

# ***Detroit – From collapse to rebirth***

Lessons on regeneration  
December 2016

Strictly private and confidential

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# *Agenda*

Introduction to Detroit and USA

Lessons from decline

Current forms of regeneration

Role of trust

Role of regions

Role of businesses

Secondary effects from development

## *USA context*

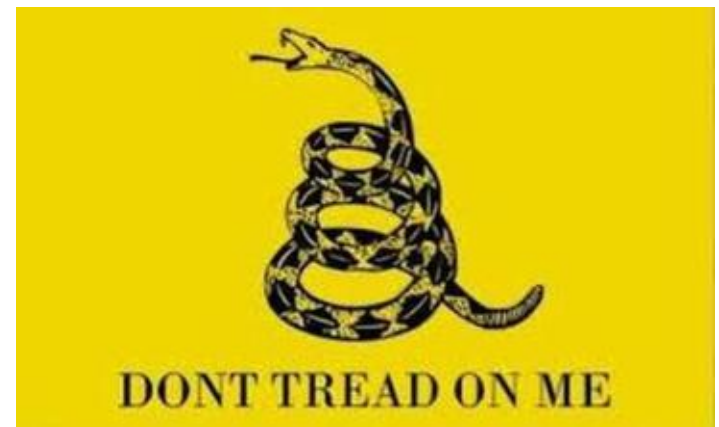
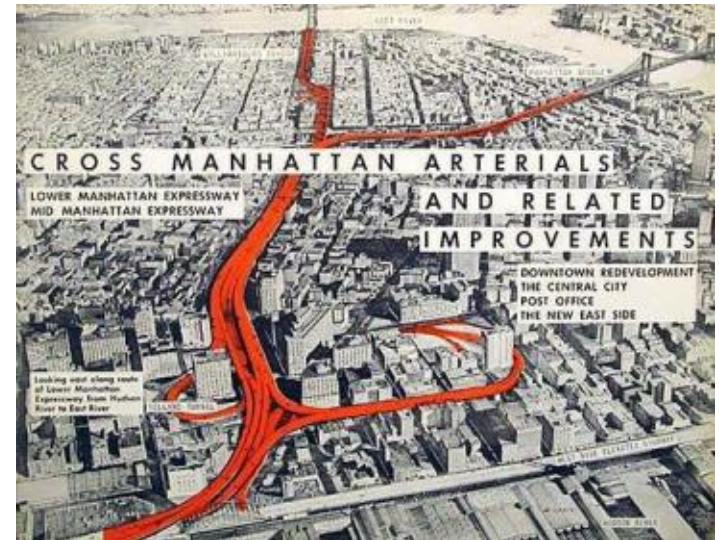
Expropriation is legal but out of fashion  
(used often in the 1960s and 1970s)

Strong sense of individual rights and  
faith in markets

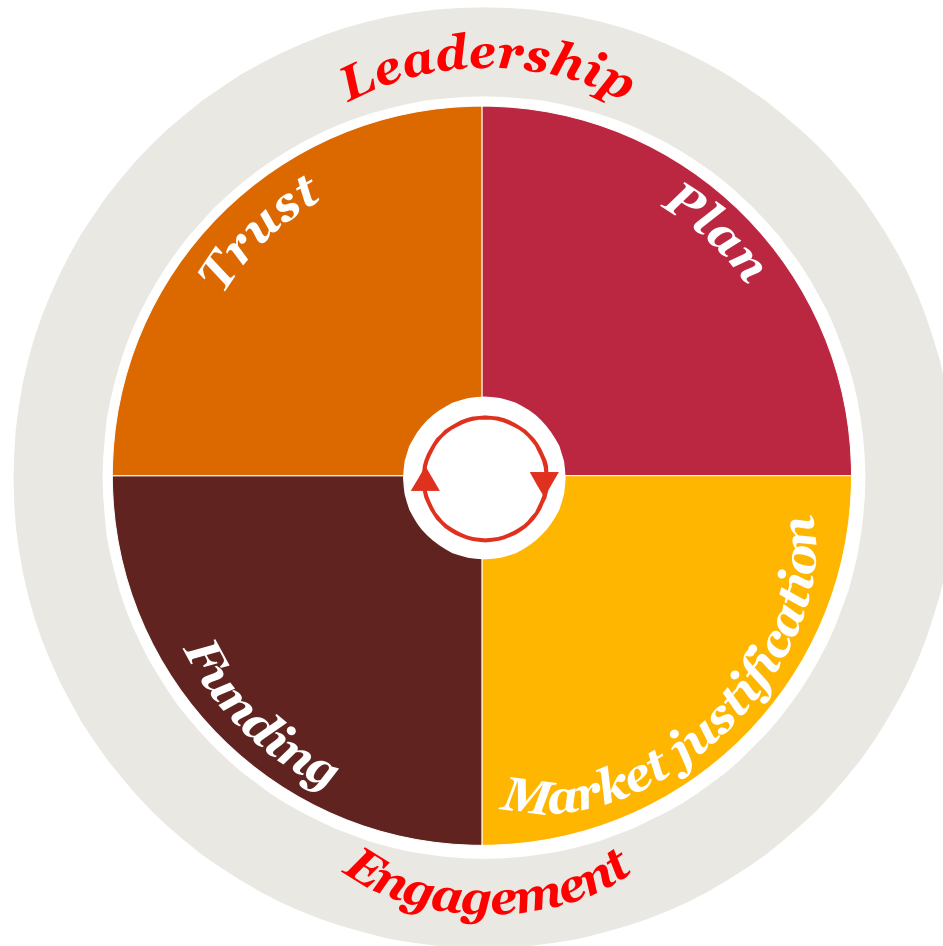
Classic land readjustment is not  
practiced in the US



How do we create the cities that we  
want?

