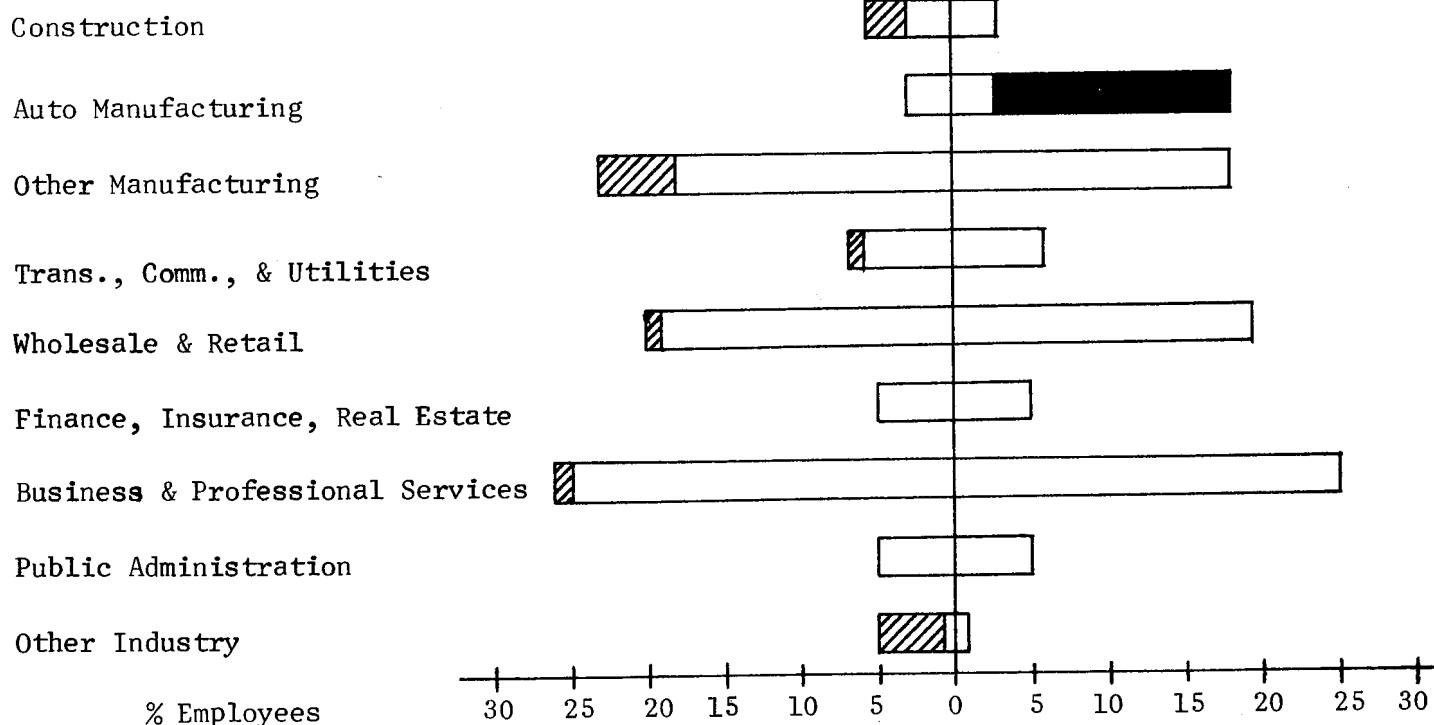
EMPLOYMENT BY OCCUPATION AND INDUSTRY:


U. S., DETROIT, 1970


OCCUPATION



INDUSTRY



 Extent to which Detroit is below National Average

 Extent by which Detroit exceeds National Average

The "energy crisis," along with the current economic downturn, has had severe impact on unemployment in Detroit. The January 1974 rate was 10.7 percent, considerably higher than the previous month's rate of 7.7 percent. This high level of unemployment continued through 1974.

