

“Out of the Congested Zone”: Annexation in Detroit, 1915-1926

The historical process of annexation in growing cities is poorly understood. Urban historians have recognized the importance of the results of annexation in shaping the landscape of cities but scholars have neglected the essential role of real estate developers in the annexation process.¹ This paper examines the city of Detroit in its most active period of annexation, the decade from 1915-1926, and the role that a handful of real estate developers played not merely in exploiting the result, but in driving the process. This series of expansions of city limits turned Detroit from a city of approximately 40 square miles in 1915 into a sprawling city of 138 square miles by 1926, a physical legacy Detroit still struggles with today in the midst of repeated revitalization efforts.

This paper builds upon existing interpretations of annexation as part of the suburbanization process and as a form of government evolution to argue that annexation in Detroit was, at heart, the fulfillment of a real estate investment strategy.² By looking at city administration records, real estate publicity and advertising, and analyzing local financial networks, I will show how real estate developers employed several strategies to promote annexation as a means of realizing their speculative investments in land at the urban fringe. However, this paper also revises our understanding of the cooperation of cities like Detroit with business interests in urban growth coalitions. It demonstrates how real estate developers can drive city policy and even state-level urban policy, and the enduring consequences of that cooperation.

Detroit; annexation; real estate; suburbanization

¹ Alison Isenberg explicitly calls for more emphasis on real estate history, “a remarkably understudied topic.” *Downtown America: A History of the Place and the People Who Made It*. (Chicago: University of Chicago Press, 2004).

² Kenneth Jackson. *Crabgrass Frontier: The Suburbanization of the United States*. (New York: Oxford University Press, 1985). Ann Durkin Keating. *Building Chicago: Suburban Developers and the Creation of a Divided Metropolis*. (Columbus: Ohio State University Press, 1988).

(IMAGE) As Detroit works in the midst of another Renaissance effort and sees revitalization in central city nodes – Campus Martius, the Cultural Center, and Midtown (Detroit Tigers) – the city faces the challenge of spreading this economic development and revitalization to the rest of the city. In neighborhoods throughout the city, and perhaps even comprising a majority of the city, development is still uneven, the built environment is seeing no reinvestment and from these areas it is difficult to see the glimmer of the Renaissance Center or the lights of Hockeytown and Comerica Park. This challenge of a sprawling city proper (bracketing the issue of the urbanized metro area for this paper) is largely the result of a period of no more than a decade early in the twentieth century.

That Detroit was a fast-growing city was clear by 1915. The preceding decennial census showed a population of 485,000 – up 70 percent (200,000 residents) from 285,000 in 1900.³ Similarly, manufacturing output had increased by 186% in the same period.⁴ A chief challenge for city leaders attempting to guide the ascendance of Detroit as America’s Motor City and manufacturing capitol was the increasing congestion of humans, goods, and automobiles in the central areas of the pre-automotive city. How to accommodate the growing and increasingly dense population? For more than a decade, Detroit’s answer was annexation.

Up to this point, a handful of models have served the needs of urban historians seeking to explain the phenomenon of annexation at the turn of the 20th century. Kenneth Jackson described two characteristic types of annexation in *Crabgrass Frontier* as “single, massive change[s],” such as New York or Chicago in the 19th century. This he contrasted with the “series

³ Campbell Gibson. “Population Of The 100 Largest Cities And Other Urban Places In The United States: 1790 To 1990.” Population Division Working Paper No. 27.

<http://www.census.gov/population/www/documentation/twps0027.html> (Accessed August 24, 2006).

⁴ United States Census 1910. Vol. 9. Manufactures. Reports by State. P. 572.

of small additions” to cities like Minneapolis and Pittsburgh.⁵ Ann Durkin Keating describes Chicago’s annexation of its suburbs in the latter part of the 19th century as part of an evolution in forms of local government driven by resident choice as the lakeside metropolis expanded.⁶

Despite these compelling explanations, my research into the development history of Detroit indicates that the city does not fit these models.⁷ THIS SERIES OF IMAGES shows that Detroit underwent a series of annexations in the early twentieth century that neither were small, nor did they integrate the new territory into the existing city. In addition, this paper investigates the role of real estate developers in the process of annexation that took the city from an area of 40 square miles in 1915 to a sprawling 138 square miles in 1926, the last year of significant annexation.⁸ In Detroit, real estate developers in the 1910s and 1920s not only supported annexation, they drove the process of city expansion. In this paper, I will focus on two particularly important developers who played key roles in annexation among a cast of hundreds, if not thousands.

