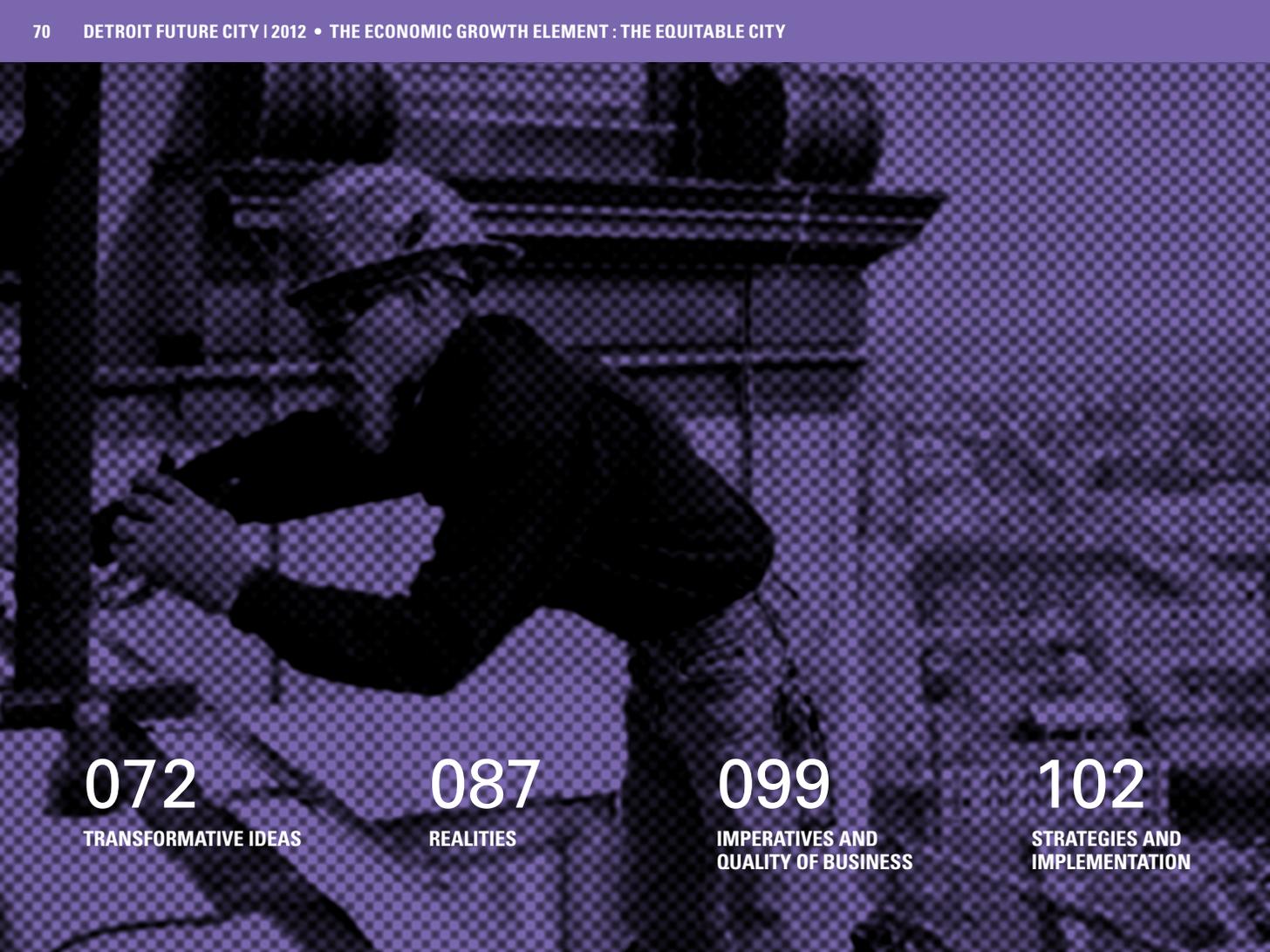




# THE ECONOMIC GROWTH ELEMENT

THE EQUITABLE CITY



072

TRANSFORMATIVE IDEAS

087

REALITIES

099

IMPERATIVES AND  
QUALITY OF BUSINESS

102

STRATEGIES AND  
IMPLEMENTATION

## DETROIT FUTURE CITY

# A Day in the Life

### *Fulfilling our Economic Potential*

Darius lives in Northwest Detroit with his wife Barbara, a medical technician, and his two kids Bakari, 17, and Hope, 15. It's been a tough decade, but things are looking up. Not too long ago Darius was unemployed because of cutbacks at the auto factory he'd worked at since high school. The only job Barbara could find was in the suburbs, and her daily commute began at 4:30 a.m. by bus so Darius could have the car.

How'd they recover? In 2012, the city government and its business partners began focusing on four key areas of job growth, including 21st century industrial work. Through a new training partnership between a local university and a foundation, Darius touched up his advanced-technology skills and landed a job within 60 days of receiving his certificate. Jobs in the city were picking up rapidly, since the city had focused its business development in seven strategic employment districts. Businesses locating in these districts attracted others in similar fields, and all of them were hiring.

Barbara soon got a job, too, at a new clinic in the "Eds and Meds" district in the McNichols corridor. She takes one of the city's rapid bus lines to work now, getting there in about 20 minutes. Bakari and Hope take the rapid bus to school, too, and they even take the bus to after-school activities at the library (SAT practice for Bakari, digital photography for Hope). With everyone's commute time cut, dinner begins at 6 p.m. sharp: Just in time for a family report on everyone's day.

# TRANSFORMATIVE IDEAS

## ECONOMIC GROWTH

Unlike many of the country's struggling cities, Detroit is challenged not with the creation of a new set of economic assets but with a geographic and strategic alignment of existing assets. While it is true that the city's original land patterns cannot efficiently serve its current residents, the real challenge is this: **Detroit is not too big, its economy is too small.**

The challenge of growing Detroit's economy comes with an important imperative: the need to enhance equity by creating job opportunities for Detroiters of all backgrounds and skill levels. This is not only a desirable output—the right thing to do for people—but a key input for the city's sustainable economic future—the smart thing to do for business.

The good news is that Detroit's economy is changing, and its economic base is diverse, if modest. Four “pillars” of employment now account for well over half of Detroit's employment base: education and medical employment (“Eds and Meds”), digital

and creative jobs, industrial employment (both traditional and new technologies, large-scale and artisanal, manufacture and processes), and local entrepreneurship. All of these are promising areas of employment, and local entrepreneurship in particular is the “sleeping giant” that could change the economic landscape of Detroit, especially in the areas of business-to-business services (B2B), food processing, and construction/demolition/engineering/repurposing (CDER).

Physical corridors of strength and investment have emerged within the city's checkerboard development patterns. The Strategic Framework proposes an economic strategy that builds on existing trends and unique characteristics in seven employment districts in the city of Detroit, which will serve as strategic areas for investment and new growth, attracting residents and companies to exchange interests, ideas, and innovations. **These seven primary employment**

**districts account for about half of the city's total employment but take up less than 15% of the city's land.** Detroit's physical transformation is intended to create additional job opportunities and tap the incredible potential inherent in the very "problem" that has plagued the city: its miles of vacant and underused spaces. Two emerging industries for Detroit are most promising in this context: food production (taking advantage of Detroit's resident urban farming movement, the ingenuity of its people, and a growing nationwide interest in locally sourced food); and CDER (construction/demolition/engineering/repurposing, which builds on Detroit's industrial skills base and makes a virtue of the very necessity to change the landscape). Both of these emerging industries, coupled with Detroit's existing strength in TDL (transportation, distribution, and logistics), will likely provide thousands of new jobs and entrepreneurial opportunities for Detroiters of all backgrounds and skill levels.

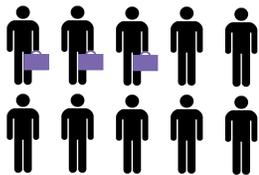
Every job—and every resident—is important to Detroit's future. **For the city's economic alignment to yield its full potential, economic growth in Detroit must be fair and must benefit all of the city's residents.** This plan recognizes equitable growth not only because it is the right thing to do, but because it

makes good business sense: By increasing Detroiters' access to employment and entrepreneurship, the city will grow its base of workers and business owners, while increasing incentives for and investment in further education and training.

As Detroit strengthens the key actors and assets within the city, it will also be able to tighten the linkages between the city and regional economies, maintaining its position as a global trade center. The vision of the Strategic Framework is a strong, equitable urban economy that anchors the revitalization of the larger metropolitan economy.

The Framework is also designed to be adaptable to the conditions in the regional, national, and international economies. The intent was to provide a framework for action that is flexible and dynamic, yet establishes a strong structure to support both growth and equal opportunities.