Since the City of Detroit's unemployment rate remains directly related to the fortunes of durable goods industries (particularly the automobile industry), a long-run comparison of U.S., Michigan, SMSA and City of Detroit rates shows Detroit to be consistently higher in all the years where information is available. This is explained by the fact that almost 50 percent of the work force in the central city is blue collar. In addition, the long-term effect of automation and the exodus of industry to other areas have caused the City to sustain a considerably higher unemployment rate than the nation.

MAJOR MARKET AREAS

The major market areas and the flows between places of residence and places of work in the Detroit metropolitan area are a reflection of a high degree of reliance on the automobile. Of the labor force residing in Detroit, approximately 33 percent work in a suburban location, while 24 percent of the residents from the suburban ring work in Detroit. The detailed pattern of place of work by place of residence is shown in the attached table.

TRANSPORTATION FACILITIES

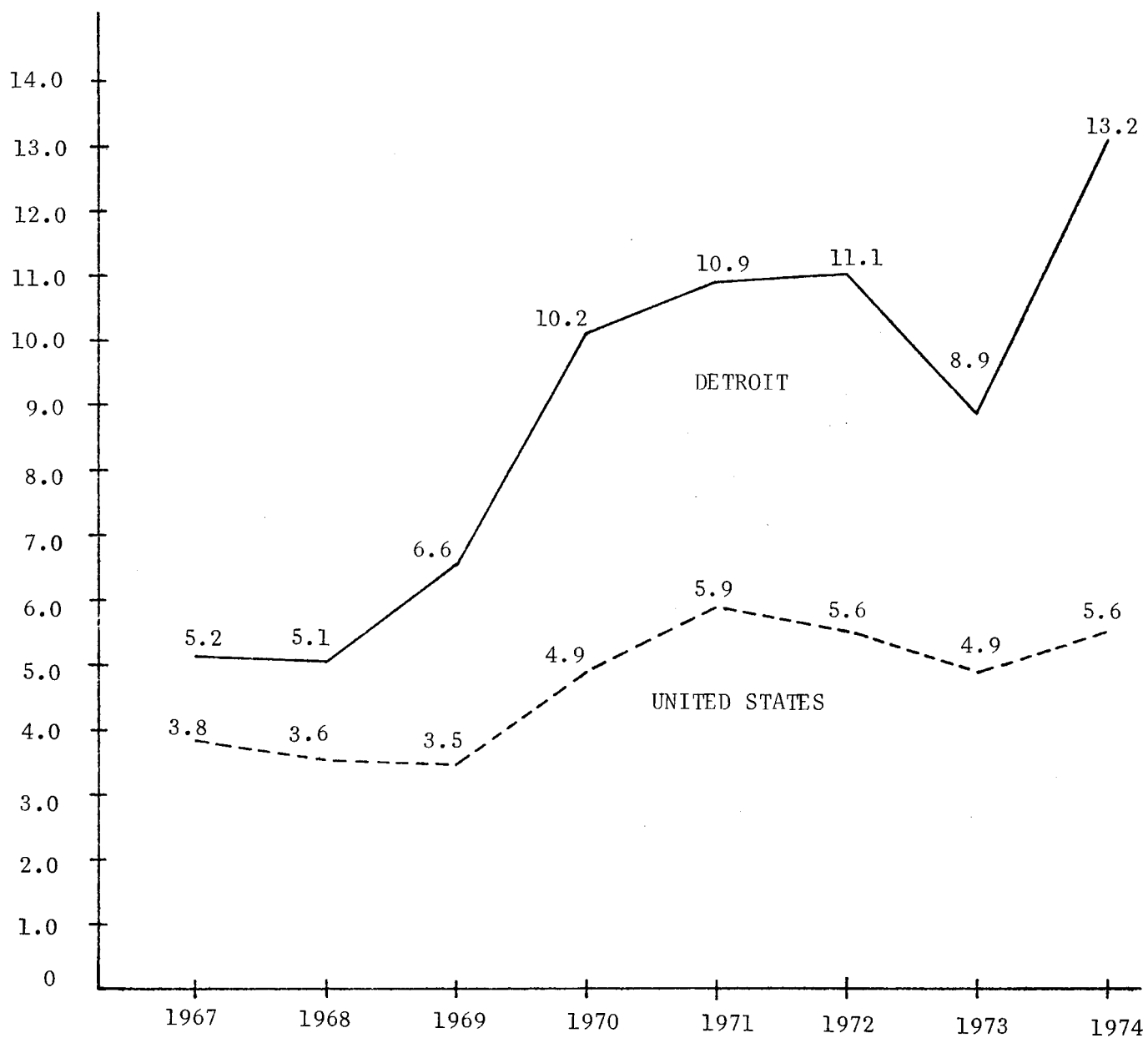
Detroit is at the hub of a freeway network in southeastern Michigan that contains 424 miles. The network, coupled with the Detroit system of streets, makes travel very convenient for the large portion of Detroit's population that is dependent on the automobile. In addition, the system is conducive to the efficient transport of locally-produced goods by the 200 commercial trucking companies.