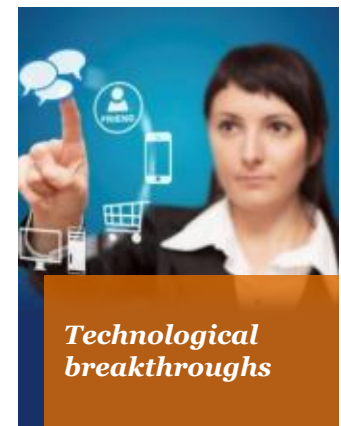


# *Aspects of delivering regeneration*



# ***Economic landscape is always shifting—market justification must consider this***

**Global megatrends constantly reshape economy and geography**



# *How megatrends impact specific neighborhoods*

*Global megatrends*



*National labor  
& economic implications*



*Spatial implications*



*Specific local issues*



*Local solutions*

What will climate change mean for your development in 25 year?  
What will the city look like?

# *Case study: Detroit, Michigan, USA*



# *Lessons of decline – Detroit was once among the greatest cities in the world*



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## *Population of more than 2 million*



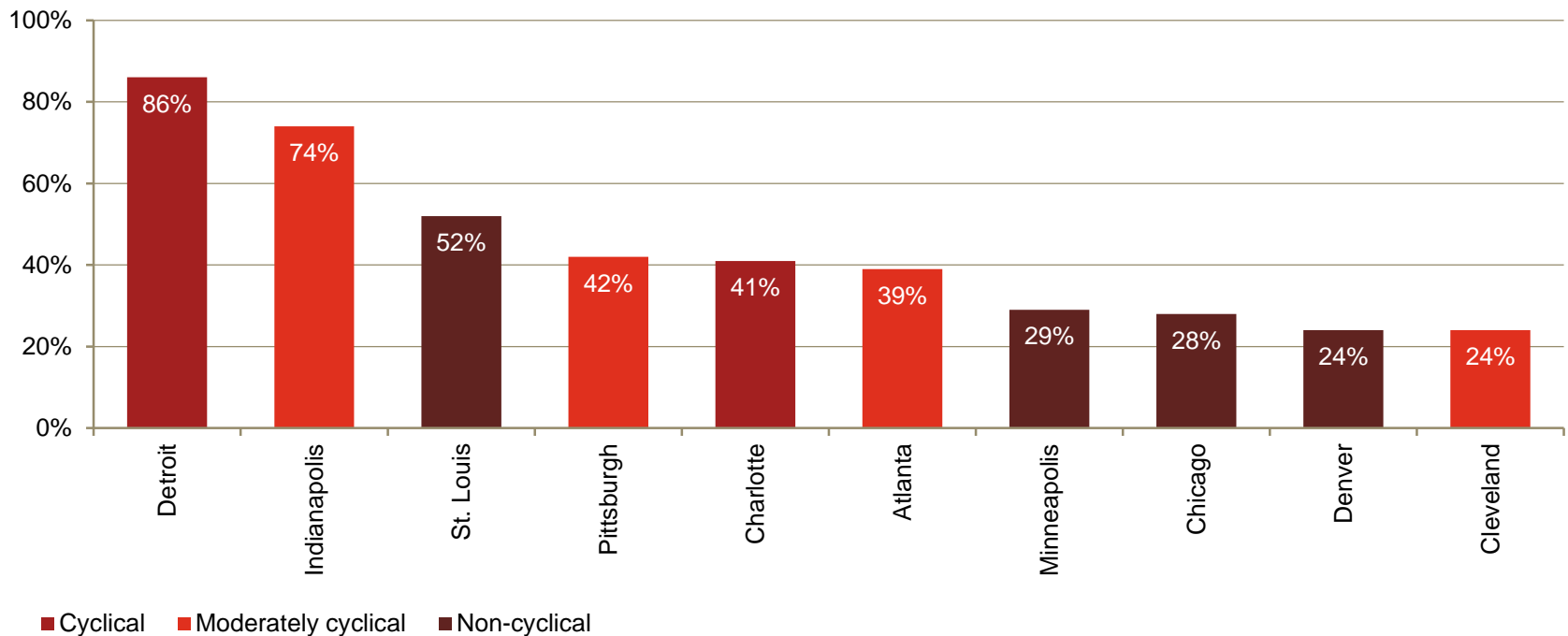
# *Economy powered by a cluster of dominant automotive manufacturers*