## COMPARATIVE CITY PRIVATE SECTOR EMPLOYMENT RATIOS

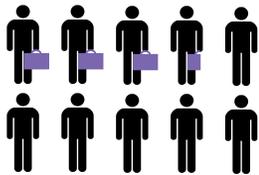


27 JOBS PER 100 RESIDENTS

### DETROIT



POPULATION: 714,000  
SIZE: 139 SQ. MILES  
JOBS: 193,000

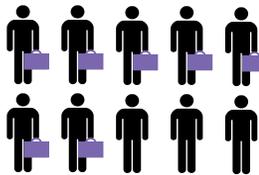


35 JOBS PER 100 RESIDENTS

### PHILADELPHIA



POPULATION: 1,526,000  
SIZE: 134 SQ. MILES  
JOBS: 535,000

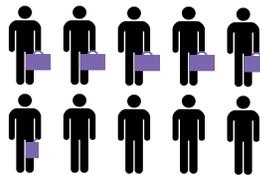


73 JOBS PER 100 RESIDENTS

### ATLANTA



POPULATION: 420,000  
SIZE: 133 SQ. MILES  
JOBS: 307,000

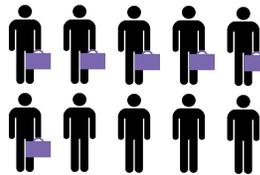


55 JOBS PER 100 RESIDENTS

### PORTLAND



POPULATION: 584,000  
SIZE: 133 SQ. MILES  
JOBS: 321,000



60 JOBS PER 100 RESIDENTS

### DENVER



POPULATION 600,000  
SIZE: 153 SQ. MILES  
JOBS: 360,000

While the population in the city has declined over the past 60 years the number of jobs located in the city has fallen at a sharper rate. This has left Detroit with relatively few private sector jobs for the number of people who reside here. Of the top 100 cities, only 5 have fewer jobs per resident.

# 7 ECONOMIC GROWTH TRANSFORMATIVE IDEAS

**ECONOMIC PILLARS** GLOBAL TRADE / INDUSTRIAL • DIGITAL / CREATIVE • LOCAL ENTREPRENEURSHIP • EDUCATION & MEDICAL



Half of Detroit's employment base can be found in these four economic pillars. These sectors present the opportunity to provide equitable employment growth for Detroiters of all skill levels.

## 1

**A CITY OF ROBUST JOB GROWTH**

**Despite six decades of population loss, Detroit's future will be driven by its ability to increase employment in the city.** Most discussions about Detroit's future to date have focused on land area and population. Yet if we compare Detroit with similar-sized cities, the number of jobs per resident is far more telling than the number of residents itself. Of the four cities closest in size to Detroit, only one has more residents, but all four have many more jobs and a higher ratio of jobs to residents. In fact, this is true for most American cities: only 5 of the top 100 cities have fewer jobs per resident than Detroit.

It is true that Detroit's dramatic loss of population will call for reconfiguration and repositioning of its infrastructure and land assets to create a new city form of diverse neighborhood types and land uses that are easier to serve. The key to fiscal sustainability and a better quality of life for Detroit is not simply higher population, although population increases would be welcome. **Increasing the ratio of jobs to residents will contribute to the financial stability of the city while creating economic opportunity for the city's residents.**

## 2

## A CITY OF EQUITABLE ECONOMIC GROWTH

**Detroit’s economic growth must be based on fairness and equity.** Detroit’s diversifying economy should be developed toward job growth for a variety of skill demands and business types. This approach will not only enhance equity, but will also foster growth by tapping underutilized human capital, increasing local incomes and consumer demand, improving educational outcomes, and reducing fiscal, social, and human costs associated with poverty.<sup>1</sup> More than half of Detroit’s current employment base comes from four economic pillars that are well suited to creating jobs for people of all skills and backgrounds: education and medical employment (“Eds and Meds”); digital and creative jobs; industrial employment (both traditional and new technologies,

large-scale and artisanal, manufacture and processes); and local entrepreneurship.

Within each of these key employment “pillars”, job opportunities and professional growth should be cultivated for people with a variety of educational backgrounds, skills, and interests. For example, in Eds and Meds, the innovative capacity of all workers—from medical staff, faculty, and researchers to maintenance, kitchen, and housekeeping staff—should be utilized and rewarded. In the small-scale industrial sector, and especially in the food sector, shared production spaces can offer low-cost options for local entrepreneurs and more broad-based ownership or sharing of business assets. Shared creative space is certainly vital to the information exchange and resource sharing necessary in the creative/digital fields, and can open up opportunities for training and career development, especially among youth and among adults seeking to start a second career.

Text Sources: 1) Pastor, Manuel, and Chris Benner. “Been Down So Long: Weak-Market Cities and Regional Equity.” In Richard M. McGahey and Jennifer S. Vey, eds., *Retooling for Growth*. New York: American Assembly and Columbia University, 2008; Katherine S. Newman, James B. Knapp Dean of the Arts and Sciences, Johns Hopkins University, Testimony to the Senate Finance Committee, Hearing on “Drivers of Intergenerational Mobility and the Tax Code,” July 10, 2012; Robert Weissbourd. *Strengthening Communities for Regional Prosperity*. The Living Cities Policy Series, 2006; Porter, Michael, Orson W. Watson, and Alvin Kwan. *The Changing Models of Inner City Grocery Retailing*. Initiative for a Competitive Inner City, 1998.

A crucial step toward equitable job growth will also be the explicit recognition and dismantling of current barriers facing Detroit residents in terms of access to skills development and employment and entrepreneurship opportunities. In fact, those very barriers have forced many Detroiters into the informal economy as entrepreneurs, which in turn offers an opportunity to create new pathways to prosperity and job growth for an unknown number of sole proprietors who might one day be employers themselves. This is discussed in further detail in the Strategies section of this chapter.

## 3

**A CITY OF PHYSICALLY AND STRATEGICALLY ALIGNED ECONOMIC ASSETS**

**Detroit's economy does not require entirely new economic assets, but the physical and strategic alignment of existing ones.** As in all successful cities, fostering economic strength and stability in Detroit will require a constant renewal and realignment of key business assets, education and workforce development, innovation potential, and infrastructure.

On the side of land use and physical assets, tools such as zoning, public land disposition, incentives, and specific strategies can be used to promote concentrated employment districts as focal points around which to pool public, private, and philanthropic investment. The implications will be far-reaching and have the potential to improve the cost structure, innovative capacity, and competitive position of the city's businesses in regional, national, and international markets. Important efforts to create districts of economic activity already exist, most notably in the food cluster around Eastern

Market and the education and health-related clusters in Midtown. Existing efforts must be supported and expanded to include Detroit's most important traditional and emerging economic strengths.

Organizational linkages must also be strengthened and sustained among city government and neighborhoods, business support organizations, employers and employees, and businesses and their suppliers. Although too many key companies and organizations today are islands, physically, they have a strong interest in re-knitting the physical, social, and cultural fabric that made Detroit's economy great.

## 4

**A LEADER IN URBAN INDUSTRIAL ACTIVITY**

Across the country, many have come to realize the critical role of manufacturing activity in promoting and sustaining innovation, especially in clusters where product and process are tightly linked, such as high-end apparel and biotech.<sup>2</sup> Detroit has a unique combination of educational and medical institutions, information technology companies, low-cost industrial land, and an “industrial commons” that support manufacturing and industrial activity of all kinds. Detroit also has a skilled workforce, managers with operations experience, and broad design and engineering expertise among its residents. **With proactive and coordinated investment, Detroit can remain an innovative hub for production.**

In the food cluster, for example, Detroit has the assets and knowledge to lead in the design and production of urban farming tools. In the medical cluster, the Henry Ford Innovation Institute is focused

on user-based innovation that translates insights from the city’s medical practitioners into the next generation of surgical tools and medical devices. These are but two examples of the ways in which Detroit can build on its legacy of industrial activity, while creating new pathways to industrial and supporting jobs.

**Recently, the American automotive sector has revitalized, and the role of Southeast Michigan in global automotive research and development expanded. The automotive renaissance in the region is part of a larger story in which U.S. manufacturing has become more competitive globally. One of the country's most influential consultancies, Boston Consulting Group (BCG), recently estimated that due to improved competitiveness, the U.S. is likely to add between 2.5 and 5 million jobs in manufacturing and support industries by 2020.<sup>3</sup>**

---

Text Source: 3) Boston Consulting Group, "Why America's Export Surge Is Just Beginning," September 12, 2012 and "U.S. Manufacturing Nears the Tipping Point: Which Industries, Why, and How Much?," March 22, 2012

## 5

**A CITY OF REGIONAL AND GLOBAL ECONOMIC ASSETS**

**Detroit has a diverse base of businesses, organizations, and institutions that are essential to building and maintaining a competitive edge for Southeast Michigan in the 21st century.** Beginning more than a decade ago, many public, private, and philanthropic leaders recognized that economic decline in the city and region was not temporary but reflected a broader crisis in local economic assets and capabilities. These leaders and their organizations invested in the ideas, assets, institutions, and culture to enable growth in innovation-driven clusters like education and technology, while also remaking traditional economic clusters like food to better serve local needs. Huge investments were made in expanding the city's institutions and economy: The College for Creative Studies added major new buildings, an MFA program, and a high school; the Detroit Creative Corridor Center opened; Next Energy was founded; the education and medical institutions in Midtown became national models for maximizing local economic impact; Henry Ford Hospital opened an Innovation Institute to capture and commercialize

the innovative capacity of medical practitioners; Wayne State University opened TechTown and announced a \$93 million biotech hub; and a local son returned to Detroit with 7,000 workers and triggered a new wave of information technology growth in Downtown. Concurrently, local leaders remade traditional industries, including the Detroit Food Policy Council and Detroit Black Community Food Security's work in creating a vision for the national movement in food justice and food security issues. Local organizations such as New Economy Initiative and DEGC are working to promote local procurement and entrepreneurship opportunities across the city.

