

September 17, 2011

Kenneth W. Jendryka, Chairman  
Hospital and Neighborhood Committee

Dear Mr. Jendryka,

Thank you for the invitation to share our opinions on the impact of the *Executive Summary and Recommendations to the HNC* and its three supporting documents: *An Ordinance to Amend the City of Marshall Zoning Ordinance, Development Agreement, and Signs*. We, the Board of Trustees, have shared these documents with the Marshall Historical Society membership.

Subsequent to your invitation, you invited others to submit input on how the HNC sub-committee can “improve or strengthen the recommendations.” We take this opportunity to share our opinions on the impact of this recommendation, as you invited us to do in your email to us of August 21.

The proposed recommendations do not provide “a plan to accommodate hospital expansion that is satisfactory to the Community and to the Hospital.” The community is being asked to sacrifice an entire neighborhood, which in turn will further negatively impact the central business district. While highly favorable to the hospital, its employees, and its customers, the recommendations, if implemented, will have a detrimental impact on the community in five major areas:

- Public Health & Safety issues, resulting from the continued expansion at the present site, including but not limited to:
  - Increased vehicle congestion, including emergency vehicles in residential neighborhoods and long-term street parking in residential and business districts.
  - Increased air, noise, and visual pollution not only within the campus and its narrowly defined neighborhood, but within the rest of the community, which serves as a conduit for the ever increasing traffic funneling into the campus.

These issues cannot be positively addressed by ANY plan that would support enlarging the facility at the current location.

- Neighborhood Blight, including but not limited to:
  - Noise and construction pollution near the campus.
  - Declining property values.
  - Deteriorating streets, sidewalks, parks, and public areas.
  - Increased number of rental properties and non-owner occupied homes.
- Financial Deterioration in the central business district and adjacent community:
  - Loss of tourism revenue.
  - Loss of tax base as properties are transferred to non-taxable status.
  - Loss of tax base due to decreased taxable value of homes and buildings in the neighborhood.

- Increased direct competition with the central business district as the hospital develops ancillary retail trade, including gift stores, bookstores, daycare, lodgings, restaurants, newsstands, florists, jewelers, and other retail located within the hospital campus.
- These proposed recommendations contradict those of the State Historic Preservation Office; the National Park Service, which governs our Historic District; the Michigan Historical Preservation Network; the most recent Marshall City Master Plan for Development; and several prior Marshall studies, including *Focus*, and *Marshall: a Plan for Preservation*.
- City of Marshall Resources:
  - City owned (taxpayer financed) infrastructure deterioration will accelerate as the physical demands of the growing hospital campus outpaces the city's financial capability to maintain its infrastructure.
  - Oaklawn's membership and customer base includes an area of 480 square miles, with a population of more than 67,000 people. The planning commission, public safety department, and public works department would be given the monumental task of developing infrastructure to support an industrial complex large enough to serve this demographic – and fit it in the center of a town of 7,000 people.
- Loss of future investment in the central business district and the traditional residential districts:
  - The recommendations continue the city's trend of ceding privileges not available to other businesses and individuals, thus discouraging and inhibiting investment in the community.
  - The committee's claim that "a strong hospital means a strong community" is unfounded and unsupported. Statistics indicate the community has financially declined as the hospital has grown over the last 15 years.

Ken, you may be surprised that we have not included destruction of historic structures as one of our top five concerns. While this is an important issue, our mission and purpose is "To preserve, promote and protect Marshall's heritage." Heritage is much, much more than the few historic structures that remain standing in our town. It is the sum of the lives of the people who built those homes, businesses, and public buildings, who lived and worked in those buildings, attended the schools and churches, and relaxed in the parks. Our heritage is reflected in the community that remains and is recognized as Historic Marshall.

