

CLOSING MAY DOWN ONCE-WEALTHY HIGHLAND PARK

Detroit Free Press (MI) - Wednesday, September 9, 1992

Author: JANET WILSON , NDA GILCHRIST Free Press Staff Writers , . BRASIER, PATRICIA CHARGOT, MARIAN DOZIER, , LIAM KLEINKNECHT LORI MATHEWS , e Press Staff Writers contributed

Highland Park was the birthplace of the 20th-Century American Dream as we know it, thanks to the auto industry.

Now, thanks to the retrenchment of that industry, **Highland Park** is a genuine American post-industrial ghost town, with little chance of surviving into the next century, experts say.

The 2.9-square-mile city has been dealt blow after blow.

In the last nine months, it has lost Sears, the anchor of its small downtown shopping area; has lived with the fear of a serial killer, and has struggled with \$4 million in debt to the state government.

The death blow **may** have been dealt Tuesday, with Chrysler Corp.'s announcement that it will move its world headquarters to Auburn Hills by 1995. The city will lose up to \$9 million of its already meager \$16-million operating budget.

"It's basically kind of the nail in the coffin for the city. Along with the **closing** of the Sears retail store there, it does not bode very well," said Robert Wassmer, assistant professor of economics at Wayne State University. "It was a dying city anyway."

It wasn't always that way.

In 1909, Henry Ford bought a local racetrack and built the world's first Model-T car factory just off Woodward Avenue, where the world's first mile of highway was paved.

Once a vibrant city of 65,000 people, tree-lined streets and lovely homes, **Highland Park** was one of the wealthiest cities in the state by 1929. And it thrived off the 9,000 cars a day that rolled off Big Three assembly lines through World War II.

But the painful shrinkage and changed priorities of the American auto industry have led to the city's slow decline. In 1947, **Highland Park** had close to 20,000 manufacturing jobs; in 1987, it had 9,000.

Today, Ford's factory is the largest of more than 300 abandoned, rotting buildings in the city -- including vacant motels, burned-out big apartment buildings, shuttered nursing homes, boarded-up storefronts, crumbling townhouses.

The city can't afford the \$2 million it would take to tear **down** the empty buildings or throw plywood over the gaping windows. Indeed, a serial killer prowled the streets this winter and used the vacant structures as a sort of murderer's playground, raping and choking 11 young women and leaving their bodies to decay, along with the buildings.

The people of **Highland Park** suffer from more than heinous crimes. The median household income in 1980 was about \$13,000. Ten years later, that income had slipped to \$9,805.

Of the state's 60 largest cities, **Highland Park** has the worst child poverty rate. More than half of all its children under 18 -- 3,030 of them -- live below the federal poverty line, according to 1990 census data.

Highland Park had a brief burst of renewed health in the 1960s, when federal dollars pumped into its downtown gave it a 93-acre combined residential and light industrial district. Boutiques and antique shops lined Hamilton Avenue.

When riot tore apart Detroit in 1967, **Highland Park** neighbors held interracial picnics in their backyards to make sure their kids stayed friends. But the city is now 93 percent black.

So far, the state has no plans to take over the city's finances, as it did with the Downriver community of Ecorse in 1986, when it was \$6 million in debt.

"We're not at this time close to a state takeover. We realize the significance of the financial problems in **Highland Park** . We are assisting the city in any way we can," said Nick Khouri, chief deputy state treasurer.

Michigan officials last week helped the city refinance its \$4 million debt. The city borrowed the money in the 1980s as an emergency loan and never paid it back. Now, the state is helping the city sell bonds to pay off the loan.

There has been a state-appointed fiscal monitor in **Highland Park** for several years, but some complain that the monitor, Phillip Pierce, has done little to help. Pierce did not return calls for comment.

Critics say politicians badly mismanaged public funds over the years, and no more should be given to the city, no matter how much it is hurting.

Louis Schimmel, the state-appointed fiscal analyst who steered Ecorse away from bankruptcy in 1986-90, said the only solution for **Highland Park** and small cities like it across the country is to merge with larger cities.

"There has been horrible mismanagement and misspending of funds. There is no way I can see **Highland Park** getting out of this, not as they exist. And I don't think they should be helped out of it, they should be merged out of it," said Schimmel.

He said the city should slash all services except police and fire protection and hire private contractors for garbage collection, street cleaning, tree-trimming and all other services.

He said the city should merge with Hamtramck so they could share the cost of fire and police services. Ideally, he said, both cities should merge with Detroit. But Detroit has shown little willingness to take on **Highland Park** 's problems.

One thing the experts discount is the will of the 20,121 residents in **Highland Park** .

"We don't need to die. We have our own choice as to whether we want to die. It's up to us," said Mayor Linsey Porter. "Look at what we've been through in the last nine months. I mean, give us a break. But we've been able to always rally together.

"What I'm trying to do is change the negative thinking in this community. The only bad thing about this is that the fall and winter months are coming. I'm always in the street talking to people to pump them up. But now people will go inside, to sit inside their house on the phone saying, 'Oh, Chrysler's about to close. We're going to be dead.' "

Even City Councilwoman Christine Franklin, who admits to being angry about the Chrysler pullout, says her city will survive.

"It **may** be that we will have to go in a new direction," she said, "You know, we were once mostly residential, and we did just fine."

But Wassmer of Wayne State University said there is little that can help **Highland Park** or any other city dependent on the once mighty auto industry.

"The whole system is just stacked against older cities," he said. "The announcement I'm waiting for is for GM to leave the city of Detroit."

Caption: Photo MARY SCHROEDER

: Julia Hall has lived near the Chrysler complex in **Highland Park** since 1970, and says she will miss the traffic. The company's employment in the city will shrink from about 5,000 to 500 by 1995 as it moves workers to its new Auburn Hills center. "This is going to cost us half our city budget," said **HighlandPark** Mayor Linsey Porter, who learned the news Tuesday morning after he was summoned to a meeting with Chrysler Corp. Chairman Lee Iacocca.

Memo: SEE ALSO METRO EDITION, Page 1A

Edition: METRO FINAL

Section: NWS

Page: 1A

Index Terms: XLER ; MOVING ; EFFECT ; HIGHLAND PARK; AUBURN HILLS ; HEADQUARTERS ; REACTION ; MAJOR STORY

Record Number: 9202030217
Copyright (c) 1992 Detroit Free Press