



REIMAGINING DETROIT

An Innovative Community's Struggle to Save a Broken City

By John Gallagher

Detroit has become a synonym for urban rot. The litany of its ills runs on and on—racial tension, rampant crime, broken schools. In July came another sign of decline when the City of Detroit filed for bankruptcy under Chapter 9 of the U.S. federal code, becoming the largest city to ever do so. Kevyn Orr, the city's emergency manager, a fiscal overlord appointed by Michigan's governor, estimated that Detroit's long-term debt and unfunded pension and health care liabilities total \$18 billion to \$20 billion. For a municipality of 700,000 people, that is a staggering figure. Then in October, when it seemed that the city's reputation couldn't sink any lower, a former mayor, Kwame Kilpatrick, was sentenced to twenty-eight years in federal prison on corruption charges.

Such is its fall from grace that other struggling metropolises are in the habit of citing the city to put their own difficulties in a more favorable light. "At least we're not Detroit," utter urban managers from coast to coast. Conservative politicians scapegoat the city in their rhetoric, warning that progressive policies will lead to the 'Detroiting' of other American communities.

The Detroit experience is worth close examination for what it says about the plight of once-great industrial centers. But it is also necessary to dispel some of the myths surrounding Detroit's fall. As satirist Jon Stewart observed on his popular *Daily Show* television program, many of the journalists fascinated by Detroit's supposed demise file their reports from Chicago, some three hundred miles and two states to the west. Detroit, in fact, is not dead. A new city, constructed on an innovative twenty-first century model, is slowly emerging.

Situated at the heart of the Great Lakes, Detroit was founded by the French explorer Antoine de Lamothe, sieur de Cadillac, in 1701. The colonial fur-trading outpost became a farming community and, later, a center for

◁ Michigan Central Station, Detroit, 2007.
Yves Marchant and Romain Meffre

manufacturing enterprises. With its mechanical and engineering talent, access to raw materials, and access to land and sea transportation networks, Detroit became the mighty capital of the world automotive industry in the twentieth century. One of the age's greatest industrialists, Henry Ford, founder of the Ford Motor Company, grew up on a nearby farm. If the city was a byword for anything back then, it was for progress, or modernity. Detroit was affectionately known as Motor Town, or just Motown after becoming the unofficial capital of soul music in the 1960s.

Detroit is emblematic of industrial cities in the twentieth century. Whether it is Turin, home to Italy's Fiat automotive enterprise, or the steel city of Pittsburgh closer to home, such cities attracted enormous capital investment as they built up huge industrial infrastructures. Immigration soared as companies hired large workforces. These vertically integrated operations served as paternalistic overseers of their host cities, creating schools, hospitals, recreation facilities and other civic goods, as well as paying high wages to blue-collar workers. The good times lasted for decades, until foreign competition and other challenges forced the companies to downsize, relocate or close for business.

Detroit grew as fast and as large as any of the world's industrial hubs. From about 300,000 residents in 1900 the city grew to one million by 1920 and nearly two million by 1950 before urban flight. The city's land area swelled from about thirty square miles at the start of the automotive age to 139 square miles by 1926.

Shortly after the war ended, the exodus from the crowded city to the spacious new suburban communities began. Typically cities spread into the farmland at their perimeters. Automakers and road builders eager to sell cars, home builders eager to sell new houses, village mayors eager for new taxes all promoted suburban growth. So did the federal government, with subsidies and tax incentives. Looking for elbow room, families in crowded cities like Detroit began moving to the new communities. Discriminatory practices such as redlining—denying minority buyers mortgages and access to homes in white neighborhoods—made the experience of suburbanization in Detroit and many other cities an ugly one. Unscrupulous real estate agents encouraged white flight by stoking fears of African-Americans moving in next door. Rancor ran deep. Experts warned of two Americas: one suburban, privileged and white; the other urban, poor and black.

