

# Beyond Midtown

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Deploying the Anchor Strategy  
Throughout the *City of Detroit*



## Detroit Economic Innovation Project

University of Detroit-Mercy

Marygrove College

Holy Redeemer Catholic Church

St. John Hospital and Medical Center

*May 1, 2012*



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*This project is supported in part pursuant to the receipt of financial assistance from the United States Economic Development Administration. The statements, findings, conclusions, and recommendations are solely those of the authors and publishers and do not necessarily reflect the views of any federal agency or of Wayne State University.*

*May 1, 2012*

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# Introduction

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## The Catalysts

Significant attention and analysis has been given to the potential role that large non-profit institutions such as universities, churches, hospitals, and cultural institutions can play in local economic development.<sup>(3,4,5,6)</sup> The aforementioned institutions, or anchors, can serve as powerful catalysts to new business development and can create a powerful synergy with the local business community.<sup>(3)</sup> Anchors often have disposable capital that can be directed towards investment into surrounding neighborhoods and business strips.<sup>(4)</sup> They have a greater ability to attract federal, local, and state funds that can be directed towards activities that improve their respective communities.<sup>(5)</sup> Anchors have the capacity to form larger economic engines such as incubators and corridors, which have the potential to grow into clusters that have far-reaching economic implications.<sup>(6)</sup> They also can be an economic



driver through enhanced community safety, as they draw in human activity that brings forth more “eyes on the street.”<sup>(3)</sup>

Much has been made of the recent progress and future potential of Detroit’s Midtown area, particularly in utilizing area anchors such as Wayne State University, The Detroit Institute of Arts, The Detroit Medical Center, and The Henry Ford Health System. Between 2000 and 2010, an estimated \$2 billion dollars was invested in the “Mid-Town Area” or “Woodward-Corridor,” and the majority of these investments were made by the aforementioned anchor institutions. <sup>(7)</sup> Anchor strategies

such as harnessing spending, capturing disposable income, and creating a positive regeneration of the surrounding area is currently taking place in the Midtown area, and it is poised to perhaps become Detroit’s most viable community.

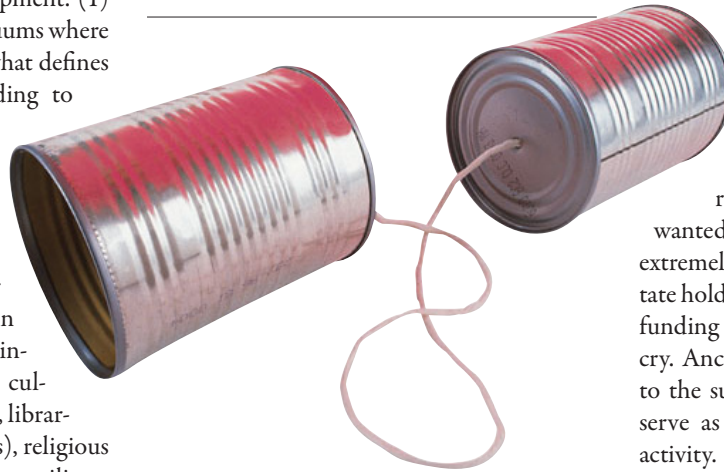
In spite of other medical centers, religious institutions, and higher learning centers being located in other areas of the city, little thought has been given as to how they may be able to create their own “Midtowns”.

Though the catalyzation of Midtown is a step in the right direction, changing the economic course of the entire City of Detroit will require much more than just Midtown, particularly since the city is quite large in its geographic boundaries. The following report will apply the anchor strategy model to **The University of Detroit-Mercy, Marygrove College, Holy Redeemer Catholic Church, and St. John Hospital and Medical Center** in the hopes of bringing awareness to their potential as viable community anchors.

# The Anchor Strategy Model

## Engines of Renaissance

According to Eugenie Birch in *The Next American City*, anchors “serve as engines of urban renaissance (or even survival) and are magnets for economic development.”<sup>(1)</sup> Anchors help fill important vacuums where industries have fled cities. But what defines an anchor institution? According to Henry S. Webber and Mikael Karlstrum, an anchor institution is defined as “those institutions that, by reason of mission, invested capital, or relationships to customers or employees, are tied to a certain location.” Examples of anchor institutions include: universities, cultural institutions (e.g., museums, libraries, and performing arts facilities), religious institutions, utility companies, military installations, sports franchises, (some) large corporations, and medical centers/hospitals.



In theory, any institution can be an anchor institution, but this report is going to place emphasis on non-profit organizations. The reason for this is non-profit institutions generally are more anchored to a geographic location, and do not have the capability to “get up and leave.”

Comerica Bank can serve as a local example of the capacity for-profit companies have to relocate. In spite of their long and storied history in Detroit and the fact they have their name attached to the Detroit Tigers home ballpark, they left downtown Detroit and relocated to Houston in 2007 for business reasons. If Wayne State University wanted to relocate to Texas, it would be extremely difficult because of their real estate holdings, local investment, ties to local funding sources, and of course, public outcry. Anchor institutions are typically tied to the surrounding community, and they serve as permanent drivers of economic activity.

## Development of Anchor Models

Anchor institutions have always existed. During the industrial era massive industrial plants served as anchors, but since the United States is moving towards a “knowledge-based” economy, medical, cultural, and higher education centers have become our primary anchor institutions. But the idea to leverage anchor institutions as a form economic development is a relatively new approach.

Beginning in the 1990’s, distressed cities and community leaders realized the potential impact these institutions, many of which were taken for granted, could have on their community.

Moreover, the institutions themselves realized their own potential and the inherent need for greater community engagement. The need was brought about by economic and social decline experienced in large urban centers. As pointed out by Webber and Karlstrum, “often the decision to intervene is triggered by a specific crisis, most commonly crime-related. In other cases, the cause is a gradual decline in neighborhood quality that undermines the institution’s ability to attract staff or customers”.(p.23) If an anchor cannot attract economic activity through commerce and employment, survival becomes

increasingly difficult. In the “free market”, entities choose where they will conduct their business based on a number of factors, and safety is arguably the most critical component. If the perception of neighborhood safety is lacking, it will make that institution less attractive. Hence, anchor institutions have realized the need to invest in various aspects of their communities, including aspects that effect overall quality of life and safety issues.

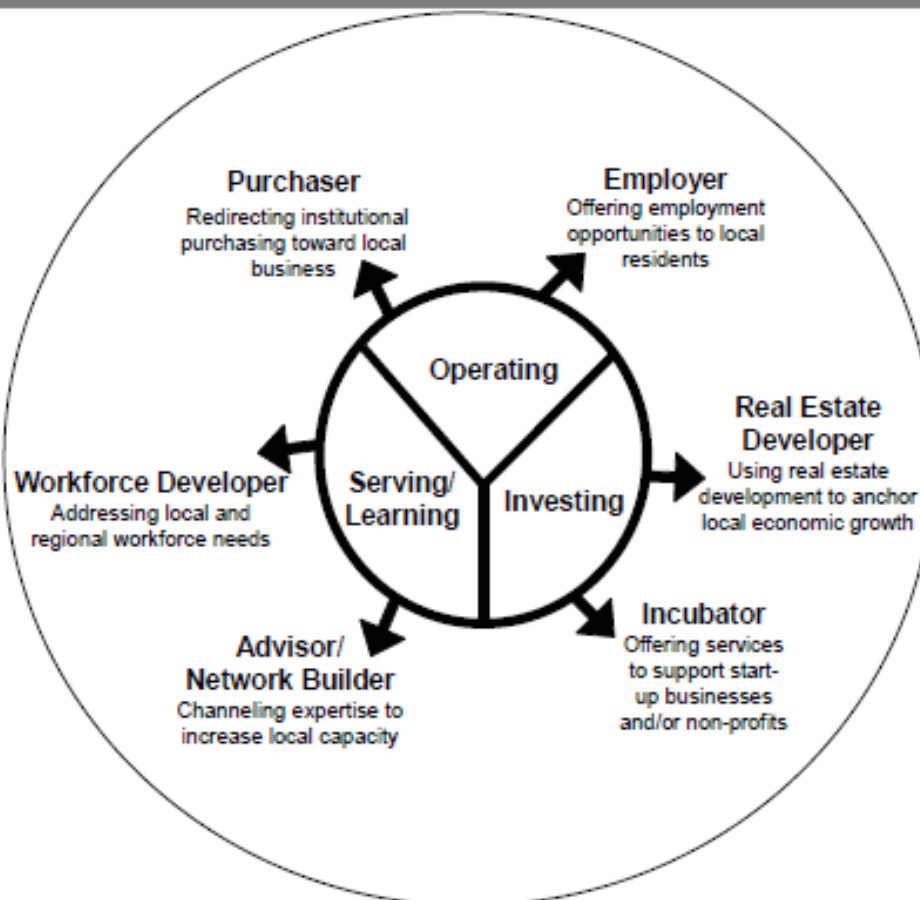
# Basic Methodology of Anchor Strategy Model

In order for the anchor strategy model to work, anchor institutions must first be identified. As discussed earlier, common characteristics that anchor institutions typically have are in being job generators, large employers, and tied to the community. Some anchor institutions may recognize their potential (or find it necessary) and take it upon themselves to engage in solutions to problems occurring within the community. But after establishing potential anchor institutions, engagement strategies or activities must be identified, that can be accomplished

by setting targeted goals. Goal setting is typically based on the local community's most pressing needs. For example, Anchor institution A wants to improve the safety of the surrounding neighborhood. But to see this lofty and ambiguous goal through, Anchor Institution A must leverage its assets to employ a private security firm to patrol the nearby neighborhood to help deter crime and reduce vandalism. Leveraging their assets would be the "engagement activity." Although this example is straightforward, most often it is not simple.