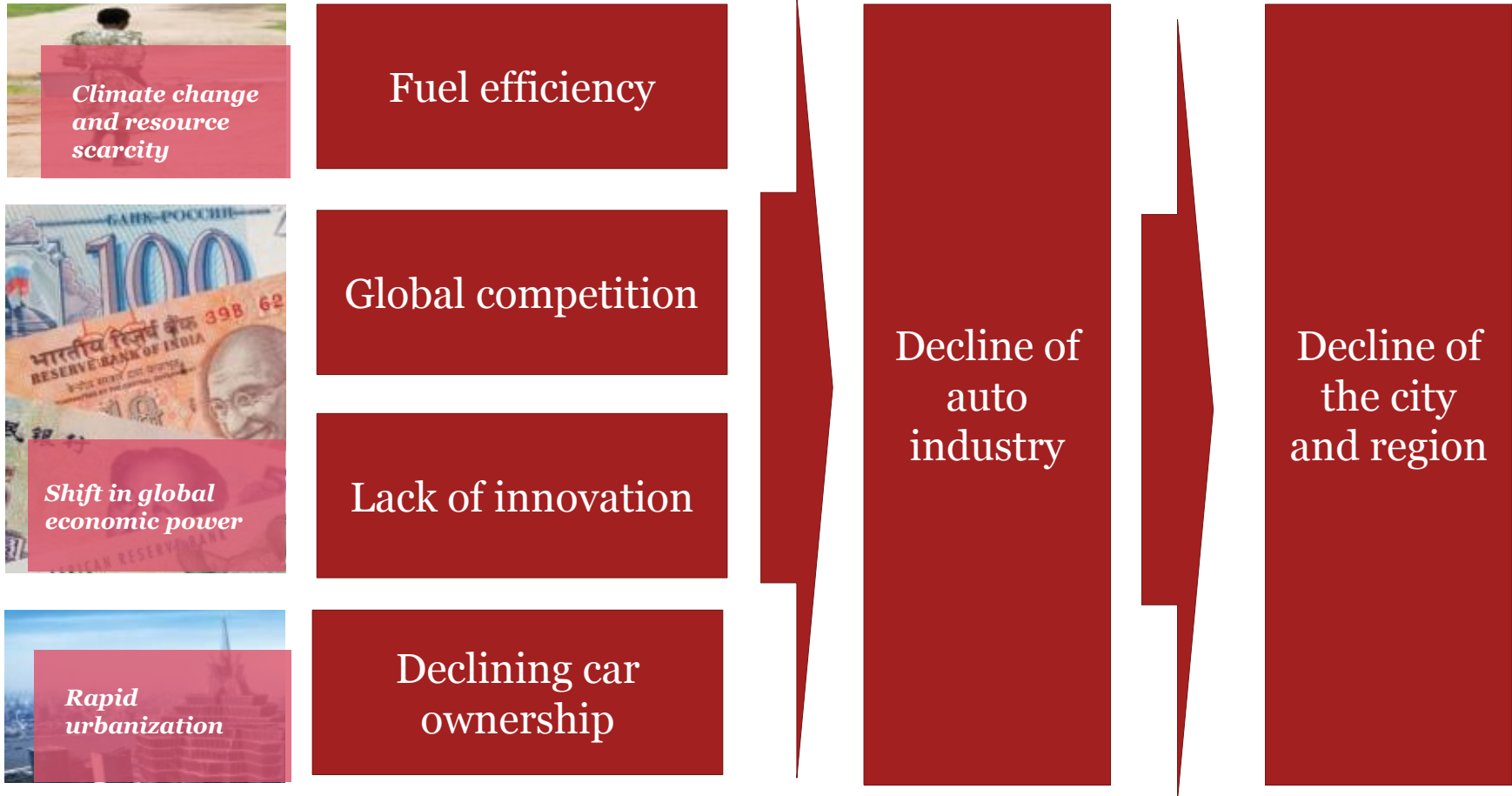
# ***Lessons of decline – Single industry cities are prone to boom and bust***

Even today, Detroit relies on automotive firms as its large employers, making it vulnerable to shifts in the industry