Just as corporate genius made Detroit a great American success story, corporate failure helped send the city on its downward spiral. America's auto industry contracted and then all but collapsed as it struggled with competition from Europe and Japan. Once renowned for sleek engineering, Detroit, along with other failing industrial centers in the northeast United States, became part of the Rust Belt.

Beset by falling tax revenues, Detroit's municipal government initially responded by raising taxes on residents to the highest levels in the State of Michigan, and

eventually by borrowing huge sums in the municipal bond market to carry on city operations. The city ran annual operating deficits beginning a decade ago, borrowing to sustain the operation with little if any hope of paying off the debts. Even with layoffs of half the city's municipal workforce, services to residents deteriorated. Today, nearly half of the city's streetlights don't work on any given night, leaving entire neighborhoods in darkness. Police are notoriously slow to respond to calls for help in the ensuing lawlessness.

An Urban New Deal

The vacuum in city leadership has been filled, at least in part, by civic-minded corporate executives, leaders of charitable foundations and nonprofit neighborhood groups, university programs and others. There is a sharp distinction to be made between the indebtedness and broken bureaucracy of the mismanaged city government and, on the other hand, the broader Detroit community and economy.

Certainly the automotive industry has recovered dramatically from its own brush with bankruptcy a few years ago, thanks to the Obama administration's rescue package and the nation's seemingly insatiable appetite for new cars and trucks. Detroit's downtown and Midtown districts, home to the city's banking, legal, university, hospital and museum operations, are thriving and fast filling up with new workers and residents. Long-planned civic improvements like the replacement of a blighted, formerly industrialized riverfront with a five-mile-long recreational promenade called the RiverWalk are proceeding apace. The local music and entertainment scene remains vibrant. Detroit's brand, that elusive identity that is always part fact and part fiction, seems to be improving, benefiting from the American love of a comeback story. Moviegoers were treated to a poignant twist on the theme in *Searching for Sugarman*, chronicling the career resurrection of Detroit balladeer Sixto Rodriguez; the film received the Academy Award for best documentary feature in 2013.

Make no mistake, Detroit is a deeply troubled city. Poverty and unemployment run high, among the worst in urban America, and the scourges of crime and poorly performing schools still scar far too many neighborhoods. Blight remains endemic; estimates vary but the city probably contains at least fifty thousand to seventy-five thousand abandoned buildings and perhaps a hundred thousand vacant residential lots. Municipal services are miserable. The bankruptcy case looks to drag on for at least a year before the city emerges as a leaner, more fiscally sound enterprise.

The combination of enormous need and the vacuum in municipal leadership has brought forth efforts to 'reimagine' Detroit. That is, instead of pursuing traditional economic development activities like building new sports stadiums or downtown showcase projects, many Detroiters are now independently acting to reinvent their

city with neighborhood revitalization projects, hyper-local economies and new localized governing structures. These nascent efforts, which can be seen in other post-industrial cities as well, promise something entirely new in urban America.

With Detroit's civic government unable to deliver adequate services, the city in recent years has spun off pieces of municipal governance to a series of quasi-public conservancies, public authorities and similar nonprofit bodies that are professionally managed. Most or all are thriving under their new management. Multiple parts of city government have been offloaded in recent years, including Detroit's Cobo Center convention facility in 2009; its Eastern Market public market and the Detroit Historical Museum, both in 2006, and the construction and operation of the RiverWalk and the city's central Campus Martius Park over the past ten years.

The nonprofit bodies running Cobo, the art museum, the RiverWalk and other assets work well under a new structure due to various factors. Among them: more efficient operations once freed from the city's bureaucracy. The Detroit Historical Museum has fewer than half the employees it had in 2006 when it left direct city control. Cobo Center slashed operating expenses by 28 percent to \$14.5 million last year. Cobo's utility costs dropped nearly 42 percent from about \$4.8 million in 2010 to about \$2.8 million in 2012. Cobo maintains the same workforce even though the authority picked up several new functions that were previously based elsewhere in city government, including finance and accounting, payroll, human resources, marketing and sales. Sheila Cockrel, a former city council member, told me: "These new authorities are able to create more flexibility in job descriptions and setting standards for acceptable performance, and I think that has had an impact."