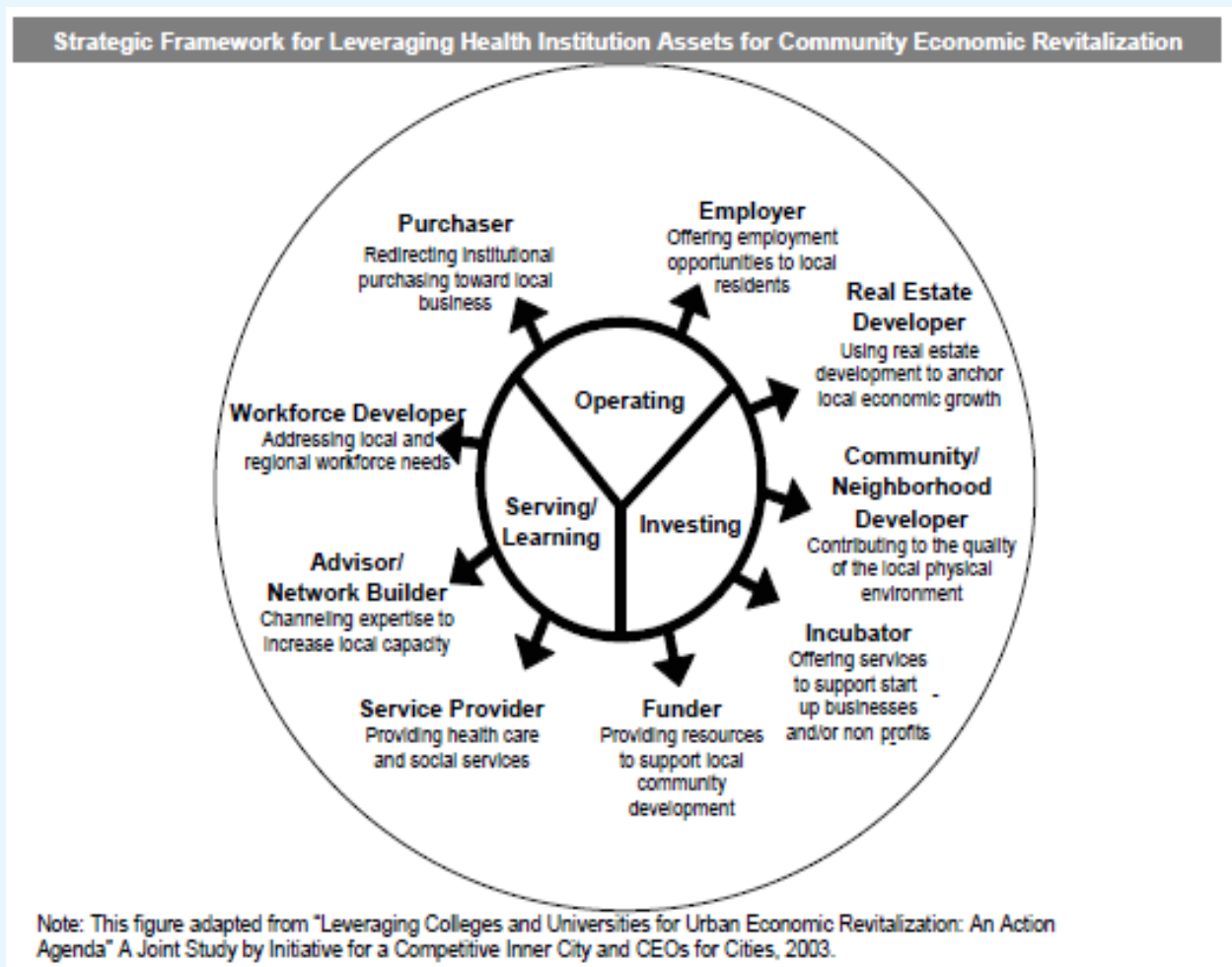
Obviously, identifying anchor institutions and their goals is relatively easy, but difficulty arises when determining the specific engagement activities. Initiative for a Competitive Inner City (ICIC) developed a strategic framework for colleges and universities based on their research into this issue. Although its focus was on colleges and universities, this framework can be equally applicable to other anchor types. In fact, Kauper-Brown and Seifer further developed their framework to focus on health institutions.

## Strategic Framework



Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda  
A Joint Study by Initiative for a Competitive Inner City and CEOs for Cities, 2003.

The importance of both frameworks is that their core activities remained the same—operating, investing, serving, and learning. As stated before, although designed with Health and Education anchor institutions in mind, the frameworks can be applicable to any anchor types, especially in regards to the core activities. These frameworks allow for much flexibility, for it allows an anchor institution to determine engagement efforts specific to its own community needs.



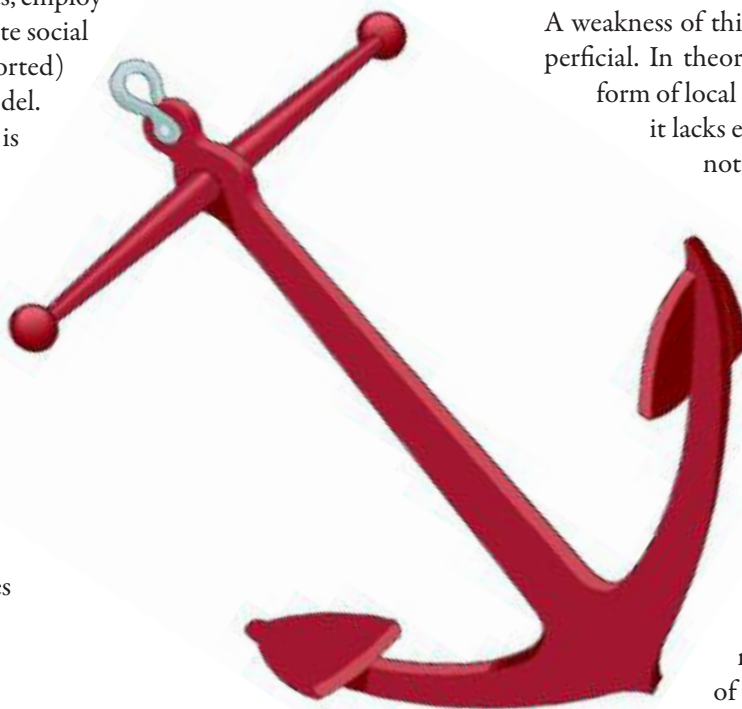


# Strengths & Weaknesses of the Anchor Model

## STRENGTH

Anchor institutions, “with the proper incentives and motivation...have the economic potential to leverage their assets and revenues to promote local private sector development.”(2) The engagement of anchor institutions is good for business, it facilitates a better socio/economic health of the nearby area, it helps attract visitors, retain residents, employees, and students, and it can promote social equity. These potential (or purported) benefits are the strength of this model. Another strength of this model is that it utilizes existing conditions and/or resources and continues to build upon them.

Furthermore, the anchor institutions involved have a genuine interest in their community’s health, especially for non-profit institutions. This genuine interest is important because it ensures commitment by that institution.



## WEAKNESS

A weakness of this model is that it can be superficial. In theory, it looks like a promising form of local economic development, but it lacks empirical evidence. There are

not many case studies available on this matter. Another weakness is that there

are significant costs involved in maintaining and engaging an anchor institution.

The more involved the strategy is, the more costly it becomes, especially if investing money for real estate is one of the engagement activities.

Many activities that anchor institutions are now being expected to engage in can be far from their core mission, especially for neighborhood improvement programs. As pointed out by Webber and Karlsurem, “...evidence suggests that an aggressive program of local support requires the personal attention of the anchor’s chief executive officer, diverting attention from other important tasks.”(p.16) This could lead to the unintended consequences for the institution becoming ineffective in what it’s actually supposed to do.



# Review of Other Markets Employing the Anchor Strategy



The recent focus on anchor institutions as engines for economic development began in the early 2000's, based on the work of Harvard Professor Michael Porter. Mr. Porter "recognized that colleges and universities were fast growing businesses with major real estate holdings unusually concentrated in the urban core."<sup>(1)</sup> The principal case for his findings, and what is largely considered the archetype of the local anchor model, was the University of Pennsylvania located on the west side of Philadelphia. Beginning in 1994, after a much publicized violent incident in the vicinity of the campus, the University and then President Judith Rodin began an aggressive initiative to clean up and stake a claim of ownership in the surrounding neighborhoods. At the time the West Philadelphia neighborhood had lost significant portions of its population. It was suffering from increasing crime, and its schools were some of the worst performing in the entire state. Over a decade later the neighborhood has been rebranded as University City and has seen a significant turnaround thanks to the hundreds of millions of dollars in in-

vestment leveraged through the University of Pennsylvania and the State and Federal Government, as well as many non-profit organizations in the area.

The University started its own K-8 school in the neighborhood that is one of the top performing in the city, public safety has dramatically increased with the presence of a university operated policing system, and the school pledge to increase its local spending on goods and services creating countless new jobs and opportunities for local residents.<sup>(CEO,2)</sup> This extensive overhaul for the neighborhood was also a big success for the University itself, attracting more students and making it a more appealing place for high-level faculty members who were once skeptical of living and teaching in the rough areas of West Philadelphia.