For those who must rely on public transit, the City's Department of Transportation operates a fleet of 1,200 coaches. The system constitutes 92 percent of the entire metropolitan area's public transportation facilities.

Eight major railroad lines serve the Detroit Metropolitan area with passenger and freight service. Rail access within most of the City's major industrial corridors is excellent.

By air, Detroit is reached via two major airports -- Detroit Metropolitan and City Airport. City Airport is the private-flight headquarters for the major industrial corporations in Detroit and used heavily by representatives of industry who travel regularly between cities in the industrial midwest. Detroit Metropolitan Airport provides the bulk of the area passenger service as well as freight service.

UNEMPLOYMENT RATES
UNITED STATES AND DETROIT - 1967-74



Place of Work by Place of Residence
Detroit SMSA 1970

Employment Area	Residence Area									
	Detroit City <u>No.</u>	Detroit City <u>%</u>	Suburban Wayne <u>No.</u>	Suburban Wayne <u>%</u>	Total Wayne <u>No.</u>	Total Wayne <u>%</u>	Oakland County <u>No.</u>	Oakland County <u>%</u>	Macomb County <u>No.</u>	Macomb County <u>%</u>
Detroit City	320,668	66.6	107,349	27.7	428,017	49.3	54,807	17.7	54,549	25.5
Suburban Wayne	87,249	18.1	239,209	61.8	326,458	37.6	25,511	8.2	15,297	7.2
Total Wayne	407,917	84.7	346,558	89.6	754,475	86.3	80,318	25.9	69,846	32.7
Oakland County	42,146	8.7	27,864	7.2	70,010	8.1	205,736	66.3	23,485	11.0
Macomb County	31,700	6.6	12,568	3.2	44,268	5.1	24,085	7.8	120,451	56.0
Total SMSA	481,763	100.0	386,990	100.0	868,753	100.0	310,319	100.0	213,782	100.0
Outside SMSA	7,249		17,973		25,222		7,972		2,500	
Not Reported	48,712		20,783		69,495		17,850		9,835	
Total at Work	537,724		425,746		963,470		335,961		226,117	

Source: Table 35, 1970 Census of Population - 4th Count File C.

MUNICIPAL FINANCING

Traditionally, cities have relied on the property tax to finance municipal operations. Detroit's property value which increased only 29 per cent in the ten year interval between 1964-65 and 1974-75, compares with a 51 per cent rise in the price index and a 133 per cent increase in Budget Appropriations. Increased citizen service needs and stagnant property values have gradually emasculated this tax as the primary source of local revenue.

Expanded City controlled revenues, through the City Income Tax and Utility Tax, however, have fallen far short of the rise in expenditures. Although the number of Detroit's General Fund employees has actually decreased over the past twenty years, from 22,466 to 20,544 despite the need for increased services, the cost for personnel services has risen from 94.4 million dollars to 408.4 million dollars. This cost reflects an increase of 333 per cent. During this same period, material, supplies and expense items have risen 344 per cent.

Rising costs for maintaining minimal services have been met by imposing new and higher local taxes, and, by increased State and Federal revenues. The majority of this aid, however, has merely served to plug existing gaps and to continue existing service levels. It has failed to provide for the full measure of increasing costs and needs of cities.