Real estate developer Robert Oakman once claimed of Detroit that “until the city goes stale as a manufacturing center, property here will be as valuable as it is now, with a reasonable increase.”⁹ However prescient the businessman was, real estate was as important an industry to Detroit’s future as automotive manufacturing. With each new plant for stamping and assembly came the opportunity for the subdivision and development of land to house industrial workers and their families. (IMAGE) The growth of the city – the foundation or movement of these

⁵ Kenneth Jackson. *Crabgrass Frontier: The Suburbanization of the United States*. (New York: Oxford University Press, 1985): 143.

⁶ Ann Durkin Keating. *Building Chicago: Suburban Developers and the Creation of a Divided Metropolis*. (Columbus: Ohio State University Press, 1988): 125.

⁷ Olivier Zunz begins to address the significance of annexation to the city’s geography of ethnicity, but does not thoroughly pursue the question. Olivier Zunz. *The Changing Face Of Inequality: Urbanization, Industrial Development, and Immigrants In Detroit, 1880-1920*. (Chicago: University of Chicago Press, 1982): 290-291.

⁸ “Annexation Map.” Detroit Department of Public Works. 1931. Map Library, University of Michigan.

manufacturing concerns in outlying areas – was so rapid that these plants were built on greenfield sites, frequently within the townships surrounding the city of Detroit – Redford, Springwell, Greenfield, and Hamtramck, to name a few. Indeed, Oakman convinced Henry Ford to establish his new Model T plant in Highland Park, miles from his Piquette St. plant in central Detroit (IMAGE), because the land would be cheaper – and would stimulate a building boom in the outlying area.¹⁰

Real estate developers had long employed the strategy of building on cheap land distant from city centers and urban nodes of activity.¹¹ In this period members of the Detroit real estate community employed a new development model – building outside city boundaries, beyond the reach of urban services such as city water and streetcar lines, and promoting – even coercing – annexation to realize their and their customers investments.¹²

One developer was particularly prolific in the northwest region of Detroit, along Grand River Avenue. B.E. Taylor began his development career in Detroit in 1913 by building subdivisions and houses within and adjacent to the city's borders. Seeing adequate but not outstanding returns on his investments, Taylor began to speculate more aggressively upon land outside the city limits of Detroit. Purchasing farmsteads and rural land, Taylor would subdivide the properties into lots, would grade roads and pour concrete sidewalks, and dig wells into the local aquifer to provide water to the subdivisions. With these services provided, he would market the developments to the burgeoning Detroit population with the comfort of suburban living and the promise of investment security.¹³ (IMAGE)

⁹ “Lot Sales Show Disregard of War.” *Detroit Free Press*. 22 April, 1917: 2.

¹⁰ Robert Conot. *An American Odyssey*. (New York: Morrow, 1974).

¹¹ Sam Bass Warner. *Streetcar Suburbs*. (Cambridge: Harvard University Press, 1962).

¹² *Detroit Free Press*. “Lot Sales Grow With Industries.” 3 December, 1916. Real Estate. P. 1.

¹³ Unlike the metro Chicago scenario described by Keating in which suburban areas were often villages or small cities themselves, the outlying areas of metro Detroit were almost entirely rural and without services. Zunz, 290.

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Both the city's population and many of its governing boards were infused with an expectation of economic and demographic growth that directed their actions, both public and private. The City Plan and Improvement Commission had been charged with considering "the needs of the city with regard to the creation, development and improvement of parks, recreation grounds, boulevards, the river front; the extension or opening of streets and avenues or other public ways or places and city plans and improvements generally."¹⁴ In 1912, the commission had hired renowned planner Edward H. Bennett of Chicago Plan fame to perform a similar task for the city of Detroit. (IMAGE) Bennett sketched out plans for an arts center and more efficient transportation, as well as a citywide beautification program.¹⁵ (IMAGE) However, instead of taking steps to implement Bennett's recommendations or to create policies that would yield Bennett's planned city, the City Plan and Improvement Commission was largely concerned with the widening of roads and approval and processing of applications for the development of subdivisions. In a single year, the Plan Commission considered 145 plats that came before the membership, representing thousands of buildable lots within the city.¹⁶

The Detroit Water Board was similarly ruled by expectations of and actions that promoted the city's expansion. In one notable episode, a real estate developer who had built and sold lots outside the city, promising a well-drawn water supply, came before the board. As the water pressure was not meeting expectations, the developer proposed connecting his water network to the city's supply as a remedy. (IMAGE) Robert Oakman, who not only sat upon the board of the water commission, but would soon serve with the developer in question upon the board of the Union Trust Company, the Detroit financial institution, convinced his counterparts

¹⁴ *Journal of the Common Council*. 1909. P. 652. Burton Historical Collection. Detroit Public Library.