Rodin and the University of Pennsylvania's example of uniting of the "town and gown,"<sup>(CEO,3)</sup> universities stepping up in their community to create new economic opportunities, has been widely reproduced all over the country. One problem with the

local anchor model though, is that not every impoverished city or neighborhood has a world-renowned Ivy League university with a multi-billion dollar endowment to ignite economic development initiatives. Nonetheless, Universities and other anchor type institutions at all different levels of financial heights have worked in their own areas and have done an incredible job without spending as much money as the University of Pennsylvania.

For example, Trinity College is a small liberal arts college in Hartford, Connecticut with only 2,200 students. The college started their modest efforts to revitalize the surrounding areas a few decades ago by setting up a neighborhood association, which involved local residents as well as local businesses to focus on housing rehabilitation and the enhancement of community policing in the area.<sup>(Chaplin Hall, 36)</sup> In the 1990s the project became more ambitious, with a 16 acre education park that contained a Montessori, middle, and two high schools, one focusing on arts education and the other on math and science. The park now also includes facilities for job training, a family resource center, a police substation and mixed-income housing with plans for a health clinic and retail development to come in the near future.<sup>(Chaplin, 35)</sup>

It was Trinity's ability to use an incremental engagement and have a long-term commitment to community development that kept costs low and easily reproducible for other small colleges and universities. Since taking on the initiative of improving surrounding areas of Hartford, Trinity College has seen an overwhelming response from alumni and donors, increasing the schools endowment significantly over the past 30 years.

## Modest Means, Making Impact

Another example of anchors with more modest means making a significant impact in their area is the University Park Alliance in Akron, Ohio. The UPA "is a non-profit community development corporation in the midst of implementing a comprehensive urban re-investment development strategy rooted in the importance of place making in the University Park neighborhood in

Akron."<sup>(UPA Website)</sup> The UPA is a partnership between several anchor institutions in the city of Akron, who on their own may not have been able to stimulate economic development in such a way as a University of Pennsylvania, but together the anchors can leverage their combined assets to achieve ambitious projects similar to University City.



# Modest Means, Making Impact

## Continued

The University of Akron is a large urban research school with a student body of almost 30,000, but it has an endowment of only 1/50th the amount of the University of Pennsylvania. Teaming up with Summa Health System, Akron General Hospital, Akron Children's Hospital, Leggett and Mason Elementary Schools, Akron Stem Middle School, and Austen Bio-Innovation, the goal is to "spur investment and to improve the quality of life for the current residents." (UPA Site) The first step in the process has been to create a comprehensive plan for the neighborhood, and to accomplish this The University Park Alliance hired world-renowned planning and real estate firm KUD International. Outlined in their plan is a 50 block development to revitalize Akron by creating a new city core centered between the university and the other UPA partners containing mixed use development with affordable housing, along with facilities for neighborhood business development programs and community leaning gardens. In total the project is estimated to generate over \$1.8 billion in economic activity, \$90 million in tax revenues and 14,392 jobs by the year 2030.

**Figure 3. The Role of Anchors in Community Revitalization: Strategic Framework**

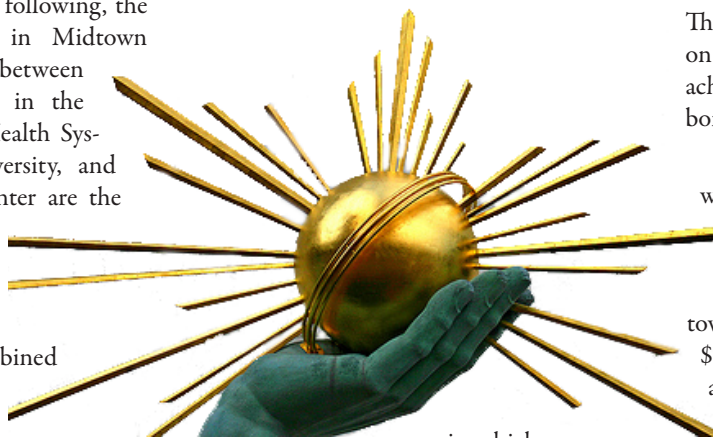


Source: ICIC, *Anchor Institutions and Urban Economic Development*, pg.4

## Review of Local Anchor Model

The anchor model has already been applied to the Detroit area, with the majority of activity occurring in the Midtown neighborhood. Closely resembling the model that Akron is also following, the revitalization occurring in Midtown Detroit is a partnership between the largest stakeholders in the area. The Henry Ford Health System, Wayne State University, and the Detroit Medical Center are the three biggest players in the local anchor method of neighborhood revitalization for Detroit. The three combined hold nearly half of the real estate in the Midtown area and have an annual budget of close to \$1.7 billion to spend on goods and services. They can create up to 3,300 new jobs per year and that is on top of the 30,000 current employees and 32,000 enrolled students. (ICIC, 8) These anchors have set out three goals in order to strengthen their own institutions as well as the local neighborhood. The first goal is to make Midtown a safe, vibrant community,

### Midtown Detroit



in which employees want to live.

The second goal is maximize local procurement to spread much needed capital into the surrounding area. And lastly, the anchors plan on hiring more employees to leverage third-party investments in the Midtown area. The first joint venture between these anchors was the 15x15 Initiative, whose goal is to attract 15,000 young educated and creative people to move to Midtown by the year 2015.

This partnership has also worked together on several other initiatives in order to achieve their ultimate goals for the neighborhood.

The Live Midtown program is wants 10,000 of their current employees to live locally. To achieve this, cash incentives are being offered to entice employees to move to Midtown. \$2,500 is being offered for renters, a \$20,000 forgivable loan for homebuyers, and \$5,000 in matching funds for large exterior renovations to homes in the area. Hire Detroit is striving for a third of all new employees of these three intuitions to already live in the local community. Buy Detroit is a program that aims to capture some of the 84% of the anchors' procurement money that is now spent outside of the cities borders. Of the current \$1.7 billion procurement budget, less than \$300 million is being spent in the city. (ICICI, 8) A small increase in local buying could create a huge opportunity for the surrounding business community.



# Henry Ford Hospital



Within its partnership with Wayne State University and the Detroit Medical Center, Henry Ford Health System has already filled several key roles for the Midtown community but it also does some great work on its own. As for the role of community infrastructure builder, Henry Ford Hospital set up the Henry Ford Early College program in 2007. This program is attempting to alleviate the hospitals difficulties in hiring local health care professionals. This program allows students to enroll in the ninth grade, and after the five-year program, students will earn their high school diploma as well as an associates degree and a medical certification in one of ten healthcare related occupations. If the program is completed within a 5 year period there is no cost to the student. The program currently has a 97% retention rate. (ICIC, 8) Henry Ford Health System is also strengthening Midtown through its role as a major purchaser. By extending programs aimed to increase spending with local based suppliers, anchors can gain a more

competitive pool of vendors and suppliers who are better able to meet the anchors needs while also creating more local jobs and building a healthier local business environment which leads to improved amenities in the area. Henry Ford Health System does this by paying small local vendors a month in advance for goods and services allowing area business to achieve price points that they could not on their own.

The University of Pennsylvania is again the prime example of how this targeting of local businesses can have a dramatic impact for the area. In the past ten years or so the University has doubled its spending in local, especially minority businesses, now spending at least \$100 million every year, which is still only 12% of their annual spending on goods and services. One company that the University of Pennsylvania has targeted is the Telrose Corporation, an office supply company that the university has been using as opposed to national suppliers like Office Depot. The company has moved from three employees with a \$300,000 contract with the university to a \$50 million annual contract and now has twenty-two employees, 70% of which live in West Philadelphia. (ICIC, 5) By leveraging a local anchor's buying power to drive local business growth these anchors can have a huge impact on the economic activity of their community.

## Demographic Profiles of Analyzed Communities

Critical to the process of implementing community development strategies, it is important to the process to know the dynamics of the target community. The following will provide demographic and crime data for the communities of UofD/Marygrove, St. John Hospital and Medical Center, and Holy Redeemer. These 4 institutions encompass the zip codes of 48221, 48224, and 48209 respectively. We will provide some context to each area to give insight into the socioeconomic data which reveals the makeup of each targeted area. Equally important to implementing an effective anchor model strategy is the impact public safety has on the short and long term goals.



# The University of Detroit Marygrove College Community

When considering the University of Detroit and Marygrove College as the anchors in the 48221 ZIP Code, it would seem a necessary to have an understanding of who makes up the surrounding neighborhood. The total population of the 48221 ZIP code is 45,274, with 31,046 being age 16 or over. Of that total, 13,345 are males age 16 or over. The total number of females is 21,522. There are 17,701 females age 16 or over. The educational attainment picture reveals that there are 29,775 persons over the age of 25 and of that number there were 3,724 persons enrolled in college. There were 7,620 individuals that obtained a high school diploma with no further schooling. The number of those that entered 9th grade but did not complete 12th grade was 4,115. To leverage the impact and increase their presence in the community, this information can be useful in recruiting new students and better integrating with the surrounding community. The average income per household for this community is \$42,263.