**Percent of regional revenue from Fortune 500 companies for single industry**



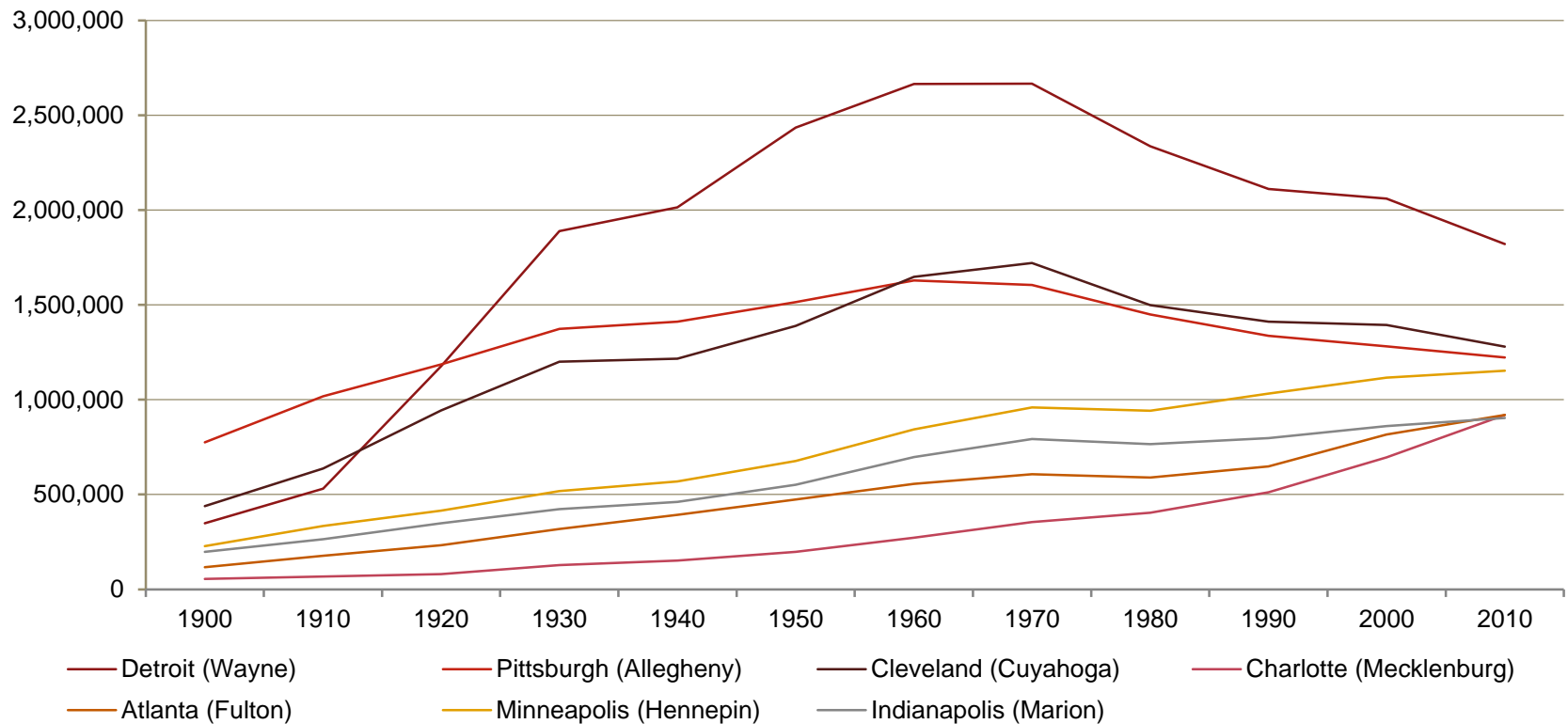
# *Economic geography shifted for US auto manufacturers*



# *Lessons of decline – Detroit saw a tremendous decline in population*

Detroit has experienced a unique population decline

City's (county) population change by decade



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*...leaving a lot of abandoned land and buildings*

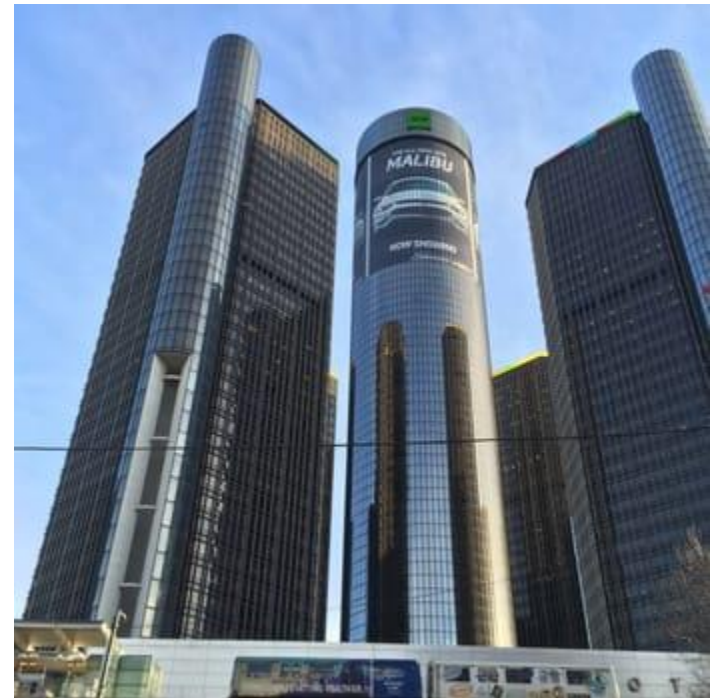


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## *Which led to crime, business flight, and a perception of failure*



## *Some renewal efforts were tried*



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## *But they did not stop the decline*



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## ***Lesson***

The economic and social forces are always changing, and plans must consider the changes

Planning for the future can protect and empower your project



Discussion question: What are the strengths of your regional economy today? What will it look like in 20 years? What are the risks?