¹⁵ Daniel Bluestone details how this civic impetus was careful not to obstruct the underlying commercial goals of developers and city fathers in his article, "Detroit's City Beautiful and the Problem of Commerce." *Journal of the Society of Architectural Historians*. 47 (1988): 245-62.

on the board to assent to the request.¹⁷ When the city attorney stated that an action connecting the city's pipes outside the corporate limits was not authorized by state legislation, Oakman countered with the proposal that the developer pay for the city's connection expenses. The rest of the board concurred, agreeing that, though the developer's water network did not meet city standards and would have to be torn up if the city expanded its borders, they would already bear a similar expense by installing water pipes into undeveloped land.¹⁸ Indeed, Oakman was so convinced of the necessity of Detroit's need to expand water service beyond its borders to individuals and redistributors, he convinced an associate and state lawmaker to introduce legislation in 1917 that enabled Detroit (and Detroit only) to sell its water beyond its city limits to individuals or corporations.¹⁹

Thus began the explicit expectation that city expansion would realize developers' speculative investments outside the corporate limits of Detroit. Speculation had always had its basis in the expectation that an increase in market demand and the addition of physical improvements would yield greater value and a greater return on investment. The new expectation of annexation meant that the promise of the city's investment in infrastructure would create the demand and return – both for the speculators and for the consumers of this new housing in the path of urban expansion.

A number of realtors devised new development strategies to capitalize on this expectation of a city take-over of services upon expansion. While the city engaged in a debate over the proposed purchase of the Detroit Street Railways (DSR), developers of greenfields outside the

¹⁶ Records of the City Plan and Improvement Commission. 1919. BHC. DPL.

¹⁷ "Directors." *The Trustee*. v. 4, no. 1 (Nov. 1925). Oakman's real estate offices were in fact located in the Union Trust Building in downtown Detroit. Of the Union Trust Company's 34 board members in 1924, 18 either ran their own real estate companies or served on the board of directors of one. Several also served on the boards of smaller, local banks and savings and loans that financed lots and homes for individuals. *Pipp's Weekly*, October 25, 1924, p. 1. Real Estate file. BHC. DPL.

¹⁸ Water Board Minutes. 27 June 1916: 5-6. BHC. DPL.; 5 Aug 1916: 3; 11 July 1916: 4-6.

reach of the rail lines instituted bus service connecting their subdivisions to the nearest DSR station. Transportation access made outlying land more valuable, so that the transit operation might be run at a loss.²⁰ In this fashion, Detroit mimicked such classic cases of suburbanization as Boston and Los Angeles.²¹ In a number of cases, these lines eventually were taken over and became part of the Detroit public transit network. In another example, the purchase of lots and subdivisions outside the city limits would be accompanied by a 4- or 5-year maintenance fee for road grading and maintenance to the well water system. As the fee was set to expire, another annexation proposal would come up on the ballot.²²

Real estate developers employing the new annexation strategy created a two-part marketing effort. When annexation came upon the ballot in this period, developers, agents and salesmen would both (1) press their recent customers in outlying areas to vote for annexation and (2) promote boundary increase to Detroiters through newspapers and grassroots organizing. (IMAGE) (IMAGE) Developers Taylor, Oakman, and Harry Stormfeltz held public meetings and coordinated classes on real estate with institutions like the Detroit YMCA. In one meeting, realtors cited the city's need to spread out, to keep urban residents from choking within the congested boundaries of the city. For township residents, the annexation promoters lauded the city services and improvements that would come with being incorporated into the city – water, sewer, lights, paved roads.²³ Taylor promoted the role of developers in community building,

¹⁹ *Michigan Senate Journal*. v. 2 (1917): 411.

²⁰ Taylor, B.E. "Building A New Town." *Proceedings of the First Annual Convention Conferences of the Homebuilders' and Subdividers' Division of the National Association of Real Estate Boards*. Omaha, Neb.: NAREB, 1923: 111.

²¹ Sam Bass Warner, Jr. *Streetcar Suburbs*. (Cambridge: Harvard University Press, 1962). Robert Fishman. *Bourgeois Utopias*. (New York: Basic Books, 1987).

²² There were 15 separate instances of annexation in the period covered by this paper. "Annexation Map." Detroit Department of Public Works. 1931. Map Library, University of Michigan.