A very important element to consider in the anchor model strategy is the issue of public safety. How communities respond to crime does have bearing on efforts to stabilize, and grow residents and business. Using data collected from a crime mapping database,

we were able to gain insight into the types of crimes being committed in the target area. The data indicates that during the first quarter of 2012, there were 230 reported crimes. Of these offenses there were 81 assaults, 43 acts of vandalism, 40 burglaries, 29 motor vehicle thefts, 18 robberies, 16 vehicle break-ins, 2 Driving Under the Influence (DUI's). This can be very useful information when considering the effective utilization of police, anchor institutions, and community resources to employ effective crime reduction strategies. (References on page 31-32)





# St. John Hospital and Medical Center Community

Hospitals as anchor institutions have been prominent in many communities throughout the country and have successfully contributed to local economies by way of direct and indirect employment opportunities for area residents. In considering St. John Hospital and Medical Center as the anchor institution in the ZIP Code 48224 community, is this the case? The community that surrounds St. John Hospital has grown from a total of 44,439 residents in 2000, to 55,432 residents in 2010. The number of households is 15,123. The total households with children under the age of 18 are 5,372. In the community there are

6,615 single parent households. There are a total of 4,121 vacant housing units in this community, 15,123 owner occupied units, and 6,089 renter occupied units. A look at the educational makeup of the community surrounding St. John, the number of residents that have graduate and professional degrees are 1,452. The number of residents age 25 and over with a bachelor's degree is 2,974. There are 2204 residents with an associate degree, and 9000 with some college but no degree. In the surrounding neighborhood there are 5,203 residents age 25 and over with no diploma. The median income for this community is \$40,960 per household.

Looking at crime and public safety, the 48224 ZIP Code in the first quarter of 2012 reported 548 crimes. Here is a breakdown of these numbers: there were 176 assaults, 125 burglaries, 79 acts of vandalism, 68 motor vehicle thefts, 49 vehicle break-ins, 29 robberies, 12 drug violations, 10 arson s, and 3 DUI's. The task before St. John Hospital as an anchor is how to impact the safety of the surrounding community.



# Holy Redeemer Roman Catholic Church Community



The Holy Redeemer Roman Catholic Church community in ZIP Code 48209 is more racially diverse. There are a total of 32,262 residents, of which the Hispanic population is the greater segment with 22,453 members of the total. There are 6,375 residents that are white, and 2,738 that are African-American. The community has a relatively young population, as the numbers bear that out. There are 3,597 residents under age 5 and 3,166 residents between ages 5 and 9. There are 2,608 ages 10 to 14, 2,588 ages 15 to 19, 2,564 20 to 24, 2,678 ages 25 to

29, 2,618 ages 30 to 34, 2,336 ages 35 to 39, and 2,101 ages 40 to 44. The total number of males in the community 16,682, and the number of female is 15,586. The total number of households is 32,208, and 12,298 total housing units. There are 9,808 occupied housing units and 2,490 vacant housing units. There are 4,501 owner occupied units and 5,307 renter occupied units. A sizable portion of the community has no education beyond 9th grade. According to U.S. Census data, 5,448 residents have less than a 9th grade education, and 6,274 have completed the 9th to 12th grade with no diploma. There were 5,482 with a high school diploma, 2,390 with some college, but no degree, and 519 with a Bachelor's degree. The median income for the 48209 zip code is \$25,546 per household.

As far as percentages go, the 3 analyzed communities of the 4 anchor institutions share many similarities, especially in regards to crime. Therefore, it is possible that they could deploy similar interventions in making their surrounding communities more safe and viable. Finding similarities and creating replicable models will be key in making the anchor model strategy a success wherever it is deployed.



# The University of Detroit- Mercy

The University of Detroit-Mercy (UDM) was established in 1877, and it is both the oldest and largest Catholic University in Michigan. It was founded by the Society of Jesuits, which is a Catholic religious organization whose roots date back to 1540. It was named the “University of Detroit,” but its name changed in 1990 to “The University of Detroit-Mercy” after its merger with the female-only Mercy College. This merger was defined by the University as “an effective, creative response to the challenges that face private higher education,” and this relationship has remained into the present day.<sup>(1)</sup>

UDM has three campuses, with the original location at 651 East Jefferson Avenue in Detroit now the UDM Law School. The Dental School is located at 4201 St. Antoine in the northern section of “Corktown” in Detroit. The dental program moved here from its previous location on Outer Drive in 2008. The McNichols Campus was established in 1927 and is the largest, and most academically diverse, and serves the majority of the college’s undergraduate students. The McNichols Campus is located at 4001 W. McNichols Road near the intersection with Livernois Avenue. <sup>(1,2)</sup> The McNichols Campus also is located just south of three of the most stable and architecturally significant neighborhoods in Detroit, the University District, Palmer Woods, and Sherwood Forest. UDM’s McNichols campus also is within walking distance to a formerly thriving retail center on Livernois between McNichols and 8 Mile Rd, commonly referred to as “The Avenue of Fashion”.



Consistent with the overall decline experienced within the City of Detroit, no remaining community has the gleam or shine of years past. Some, like the UDM/University District area have been able to withstand the negative forces of suburbanization better than others. But even in Detroit’s best communities there remain deficiencies thwarting investment and viability.

The following paper will examine ways that UDM may be able to apply the anchor strategy to improve conditions in both its surrounding neighborhoods and the nearby retail strip.

## Why the University of Detroit Mercy is Poised to be an Effective Anchor

The University of Detroit Mercy has long remained a viable academic and cultural asset within the city of Detroit. It attracts 5,600 students per year, it maintains six resident halls that house 800 students, and employs 328 full-time faculty members.<sup>(1)</sup> As of 2010, UDM had an endowment fund of \$20.5 million dollars. <sup>(4)</sup> UDM has long remained a key piece of the identity of northwest Detroit going so far as to have the collection of well-built and architecturally significant homes surrounding the school named “The University District.”

Though the surrounding community has generally fared well, there remains much room for improvement. Problems that have engulfed the rest of the city also have affected this upper-scale area such as foreclosure, crime, and relocation of residents to neighboring suburban communities. The property values in the neighborhood remain high relative to the rest of the city, but they still are priced at a fraction of what you would find for the same quality, gilded-age home in a suburb.

This area’s strength and attractiveness is contingent upon the positive synergy

created by the interaction of the large educational and religious institution, the world-class housing stock, and the thriving retail strip.

Today, though the University of Detroit-Mercy, the neighborhood, and the retail strip all have their individual strengths and positive attributes, they are not nearly as viable as in years past. Property values and the condition of homes in the University District have decreased considerably over the past few decades. And perhaps the weakest link, “The Avenue of Fashion”, is hardly recognizable today as compared to its previous state.<sup>(5)</sup> Nonetheless, the same infrastructure and general characteristics remain that made this area a thriving community it was in years past.

In looking at this scenario through the lens of the Anchor Strategy, we will propose that University of Detroit-Mercy lead the way in “Recreating the Synergy” between the University, the surrounding neighborhood, and the retail district. The following will examine data from both the neighborhood and retail strip and propose interventions that the University can put forth.

# The University District

The University District was chosen for analysis due to its close proximity to the UD/Mercy campus, its identification with the University, and the relative homogeneity of both the price and size of the homes. Data on available homes for sale was analyzed through Realestateone.com. Homes were isolated within the University District boundaries of 7 Mile (North) Livernois (West) McNichols (South) and the Detroit Golf Club (East). The following list may not capture the entire number of homes for sale or in foreclosure, but it can serve as a relative gauge.



## The Numbers

**Total Number of Homes in the University District = Approximately 1300**

**Total Homes in University District for Sale = 25**

**Average Home Price = \$92,228.00**

**Price Ranges of Available Homes**

**\$200,000 - \$150,000 = 5 Homes**

**\$150,000 - \$100,000 = 4 Homes**

**\$100,000 - \$50,000 = 13 Homes**

**\$50,000 - \$30,000 = 3 Homes**

**Average Annual Property Taxes = \$4761.80**

**Number of Short Sales – 10 Total = 40%**

**Number of Homes in Foreclosure (That are Listed) – 2 Total = .08%**

Relatively speaking, the University District is doing quite well in regards to maintaining value and minimizing foreclosures. There are an alarming number of homes in the short sale process, which is one step closer to foreclosure. So, only time will tell if these properties slip into being bank owned. Home prices varied considerably with \$199,900 being the highest and \$32,000 being the lowest. But most homes listed for sale averaged \$50,000 to \$100,000. The price difference most likely is attributed to home size, condition, ownership status, and length of time the home has been on the market. Annual real estate taxes are relatively consistent, basically hovering between \$6000.00 and \$4000.00 per year.

In 2008, UDM established a Homeownership Grant program for its full-time employees to as an incentive for home purchases within the surrounding neighborhoods. UDM offers this program at all of its campus locations, but 34 out of the 36 employees who have participated in this have purchased homes around the McNichols campus. The University provides a \$5,000.00 “grant,” which is forgiven over a 5 year period at 20% of the grant per year. If a homeowner sells within this 5 year period they would have to pay back whatever percentage remains on the 5 year commitment. The University also helps applicants for this program search for matching federal funds for additional down payment assistance.(2)

Based on this generous contribution, UDM obviously sees the need to assist and develop strong, positive relationships with its employees and the surrounding residential community. Since many of its employees have taken the University up on this offer and are now living in the surrounding community, could it be in the best interests of the University to invest even further in this homeownership program? Are there additional investments the University could make that could provide an even further mutually reinforcing benefit?