## 6

**A CITY THAT SUPPORTS MINORITY BUSINESS ENTERPRISES**

Business ownership shapes the location of opportunity and power in an economy: Business owners strongly influence organizational practices such as hiring, wage setting, and procurement and often serve in positions of civic and social leadership. One reason minority-owned business enterprises (MBEs) are so important to Detroit is that they are more likely to hire minority employees and utilize minority suppliers, thus increasing opportunity for a large number of Detroiters.<sup>4</sup>

Minorities in Detroit already account for 89% of the city's population; however, the firms they own account for only 15% of private company revenues. African-American-owned businesses account for 94% of the city's MBEs, yet few of these companies grow enough to hire even one employee: Only one in thirty African-American companies in the city has at least one employee compared to one in three white-owned businesses.

These numbers reflect the enormous challenges to the MBE community in Detroit (as well as its potential). In a comparison of 25 U.S. cities, Detroit ranked seventh in African-American self-employment per capita. **Strengthening business ownership in the city's largest population group is one of the best ways to grow businesses in the city.**

## 7

**A CITY OF IMMEDIATE AND LONG-RANGING STRATEGIES FOR RESIDENT PROSPERITY**

Although Detroit has an urgent need to support and develop high-quality education and skills to prosper in the 21st century, there is little evidence for the oft-stated claim that “Detroit can’t fix its economy until it fixes K-12.” **In fact, improving education and increasing economic opportunity are complementary strategies: providing economic opportunities for Detroit’s adults will improve fiscal conditions in the city, support the academic performance of their children, and create the incentives for children and adults alike to invest in education and skills development.**

The dramatic downturn in the regional economy has curtailed opportunities for lower-skilled workers across the region. This opportunity gap must be addressed alongside the skills gap. In fact, the lack of job opportunities seems to have profoundly weakened the link between educational attainment and prosperity for Detroiters. Nationwide, high school graduation reduces the chance of living in

poverty by 56%, and going on to earn a two-year degree reduces poverty by an additional 51%. Yet in Detroit, the corresponding reductions are much smaller (39% and 33%).

Strategies to combat the city’s poverty must acknowledge the need for a dual approach. Public, private, and philanthropic priorities should support a concurrent approach to the creation of new job opportunities along with educational improvements.

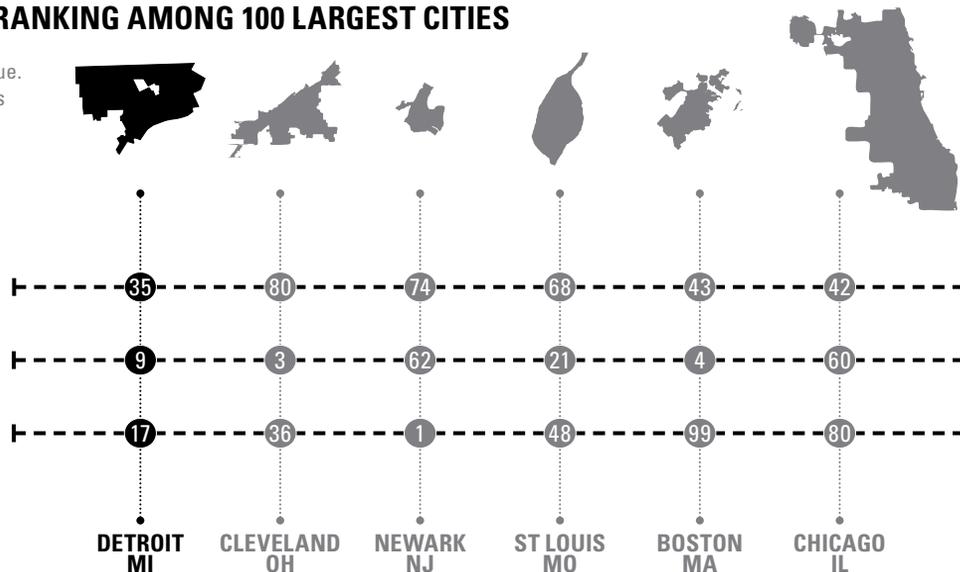
## LOCATION QUOTIENT RANKING AMONG 100 LARGEST CITIES

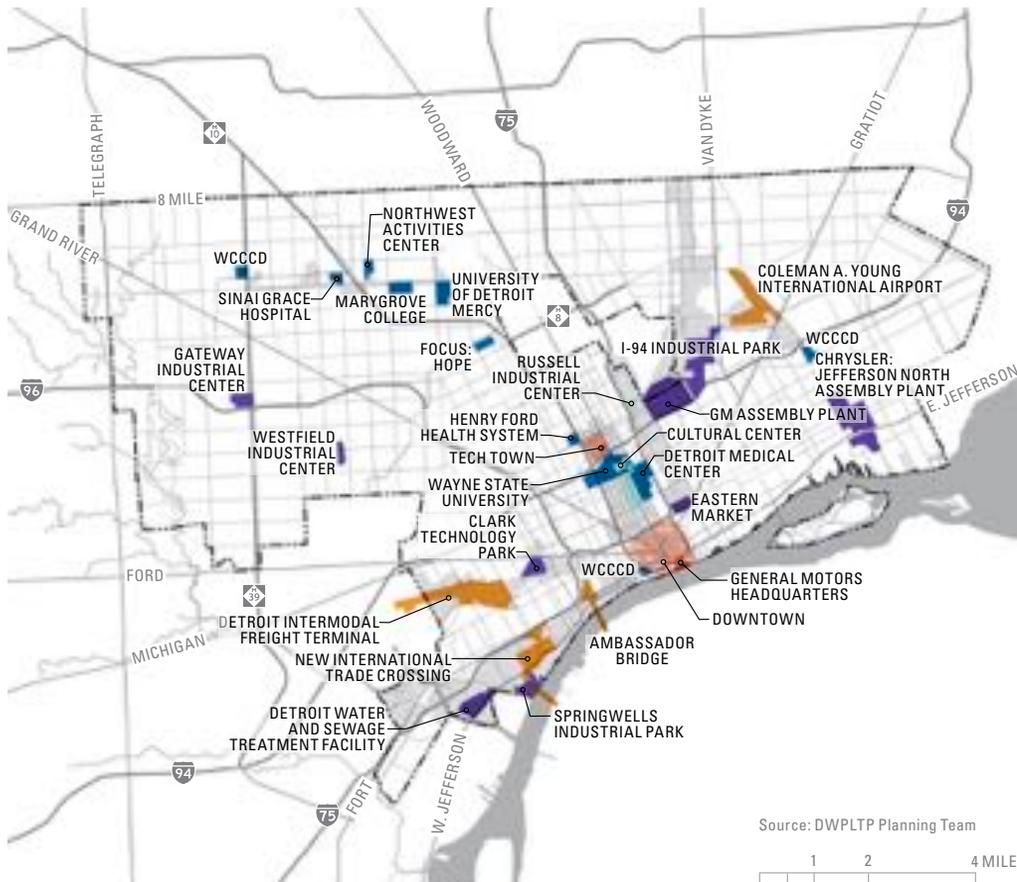
Detroit's economy is already unique. Compared to other cities, Detroit's diverse economic base has an established foothold in traditional industrial activity and anchor institutions as well as substantial growth in new economy jobs.

NEW ECONOMY GROWTH  
1998-2009

EDS & MEDS, 2009

INDUSTRIAL, 2006





## ASSETS FOR ECONOMIC GROWTH

- DIGITAL INDUSTRIES
- CREATIVE INDUSTRIES
- EDUCATION & MEDICAL
- TRANSPORTATION AND INFRASTRUCTURE ASSETS
- INDUSTRIAL ANCHORS AND HUBS
- PRIMARY EMPLOYMENT DISTRICTS

Detroit has a wide range of economic assets that should be capitalized on to fuel economic growth. Assets include existing businesses, institutions and transportation infrastructure.

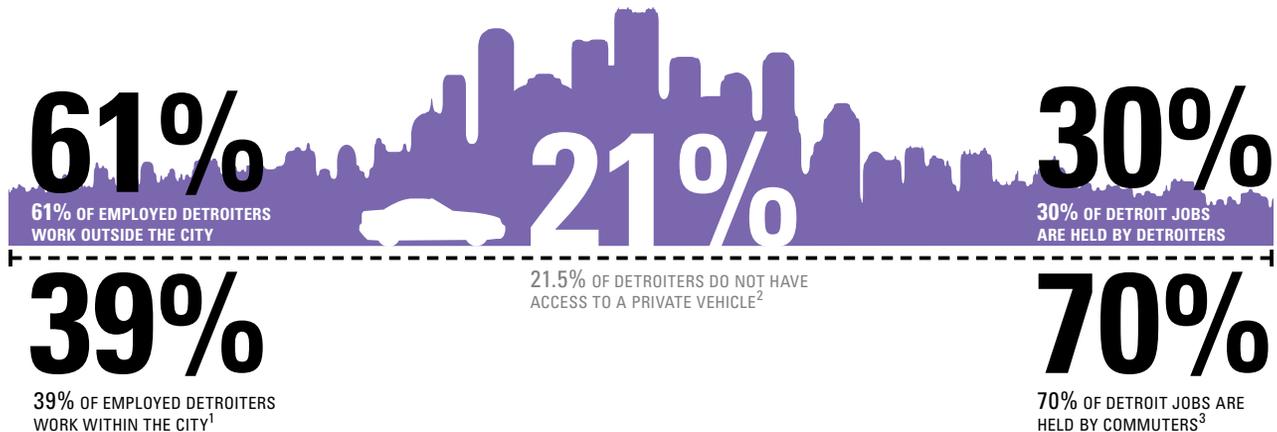
Source: DWPLTP Planning Team



# REALITIES



## ACCESS AND MOBILITY



Data Sources: 1) US Census 2010 Longitudinal Employer-Household Dynamics;  
2) American Community Survey 2010 5-Year; 3) US Census 2010 Longitudinal Employer-Household Dynamics

