

How to Fix Detroit

*A noted developer talks about
planning and serendipity.*

I'VE ALWAYS LOVED Detroit. As a student at Michigan State, I would spend weekends in what was a great, vibrant city. I came from outside of Cleveland, and the two cities I admired most were Detroit, which was twice the size of Cleveland, and Chicago, which was twice the size of Detroit. Now, fifty years later, two of these cities are under great stress.

Twenty years ago, a Harvard psychologist who was helping our company restructure our business gave me two useful bits of advice: Life is what happens while you are sitting around planning; and all things good and bad that happen to you are things that you didn't plan for.

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Obvious examples of these insights are how most of us met our spouses and how we chose where to go to college.

In other words, planning is important, but serendipity is critical.

David Rusk, a former mayor of Albuquerque, is the author of *Inside Game/Outside Game*, about strategies for saving urban America. This book helped me understand how one could change communities. Rusk described a simple three-step process: First, *face reality*. That is, determine where you are. Second, *have a dream*: determine where you want to be. Third, *be prepared to act*. That is, have an implementable plan to connect where you are and where you want to be.

I would like to consider the state of Michigan and the city of Detroit using this framework. Michigan currently has one of the highest unemployment rates in the United States. The Milken Institute rates the largest 200 U.S. met-

ropolitan areas based upon one- and five-year job growth, one- and five-year wage growth, and high-tech job GDP. The ranking of eight Michigan metro areas is shown in Table I.

Not great. In fact, terrible.

Every seven seconds in the United States, a child is born; every thirteen seconds, someone dies; and every thirty-one seconds, a person immigrates. Stated differently, every eleven seconds, one person is added to the U.S. population. If a city doesn't have young people bearing children, and very few immigrants choose to live there, its growth potential is drastically affected. Michigan has few births, a large elderly population, and very little immigration. So it grows by only 25,000 people each year, out of roughly ten million residents. It is projected that between 2010 and 2030, the entire state of Michigan will gain approximately 750,000 residents. This is only slightly more than the increase over the same period in Tucson, Arizona, a city with a population of just under a million people. If you can't add people, your economic future is bleak.

The Census Bureau projects that between 2000 and 2030, the United States will add 82 million people, a 29.2 percent increase in the population. The forecast by region is: four million in the Northeast (7.6 percent increase); six million in the Midwest (9.5 percent increase); 43 million in the South (42.9

Table I: Michigan metropolitan area ranking out of 200 largest metro areas in the United States

| City | Ranking |
|------------------------------|---------|
| Ann Arbor | 156 |
| Kalamazoo | 169 |
| Holland-Grand Haven | 177 |
| Detroit-Livonia-Dearborn | 192 |
| Grand Rapids | 193 |
| Warren-Farmington Hills-Troy | 195 |
| Lansing-East Lansing | 197 |
| Flint | 200 |

Source: The Milken Institute

percent increase); and 29 million in the West (45.8 percent increase).

While the Midwest's population will grow 9.5 percent over thirty years, that of Michigan will grow a mere 7.6 percent, and that of my beloved Ohio by just 1.7 percent. Not a pretty picture.

And it is not because smart people did not try to "do something." People like Alfred Taubman, Max Fisher, and Henry Ford II and corporations like General Motors and Forest City all failed in their efforts to change Detroit. Were we stupid? Did events overtake us? Or is it an impossible task?

I frequently turn to this anonymous poem to encourage me to go on whenever I ask myself "If things are this lousy, why don't I quit?"

*When things go wrong as they sometimes will,
When the road you are trudging seems all
uphill,
When the funds are low and the debts are high,
And you want to smile, but you have to sigh,*

*When care is pressing you down a bit,
Rest, if you must, but do not quit.
Life is queer with its twists and turns,
As every one of us sometimes learns,
And many a failure turns about,
When he might have won had he stuck it out.*

*Don't give up though the pace seems slow—
You may succeed with another blow.*

*Success is failure turned inside out,
The silver tint of the clouds of doubt.
And you never can tell how close you are,
It may be near when it seems so far.
So stick to the fight when you're hardest hit—
It's when things seem worst that you must
not quit.*

So, we can't quit simply because so many have failed. But we also must face the fact that many well-intended giants have failed. That is the *reality* of Rusk's first step.

Turning to the second step, the *dream*: What does Detroit want to be? Let me tell you my dream for Detroit: population growth. I want to populate the city, downtown and neighborhoods, to its previous level of two million. Detroit could be the answer to sprawl. If we are going to build 12,300,000 houses in the United States over the next ten years, what if we use a seven-units-per-acre density (roughly that of Chicago, or of our new development at the old Stapleton airport site in Denver), instead of the U.S. average of sixth-tenths of a unit per acre? At this density, we would use only 1,700,000 acres of land each year, at a seven-unit density, instead of 20,500,000 at .06 density. Who in their right mind would waste 18,300,000 acres? No one. Parenthetically, it's funny how the people who most oppose sprawl are also vehemently opposed to density. But Detroit definitely needs people *and* density.

