

Water Street

A Grand Attempt to Preserve City Solvency

BY CHERYL FARMER WITH ED KORYZNO

A Vision for the Future

In 1996, the Ypsilanti City Council began implementing annual visioning sessions, as suggested by former council member Al Robinson and encouraged by Ed Koryzno, our preferred city manager candidate. Ed told us during his interview process, “I wouldn’t want to work for a council that doesn’t do visioning. If you don’t know what you want, how will I know when I’m meeting your goals?”

Over time, council, together with department heads, assembled lists of things we loved about our city and wanted to preserve, as well as conditions we thought were holding us back. These sessions also built trust. First, we tackled easy issues everyone agreed upon, like improving the perception of and, in some neighborhoods, the reality of danger. We reorganized the police department, tackled blight through improved ordinance enforcement, and addressed bad landlords through tightened building inspections (Ypsilanti has twice as many rental units as the average college town).

With these successes under our belts, and through continued visioning and trust-building, we were able to address bigger problems like bonding to repave all the neighborhood streets. We also increased water rates to replace all the old and rupturing water mains, remove any lead water lines, and replace collapsing Orangeburg tile sewer lines.

In Need of Revenue

In 1999, the Ypsilanti City Council learned we were in a downward spiral, heading toward bankruptcy. The only thing we could control that could get us out of this serious problem would be a new tax-paying development. Ypsilanti is an older mostly built-out community, and this problem was not one that could be easily solved. We tackled it from every angle: identifying every unbuilt parcel that might be available for development; identifying empty lots and homes in foreclosure suitable for building or rehab by Habi-



Looking southeast along Michigan Avenue, 2010

tat for Humanity; marketing city-owned buildable lots; encouraging the high school building program to construct homes on the closed Fletcher School playground property adjacent to an existing neighborhood; inviting Cleary College to build their new campus behind their existing campus on Washtenaw at Hewitt and financing it by selling their Washtenaw frontage for taxable commercial use. (Cleary did sell their Washtenaw frontage to Walgreens and AutoZone, but they sold the balance of their property to EMU and moved to a former Ann Arbor hotel at Plymouth Road and US-23).

The Ypsilanti Planning Department then identified the area south of East Michigan Avenue between Water Street (along the Michigan Avenue bridge) and Park Street as an undervalued area with great potential for development. At the time, this was a troubled area. Largely populated with vacant and dilapidated buildings, the police were frequently called there to address prostitution, drugs, and fights. Often the fire department was called to put out fires on the property. Trash was anonymously dumped there, and the park along the river was largely unused due to the perception and the reality of danger. The entire thirty-two acres generated only about \$23,000 annually in taxes.

However, this parcel is bordered on two-and-a-half sides by the Huron River, with views of the bluff along South Huron Street as it descends southeastward to Waterworks Park. Water Street, as the property came to be known, had the potential to become an asset: a new neighborhood of affordable homes along a linear park. The Michigan Avenue frontage would be appropriate for mixed use: commercial on the ground level, with apartments or condos above. Furthermore, if all the small parcels within this area could be assembled, the whole would be large enough to attract a major developer.

Assembling and building out this new neighborhood would generate needed property taxes and bring new residents within walking distance of our downtown restaurants and businesses. It would also clean up blight and reduce crime and fires. Development would offer housing and retail space of a type and size not available in the city's existing stock. The linear park would ultimately link to the county-wide Border-to-Border (B2B) Trail then being created, a trail that had been inspired by the more than 100-year-old plan created for Ypsilanti by famed American landscape architect Frederick Law Olmsted for a park along the Huron River from edge to edge within the city.

This was our collective vision for Water Street. We tasked our amazing Planning Department director Jennifer Goulet and her staff with making it a reality. But it was complicated! The city would purchase and assemble the properties, borrowing the money for three to five years, then repaying the loan with money from both the sale of the property to a developer plus the new property taxes generated as the development was built.

Pursuing the Plan

Some purchases were easy, some were not. Public hearings were held to confirm the public purpose of this project in the event it became necessary to use eminent domain, but it did not. Property lines did not always match up, leaving a few small parcels of land with no obvious owner, hindering our ability to obtain clear title.

Once assembled, the blight was cleared. Havens for criminal activity were eliminated



Southwest Corner of East Michigan and River Street in 2010. The abandoned building was once Doran Chevrolet dealership

and police officers freed up to keep our neighborhoods safe. Contamination was found where it had been expected: dry cleaning fluid that had been dumped behind an old dry cleaning business, oil from a former gas station, ink from the Ypsilanti Press building, and more. A surprise was the finding of significant levels of natural arsenic. Because of the contamination, we successfully applied to become a brownfield, a designation that would entitle a developer to state tax credits.