New funding sources open up once operations are out of the city's direct control. The Cobo regional authority now benefits from new hotel and liquor taxes. Projects like the RiverWalk and Eastern Market have benefited from foundation grants and other donations from entities such as the Kresge Foundation and General Motors.

Finally, there is more focused management. Oversight of Eastern Market once bounced from city department to city department. But once the nonprofit Eastern Market Corporation took control in 2006, a new professional management team was brought in. Similarly, the new Cobo regional authority and the RiverWalk are being run by professional management. "The spinoffs are able to procure faster with less bureaucracy, get better prices," Cockrel said. "These institutions aren't bogged down with the financial chaos that has impeded efficient operation in Detroit for so long. People get paid on time." Cockrel said the new management structures offer greater flexibility. "It's sort of like hardening of the arteries, plaque building up," she said of the former direct city control. "The inability to move in a nimble manner feeds on itself and makes things less and less able to function properly. Then it costs more. It's a vicious circle."

The authorities and conservancies that manage the assets are led by appointees rather than by democratically elected and thereby accountable public officials. Dale Thomson, a professor of political science at the University of Michigan-Dearborn who has studied the new management structures, said the city needs to balance the potential for service improvement with the potential for diminished accountability or democratic control. But in the end, just spinning off a piece of city government seems to unleash new energy. “Creating a new organization, changing the rules, even if you’re dealing with the same people, there’s a sense of liberation,” Thomson told me. “There are a lot of great people working in city government who feel overwhelmed, and if they were put into a new setting like this, they might thrive.”

Community of Gardeners

Detroit during its twentieth century peak was a city of neighborhoods. Unlike, say, New York or Chicago, with their housing stock consisting largely of brick or stone apartment buildings, Detroit’s housing stock consisted mainly of single-family houses—bungalows and one-story ranch-style houses for the factory workers, or, in the more upscale districts housing professionals, two-story Tudor-style homes with brick facades, hardwood floors, high ceilings and other amenities. As the population dwindled, these wood-frame houses did not hold up well to abandonment. Water damage, vandalism, arson and other ills could quickly reduce a once-useful house to a ruin in a matter of months. As the city demolished abandoned houses as part of blight removal programs, neighborhoods thinned out. Today, the amount of vacant land inside Detroit’s 139-square-mile footprint has been variously estimated at twenty to forty square miles, or from roughly 15 percent to 30 percent of the city’s land mass. This vacant land is often overgrown with scrub vegetation and quickly becomes the site of illegal dumping of trash.

Detroit has recently begun to attack this blight with ramped-up demolition programs funded by the state or federal governments. Tens of millions of dollars of outside aid have been earmarked for demolition of abandoned buildings and for cleaning up trash-strewn vacant lots, and new blight oversight structures have been created. These efforts promise to speed up the process of removing the eyesores. But ordinary citizens have long since taken in hand the challenge of repurposing vacant urban land.

The most common locally determined new use is community gardening, in which volunteers clear one or more vacant lots in a neighborhood and plant fruits and vegetables as a community project. The city now sports more than one thousand of these small, volunteer-based, nonprofit community food plots, with the produce either given away to food banks for the poor or consumed by the growers and their neighbors.

Detroit is now in the midst of a debate over when large-scale, for-profit farming operations ought also to be welcomed in the city. One such proposal, known as Hantz Farms, first proposed about four years ago commercial farming of perhaps two thousand acres of vacant land scattered throughout the city's east side; when finally approved by a closely divided City Council, the farming proposal had shrunk to about 150 acres on which Hantz Farms will be permitted to plant hardwood trees for eventual harvesting. Opposition to such large-scale projects stems largely from local mistrust of the corporate for-profit motive and what it may mean to the nonprofit community growers. Many of the most active community gardeners believe that growing food and controlling land rectifies historical social injustices, particularly for Detroit's largely African-American population. The for-profit growers insist that there is more than enough vacant land in Detroit to go around. This debate continues.