In addition, the City's total population has declined; wealthier, more mobile taxpayers have moved out leaving Detroit with an increasing percentage of low and fixed income individuals; an unemployment rate double that of the State and more than twice the national average. Detroit is in the position of trying to provide minimal services for those who most need and can least afford them.

Detroit again faces a financial crisis: a 25-35 million dollar budgetary deficit. With a tax effort* over three times the average of Michigan cities, Detroit cannot afford to increase present or to impose additional taxes, even if it were legally feasible. (See attached graph, pg. 106A)

The national economy continues in a state of turmoil. In 1974, inflation reached a rate more severe and more prolonged than the United States has experienced since the rise in prices following World War II.

*tax effort = local tax revenue per dollar of property value.

The automotive industry, the major employer of the Detroit area, has suffered acutely from the effects of inflation and recession. As inflation has driven up the cost of vehicles, Federal regulations have added approximately \$600 to the price of the average car. U.S. domestic automobile sales for 1974 showed a 23% decline from 1973. December figures indicate sales of 25.2 per cent below one year earlier, with Chrysler Corporation alone showing a decline of 37.7 per cent.

A recent New York Times analysis¹ by Wassily Leontiff, utilizing the 1967 input-output matrix for the United States, estimates that for every \$1 billion drop in auto sales, the result would be a drop of 22,900 jobs in the auto industry and an additional drop of 34,100 jobs in secondary industries. A total of 57,000 employees out of work, or over 2-1/2 times the initial automotive employment changes. The impact of more than 300,000 nationwide auto workers idled in December, 1974, has been dramatic. Its effects in Detroit where Chrysler Corporation has laid off 38,000 persons have been disastrous.

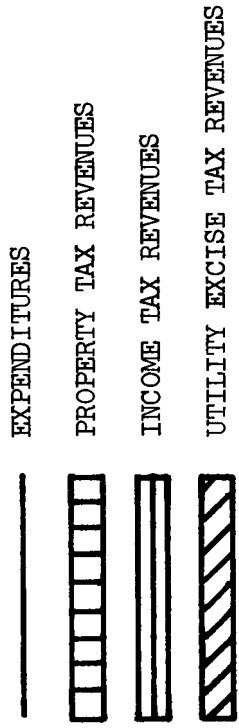
Detroit can expect an annualized loss of personal income in the Detroit Tri-County Area of approximately \$1.2 billion, based on an average income of 14,150 for suburban residents, and \$8,750 for City residents. The estimated loss of \$1.2 billion personal income, multiplies into an expected annualized loss of \$9.8 million in City income tax revenues, additional losses in State-shared revenues, tax delinquencies, and inestimable corporate income tax losses. Without a reversal in the economy, further unemployment can be anticipated which will further depress expected municipal revenues and severely impair the ability of the City to effectively function and provide necessary services.