## EDUCATION AND EMPLOYMENT

**300K**

300,000 NEW JOBS ARE PROJECTED FOR SOUTHEAST MICHIGAN BY 2040<sup>4</sup>

**2%**

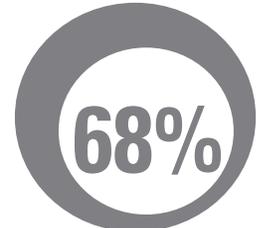
DETROIT IS PROJECTED TO RECEIVE ONLY 2% OF THESE NEW REGIONAL JOBS<sup>5</sup>

**27 JOBS  
PER 100  
RESIDENTS**

THERE ARE CURRENTLY 27 PRIVATE SECTOR JOBS WITHIN THE CITY PER 100 DETROIT RESIDENTS<sup>6</sup>

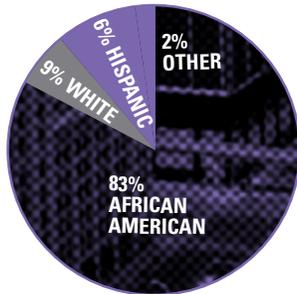
**20%**  
POVERTY

DETROITERS EXPERIENCE HIGH POVERTY RATES AT EVERY LEVEL OF EDUCATION. EVEN 20% OF TWO-YEAR DEGREE HOLDERS LIVE IN POVERTY<sup>7</sup>



68% OF DETROITERS WITHOUT A HIGH SCHOOL DIPLOMA ARE UNEMPLOYED OR DO NOT PARTICIPATE IN THE LABOR FORCE<sup>8</sup>

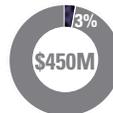
## RACE AND ECONOMIC STAKE



DETROIT'S POTENTIAL  
WORKFORCE DEMOGRAPHICS  
(AGES 25-64)<sup>9</sup>



WHITE



OTHER



AFRICAN AMERICAN

BREAK DOWN OF  
REVENUE AT ALL  
DETROIT FIRMS<sup>10</sup>

# 15%

15% OF DETROIT'S  
PRIVATE EMPLOYER  
FIRMS ARE OWNED BY  
AFRICAN AMERICANS<sup>11</sup>

# 23RD RANKED

DETROIT IS  
RANKED 23RD  
OUT OF 25 U.S.  
CITIES IN AFRICAN  
AMERICAN  
OWNERSHIP OF  
FIRMS WITH  
EMPLOYEES\*

# RANKED 8TH

IN A COMPARISON OF 25  
U.S. CITIES, DETROIT RANKS  
8TH IN TERMS OF AFRICAN  
AMERICAN BUSINESS  
OWNERSHIP RELATIVE TO  
THE SIZE OF BLACK/AFRICAN  
AMERICAN POPULATION\*

Data Sources: 9) US Census 2010; 10) US Census 2010 Longitudinal Employer-Household Dynamics; 11) ICIC

\*The 25 cities used to rank Detroit were picked based on variables including population size, minority concentration and geography. The 25 cities are: 1) Detroit, MI; 2) Birmingham, AL; 3) Baltimore, MD; 4) Memphis, TN; 5) New Orleans, LA; 6) Atlanta, GA; 7) Cleveland, OH; 8) Washington, D.C.; 9) St. Louis, MO; 10) Philadelphia, PA; 11) Charlotte, NC; 12) Chicago, IL; 13) Columbus, OH; 14) Indianapolis, IN; 15) New York, NY; 16) Boston, MA; 17) Houston, TX; 18) Miami, FL; 19) Fort Worth, TX; 20) Los Angeles, CA; 21) Austin, TX; 22) San Antonio, TX; 23) San Diego, CA; 24) Phoenix, AZ; 25) El Paso, TX

Sources: US Census 2010, 2007 Survey of Business Owners

# THE STATE OF DETROIT'S ECONOMY

Detroit confronts major challenges to its revitalization, including issues with workforce preparedness and employment opportunities for Detroiters; the need to strengthen the performance of the city's companies, including small- and minority-owned companies; and the need to translate the city's available land and buildings into affordable, usable spaces that can accommodate growing companies and attract new ones to the city.

**EDUCATIONAL ATTAINMENT.** As in many areas that have historically relied on manufacturing to drive the economy, education levels among working-age Detroiters are well below the national average:

- 20% do not have a high school degree;
- 35% have a high school degree but no further training;
- 33% have a high school degree and at least some college; and
- 12% have a bachelor's degree.

The proportion of Detroit's population between the ages of 25 and 64 who do not have a high school

degree is 60% higher than the U.S. rate of 13%, while the proportion of population holding a four-year degree is 60% lower than the average for the United States.

But education alone is not the only indicator of Detroit's workforce challenge: There is a stronger emphasis on education among Detroiters than is often assumed. Of those with a high school degree, 57% have at least some college, comparable to the rest of the United States (68%). Completion rates are lower than the national average, however: Among Detroiters with at least some college, only 42% have completed a two- or four-year degree compared to 64% across the United States.

**LABOR FORCE PARTICIPATION.** Among working-age residents in Detroit, labor force participation rates (LFPRs) are low relative to the rest of the region and the United States. In the rest of the region, the participation rate is 79%, nearly identical to the U.S. rate of 78%. If Detroit achieved national participation rates at each education level, about 38,000 additional Detroiters would be in the labor force and the

city's overall participation rate would be 75%. The participation rate of Detroiters without a high school degree is low, but this group accounts for only a small portion of the adult population. The greatest opportunity for impact in labor force participation is among those with a high school degree and/or some college (but not a four-year degree), who account for two-thirds of working-age Detroiters. Consequently, if Detroiters without a high school degree participated in the labor force at national rates, the city's overall participation rate would increase from 65% to 68%; if Detroiters with a high school degree and/or some college matched national rates, the city's overall participation rate would increase from 65% to 72%, just below the regional average of 75%.

**SCHOOL QUALITY.** One oft-cited reason for poor labor force outcomes among Detroiters is the low quality of the city's public schools. Although Detroit's school system has some high performers like Cass Technical High School, Renaissance High School, and the Bates Academy, the majority of schools underperform relative to those in neighboring school districts. The Michigan Department of Education's "Top-to-Bottom Ranking" of the state's schools shows that in terms of statewide percentile ranking, schools in the Detroit Public Schools district averaged

in the 12th percentile. Detroit school performance is also weak by the standards of urban school districts across the United States. In the most recent Trial Urban District Assessment of reading, mathematics, science, and writing skills of 4th and 8th graders in 22 cities, Detroit ranked last, but did show improvement over the previous assessment.

**WEAKENED INCENTIVES AND CONNECTIONS.** In all groups in all parts of the country, labor force participation rates are sensitive to the costs and rewards of employment, including wages and commuting times. Detroiters of all education levels have wages that are lower than regional and national averages, with the largest gap for those workers without a high school degree and the smallest for the college-educated. This would help explain why labor force activity is so low among the city's least educated residents. Similarly, the challenges of using public transportation to commute to suburban job centers disproportionately harms less educated, lower-income individuals, who are less likely to own cars.

**REGIONAL COMPETITION.** Between 2002 and 2010, the proportion of Detroit jobs held by Detroit residents fell from 42% to 30%. Changing skill demands do not seem to be the main culprit: The share of

city jobs held by Detroiters declined almost as much for jobs paying less than \$1,250 per month as for jobs paying greater than \$3,333 per month. What did change during those years was the region's unemployment rate. During the 2000s, the region lost more than 400,000 jobs, 100,000 more than any other U.S. region, suggesting that the region's jobs crisis has severely undercut opportunities for less educated workers.

The least educated workers faced competition for jobs from better-educated job-seekers: in the city but also across the region, those without high school degrees participate in the labor force at rates well below the national average. The gap between regional and national labor force participation narrows with increasing education levels until it more or less disappears for the region's residents who hold at least a bachelor's degree.

**INEQUITY EVEN WITH EDUCATION.** For all the discussion about the importance of education in addressing the city's poverty, the disconnect between educational attainment and prosperity is profound for many Detroiters. At all education levels, Detroiters suffer much higher poverty rates than peers in the region and country:

- 31% of Detroiters with a high school degree and no college live in poverty, compared to 13% of identically educated Americans;
- A Detroiters with a two-year college degree is 50% more likely to live in poverty than the average American with only a high school degree; and
- A Detroiters with a four-year college degree is more likely to live in poverty than the average American with a two-year degree.

In fact, if every working-age Detroiters invested in a two-year degree, the poverty rate in this group would still be almost 21%, higher than overall poverty rates in 70% of U.S. cities.

**MINORITY BUSINESS OWNERSHIP HOLDS GREAT POTENTIAL.** Although it is true that a large number of Detroiters have dropped out of the labor force, it is also true that many Detroiters have responded to the shortage of formal job opportunities by starting businesses, becoming self-employed, or moving into the informal economy. African-Americans in Detroit are 15% more likely than their counterparts nationally to be formally self-employed. Overall, there are about 50,000 people who are formally

self-employed or own businesses with employees in Detroit, and perhaps as many as 100,000 more who are engaged in the informal economy, either as their only source of income or in addition to formal and/or self-employment.<sup>5</sup>

Minority residents are strongly represented in “nonemployer firms,” which generally represent formally self-employed persons. These businesses pay taxes and are part of the formal economy but do not have the scale to hire employees. In Detroit, there are about 60 self-employed firms per 1,000 residents:

- 74% are owned by an African-American, 25% have white ownership, and 1% is owned by a member of another group.