We learned from residents that the historic brick building at the northwest corner of the Water Street property, then the site of Walters Heating and Cooling, was near the hundred-year flood plain and we reluctantly had it demolished. The plan then was to bring twenty feet of fill to the low areas and level the entire parcel. This would also bury any contamination.

Filling the west side of Water Street meant that we would need to lower an area downstream at the site of the old city water plant so future flood waters would have a place to go. The Michigan Department of Natural Resources approved this idea. We noted that old concrete from the demolished water plant that had been dumped inappropriately along the edge of the Huron River in Waterworks Park could be removed simultaneously.

Our first developer was David Stollman. One of his partners did a walk-about with interested members of the community, becoming very enthusiastic about Depot Town and downtown as “authentic” and “walkable.” Their proximity to the Water Street parcel increased its desirability as a place in which to develop a new neighborhood.

Workshops were held to gather public input on street layouts and names, with the community wanting the new neighborhood seamlessly connected to existing neighborhoods. A beautiful presentation book was produced with drawings of the design proposals. Some decried the commercial portion along East Michigan Avenue as too dense but, overall, the community was ready to proceed.

Delays and Frustration

Then nothing happened and months went by. Ultimately, we learned that this firm had previously only developed new subdivisions on former farm land. The partner, who was the enthusiastic lead on our project and committed to urban development, had split with Stollman, and the company was not comfortable building on a brownfield. Every month of delay was costing us interest on our loan. We parted ways and began the search for another developer.

In 2006, local realtor Ed Surovell put me in touch with local developer Joe O’Neal, who told me he knew a larger company, Freed, that was already in Michigan with projects in different stages of development in Ann Arbor, Royal Oak, and Plymouth. He arranged a meeting for me, and I learned they were interested in adding Water Street! A preliminary concept was developed by Ed Connell and presented to the community.

We liked it! Then, in 2007, the bottom was beginning to fall out of the real estate market. Freed dropped all of their Michigan projects and moved to Arizona.

A subsequent Ypsilanti City Council, following the vision, turned down a Burger King. The county proposed building a Recreation Center on Water Street, which would have been lovely but would have completely defeated the purpose of the vision, which was to add significant property to the tax rolls to assure long-term city solvency. Another council, feeling desperate to see something get started, approved a Dollar Store. This business certainly sends mixed messages about the value of the remainder of the Water Street parcel.

Then came a proposal for affordable housing. Key arguments against this proposal included the County Master Plan for Ypsilanti, which acknowledged a disproportionate number of rentals and the need to pursue more home ownership options to stabilize neighborhoods. The proposal also contradicted the core value of diversity in the new City Master Plan as the proposal did not add to the diversity of our housing stock nor to our economic diversity. Another core value was sustainability, meaning that every decision should foster the future, but affordable developers demanded payments in lieu of taxes, which Ypsilanti could not afford. Fortunately, this proposal failed to materialize.

As the years passed and Water Street remained basically undeveloped, interest payments on the debt became a burden to our already impoverished city budget. So,



Looking southeast along Michigan Avenue, 2022

when the millage to repave the streets expired, another council wisely placed a millage on the ballot to pay for the Water Street debt, and it passed.

Then came a well-funded Chinese developer wanting to build housing for Chinese students and other Chinese nationals under a federal program that exchanged development dollars for U.S. citizenship. Ypsilantians were quite interested in the development, but they were determined that anyone should be allowed to buy and live there, not just people of Chinese origin. That plan ultimately blew up when Mayor Amanda Edmonds and Mayor Pro-tem Nicole Brown visited China to review the kinds of developments this company had done previously. Upon their return, some council members decried the method of payment for their trips as unethical and inappropriate. By the time the dust settled that developer had also vanished.

In 2023, Water Street remains undeveloped.

A Note on Sources

All photographs are from the Ypsilanti Historical Society Archives.

About the Author

Cheryl Farmer, MD, retired from her private practice in general internal medicine in 2013. During her more than thirty-year career, Dr. Farmer was honored to be named, in 2002, Woman Physician of the Year by the Michigan State Medical Society. In 2010, she was elected president of the Washtenaw County Medical Society. In 1993, Dr. Farmer was elected to the Ypsilanti Charter Commission, which wrote ethics into a brand-new charter. In spring of 1995, she became the first woman mayor of Ypsilanti to win an at-large election; she served three terms and stepped down exhausted in the fall of 2006.