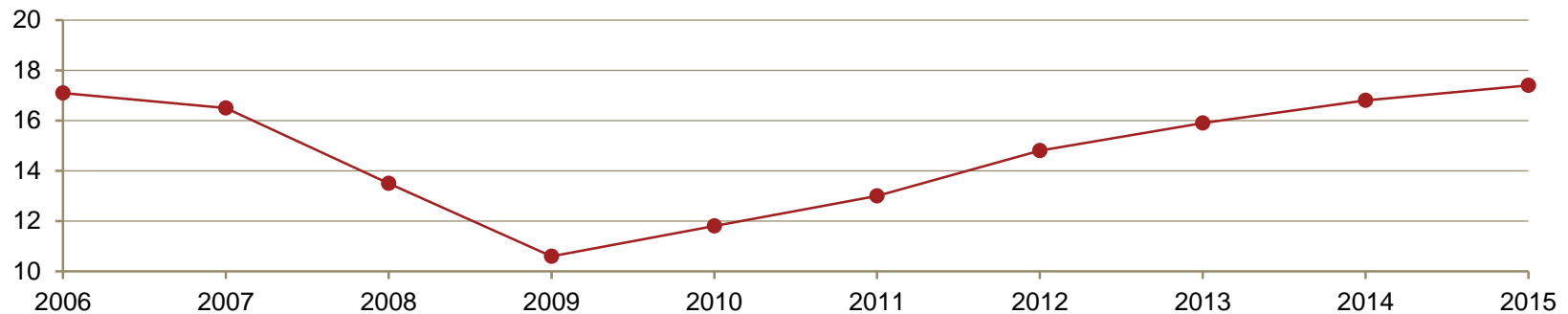
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# *Rebirth*

# *The Detroit region has begun to rebound thanks to auto sales*

## Rebound in the auto industry

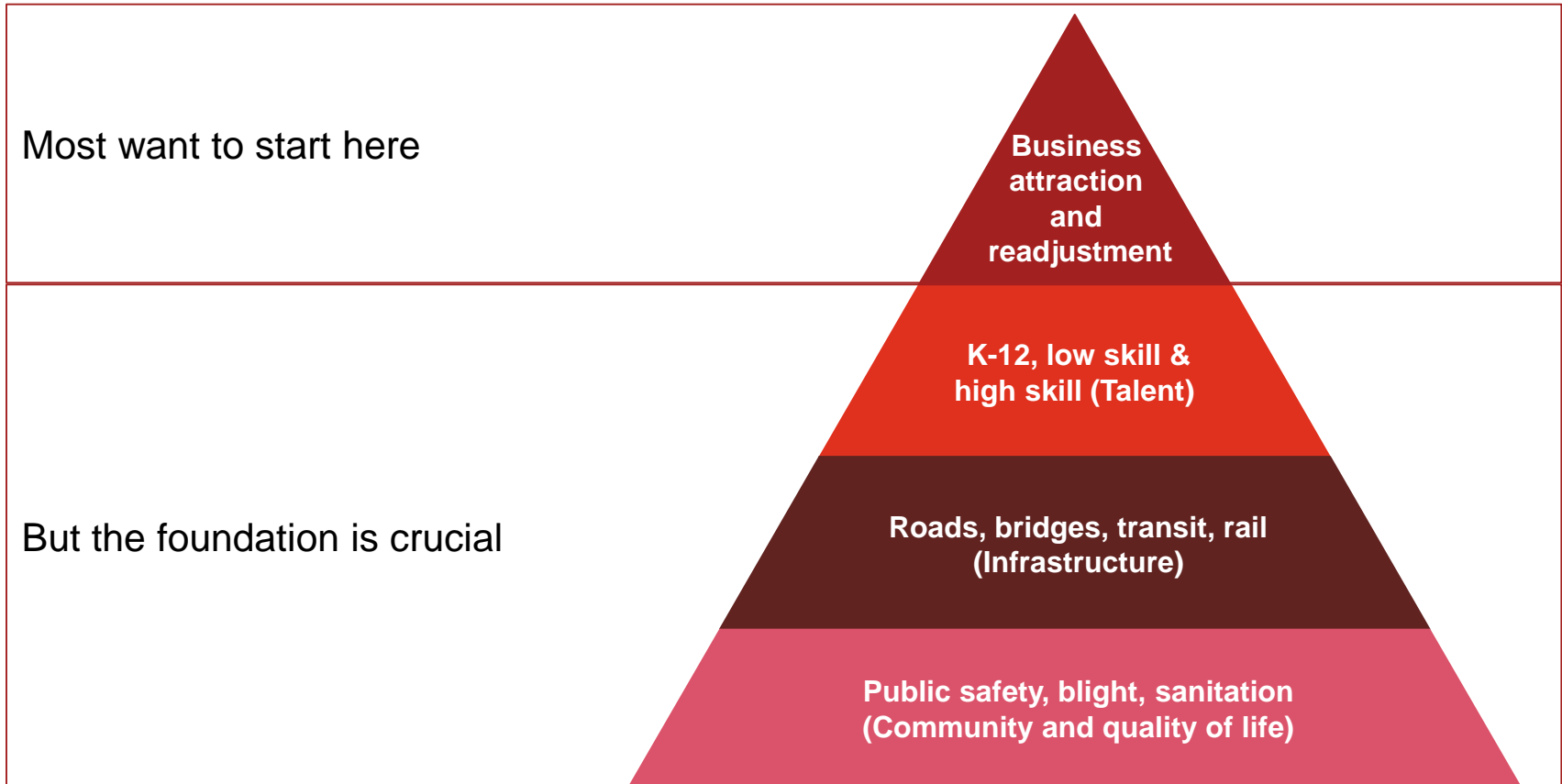
### US Automobile Sales (millions)



How can we avoid the same issues  
and what does that mean for land planning?

