

LOCAL COMMENT

A restored Madison-Lenox can deliver benefits to city

By JAY C. JUERGENSEN



Since Detroit's Historic District Commission issued a reprieve for the historic Madison-Lenox Hotel, the National Trust for His-

toric Preservation added the historic hotel to their list of endangered buildings. Defying both the mayor and Illitch Holdings' request for demolition, the commission stood firm and rejected the request to demolish the historic hotel and replace it with a parking lot. Ironically, just two blocks away the Hilton Garden Inn hotel was recently finished and is now open for business on land most recently used as a parking lot.

Isn't a restored historic hotel a more appropriate and critical element of a vibrant walkable entertainment district? And doesn't a vibrant district add greater value to the community over the long-term than a parking lot for 85 cars?

One thing downtown Detroit has is an abundance of parking. And what does it say about the value of real estate when the highest and best use of a property is surface parking supported by the Downtown Development Authority with a \$700,000 loan for demolition? Wouldn't these public resources be more appropriately used as a loan for revitalization of the building?

When will it be widely understood that historic preservation has actually been the economic engine of many of Detroit's most important projects? The \$115-million public investment in Comerica Park and the \$125-million public investment for the adjacent Ford Field that followed would not have happened but for the foresight of Chuck Forbes the owner of the Fox Theatre, who stared down the wrecking balls aimed at the historic theater.

Forbes halted the city's planned demolition of the Fox,

which the Illitches later restored. Today, nobody doubts the importance of the Woodward Avenue entertainment district, even though it was the hysterical preservationists that saved the buildings that now serve as the centerpiece of the city's premier entertainment district.

Given both the intrinsic and economic benefits of historic preservation, Michigan and Detroit can do more to unlock the private investment in historic properties.

There are other examples of preservation at work. The Max M. Fisher Music Center and the Detroit Public Schools' performing arts high school — both part of a \$220-million project — would not have happened, but for the restoration of Orchestra Hall, destined for the wrecking ball 20 years ago.

Further north, the \$8-million Inn on Ferry Street has become the pride of the cultural center and the jewel in the crown of the University Cultural Center Association. I don't think anyone that wanders down East Ferry Avenue and suggests, "I wish they'd torn those buildings down for more parking." Quite the contrary, the investment in those properties has had a positive ripple effect in investment throughout the neighborhood.

A restored Opera House, a restored Music Hall along with a restored Gem, Elwood and Fox are part of the backbone of a vibrant district, and the Madison-Lenox needs to be part of that fabric.

Restoring the hotel won't be cheap or easy. A fire and years of neglect have left the structure in poor condition for certain, but if

we can muster the leadership and commitment to spend millions of public dollars to support the construction of a pair of stadiums, can't we tap into that same leadership structure to restore a modestly sized historic hotel?

According to a report on the economic benefits of preservation, "Investing in Michigan's Future," over the last 30 years in Michigan, historic preservation efforts have created 22,252 jobs and generated \$1.7 billion in investment.

In the years between 1999-2001, after Michigan enhanced the historic tax credit to 25 percent of the total investment, \$8 million was used for historic preservation efforts in 205 projects across the state. Over the last 15 years, \$807 million in tax credits were used for 611 projects.

Given both the intrinsic and economic benefits of historic preservation, Michigan and Detroit can do more to unlock the private investment in historic properties. In tough budgetary times, it's hard to talk about additional tax credits, but given the sheer leveraging benefits, the governor and state policy leaders should consider increasing the value of the historic tax credits for investments in historic buildings.

Throughout our state, economic development policy should focus on historic properties with an understanding of the potential to open the spigot of private investment in historic districts and neighborhoods. Sound preservation policy can help make our cities the vibrant, "cool" places that will attract and retain the much sought-after and heralded creative types of the new economy.

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