Meanwhile, in early 2013 a team of urban planners and community organizers, funded by foundations and working in semi-isolation from city government, produced Detroit Future City, a visionary template for Detroit's future recovery. The plan envisions widespread repurposing of vacant urban land including growing food, reforestation, recreational corridors, mixed-use 'green' neighborhoods that are semi-rural in nature and 'blue' infrastructure—creation of rainwater retention ponds and other watery infrastructure to capture rain and keep it from running off into the city's sewer systems and thus saving millions of dollars in taxpayer money. All these proposed new uses are in the very earliest stages of implementation, and indeed Detroit Future City suggests that implementation will take place over years and decades. But if still mostly a vision, these proposals to turn Detroit's vacant-land liability into an asset for the city's recovery have taken root in the city's imagination. An implementation team of about ten professionals has been hired to push the Detroit Future City recommendations forward, mainly by looking for pilot programs to illustrate the concepts in actual practice. And both candidates in the 2013 mayoral election have cited Detroit Future City as part of their inspiration for their neighborhood recovery schemes.

The bankruptcy filings by General Motors and Chrysler in 2009 marked an emphatic and symbolic end to Detroit's automotive century. Even though the companies and the domestic auto industry have recovered, the industry will never again employ the hundreds of thousands of factory workers it did at the midpoint of the twentieth century. And much automotive production has long since moved out of Detroit anyway, finding more corporate-friendly climes in the American South, Mexico, China, and other areas. This has produced staggeringly high unemployment rates in the city of Detroit, with peak joblessness hitting about 25 percent during the 2008 recession and unofficial estimates running much higher.

Motown to TechTown

Business leaders have begun to promote a smaller scale, more entrepreneurial approach to energizing the city's economy. A number of formal and informal business incubators have sprung up in recent years, offering training, networking, seed financing and other help to entrepreneurs hoping to start their own businesses. Most notable of these efforts are TechTown, affiliated with Wayne State University, and the M@dison, a hub of digital entrepreneurs bankrolled by Dan Gilbert, the billionaire founder and chairman of Quicken Loans, an online mortgage company. Gilbert moved his Quicken Loans to Detroit's central business district in 2010 and since then has become the city's biggest promoter, helping to underwrite creation of a new light-rail transit line to start construction in late 2013 and promoting the growth of retail and entertainment options in the downtown area. His M@dison hub includes several small but promising start-ups as well as the local offices of Twitter. A number of slogans are heard now that try to capture this new entrepreneurial energy—"Outsource to Detroit," "Opportunity Detroit," "Detroit 2.0" and, in a nod to the city's main street Woodward Avenue, "Webward Avenue."

As with the repurposing of vacant urban land, these entrepreneurial efforts remain in the early stages, but without doubt they have created a sense of enthusiasm in and around the city's central business district. The downtown and Midtown districts are filling up with smart, educated young people, and apartment rental rates are rising. New housing is under construction, including several projects that are repurposing long-vacant 1920-era office towers for residential use. Whatever troubles beset the city's poorer neighborhoods, the central heart of the city is recovering nicely. This has raised the level of public debate on issues of equity, social justice and who should benefit as Detroit recovers. But certainly after so many years with little but bad news for Detroit, the recent surge in entrepreneurial vigor has given many cause to cheer.

Detroit, then, is doing its best to reimagine itself in new and creative ways. These efforts are drawing worldwide attention; no longer do the journalists, artists, academics, and documentarians flock to Detroit simply to record the city's devastation, a phenomenon locals dismiss as 'ruin porn.' Now many come to study the recovery strategies, and the number of accounts of Detroit's comeback are growing.

The comeback stories may be premature, as Detroit remains a deeply troubled and wounded city. But no longer do people believe that Detroit represents just the 'end' of something, as though history stopped when the factories closed. Something new is happening in Detroit, and the city of 2050 will be as unimaginably different from 1950 as the city of 1950 was from 1850. The city's municipal bankruptcy obscures signs of recovery, but a journey to the future is underway.