- African-American-owned self-employed businesses average about \$14,000 in sales, compared to \$32,000 for white-owned self-employed businesses in Detroit.
- Among private businesses with employees, 15% are owned by African-Americans, 78% have white ownership, and the remaining 7% fall under primarily Asian ownership.
- White-owned businesses with employees average \$2.4 million in revenues, African-American-owned businesses average \$1.3 million in revenue, and businesses with “other” (primarily Asian) ownership average \$600,000.
- When businesses with and without employees are included, the average revenue of all private businesses in Detroit is about \$300,000; within this, the average for white-owned businesses is \$780,000, for Asian businesses, \$240,000, and for African-American-owned businesses about \$50,000.

---

Text Sources: 5) By definition, the informal economy is very difficult to measure. One study estimates that in Los Angeles County, 9% to 29% of total employment is in the informal economy (Losby, et al., 2002). Using this range, the number of people employed in the informal economy in Detroit would be about 25,000 to 105,000. The estimated range is as wide as 3% to 4% of the U.S. workforce (Nightingale and Wandner, 2011). Lower-income areas tend to have higher levels of informal activity, so Detroit would likely be on the higher end of any estimate. SOURCES: Losby, Jan L., John F. Else, Marcia E. Kingslow, Elaine L. Edgcomb, Erica T. Malm, and Vivian Kao, “Informal Economy Literature Review,” ISED Consulting and Research and The Aspen Institute, December 2002; Nightingale, Demetria Smith, and Stephen A. Wandner, “Informal and Nonstandard Employment in the United States: Implications for Low-Income Working Families,” The Urban Institute, Brief 20, August 2011.

The gap between white- and black-owned businesses in Detroit can largely be explained by the set of industries in which Detroit’s MBEs operate. MBEs across the United States tend to select less capital-intensive industries, and thus face lower overhead

but also lower overall growth prospects than white-owned businesses.

The selected industries are often oriented toward local rather than regional, national, or international markets; they also have higher failure rates.<sup>6</sup> MBEs often select these industries because of their own work and business experience, but also because of lower levels of personal wealth than their white counterparts. MBEs also are more likely than their white counterparts to experience “real and perceived challenges in securing external capital.”<sup>7</sup>

Increasing the number and performance of MBEs must address short-term strategies to increase demand for the goods and services provided by MBEs, and provide assistance with business development and finance options. Longer-term strategies must increase minority participation in high-growth, capital-intensive sectors and address structural barriers to capital access.

---

Text Sources: 6,7) Timothy Bates, “Entrepreneur Human Capital Endowments and Minority Business Viability,” 1985; Fairlie and Robb, 2008, p 134. Teresa Lynch and Lois Rho, “Capital Availability in Inner Cities: What Role for Federal Policy?” Presented at the “Small Business and Entrepreneurship during an Economic Recovery Conference,” Washington, D. C., November 9-10, 2011.

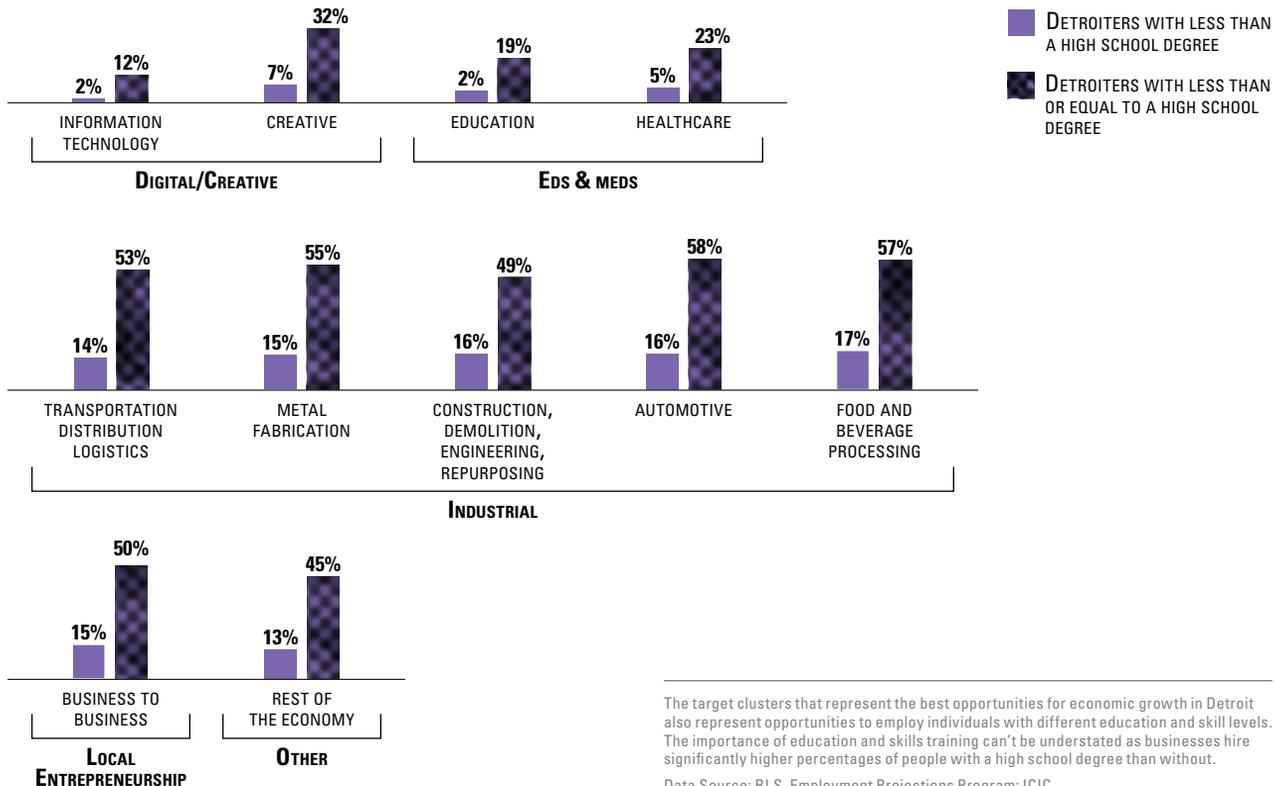
**LAND IS DETROIT’S GREATEST—AND MOST CHALLENGING—ASSET.** Land in Detroit is a potential asset for long-term economic development. Unlike in many U.S. cities, Detroit does not currently suffer from residential encroachment on job-producing land or face supply limitations that preclude growth in industrial sectors. However, the character, configuration, and spatial patterns of vacancy and neglect on formerly job-producing land represent a significant challenge to economic development in the city.

In 2010, vacancies accounted for 22% of Detroit’s industrial land, a portion that has likely increased with the further decline in manufacturing activity. Many of these sites are located along industrial corridors that have ceased to be competitive and now sit derelict and empty, contributing to and aggravating surrounding neighborhood blight. Of the sites that are located in more active and vibrant industrial areas—corridors with a “critical mass” of industrial activity—a significant portion consists of small, isolated, inaccessible, or oddly-shaped parcels with very limited potential for viable industrial or commercial redevelopment. More than 95% of the vacant industrial parcels in the city’s employment districts are less than one acre in size. The remaining parcels that are well-located and large enough to

accommodate viable modern industrial development are often so blighted, contaminated, or in need of demolition that the anticipated costs can deter investment indefinitely.

The major challenge in addressing issues of blight and land assembly in the industrial areas is the patterns of ownership. Unlike in the city's residential areas, where there is significant public ownership of sites, the overwhelming majority of land in the industrial and commercial areas is privately held. Public ownership of vacant or otherwise re-developable land in the industrial zones, for example, amounts to only 6.8% of the city's total industrial land supply, with most of this found in residential parcels in Delray and formerly residential sites around the I-94 Industrial Park. With so few opportunities to assemble property directly from public agencies, and limited resources to outright acquire private property, other strategies must be considered to stimulate more productive use of vacant and vastly underutilized, privately held, commercial and industrial sites. The depth and breadth of challenges stemming from the condition, location, and configuration of Detroit's job-producing lands will have to be met with a variety of strategies to improve the quality, availability, and productivity of private and public commercial and industrial land.

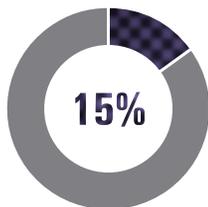
## PERCENT OF DETROIT WORKERS WITH A HIGH SCHOOL DEGREE OR LESS BY TARGET CLUSTER: 2009



The target clusters that represent the best opportunities for economic growth in Detroit also represent opportunities to employ individuals with different education and skill levels. The importance of education and skills training can't be understated as businesses hire significantly higher percentages of people with a high school degree than without.