Source: IBIS World, Fortune 500 website, michigan.org/art-galleries, recode.net

## ***But how can they execute rebirth successfully***



# *Detroit's first impulse is to execute big projects*

Tax funded sports stadiums

These don't solve the core problem

Who will live there?  
Who will work nearby?

Sports stadium

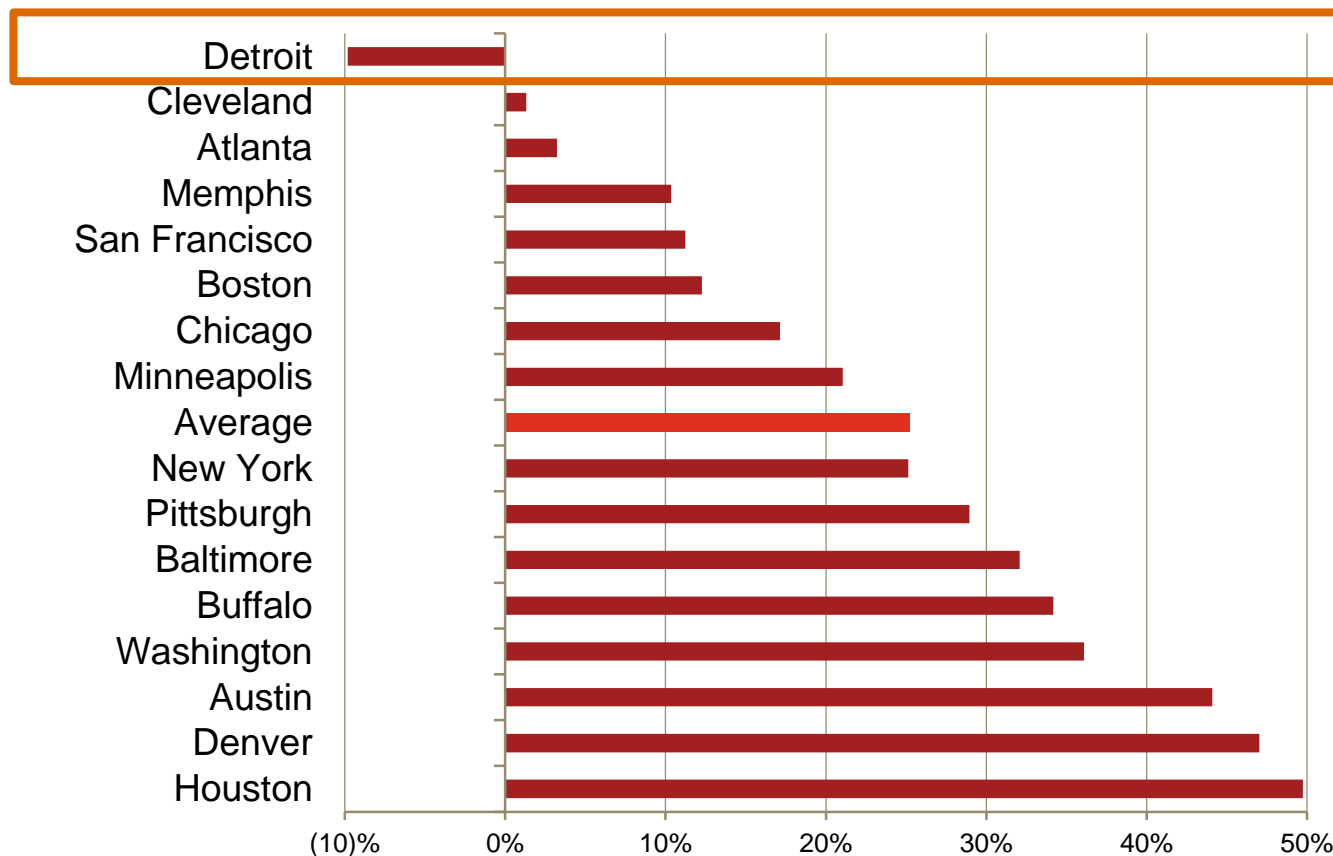
Abandoned residential land



Readjustment and other schemes work better when prices are rising. How to get there if prices are not?