²³ "Sewer and Water Extensions Go In." *Detroit Free Press*, 5 November 1916, Real Estate -- Building, p.15.

claiming, “the suburban developer...is one of the most potent factors in city planning, creates thrift and to a great extent develops the character of the community.”²⁴

After one of these frequent annexation measures passed, the city would be forced to run water and sewer lines out to the communities within the new boundaries.²⁵ (IMAGE?) In September of 1923, Mayor John Lodge, director of public works Joseph Martin and city controller William Nagel publicly criticized the rampant city expansion for draining the city’s finances at a time when Detroit had already reached its debt limit. Calling annexation “uneconomical, impractical and detrimental to the city and its citizens,” the trio urged a no vote on the upcoming annexation measure. Claiming that the outlying areas, if annexed, would never pay for the services they would require, Lodge advocated a “metropolitan district” of shared services, reminding voters “the one thing most important is to defeat the annexation proposals October 9,” pledging a personal campaign against the upcoming ballot.²⁶

The realtors responded by creating a media strategy using local and metropolitan newspapers as a vehicle for their messages. In one case, they assembled a committee of civic-minded annexation supporters into an association to promote parks and open space in Detroit. Touting the benefits of River Rouge Park being in the city of Detroit, the association placed advertisements in the *Detroit Free Press* and the *Detroit News* advocating an affirmative vote to

²⁴“Land Developer is City Builder,” *Detroit Free Press*, 5 November 1916, Real Estate -- Building, 14, 16. “Subdivider Sees Beyond Almighty \$1,” *Detroit Free Press*, 5 November 1916, Real Estate -- Building, 14-15. The *Free Press* was a strong supporter of urban expansion and municipal annexation. “Detroit Is Obligated to Set Limits Out to Care For People.” *Detroit Free Press*. 10 December 1916. Real Estate – p. 1.

²⁵ In June of 1918, for example, the city installed 14,900 feet of pipe. Water Board Minutes. 22 June 1918: 5-6. BHC. DPL

²⁶ “Vote No, Lodge, Martin Urge on Annexation.” *Detroit Free Press*. 30 August 1923. Taylor, whose northwest suburbs were specifically addressed by Lodge, immediately shot a telegram to the Mayor from Asheville, North Carolina. “...It don’t seem fair for you to compare my property with the barren lands formerly annexed to Detroit [period] About the only property Detroit ever refused to annex was Highland Park [period]...” BE Taylor to Mayor John Lodge, September 4, 1923. MS Mayor’s Files. Lodge Collection. BHC. DPL.

fulfill the city's plan for parks and open space. Because the city center was so congested, the people of Detroit should expand into the townships to connect to parkland and create recreational opportunities. (MAP) (IMAGE)

Within the townships, developers promoted the idea of expansion by fixing on the economic and public health value that annexation and city services would bring to outlying communities. The *Brightmoor Journal* carried maps of the city sewer authority's plan to expand service when the outlying areas became part of the city.²⁷ (IMAGE) Brightmoor, an enormous community at the very edge of development, featured numerous homes that lacked plumbing and were often sites of diseases resulting from the poor sanitary conditions.²⁸ (IMAGE) In such areas, where these necessities were not offered by the local government or on-site, annexation would provide public health measures and offer a baseline level of sanitation and convenience. When the annexation question came to the northwest Detroit residential areas, it passed overwhelmingly. Brightmoor's developer subsequently promoted vacant parcels in the community (IMAGE) with the promise that city services would follow prospective homeowners that built their houses in the newly annexed area – for their money they would get all of the space of a suburban lot, the affordability of an outlying district, and the services of a city site.

The October 1925 vote was the last major annexation measure to succeed in Detroit. The late 1920s saw a significant slowing of real estate speculation and the 1930s are renowned for bankruptcies in real estate – cities' physical growth was rarely an issue as residents and developers fought to maintain financial solvency. However, by the time growth in the city was

²⁷ *Brightmoor Journal*. 24 September 1925, p. 1.

²⁸ The developer hired a water wagon to drive through the community on a daily basis and provide residents with buckets of water for washing and cooking. In contrast to many size, setback, and cost restrictions realtors placed on lots earlier in this period, Brightmoor's sole restriction was that no lots could be sold to blacks. John Carey. *A History of Brightmoor Community Center*. MS MA Thesis, 1939: 6. BHC. DPL.

robust once again, annexation laws and attitudes toward central cities had changed, making the prospect unlikely, as June Manning Thomas demonstrates in her book on post-war planning in Detroit.²⁹ In addition, the Detroit Water Board's ability to sell water outside the corporate limits had unbound urban services from the city proper, meaning that as urbanites moved outside the city, they could still access city services.³⁰

In this decade in Detroit's history, real estate developers did more than influence or support annexation of outlying townships. Developers drove the process for economic gain in this period of expansionism and boosterism, tripling the size of the city in 10 years' time, maxing the debt limit of the city and creating a physical legacy that Detroit struggles to revitalize today.

²⁹ See June Manning Thomas. *Redevelopment and Race: Planning a Finer City in Postwar Detroit*. (Baltimore: Johns Hopkins University Press, 1997).

³⁰ PA 359 of 1947. MCL 42.1 et seq.