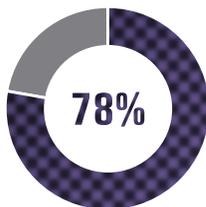
Data Source: BLS, Employment Projections Program; ICIC

## PRIVATELY OWNED FIRMS WITH EMPLOYEES



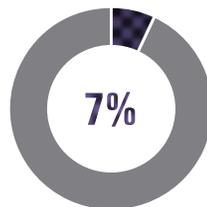
**AFRICAN AMERICAN**

**\$50,000**  
AVERAGE REVENUE  
1/6 OF CITY AVERAGE



**WHITE**

**\$780,000**  
AVERAGE REVENUE  
2.6x OF CITY AVERAGE



**OTHER**

**\$240,000**  
AVERAGE REVENUE  
4/5 OF CITY AVERAGE

# 81%

**OF VACANT INDUSTRIAL PARCELS  
ARE LESS THAN 1 ACRE IN SIZE**

# 6.8%

**6.8% OF THE CITY'S VACANT  
INDUSTRIAL LAND IS PUBLICLY-  
OWNED**

Minority groups account for 89% of Detroit's population but only 17% of total private firm revenue.

Data Sources: SBO 2007; ICIC Analysis

Data Source: Interface Studio, Detroit Industrial Land Inventory

# IMPERATIVES AND QUALITY OF BUSINESS

**We must re-energize Detroit's economy to increase job opportunities for Detroiters within the city and strengthen the tax base.**

**We must support our current residents and attract new residents.**

# ECONOMIC GROWTH ACTIONS AND IMPACT

Detroit has been losing population and employment for decades, and years of fiscal challenges have hollowed out local government capacity. Detroit today provides a challenging business environment marred by high levels of blight, security issues, and significant gaps in local government services. Potential buyers driving to inspect available industrial sites are often deterred by the visible levels of blight before they have even arrived at the property. These factors often frustrate existing business owners and employees, increase costs, and deter investment. Businesses, like residents, desire a secure, attractive environment and a larger, vibrant business community. For Detroit to thrive as a city, the quality of the business environment must be considered as important as the quality of residential life. This will require improvements in the following areas:



**COST:** The operating cost environment for businesses compared to regional and peer cities.



**NETWORK:** Proximity to related businesses, suppliers, and business services are a key ingredient in location decisions and operating success.



**INFORMATION:** There are many information gaps that need to be filled to align businesses with workforce, incentives, and public services.



**SERVICES:** Effective and reliable government services are needed to support existing and new businesses.



**ACCESS:** Detroit has a legacy of quality, and diverse infrastructure. Strategic improvements are needed to ensure efficient access via highway, rail, ports, and local streets.



**REGULATIONS:** Permitting, zoning, and other codes need to be reconfigured to support local job and business growth.



**SAFETY:** Safety and security of people and buildings is often cited as a key concern by business owners.

## WHAT WE LEARNED FROM CIVIC ENGAGEMENT FEEDBACK

- Survey respondents ranked the “Re-energize Detroit's economy” as the most important of the 12 Imperatives
- Survey respondents ranked EDUCATION as the most important investment for Detroit's future
- Top economic strategies recorded from DWP participants included:
  - SUPPORT SMALL BUSINESSES - especially small, new, and resident-owned businesses
  - IMPROVE RESIDENTS' WORKFORCE READINESS for better, well-paying jobs in the future

# STRATEGIES AND IMPLEMENTATION

## PLANS FOR ACTION

The Strategic Framework proposes five strategies to grow an equitable economy for Detroit:

- Support the Four Key Economic Growth Pillars that have already demonstrated promising job growth: education and medical employment (“Eds and Meds”), digital and creative jobs, industrial employment (both traditional and new technologies, large-scale and artisanal, manufacture, and processes), and local entrepreneurship.
- Use place-based strategies to create core investment and employment corridors, focusing on seven employment districts where job growth is already occurring;
- Encourage local entrepreneurship and minority-owned business;

“When we lost the jobs and saw the increase in crime, that sense of common purpose/community was lost.”

Seniors Working Session,  
2/15/2012

“Create and cultivate a more dense, active vibrant city from which businesses can flourish and grow.”

Entrepreneurs Summit



- Improve education and skills development; and
- Transform the city's land into an economic asset.

Each strategy is designed to address specific challenges but also to reinforce the other four strategies. These strategies are also designed to be flexible to actual economic conditions and changing needs in the city and region, and thus are not tied to specific horizons or timelines. They are consistent, however, with the Strategic Framework's vision for stabilization and transformation over a period of 20 to 50 years. Detroit's public, private, civic and philanthropic stakeholders should align their investments and programmatic initiatives with the broader Framework and with each other's objectives.

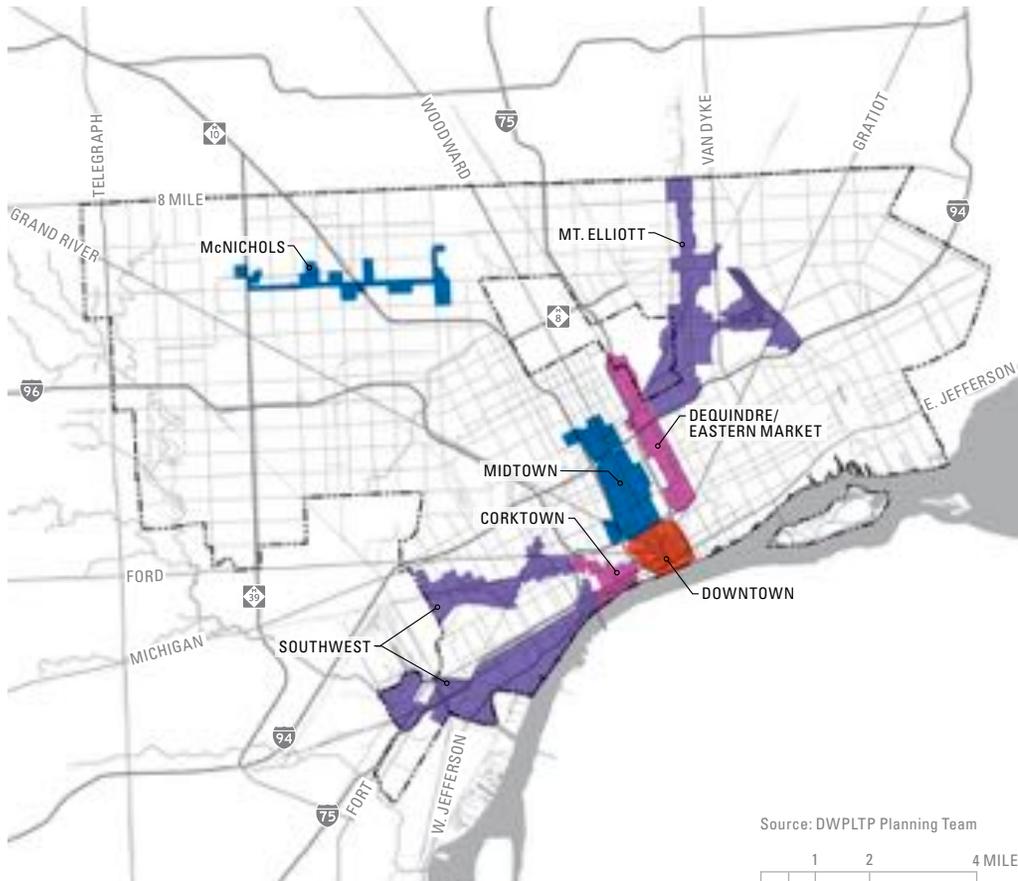
The core mechanism for this coordination is strengthening seven existing employment districts in the city. Information from land surveys, data on the city's economy, and interviews with key stakeholders formed the basis for mapping these districts. The unique characteristics of each district are identified not only for their economic potential, but for the diverse opportunities each offers to employ people with a broad range of interests and skills.

The Framework recommends:

- Formalizing the importance of these districts through land use and zoning changes; and
- Encouraging public, private, and philanthropic investments in infrastructure and real estate to support these districts.

The strategies also emphasize strengthening the city's minority business community through expanded opportunities for business ownership and growth. Finally, the plan attempts to create linkages between education and training and opportunities to utilize newly developed skills and address skills gaps and opportunity gaps together, efficiently and fairly.

The success of the plan will rest on the capacity of the strategies to unlock the vast potential of the city's land assets. Through preferential zoning, targeted infrastructure investments, attraction of new capital into the city, and innovative approaches to address under-utilization of land, the strategy aims to increase the value of and investments in the city's highest-potential jobs-producing land. If successful, the city's available land can become its greatest economic asset.