# ***Detroit has struggled to attract and retain educated young people***

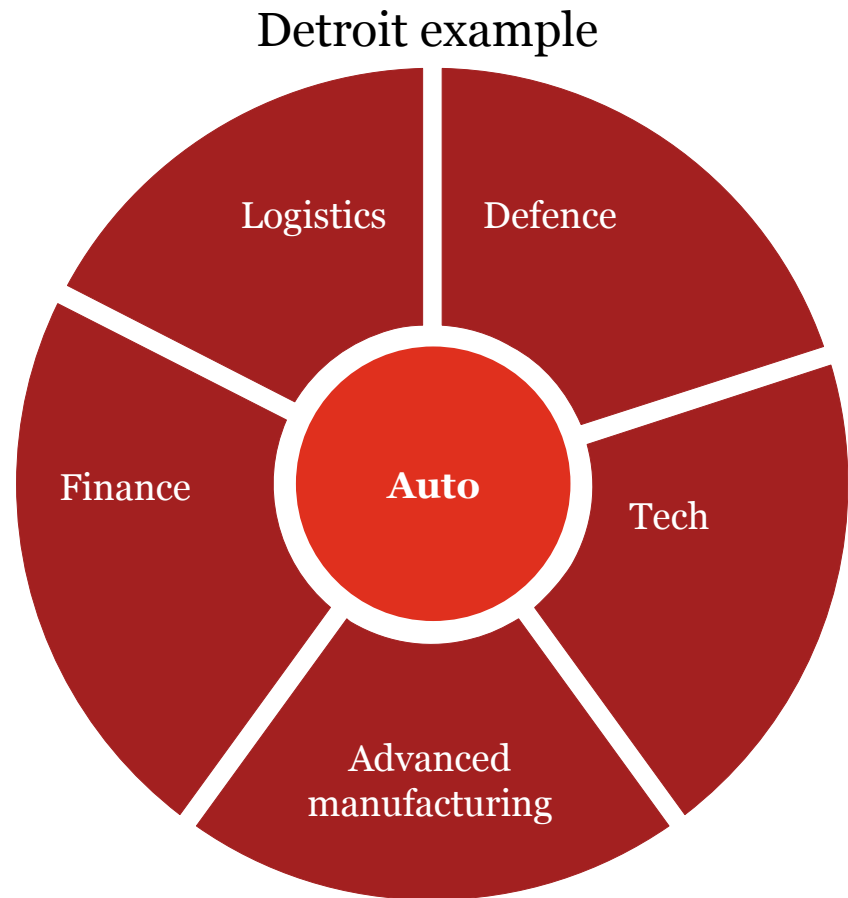
Percent population change of 25-34 year olds with a BA, 2000-2012



Source: City Observatory, University of Michigan, University of North Carolina, Chapel Hill, University of California Berkeley

# ***Future industries need to leverage existing strengths***

- Target industries need compelling reasons to locate there
- Identify regional strengths and core industries
- Good targets include adjacent industries requiring similar talent and geographies



**Target industries are based on economic analysis**

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## ***Lessons***

Regions need talent, transportation, and good perception to attract businesses



Discussion question: What kind of talent do you have in your area? Does it match your target industries

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# *How to manage the land*

# *Detroit has a lot of open land*



*Many, many houses are gone, but a few remain*



# *Trust*



## *Trust example: Dakota Pipeline Community engagement is crucial*



Discussion question: How do you manage trust? What is hardest?

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## *Many questions for addressing the land*

What should we do  
with the land?

Solar farm?  
Agriculture?  
Sell to neighbors?  
New factory?  
Computer data  
center?

Who gets to decide?

City?  
Courts?  
Auctions?  
Landowners?

What about those  
who still live there?

Can they be moved?  
Should they be  
moved?

City is using a land-bank to acquire abandoned property, but unsure what to  
do with it

# *Downtown is being revitalized by private development*

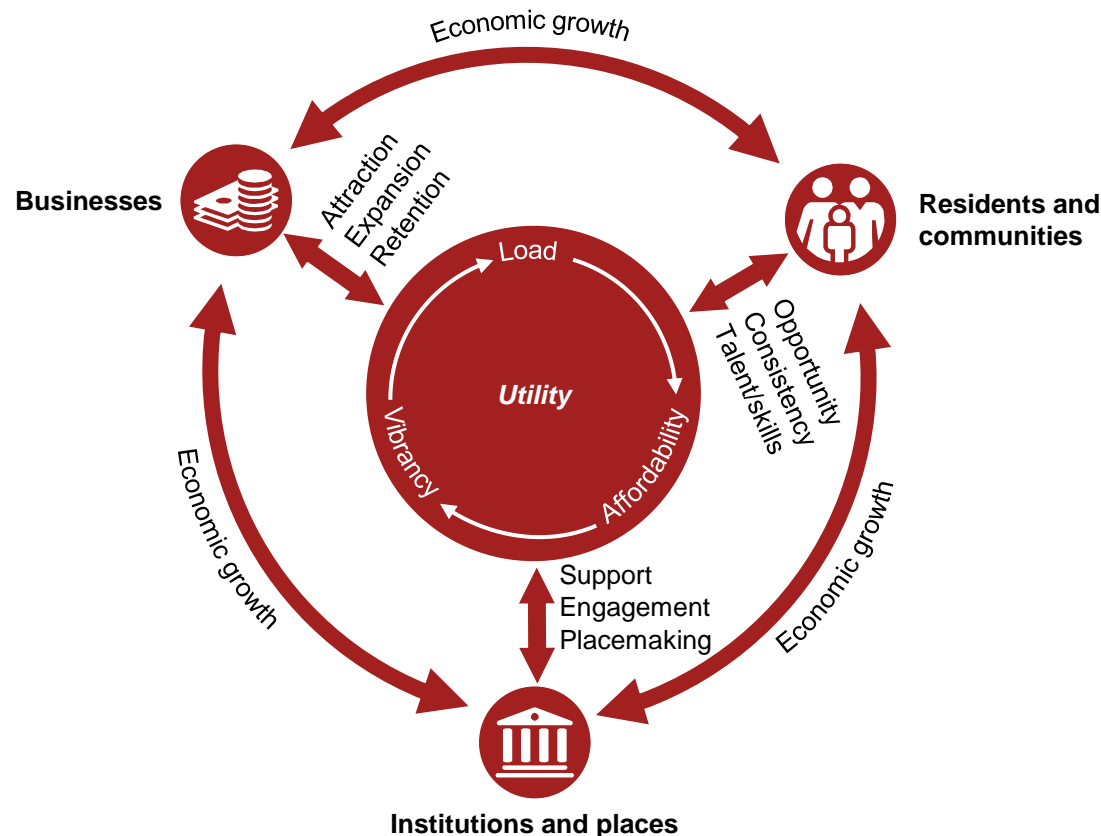
- Private company has assembled 85 buildings downtown
- Revitalizing the most visible parts of the city
- Delivering many government services—parks, police, safety



This private model is delivering change, but is it sustainable?