# The Avenue of Fashion

From the late 1920's to the early 1970's, the retail strip located between 6 and 8 Mile roads on Livernois, aka "The Avenue of Fashion," was a popular destination to shop for clothing. It drew in business from around the city and formed its identity around providing clothing that was unique, formal, and not mass produced. The outward appearances of the stores were unique and inviting, particularly among "Williamsburg Row," which was a collection of shops that maintained this unique 18th century colonial architectural style.<sup>(7,9)</sup>



## The Numbers

**Number of Storefronts = 79**

**Occupied Storefronts = 52**

**Unoccupied Storefronts = 27**

**Vacancy Rate = 34%**

**Predominant Businesses/Services Represented in this Strip**

**Beauty Service (salon, hair, nails) = 13**

**Retail Clothing (Predominantly "Urban Wear") = 10**

**Art Galleries = 4**

**Sit Down Café/Eatery = 4**

Currently, this retail shop area bears little resemblance to how it appeared and functioned during its "heyday". There is business activity among certain sections of the strip and some merchants have been able to achieve relative success, but one cannot help but notice the many vacant storefronts in disrepair and the general lack of diversity. Due to its location and potential, the strip does continue to receive attention from the city, independent business owners, and other groups, but tangible and sustained changes have been lacking to date.<sup>(8)</sup>

There is no indication any consistent activity or patronage of The Avenue of Fashion among UDM students, employees, or University District residents. Outside of a few isolated establishments like the 1917 American Bistro and the CVS Drug store, there is little interaction between this strip and its neighbors.<sup>(7)</sup> Residents, UDM students, and staff generally pass right through this retail strip and travel up Livernois to nearby Ferndale to eat, shop, and consume other goods and services.<sup>(2)</sup> At the present time, there are opportunities for existing business and students to connect, as well as opportunities for new businesses to develop that may cater to both the student and resident populations in and around the University. The following is a breakdown of the occupancy and building types on the section of The between 7 Mile and St. Martens, which is just north of Outer Drive. This section was selected for study because it is currently the most homogeneous and viable section, it is the most diverse, and thus a transformational upgrade may take the least amount of time and resources to accomplish.

UDM has seen the need to help revitalize this commercial strip by helping to organize The University Commons to coordinate economic development efforts Livernois.<sup>(10)</sup> The University Commons has taken the lead in organizing and promoting this area, and they have undoubtedly faced challenges in working towards strengthening a retail district during a powerful recessionary period. They recently put together a plan to enhance landscaping, lighting, crosswalks, amenities, and parking, labeled the Livernois Streetscape Enhancement Program (LSEP).<sup>(9)</sup> This effort is being funded by the Kresge Foundation, and a community open house held on March, 26th 2012 to provide for stakeholder feedback on the proposed plan. This effort is still in the planning stage and the various initiatives have yet to be implemented.



# The University of Detroit-Mercy

The University clearly sees the need to partner and invest with the surrounding residential and business community, since they have been involved in revitalization efforts for both. The University may stand to benefit from further investment, particularly in regards to reviving the former synergy that existed between these three entities. The following are five recommendations for interventions that the anchor University could put forth to advance revitalization efforts:



## Recommendations for Revitalization

### Increase the Grant Award of the Homeownership Program

The \$5000 dollar investment already made by the University is generous, but investing more in the surrounding community would benefit the University with higher employee retention rates, decreased criminal activity, and an improved image of the surrounding neighborhood. Also, with the average home price in the University District being \$92,228.00, and the average annual taxes being \$4,761.08, that equates to an estimated average down payment (1 year taxes and 10% of total home price) being \$14,583. Increased financial assistance could sway more to participate in this program and reduce the vacancy rate in this neighborhood. An increase in the grant offered may offset other cost concerns such as higher heating costs for these larger homes and the perceived need for an alarm system with monthly monitoring costs, as well as higher automobile and homeowner's insurance premiums.

### Expand the Campus Patrol Service into the University District Area & The Retail Strip

The University employs a deputized security force, but at this time they only patrol the immediate campus area. The neighborhood does have a small private security service that patrols during the daytime hours, but an increased security presence would enhance feelings of safety and security and could make a statistical difference in reduction of crime. The Wayne State University Police force patrols the entire Midtown area, and a reduction in crime as well as the perceived increase in safety has in large part been attributed to their efforts.<sup>(6)</sup> An increased security presence could prompt more employees to move into the neighborhood and increase overall home sales as well, as well as to enhance security in the business strip.

### Help to Fully Fund Façade Improvements on Livernois

Part of what makes retail strips inviting and attractive is the condition and appearance of building façades, particularly in signage, awnings, and overall color scheme. Façade improvement has become a primary intervention of economic development, and on occasion relatively quick and inexpensive improvements can alter an areas appearance substantially. The University Commons Organization offers a 50/50 matching grant program that will assist business owners in façade improvement up to \$5,000. Though this is a generous effort to invest in much needed cosmetic improvements, based on what urban retailers are facing as far as increased operating costs, reduced revenues, and crime, the prospect of fully funding façade improvements should be evaluated.

*Continued on Next Page*

## **Recommendations for Revitalization**

*Continued*

### **Provide Additional Funding for the LSEP**

The Livernois Streetscape Enhancement Plan (LSEP) is a comprehensive, targeted approach in altering the aesthetics as well as the walkability and safety of the Livernois business strip. If the current proposal is to be fully funded and implemented, it will truly be a transformative endeavor. The University may have to come in with additional funds to enhance this makeover. Since the LSEP primarily addresses landscape and infrastructure, it may be timely for the University to look at enhancements to private properties on the strip.

### **Help Attract More Retail Businesses that Cater to University Students and the Surrounding Higher-Income Community**

A plethora of research on retail patronage patterns exists, which breaks down educational attainment and other characteristics. Businesses that match well with both the University and surrounding upper-income residential communities should be given incentives to locate on this commercial strip. Currently, there are many unoccupied storefronts along the "Avenue of Fashion," so established businesses would not be affected. And in fact they should be encouraged to stay, for diversity is essential to the viability of any commercial district. For this endeavor, the University could provide start up financing for particular retail or other business categories. This would include providing assistance with business plans, accessing capital, and marketing utilizing the UDM's College of Business Administration. The University also could look at purchasing or leasing space on the strip for its operations or for businesses operated and administered by students. (See page 8 references of page 32)

# Marygrove College

With its roots in women's education beginning in the 19th century, Marygrove College has been at its current Detroit location since 1927. The school promotes itself as progressive, innovative, and dedicated to Detroit. They honored their first woman president in 1937 and first African-American student in 1938. As trailblazers in the 1950's, an advisory group of lay people guided the institution's policy making. Two out of three students volunteered in the community, and students received collaborative, interdisciplinary learning while making professional contacts in their field. In the 1960's, the college was the first to receive state grant funding for students going to a private college. And they offered Detroit high school student scholarships through an initiative to increase their African-American student population. The 1970's brought an integration of male students and a community service program. Moving forward, Marygrove has continued to be a leader in Detroit. They refused to move to the suburbs when confronting financial hardships of the city and have since remained dedicated to the city and surrounding community.

Marygrove sits on 53 acres of wooded land in north Detroit. Currently, the school has about 1,300 students, 1,600 enrolled in distance learning, and 1,200 enrolled in the Professional Development for Teachers Program. Their mission is to create competent, compassionate, and committed leaders. The school has a national reputation for its expertise on contemporary social, cultural, political, educational, and economic urban issues. A progressive private school,

the curriculum and programming reflect a 21st Century academic vision. The School has been a national pioneer for on-line education, having just announced a 19% reduction in on-line class tuition. Since 1905, the college has been a leader in teacher education. More students have graduated from Marygrove's Master in the Art of Teaching degree program in the past ten years than any other college or university, which has been an online degree program since 1990.

Eight other education-based master's programs are available as well as a Master's Program in Social Justice, which flows straight from the school's mission. The school has developed multiple programmatic partnerships to enhance the curriculum – these partnerships include Detroit Public Schools, University of Detroit Mercy, Lawrence Technological University, and the Skillman Foundation. They also have a partnership in the Detroit Student Leadership program and the Urban Leaders Circle, collaboration between corporations and community to develop urban leaders.

Building leadership, within the student body and the institution, is core to Marygrove's mission. In 2006, the administration adopted a Strategic Vision of Urban Leadership (SVUL). Based on a century-long experience that values-based leadership which can transform individuals and community, they chose "to respond by developing leaders and by serving as an institutional leader of positive change." (2) Brenda Price, the first Urban Leadership Fellow, is working on transforming the curriculum by creating a four-year program on urban leadership. She is advising the faculty and staff on how to integrate leadership training and urban community development into the fabric of each student's education. (1) The four-year program will focus on developing capacity and skill sets, to develop leaders, and to further the school's social justice mission. The program development is funded by a \$1.5 million BOLD (Building Our Leadership in Detroit) grant from the Kellogg Foundation. Initially, there will be four teams: Values, History, Social Justice, and Art. Once these teams are developed, another three teams will be added to the program. So far, Art has been the most popular. (3)

In addition to the Leadership Program, Marygrove offers other programs that make a significant impact on the surrounding community. The Kids College prepares younger students for college with test preparation and guidance. The Professional Development Program offers a wide array of classes for adult education, including subjects of childcare, computer literacy, GED, entertainment industry, law, and personal development. (1) A Summer Jobs Program, in partnership with CitiConnect and DTE, will give the opportunity for ten students to have paid summer internships to develop a recycling program.