## PRIMARY EMPLOYMENT DISTRICTS

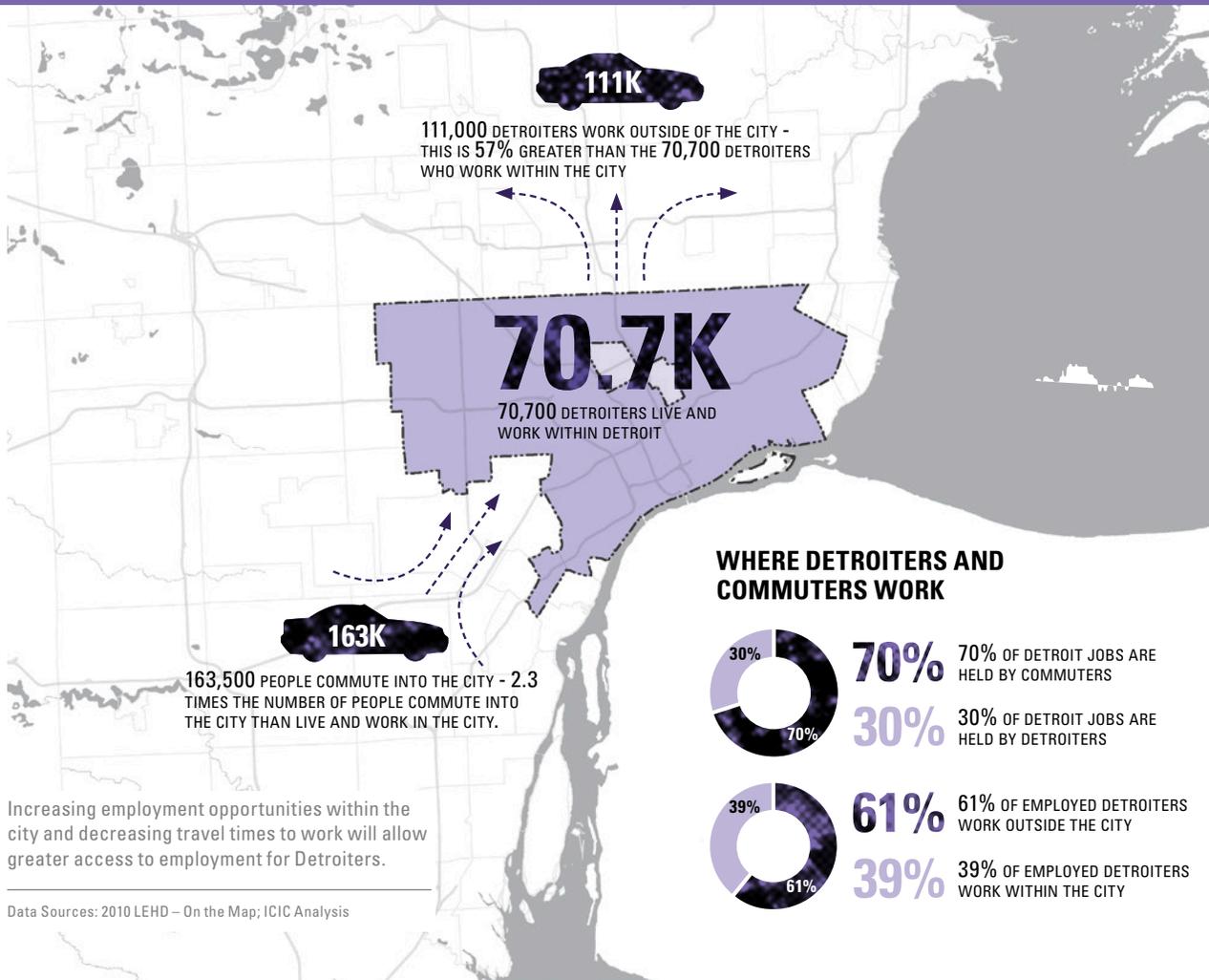
- DIGITAL / CREATIVE
- EDS & MEDS AND DIGITAL / CREATIVE
- INDUSTRIAL / CREATIVE
- GLOBAL TRADE / INDUSTRIAL

The DWP Framework identifies seven primary Employment Districts that provide the best opportunity for large-scale job growth. Located across the city, these districts represent a diverse cross-section of Detroit's economy.

Source: DWPLTP Planning Team



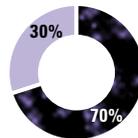
PRIMARY EMPLOYMENT DISTRICT DESCRIPTIONS AND LOCATIONS					
		DIGITAL / CREATIVE	EDS & MEDS / DIGITAL AND CREATIVE	INDUSTRIAL / CREATIVE	GLOBAL TRADE / INDUSTRIAL
DESCRIPTION		Districts characterized by economic opportunities in information technology and creative businesses such as design & advertising.	Districts characterized by economic opportunities in education, healthcare, research, technology and creative enterprises.	Districts characterized by economic opportunities in industrial activity like food processing and automotive manufacturing as well as creative enterprises and local entrepreneurship.	Districts characterized by economic opportunities in global industrial activity including automotive, metals and logistics.
	LOCATIONS	Downtown	Midtown McNichols	Dequindre/Eastern Market Corktown	Southwest Mt. Elliott



Increasing employment opportunities within the city and decreasing travel times to work will allow greater access to employment for Detroiters.

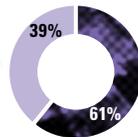
Data Sources: 2010 LEHD – On the Map; ICIC Analysis

### WHERE DETROITERS AND COMMUTERS WORK



**70%** 70% OF DETROIT JOBS ARE HELD BY COMMUTERS

**30%** 30% OF DETROIT JOBS ARE HELD BY DETROITERS



**61%** 61% OF EMPLOYED DETROITERS WORK OUTSIDE THE CITY

**39%** 39% OF EMPLOYED DETROITERS WORK WITHIN THE CITY



## SEVEN TRANSFORMATIVE IDEAS : FIVE IMPLEMENTATION STRATEGIES

# A

## SUPPORT FOUR KEY ECONOMIC PILLARS

A strategy that targets the sectors of the economy that are most likely to generate broad-based economic growth will allow the public, private, and philanthropic sectors to align strategies and resources around economic growth “pillars” that can create jobs, foster economic opportunity and social equity, and best utilize the city’s land assets. These opportunities fall into four broad categories: Education and Medical; Industrial; Digital/Creative; and Local Entrepreneurship.

The most recent 30-year regional employment forecast for Detroit, developed by the Southeast Michigan Council of Governments (SEMCOG), shows some employment growth in Detroit between 2010

## IMPLEMENTATION ACTIONS

- 1 Align cluster strategies with the Detroit Strategic Framework.
- 2 Establish cluster-based collaboration with labor market intermediaries.

and 2015, followed by a leveling off after 2015. For the entire 2010-2040 period, SEMCOG projects the entire Southeast Michigan regional economy will add 300,000 net new jobs, of which just over 7,000 will land in the City of Detroit. Although these projections provide an important sightline into the dynamics of the city's and region's economies, and can be used as a baseline for understanding future job growth, they suffer from an unavoidable flaw: They were developed assuming "business as usual."

The "business as usual" projections do not account for or anticipate the potential impact of aligning future investments with existing major civic investments in the four pillar economic areas. Coupled with critical changes in the city's productive landscape— including the resurgence of the downtown district and the emergence of the city as a hub for digital and creative businesses—these investments indicate that continued, intentional investment in the Four Key Economic Growth Pillars will yield potent benefits.

"This strategy [continuing to grow and support four key economic growth pillars] builds upon existing industries that current and aspiring Detroiters are familiar with, yet also allows for expansion and innovation."

Angie, Economic Growth Open House, 8/7/2012





## SEVEN TRANSFORMATIVE IDEAS : FIVE IMPLEMENTATION STRATEGIES

# B

## USE A PLACE-BASED STRATEGY FOR GROWTH

Seven specific employment districts have the greatest potential to unleash large-scale job creation in Detroit. These districts will promote a deliberate spatial pattern to business activity, generate multiple benefits to the economy, and help alleviate critical fiscal and social issues in the city. Reinvesting in specific employment districts will create the scale required for efficient investments in infrastructure and services; allow development of effective strategies for building demolition and land assembly; and create dense employment nodes that can facilitate transportation connections between Detroit residents and businesses, an issue that currently plagues the least-advantaged Detroiters but also employers who would benefit from a larger

## IMPLEMENTATION ACTIONS

- 1 Align public, private, and philanthropic investments in employment districts.
- 2 Develop detailed action plans for primary employment districts.
- 3 Encourage industrial business improvement districts (IBIDS).
- 4 Become a national leader in green industrial districts.

labor pool with more reliable transportation options. This concept will have a secondary (but critical) effect of raising property values in the employment districts, thus reducing the required subsidy for new construction and creating conditions to support private real estate activity.

These efforts will rely on an alignment among all levels of government (city, state, federal), the private sector, and the philanthropic community. Many in the private sector have voiced support for concentrating economic activity, with the understanding that it will increase the feasibility and efficiency of private-sector attempts to address shortcomings in the existing operating environment. Some private companies already pool resources to fund shared security and emergency services. Concentrating activity would make these investments more efficient and could create conditions for private-public-philanthropic partnerships to address other critical issues like transportation linkages between residents and employment opportunities. To help target resources and develop effective infrastructure, land use, and worker-support policies, each employment district will require a menu of strategies and investments tailored to the opportunities they present.

## **CIVIC ENGAGEMENT FEEDBACK AND PUBLIC PERCEPTIONS**

- **Ensure economic development improves RESIDENTS' quality of life - BEYOND PROSPERITY AND INCOME ALONE**
- **Target industries that will provide jobs and also improve quality of life throughout the city: recycling, deconstruction, retrofitting/rehabbing/ weatherization, senior care & services, urban agriculture, clean/sustainable energy (solar, geothermal, wind)**

1

2

3

4

5

6

7

## SEVEN TRANSFORMATIVE IDEAS : FIVE IMPLEMENTATION STRATEGIES

C

**ENCOURAGE LOCAL  
ENTREPRENEURSHIP AND MINORITY  
BUSINESS PARTICIPATION**

As many Detroit leaders have recognized, growing the base of the city's entrepreneurs is a great opportunity for employment and wealth creation. Opportunities for the self-employed and small businesses are likely to increase over time: Nationally, employment growth has been fastest in those parts of the economy that serve local markets rather than national and international ("traded") markets. These opportunities will grow as consumers turn increasingly to local products and larger national and international companies continue to outsource secondary functions, such as building and facilities maintenance. These are significant but often overlooked opportunities. For example, the Local Business Services cluster ("Local B2B") in Detroit

**IMPLEMENTATION ACTIONS**

- 1 Promote short-term approaches to increase the number and success of MBEs and DBEs in the City.
- 2 Support the development of low-cost, shared spaces for clusters with high levels of self employment.
- 3 Provide young Detroiters with exposure to and experience in Digital / Creative and other new economy clusters.
- 4 Develop a comprehensive long-term strategy to increase and strengthen the City's MBEs.

employs about 25,000 people (including self-employed) and could employ thousands more if local demand for these services was met by Detroit-based companies. The opportunities that exist in Detroit today can support different forms of enterprise, self-employment, small business ownership, and scaling of existing businesses.