SUMMARY

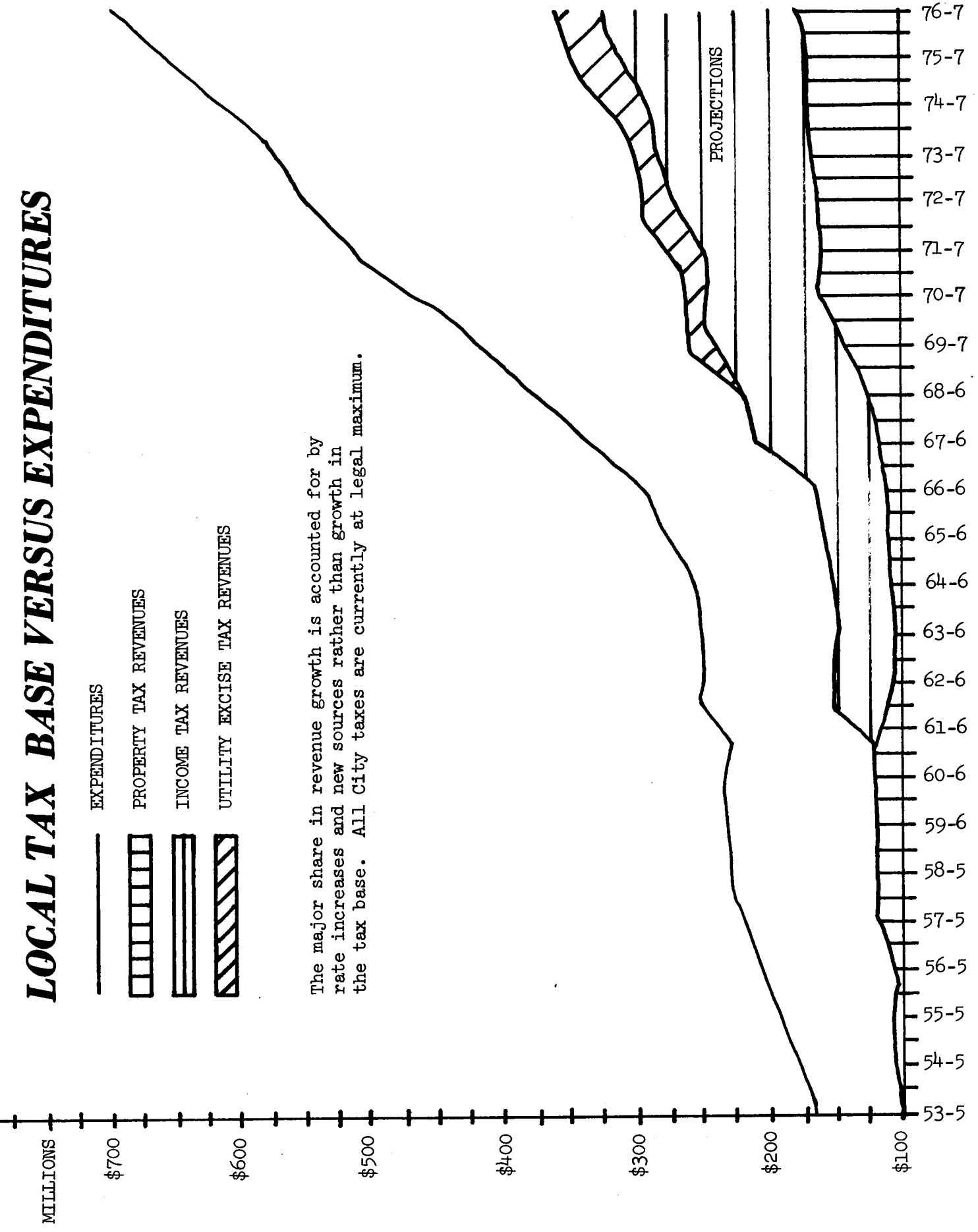
Detroit's tax revenues have fallen far short of need. Their inelasticity becomes more critical in periods of rapidly rising costs. The present period of inflation has accelerated price increases and the current recession has further stunted revenue growth. These elements have combined to create an unmanageable revenue shortage which can only be rectified with Federal and State assistance.

¹ The New York Times, December 8, 1974, page 1, Section 3.