What needs to be done? First, the mayor should take over the public schools, which is the only way any progress has been made in urban public school systems. Second, the racial divide must be resolved. Of the 82 million people added to the U.S. population by 2030, 15 million will be white, 15 million will be African American, 12,500,000 will be Asian, and the balance will be Hispanic. By 2050, whites will probably be a minority, and African Americans a minority minority. If we can't deal with race, cities like Detroit have no hope.

Our goal should be to build 4,000 new dwelling units a year in central Detroit. The city, county and state control 85,000 parcels of land in Detroit. At one dwelling unit per parcel there is sufficient public land for seventeen years of residential demand. At seven dwelling units per parcel, there is enough land for more than a hundred years.

We should move colleges and students downtown. Nothing energizes an area more than college students. To increase population, we need to execute numerous master-planned communities of three hundred to a thousand acres. These mini-developments would have their own neighborhood schools and local shops.

The city must find a new product. I don't know what it would be—biotech, sustainability, fuel cells? With the University of Michigan, Michigan State,

and the other colleges and universities, there is a tremendous talent pool. Education could be the next growth industry. Remember that automobile manufacturing and parts manufacturing are only 5 percent of Detroit's employment. Look at the area's strengths, and build on them.

It is necessary to engage Ford, GM, and Chrysler, asking how you can help and better serve them. They could again be your growth engine in all kinds of new technology, including autos.

The city should make a compact with its suburbs, for if Detroit dies, the suburbs will not be healthy. Immigration should be encouraged. The city should work overtime to lure as many immigrants as it can. Not hundreds, but tens of thousands. In New York, more than half of the population is now made up of immigrants and their children. A successful city needs people who not only will work, but will start entrepreneurial enterprises.

If you take nothing else away from these remarks, remember that population growth is the prime driver of economic growth.

These are my dreams for a city like Detroit. I could give you more, but that's not my job. The dreams must be those of the community, not mine.

Now to the third step: *act*. How do you implement the dream? The major changes in the economy that have occurred during my fifty-five-year career

are the change from big to small companies and the shift of emphasis from the importance of *things* to the importance of *people*. Economic success used to be about size; now it's about brains. Is there a model to copy? Seattle is a good example, with Microsoft, Starbucks, and Costco. All were once small, people-driven ideas. The Internet means someone can come up with an idea and sell it for \$1.6 billion eleven months later. They call it You Tube. Why not Me, Too?!

You can make it anywhere—you don't have to go to New York City. The competition is not between the University of Michigan and Michigan State. The competition is how we can use our brains and talent to grow both Detroit and Michigan. No competitor will defeat you. If you fail, it will be due to an inability to use the only asset you need to succeed—brains.

To implement the dream, it is necessary to pick the components of the dream. And don't "think outside the box." There is no box! Once you think of a box you have limited your options. Think new, different and crazy. Get three "do-ers" and let them do what they do best, without strictures. Get people who don't believe in meetings or process or planning sessions. Those are the people you need. Let them engage leaders in each area of endeavor: builders, financiers, neighborhood leaders, educators.

Talk to one another—African American, Caucasian, Hispanic, Asian, the rainbow—not because of political correctness, but because every group has what you need for the implementation of the dream: brains.

A few closing thoughts. You don't always get to choose what happens to you. But you always choose how to deal with what happens to you. Don't let other people determine your behavior. There is no limit to what can be accomplished if you don't care who gets credit. If you remember where you came from, you will always know where you are going. And, it is never about money—only ideas.

Ten years ago, I predicted at a forum in Detroit that Detroit would be the comeback city of the 21st century. I still believe it can be. I can't make it happen—only Detroit can. Incidentally, I was the first person to predict the resurrection of downtown Los Angeles. The problem was that I was thirty years too early in my forecast. Hopefully I will be more accurate about the timing of Detroit's rebirth.

John Galbraith, the legendary real estate developer, was one of my heroes. A traditional Jewish belief is that one can stand on the shoulders of the people who came before, and see farther than one could on one's own. John was such a giant, as was Max Fisher. Years ago, John gave me

a copy of *Your Town*, which teaches us how to achieve urban revitalization:

*If you want to live in the kind of town
Like the kind of town you like.
You needn't slip your clothes in a grip
And start on a long, long hike.
For you'd only find what you left behind,
There's nothing that's really new,
It's a knock at yourself when you knock
your town.
It isn't the town—it's you.*

*Real towns are not made of men afraid
Lest somebody else gets ahead.
When everybody works and nobody shirks,
You can raise a town from the dead.
And if while you make your personal stake,
Your neighbor may make one, too,
You can make a town what you want it to be.
It isn't the town—it's you.*

This essay is based on a speech originally given at the ULI-University of Michigan Forum in Detroit.