With a history of leadership and innovation along with a substantial accumulation of partners and stakeholders, Marygrove is in a great position to further economic development efforts in the community. Students are involved in community development through leadership programs, volunteer efforts, and an experience-driven senior research seminar. However, the neighborhood surrounding campus is in dire need of even more support. The first element identified in Michigan's [current] Urban and Metropolitan Strategy is to strengthen the link between innovation and manufacturing. Second, is to support workforce development. The third part of the strategy is to make targeted investments to leverage anchor assets and transform

regional economies. (4) Marygrove can play a dynamic role in this strategy by providing resources and opportunities for innovation and workforce development. The high-speed, global economy warrants dynamic partnerships amongst university, industry, and government. An environment that supports creativity, risk-taking, patent production, technology transfer, accessible knowledge and business creation will be the most successful in terms of economic growth.





## The Neighborhood

The area of Detroit designated by the ZIP Code 48221 encompasses the campus. This district also includes the University of Detroit Mercy, University of Detroit Jesuit High School, the Livernois Corridor, and the neighborhoods of Bagley, University District, and Green Acres. This district contains many assets, but has suffered greatly from disinvestment in the past ten years. The combination of the City of Detroit's financial distress and the housing market crash have had a great effect on the area including a 15% decrease in population and a 10% increase in vacant homes from 2000 to 2010. Price determined that property taxes are a huge barrier for homeownership.<sup>(3)</sup> Between 2007 and 2009, 150 employees and 20 businesses were lost. <sup>(5)</sup> Abandoned buildings, empty storefronts, and high taxes are both symptoms and causes of continued decay.

The district high school, the new Mumford High, will be opened in the fall of 2012 under The Educational Achievement Authority (EAA) after undergoing the largest school construction project funded by the district's bond program. The LEED-certified (Leadership in Energy and Environmental Design) school has a capacity for 1,500 students and a strong technological and science program. The school currently serves 1,328 students of which 99% are black and 62% are economically disadvantaged according to Detroit Public Schools School Profile Report.<sup>(6)</sup>

The school was selected to become part of the EAA because it was in the lowest 5% of Persistently Lowest Achieving schools in Michigan. The new administration has a 21st Century approach and hopes to improve attainment of the proficiency targets. The neighborhood also includes Schulze Elementary School, which was rebuilt in 2002, and serves students from pre-kindergarten to eighth grades as well as offering a technologically-based experience and participation in the Barack Obama Leadership Academy. Like Mumford, 98% of Schulze's student population is black and 64% are economically disadvantaged. Unlike Mumford, they met 15 out of 16 of their proficiency targets last year. While they are performing much better than the high school, their student's performance is lower than state averages.



## Recommendations for Marygrove College

Marygrove vests resources into their community as a leader and collaborative partner. By strengthening and expanding partnerships, targeting investments, and creating a stronger tie with the neighborhood, Marygrove has the ability to leverage its revitalization efforts. By Marygrove supporting the local economy, the institution and the students, there will be benefits from an enhanced curriculum with real-world experiences, a stronger worker pool, higher student and employee retention, and a safer educational environment.<sup>(7)</sup> In line with the State's urban strategy, we recommend the following strategies to capture the potential of the College in creating a more vibrant local economy:

***Competence \* Compassion \* Commitment***  
***Attract Talent \* Link Community \* Retention***



# Strengthening the Neighborhood Connection and Targeting Investment

Targeting investment into a concentrated geographic area helps create a hub of economic activity, which has a stronger potential to develop economic benefits and bolster spillovers. Marygrove is a University Commons Organization Steering Committee member, whose mission is to improve the physical and economic character of the Livernois and McNichols corridors. As mentioned above, the organization funds façade improvement grants that match property owners' contributions and is developing the LSEP (Livernois Streetscape Enhancement Program). Continued partnership in this organization and additional endowment promotes the common good by fostering a sustainable community



## Workforce Development

By expanding the secondary education program to enhance the entrepreneurial spirit of the neighborhood residents, class curriculum can help establish a culture of entrepreneurship. Mumford and Schulze public schools offer top-notch environments due to recent redevelopment. However, they are both underperforming in student proficiency. Marygrove has a nationally recognized education program. If targeted correctly, it has the potential to increase the success of the local public schools. Partnering with these schools could lead to better training for future teachers in Marygrove programs and an enhanced education for local children. Taking a leadership role, the faculty and staff have the ability to create a community of mentorship to develop the skills of their students as public school teachers and administration.

## Entrepreneurial Zone Leadership

The Urban Leaders Circle is a great start to engaging resources in focused strategic partnerships with a positive impact in Detroit. Also, corporate and student partnerships help link innovation and industry. To further this mission, the ULC could develop a neighborhood incubator to develop startup companies. Leadership in entrepreneurship creates awareness, which is the first step to building an entrepreneur community according to Bryan Keplesky on entrepreneur.

com. Corporate leaders of the circle best serve as mentors, which is the second step. Finally, securing strong leaders that develop ties with the community and foster a community of helping is the third step. University Commons (UCO) is an umbrella organization that serves about twenty neighborhood groups. A partnership between ULC and UCO, would link community stakeholders with industry stakeholders to form an innovation district. Neighborhoods such as University District, Sherwood Forest, and Greenacres house influential and financially stable residents that have the assets to support entrepreneurs if organized correctly.

## Home Ownership Program

As mentioned above, UDM has developed a homeownership program. Marygrove should collaborate with UDM to build the program to help curb population loss. Housing prices in the neighborhood are affordable thanks to the housing market crisis. However, taxes in Detroit are very high and seen as a deterrent to homeownership. (3) As part of the Urban Leadership Curriculum, form a council that allows students to brainstorm with city government officials on ways to decrease property taxes, increase public services efficiencies, and create unique collaborations that increase homeownership. The council will be an innovative, informative liaison between the community, education, and government.

(References: See page 33)



# Holy Redeemer Roman Catholic Church

Holy Redeemer Catholic Church is a prominent religious institution located in Southwest Detroit. It resides at the intersection of Vernor and Junction, across from both Clark Park and a newly revitalized retail strip. It draws parishioners from the both in and out of the surrounding neighborhood, which gives it the potential to impact the surrounding residential and business community. Through perhaps different in nature from other anchor institutions, churches have the same capacity to revitalize if there strengths are leveraged properly.

The process of replicating an anchor strategy and applying it to different institutions is comparative in nature and should yield insights as to when and where the anchor strategy should be deployed. There are several anchors in every urban setting and deciding which ones to pursue is an important first step in the process. In this section we will apply some of our previous recommendations to Holy Redeemer Church. Our impetus for doing so is based on the common link of commercial and retail centers in close proximity to the anchor. So what could Redeemer assess as far as it's potential to impact the surrounding community?



## Holy Redeemer as an Anchor Institution

We should focus on two uncommon assets Holy Redeemer provides for the surrounding community. First, it is a magnet of activity in the community. It draws people from Detroit and beyond to its Sunday masses as well as other events and activities. Kathy Wendler, President of Southwest Detroit Business Association says, "Holy Redeemer is where the people who live here come together for weddings, baptisms, funerals, religious holidays and all kinds of neighborhood programs. It's been the magnet for activity for a long time." (Wasacz, 2009) Not only does Holy Redeemer draw local community members to its grounds, but 43% of the congregation commutes into Detroit to worship. (Archdiocese of Detroit)

Second, and most important, the area surrounding Holy Redeemer has experienced less crime than other comparable areas in Detroit. There could be several reasons for this such as: the enhanced foot traffic near the Church deters crime, Holy Redeemer's domestic violence counseling reduces violence in the home, the Church and attached middle school are more closely monitored by the police, etc. For that and whatever other reasons, Holy Redeemer has a positive impact on public safety.

We compared the amount of crime at various radii from around Holy Redeemer Church and compared them to an area with similar features, population density, and proximity to foot traffic thoroughfares as well as a typical eastside neighborhood. From 1/1/2012 to 4/9/12, according to data from Crimemapping.com, 138 crimes occurred at a half-mile radius from Holy Redeemer, 25 crimes at a .2 mile radius and 1 crime in a 500 ft. radius. Comparatively, at 400 Alexandrine (the corner of Alexandrine and Cass in Midtown) 244 crimes occurred within a half-mile radius, 46 crimes in a .2 mile radius and 10 crimes in a 500 ft. radius. A typical Eastside residential block located at 11000 McKinney experienced 197 crimes at a half-mile radius, 47 crimes at a .2 mile radius, and 16 crimes at a 500 ft. radius.

## Nearby Retail and Commercial Activity

The presence of retail and commercial activity is an indicator of economic health, and the investment of money and personnel should be made in areas with such indicators. Thus, when a non-profit, foundation, or government entity is making choices about where to invest money, we recommend they look in an area with neighborhood anchor presence and a viable retail and commercial district. Even recently, the State of Michigan and the City of Detroit have been investing monies in poor, disinvested areas with weak retail and commercial districts. We support the shift in thought that says investment should occur in places with retail and commercial activity under the influence of an anchor institution.