LOCAL TAX BASE VERSUS EXPENDITURES

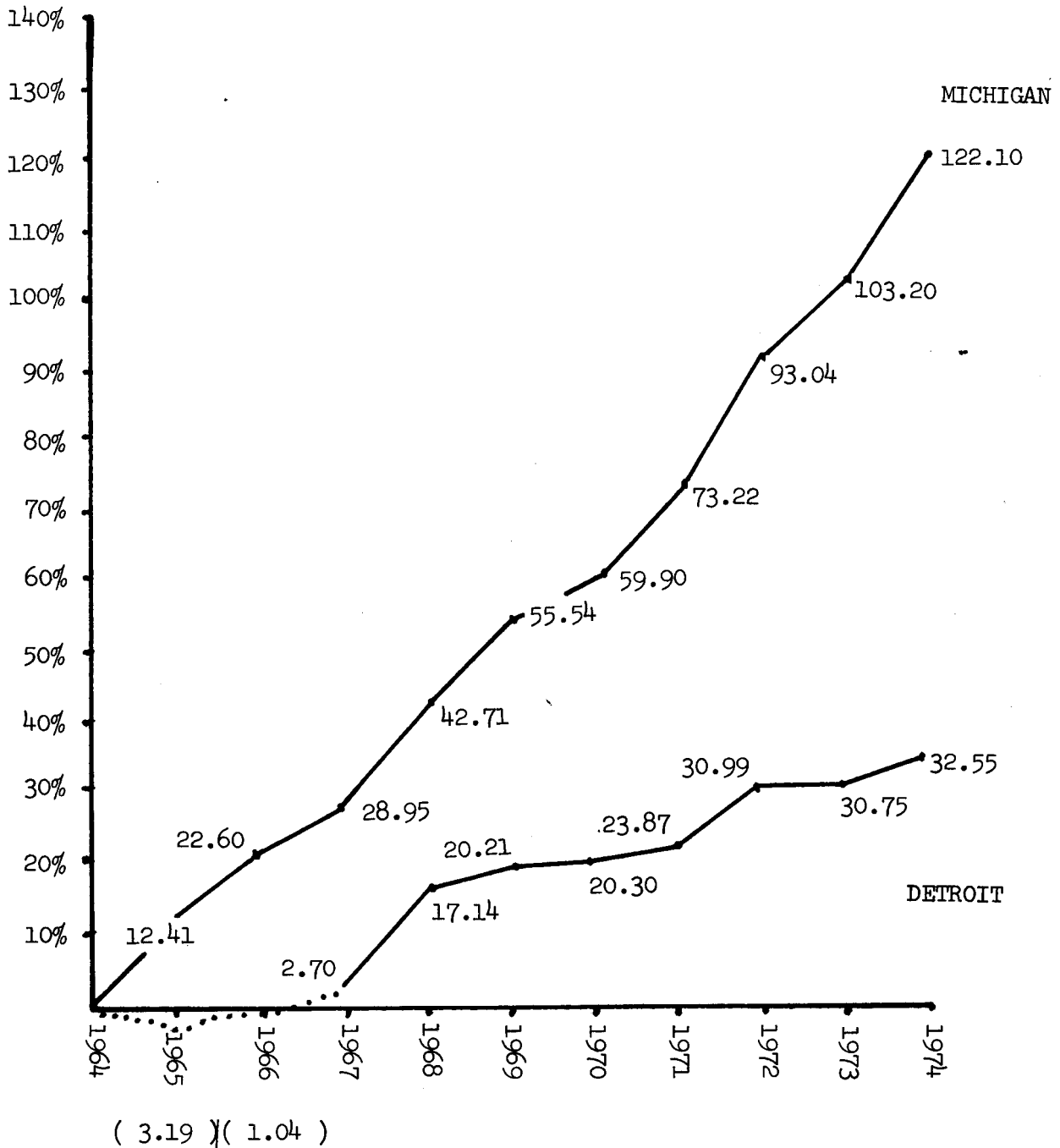


The major share in revenue growth is accounted for by rate increases and new sources rather than growth in the tax base. All City taxes are currently at legal maximum.



PERSONAL INCOME GROWTH

MICHIGAN VERSUS DETROIT



The low growth of City Personal Income compared to Michigan's Personal Income is indicative of the increasing percentage of low and fixed incomes in Detroit.

SOURCE:

State, 1964-72:

Economic Report of the Governor, 1973, pg. 16.