Since the founding of our city, hundreds if not thousands of businesses have formed here. Some were successful, some were not; some of them have become legend – J. H. Cronin, Page Brothers, Brooks Rupture Appliance, and F. A. Stuart Drug Co. Some of them no one would recognize, such as Hullet & Company and Thornby Dry Goods. The smaller ones are gone without a trace; the larger ones have left reminders (for instance, the empty Cronin Building). Others, such as Ronan & Kunzel, State Farm, Eaton Corp., and Redfield Plaza—mall once so beneficial to Marshall—as well as have left gaping holes in the landscape, empty buildings, empty parking lots, and a decaying strip mall. The ones who were just passing through, from the Michigan Central Railroad to Enbridge, have left their mark. However large or small, each in its own way influenced our community and left some bit of heritage for us to enjoy, to remember, to regret losing, or to regret having had at all.

The questions before our city now are, what will Oaklawn's legacy to Marshall be? What is its legacy now? Let's review the hospital's history:

- The hospital has its origins in the Ella E.M. Brown Charitable Circle, created in 1912; the Dibble house, land and \$37,000 start-up money was a gift from one of the families so important to Marshall's heritage.
- The house was converted to a hospital with the money collected from a fund drive in 1923–1925, another gift from Marshall residents.
- In 1935, another Marshall resident willed property to the Charitable Circle, resulting in what was probably the first expansion of the hospital.
- During 1948-1953, the Marshall residents again raised the money to build a new hospital. The administration and leadership built on the same site, while being aware that it was "sitting" in a residential neighborhood with limited room for future growth.
- Despite all these gifts and donations, the hospital found itself in dire straights in 1971, when once again the community rose to the occasion and raised 140% of the amount the hospital needed.
- In addition to these gifts from the community, the hospital receives other benefits not accorded to most businesses, including but not limited to:
  - As a 501(c)(3), it is relieved of certain tax obligations, including
    - real estate taxes
    - federal and state income taxes
    - sales and use taxes
    - federal unemployment taxes
  - It can freely solicit tax-deductible donations
  - Lesser but still important benefits are reduced postal rates, reduced advertising rates, and the ability to air free radio and television public service announcements.

From this background, it appears that the Ella E.M. Brown/Oaklawn legacy would be that of being a well-supported local charity. However, more and more often in recent years, the hospital administration has pressed the concept that the hospital is a private business, constantly being hampered by unreasonable laws, unable to meet the needs of its customers because of these laws, unsupported by the community, and facing possible financial ruin unless it is given even more relief from unreasonable local ordinances and government interference.

During the HNC meetings, hospital spokespersons have stressed that it is a *private* business, should be treated as any other private business, and is going above and beyond by submitting certain information to the public.

However, the Ella E.M. Brown Charitable Circle, the legal corporate name for Oaklawn Hospital, is ***not*** a private business. It is incorporated in Michigan as a public charity, is registered under section 501(c)(3) of the tax code and is, in fact, required to make numerous public disclosures, including but not limited to its annual federal Return of Organization Exempt from Tax (Form 990).

Early in the HNC process, Oaklawn spokespersons stated they would prefer the hospital to be located in a greenfield site where they could expand without restriction. Yet historically, the hospital has chosen to expand on its present site for reasons that were beneficial to its immediate financial well being, with little consideration of its effect on the neighborhood. The author of the *Economic Study of the Impact of Oaklawn on the Marshall Area* acknowledged at a public meeting that the economic benefits would be the same regardless of its location within the region.

The ground that Oaklawn sits on has no special healing powers. The high level of care provided by Oaklawn's health care professionals would be the same even if provided at a different site. It would be an insult to suggest otherwise. Our reluctance to give Oaklawn carte-blanche to expand on its present site has absolutely nothing to do with health care or the professionals who provide it. It is, rather, a reluctance to give extraordinary privilege and preferential treatment to **any** corporation constructing a complex of this size in the middle of a long established neighborhood and central business district.

The hospital has shown an unwillingness to seek alternatives and avoid further endangerment of our downtown and residential district. It is our stand that the proposed recommendations, if implemented, will have a negative effect on *both* districts.

We are not willing to cede privileges to a corporation that has received so much from this community for so many years, while dismissing the greater good of their immediate neighbors and the community as a whole.

We thank those who have volunteered their considerable time and effort to this task. For the reasons listed above and others not addressed at this time, the Marshall Historical Society Board of Trustees cannot support the recommendations of the subcommittee of the Hospital and Neighborhood Committee.

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