# *Key business types also rely on the region and can be helpful – Energy generation*

## *Utility role in economic development*



## *Businesses got together to beautiful the parks*



But some in the community say they were not consulted, and new development is only for rich

## ***Case study – Improved improvements even outside the regeneration zone***

Improvements will even improve other nearby areas.

Example: Areas next to the regeneration zone added

- Crosswalks,
- Planters, and
- Murals

These improvements in safety and visual appeal facilitate community engagement and walking, which lead to well-being

**June 2011**



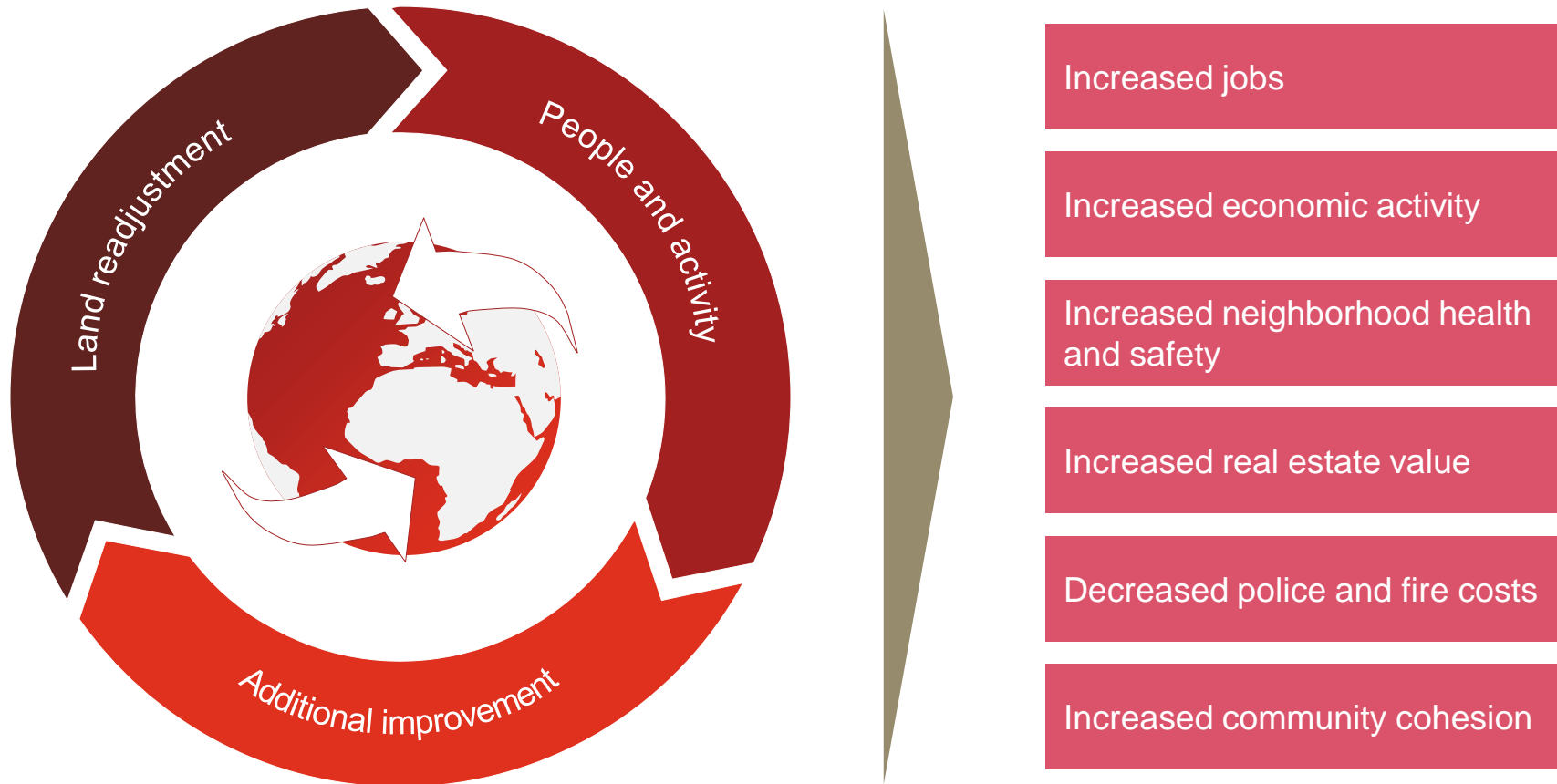
Source: Google street view

**October 2015**



# *Land regeneration creates secondary benefits*

A “virtuous cycle”



All of these benefits can be measured

# *Thank you*

Questions:

Do you have the conditions for success?

How can you create them?