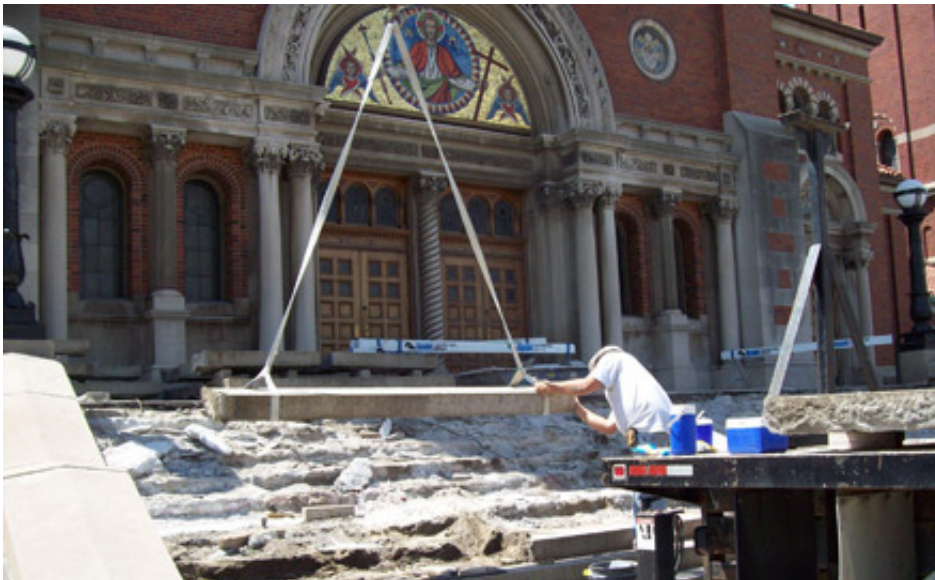
## Assess Current Economic Programs in the Local District

It is too often that different entities are trying to accomplish the same thing in the same location and not working together. For example, if the state wanted to use economic development monies to increase home-ownership in the University of Detroit Mercy district, they should either work with the program in place (University Commons) or simply contribute money to the said program.

In the Holy Redeemer District, and stretching further into Mexicantown, “Southwest Solutions has helped develop the Vernor Highway commercial strip in a phenomenally efficient fashion. They invested \$1.6 million in mixed-use renovation projects and have achieved close to 100 percent occupancy from the St. Anne parish community near the Ambassador Bridge to the Dearborn border as of 2009.”(Wasacz, 2009) Southwest Solutions is in the process of hiring a Director of Entrepreneurial Initiatives, which is intended to support small business start-ups in Southwest Detroit. If we applied our model to this job, the Director of Entrepreneurial Initiatives would recommend a favorable locale for a new start-up business, near a neighborhood anchor in a safe part of the district and be able to capture any state monies designated for economic development. The underlying theme of this part of our model is collaboration. Instead of reinventing processes to accomplish the same things Southwest Solutions has accomplished, it is best to collaborate with the experts or to completely defer to them while offering financial or personnel support.

## Recommendations for Holy Redeemer Housing

Similar to the University of Detroit Mercy homeownership program, housing must be addressed. The issue of housing should be tailored to each environment. It makes sense to employ an employee home-ownership program in a university district. The highest level of academia is for a professor to gain tenure, which in a way attaches the professor to the fabric of the anchor institution. It is advantageous to the surrounding community to have well-paid permanent citizens. A home ownership program has great potential in the market surrounding Holy Redeemer (for different reasons than UDM). This market has low housing prices. According to realestateone.com, the majority of houses on the Mexicantown market range in price of \$15,000 to \$40,000. With housing prices that low, it would be more economically productive to have residents pay off their mortgage in 3-5 years. This would allow them to have disposable income to fuel the retail and commercial activity rather than draining that money on housing costs. The assistance offered to potential homeowners in the University of Detroit Mercy district was \$5,000. A similar assistance would go much further in the Holy Redeemer market. With the housing market so bleak in most areas of Detroit, a homeownership program in just about any neighborhood could go a long way to infusing the local economies with disposable income.



## Façade Improvements

Like any program of this sort, money and resources are limited. Investment in these programs would increase the capacity for a service that is in high demand. The Southwest Detroit Business Association is (SDBA) the main funder of façade improvements for Southwest Detroit which encompasses the Holy Redeemer District. The SDBA explains their façade program and its efficacy saying, “Another vital program that’s already helped countless business upgrade their facilities is the SDBA’s Façade Improvement Program. Working with property owners, this program provides financial incentives, architectural design services, financial packaging and technical assistance to produce an attractive storefront that complements the business district’s overall identity.”

On average, these projects generate over \$7 of private investment for every dollar of matching grants provided. Total investment through this program has resulted in more than \$100 million in leveraged improvements. The program’s impact is evident in the West Vernor business district, helping to transform buildings in the area and improve the overall business climate.”

## Street Beautification

The Holy Redeemer district does not have a Streetscape Enhancement Plan like UDM’s Livernois Streetscape Enhancement Plan (LSEP). Thus the Economic Development agency may have to take over this project or choose a capable entity to do so. Street beautification serves the same purpose as the façade improvements insofar as improving the overall business climate and improving the quality of life for existing residents and to attract new residents.

## Business Attraction and Retention

Earlier we mentioned the Director of Entrepreneurial Initiatives position funded by Southwest Solutions, which will assist with new business start-ups. A similar position could be funded with economic development monies and performed through an organization such as Southwest Solutions. This would function in a similar manner to a Downtown Development Authority. Funding will often dictate what can or cannot be done, but this model requires personnel to perform these duties. Suburban cities, villages and townships in Southeastern Michigan of all sizes and populations have formed downtown development authorities to meet business attraction and retention needs. The greater Mexicantown district is home to about 90,000 residents and we contend that justifies the need for economic development authority personnel. As far as business attraction, we think it would be beneficial to engage with minority, preferably Hispanic-owned banks in an effort to bring access to capital to this community.



## A Comprehensive Approach

This model incorporates improvements that are visual with the street beautification and façade improvement programs. It's important for a community to literally see things getting better in their neighborhood. We have incorporated standard functions of downtown development authorities such as business attraction and retention. We have assessed the housing market and have concluded that a homeownership program could infuse the local economy with resident's disposable income in 3-5 years as well as attract new residents to the greater Mexicantown area. Finally, we have learned about other economic development and neighborhood revitalization projects occurring in the Holy Redeemer District and are poised to contribute and collaborate with ongoing efforts to develop the community and local economy. (References on page 33)





# St. John Hospital and Medical Center

Hospitals Systems as anchor institutions in urban areas may hold the keys to transforming older neighborhoods to vibrant, healthy, high density populated and entities with improved opportunities for young educated professionals. Again, an example of a promising practice anchor model is Midtown Detroit. The three anchor institutions that are collaborating together are the Detroit Medical Center, Henry Ford Hospital, and Wayne State University with millions of philanthropic dollars, funding from the state and federal governments, and private investors - all working together to revitalize and sustain a viable community in the cultural epicenter of Detroit. This paper will examine how the anchor model strategy could be applied to another neighborhood on the eastside of Detroit that encompasses the St John Hospital and Medical Center.



The St. John Providence Health System is a product of the 1999 merger in between the Sisters of St. Joseph and Daughters of Charity. This created Ascension Health, the largest Catholic health ministry in the country. St. John Hospital was built in 1952 by the Sisters of St. Joseph. Providence Hospital opened in 1910 in Detroit, moving to Southfield in the 1960s. Based on our research, the St. John Providence Health System is the largest healthcare provider in southeastern Michigan.

St. John Hospital and Medical Center is one of six hospitals and 125 medical centers that make up the St John Providence Health System of southeast Michigan. Overall, the St John Providence Health System has a total of 18,374 associates and 2,340 licensed hospital beds. The St John Hospital and Medical Center is located at 22101 Moross in ZIP Code 48236 is the only medical and Trauma II center on the eastside of metropolitan

Detroit. Based on the FY 2010 report, St John Hospital and Medical Center had 33, 566 admissions, 15,677 surgical visits, 3,697 births and 109, 071 emergency visits. This facility has 772 licensed beds with 1,300 on its medical staff and 4,500 medical associates. The clinical services include: a level two trauma centers, more than 50 medical and surgical specialties, a pain center, maternal/childcare services, many minimally invasive and robotic surgery options, a cardiac care center, bone and joint care, oncology specialties, neurosciences and a medical education program.

The St John Providence Health System has three additional Detroit neighborhood hospital and medical facilities on the eastside that include: St John Conner Creek, with approximately 20,000 patients per year, and located in ZIP Codes 48205 & 48134; St John Detroit Riverview Urgent Care located in ZIP Codes 48214 which is no longer a hospital but provides emergency care and physicians offices; and St. John Samaritan Urgent Care Center located in ZIP Code 48234. Additional Michigan hospitals within the St. John Providence Health System outside of Detroit are Brighton Hospital in Brighton, Providence Hospital in Southfield, St John River District in East China Township, and Providence Park Hospital in Novi.

Based on our research, the St John Providence Health System demonstrates its commitment to Detroit, as one of the leading health facilities that provides medical services to people from all walks of life including those who are uninsured and poor. St John partners with community organizations, create state of the art program services that increase and leverage access to its medical services. This research reported during 2010, St John contributed over a \$100 million dollars in free medical services to those in need.

The St John Providence Health System's mission provides the most insight into the hospitals goal, vision, and values: "To build a collaborative 21st century solution for an improved system of community health in Detroit by linking the investment in healthcare, education and training with access to affordable housing in a manner that supports the transformation of Detroit's economy and contributes to neighborhood revitalization. This will lead to measurable and sustainable improvements in health care and the quality of life of those served." St John is an advocate for the poor and it has taken on a significant leadership role in revitalizing Detroit neighborhoods.