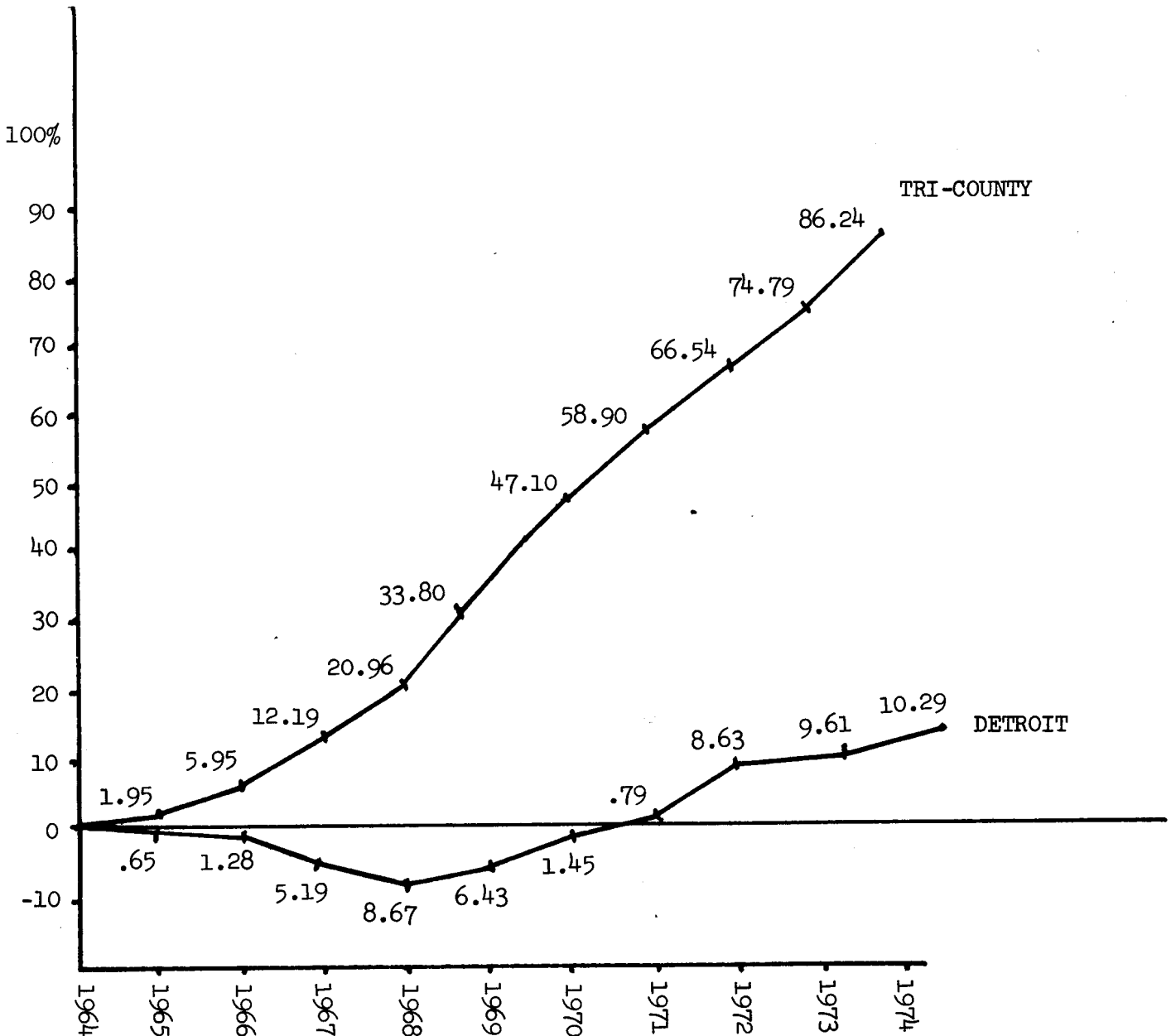
State, 1973 and 1974:

Budget Message of the Governor, for the Fiscal Year 1974-75, pg. 35

City:

City of Detroit, Finance Department, Income Tax Division

STATE EQUALIZED VALUATIONS DETROIT GROWTH VERSUS THE TRI-COUNTY AREA



Tri-County includes Wayne, Oakland and Macomb Counties

SOURCES: Wayne, Oakland, Macomb,
1964-1973:
Michigan Manual, various years, Department of Administration,
State of Michigan
1974:
Michigan Tax Commission, Property and Equalization Division