## The Neighborhood

The St. John Hospital and Medical Center is located in ZIP Code 48236 and the nearby the 48224 northeast neighborhoods include: Old English Village and Morningside, and the Grosse Point neighborhoods. The immediate surrounding area to the hospital is the ZIP Code 48224 which with about 5.7 miles a reported 55,432 residents, based on Data Driven Detroit. The number of households in 48224 is 15, 123 and the number of vacant housing units is approximately 4,100. There are families, professionals, and city employees living in this community. Crime, safety, blight and abandoned homes have become a major factor in this ZIP Code and are a challenge for the City of Detroit in its efforts to revitalize some areas in the neighborhood.

The next three St. John Hospitals and Medical Centers: St. John Conner Creek located at 4777 E. Outer Drive, 48234, St. John Detroit Riverview at 7733 E. Jefferson Ave., 48214; and St. John Samaritan area part of St. John/Providence Health System's Healthy Neighborhoods Detroit Initiative. This is where St. John has really demonstrated its leadership role toward efforts to revitalize neighboring communities through investments and collaborations/partnerships to address blight and safety issues in three specific neighborhoods on the eastside of Detroit.

Based on our research, St. John's leadership as an anchor institution in these neighborhoods through collaboration with the philanthropic community, donations, thousands of volunteers, community based agencies such as: MAN Network (Maintaining A Neighborhood), the Detroit Community Initiative, Nortown Community Corp., Wayne County Sheriff Osborn Unit, the Detroit Fire Department, the Detroit Police Department and the Michigan Department of Community Health all seem to work strategically together with a thought out plan to revitalize neighborhoods with an emphasis on addressing safety.



Our readings suggest that St John sees safety in the neighborhoods as a pivotal issue because being safe can improve the quality of health that one has. The Healthy Neighborhoods Detroit program started in 2009 and its primary goal appears to focus on economic strategies in the neighborhoods it serves. This collaborative initiative provides trained, certified community policing and patrol volunteers within the designated neighborhoods, patrolling 8 Mile Road, 7 Mile Road, Sherwood and Conner streets, all of which are high crime areas. In addition, this initiative provides safety educational summits to empower the community and reduce fear as well as to identify health concerns of those residents. Residents in these areas can receive free anti-theft devices for residents and businesses, neighborhood watch resources, general resources and health related resources.

## Recommendations for St. John Providence

In reviewing the literature on the St. John Providence Health System as an anchor institution, this health care provider seems to be a good fit, since it has demonstrated that it has the capacity to leverage its assets and resources to collaborate in the revitalization of the communities in which it resides. These short and long term investments appear to be measurable in context, are supported by the local and state government, have local community based agencies and businesses on board. They have the financial support from the St. John/Providence Health System, the Michigan Department of Community Health and the philanthropic community.

## Improve Brand Name Recognition of St. John

The hospital is providing many unique services such as the St. John's Trauma II Medical Center, which is the only center of its type located on the eastside of Detroit. All of the anchors we assessed in this report have their own unique assets, and while some do a better job marketing than others, all need to improve in their efforts in promoting both what they do as an institution and as an anchor for the surrounding community.

## Increase its Level of Outreach to Stabilize Nearby Neighborhoods

Incentivizing homeownership as well as enhancing or supplementing security may be within the capacity of ST John/Providence. Health care providers generally employ higher wage earners, and hospitals the size of St John Providence also have more robust security resources. An employee homeownership program and expanding the security through the surrounding neighborhood are options that could be explored.



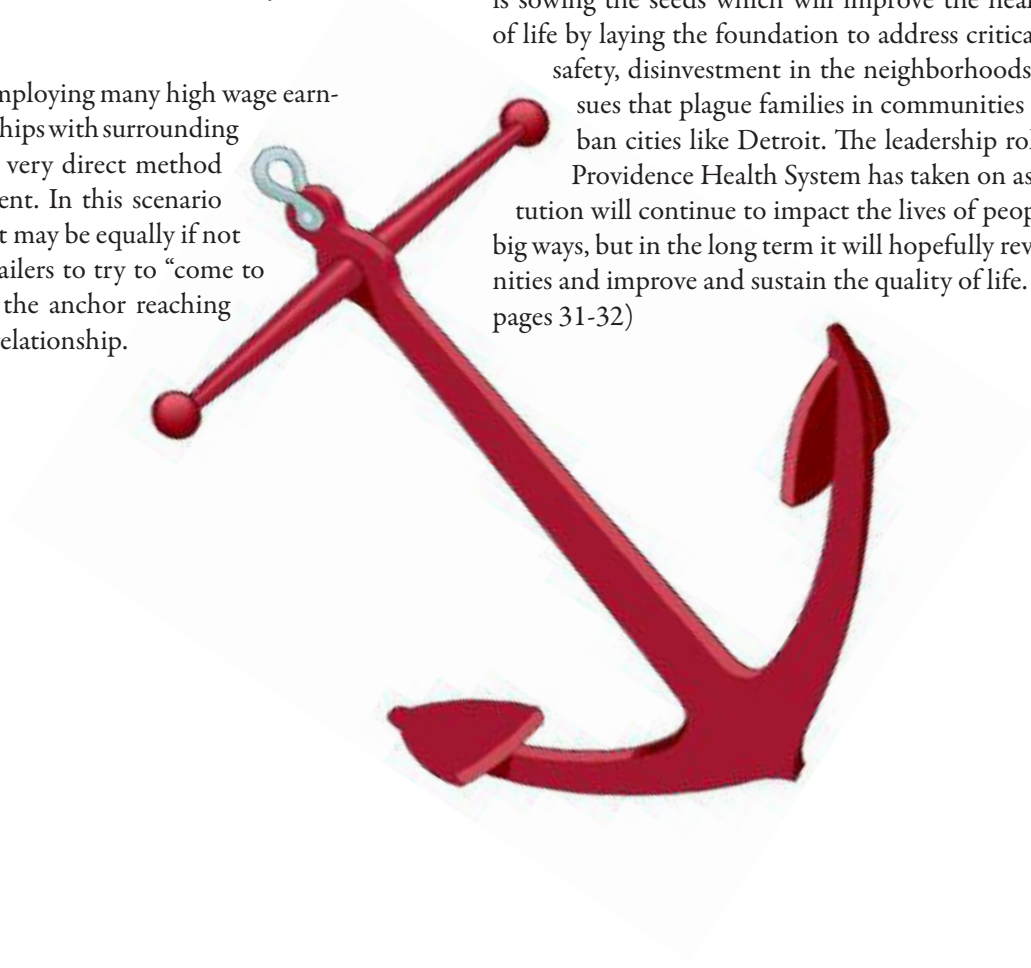
## Collaborate and Invest More in Resources in these Neighborhoods and Increase Educational Opportunities from “Cradle to College”

With the high level of educational attainment required for health care professionals, they can serve as role models in areas with low educational attainment. Employer sponsored volunteer programs with schools or community groups could be a relatively simple and manageable way to have a considerable impact on the youth of the surrounding community.

### Focus on Creating a Synergy with the Local Business Community

Again, with hospitals employing many high wage earners, developing relationships with surrounding retail strips would be a very direct method of economic development. In this scenario as well as many others, it may be equally if not more important for retailers to try to “come to the anchor”, as well as the anchor reaching out to forge a stronger relationship.

Overall, St. John/Providence Health System is proving to be viable anchor institution for Detroit. This non-profit organization is sowing the seeds which will improve the health care quality of life by laying the foundation to address critical issues such as safety, disinvestment in the neighborhoods, and health issues that plague families in communities throughout urban cities like Detroit. The leadership role that St. John Providence Health System has taken on as a anchor institution will continue to impact the lives of people in small and big ways, but in the long term it will hopefully revitalize communities and improve and sustain the quality of life. (References on pages 31-32)



# Our Model

## Recommendations for a Local Anchor Strategy

### *Identify the Anchor*

- Does it have a large stake in the community?
- Does it have economic impacts on employment, revenue gathering, and spending patterns?
- Does it have a large stake in real estate?
- Is it likely to relocate?
- Is it a job generator?
- Does it provide multilevel employment possibilities?
- Does it attract people or businesses?
- Is it a center for culture, learning, or innovation?

### *Identify unique assets of the anchor*

- What are the capacities?
- Where is money currently being spent (employment, services, goods)?
- What relations, partnerships, and alliances do they have?
- What is the current relationship with the community?
- What are the skills of those employed?
- What does the revenue stream look like?



# Our Model

## Recommendations for a Local Anchor Strategy

### *Identify assets and needs of The Community*

- Community engagement is a must when analyzing the strengths and weaknesses of a community; utilize recent needs assessments/reports/plans
  - What are the critical and pressing socio/economic issues?
  - What are the goals of the community?
  - What are the current economic development programs?
  - What resources are available in the community (funds, stakeholders, underutilized services/spaces)?
- 
- Identify overlap in institutional and neighborhood goals
  - Create plan of shared value with the community and integrate into mission
  - Identify resources that can be leveraged and gaps where resources are needed
  - Are the institution and other stakeholders prepared and committed?
  - Who are potential partners?
  - Identify/create programs and economic development strategies to address needs
  - Assess costs and benefits
  - Are the goals attainable? Worthwhile?
  - Create metrics to measure progress

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