The local business clusters are also a good opportunity to diversify the city's base of businesses. Many of the opportunities in the local clusters do not require large amounts of start-up capital, yet offer proximity to a large and broad base of customers. Moreover, some of the infrastructure to support these initiatives has already been built. The Midtown educational and medical institutions are national leaders in identifying opportunities for local suppliers, and DEGC has started a multi-year Local B2B initiative to increase local opportunities in this cluster. Broadening and deepening existing efforts and identifying new opportunities could lead to the creation of thousands of jobs in the city.

"While everybody is looking at Detroit today and saying, 'Oh, thank God we are not Detroit,' I say many people in America are going to wake up 10 years from now surprised that Detroit is rewriting the new chapter of what an American city looks like."

Omar Blaik, Urban  
Development Expert



1

2

3

4

5

6

7

## SEVEN TRANSFORMATIVE IDEAS : FIVE IMPLEMENTATION STRATEGIES

D

IMPROVE SKILLS AND SUPPORT  
EDUCATION REFORM

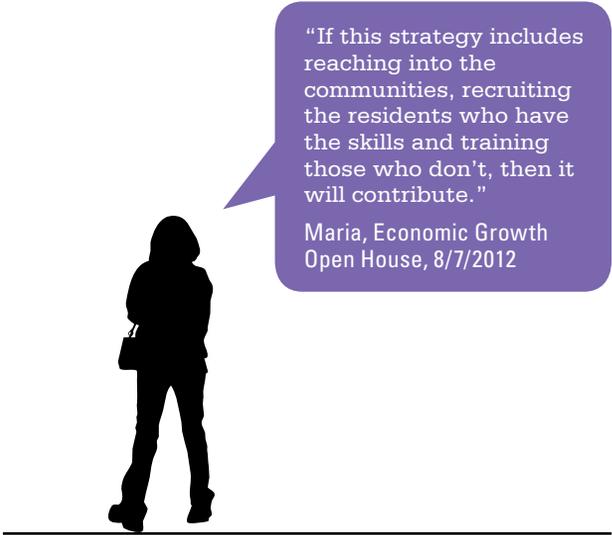
Skills building and education reform are key factors driving economic growth in Detroit. Even more important, they shape opportunity, incomes, and quality of life for Detroiters. Although the Framework does not discuss K-12 reform, the strategies here will complement K-12 improvement in the city's public schools by increasing high school graduation rates and improving the value of two-year degrees held by Detroiters; better linking the needs of employers with workforce training investments, a direction already underway among the city's workforce training providers and community colleges; increasing training opportunities for degreed Detroiters already in the workforce; developing strategies to address challenges faced by

## IMPLEMENTATION ACTIONS

- 1 "Hire Detroit": Strengthen local hiring practices.
- 2 Link workforce investments to transportation.
- 3 Coordinate workforce development best practices.
- 4 Revitalize incumbent workforce training.
- 5 Expand public-private partnerships for workforce development.
- 6 Commission a study to identify levers to improve graduation rates and poor labor market outcomes of Detroiters.

African American high school graduates nationally in securing full-time employment opportunities;<sup>8</sup> and in general, increasing overall opportunities for Detroiters by better linking residents to Detroit jobs as well as overcoming challenges with physical access to workforce opportunities by better aligning employment and training locations with residential areas in the city.

This approach attempts to increase the opportunities and means for Detroiters to improve their education and skills levels, then reward these investments with job opportunities, career paths, and higher wages. The approach recognizes that education and skills are the primary determinants of economic quality of life and must be matched with opportunities to utilize these skills and be rewarded.



“If this strategy includes reaching into the communities, recruiting the residents who have the skills and training those who don't, then it will contribute.”

Maria, Economic Growth Open House, 8/7/2012

---

Text Source: 8) Margaret Simms and Marla McDaniel, “The Black-White Jobless Gap,” *Philadelphia Inquirer*, September 5, 2010.


**SEVEN TRANSFORMATIVE IDEAS : FIVE IMPLEMENTATION STRATEGIES**
**E**
**LAND REGULATIONS, TRANSACTIONS,  
AND ENVIRONMENTAL ACTIONS**

The condition, location, and configuration of Detroit’s job-producing land presents many challenges that are critical to address in order to generate economic activity and jobs for all Detroiters. The regulation of land in employment districts can have far-reaching impacts, including blight reduction, improved safety, and ultimately a surge in private investment.

A critical opportunity lies in developing and popularizing organizational and funding mechanisms for “clean and safe” programs to dramatically improve the character and security of Detroit’s industrial and commercial zones and employment centers. Perception is reality, so focusing on the look and feel of key employment areas is essential to their success. Branding and character campaigns can also

**IMPLEMENTATION ACTIONS**

- 1 Create an industrial side-lot program.
- 2 Create a priority permitting process for employment districts.
- 3 Focus on land banking industrial and commercial property.
- 4 Identify alternative capital sources for real estate development.
- 5 Articulate a reverse change-of-use policy.
- 6 Create master-planned industrial hubs.
- 7 Address underutilization of industrial building space and land.
- 8 Address weaknesses in the local brokerage sector.

dramatically improve the allure of certain areas to specific economic clusters, while conceptual site and district planning exercises can help brokers and developers to concretely envision the potential of an area and plan for land assembly as appropriate. In addition, attention to the natural environment will create modern and green employment districts that improve the health of workers and nearby residents.

“Provide ‘turn-key’ start up food production and processing opportunities and housing opportunities that entrepreneurs could lease if successful.”

Economic Growth Open House,  
8/7/2012

“Focus on providing services and products for the needs [of] under resourced families. 1) Agriculture to provide food products. 2) Construction for low-cost efficient home ownership. 3) Deconstruction and reuse of materials from homes.”

Jeff, Economic Growth Open House, 8/7/2012





# FOUR KEY ECONOMIC GROWTH PILLARS

## THE IMPORTANCE OF THE FOUR ECONOMIC PILLARS

To provide a broader picture for Detroit's economic growth, the Framework relies on three sets of 20-year scenarios for the city's employment. The first scenario directly borrows SEMCOG's projections for Detroit, resulting in total city job growth of 1.5% over 20 years. The second scenario applies SEMCOG's growth rates for Wayne County to Detroit, resulting in about 4% job growth over the period. The third scenario applies projected U.S. growth rates to the city of Detroit, resulting in almost 20% job growth over 20 years, the equivalent of about 50,000 new jobs in the city. Just as important, in this scenario, job growth in the city keeps pace with that in the region and contributes to a more vibrant regional economy.

**LOCAL ENTREPRENEURSHIP** includes a range of potential transformative agendas including formalizing the informal sector; improving the economic lives of the self-employed by increasing their net wages and/or helping them to transition from self-employed to small business owner; and

aiding in business creation and expansion for Detroit's entrepreneurs and would-be entrepreneurs. One of the largest opportunities for entrepreneurs is in Local Business Services, i.e., "Local B2B," a broad category that captures the opportunity for small- and mid-sized local businesses to provide goods and services to other, usually larger businesses. Local B2B firms perform professional and support services like accounting, printing, and employee recruiting; local logistical services like short-haul trucking and courier services; and facilities management functions including security, janitorial, and landscaping services. Local B2B companies can be successful at many scales, including sole proprietorships and very small companies. There is a tremendous opportunity in this cluster today—Detroit currently has a Local B2B "gap" of about 10,000 jobs that could be supported by existing activity—and the cluster is expected to grow all across the United States in the next decade.

**EDUCATION AND MEDICAL**, also known as “Eds and Meds” or the “anchor institutions”, includes hospitals, health clinics, and health-related manufacturing like medical devices, as well as universities, community colleges, and some research organizations. Together, these organizations employ 50,000 people in Detroit, with concentrations of activity in the Midtown area and in the northwest around McNichols Road. In the city of Detroit, hospitals make up approximately 60% of the employment in Eds and Meds. Henry Ford Hospital is the largest with more than 10,000 employees. Detroit’s colleges, universities, and professional schools employ over 8,000 while educating 65,000 people per year. In addition, many of Michigan’s major universities now have Detroit offices or programs. Health-related organizations like home health care services and outpatient clinics also create large numbers of jobs.

**INDUSTRIAL** includes those clusters in which processing, assembly, manufacturing, repair, or distribution of physical goods is a central activity. A core set of industrial clusters is thought to drive to Detroit’s current and future economy: automotive; construction/demolition/engineering/repurposing (CDER); food; metals and machinery;

and transportation, distribution, and logistics (TDL). The physical transformation of the city will spur significant job and business growth in the CDER cluster and create additional opportunity in the food cluster as more land becomes available for productive use. Together, companies in these clusters employ 27,000 people in industrial activity in the city and thousands more in non-industrial positions. Many jobs in the industrial clusters do not require high levels of formal education but do pay above-average wages. There are three primary industrial areas—Dequindre/ Eastern Market, Mt. Elliott, and Southwest—and multiple secondary industrial areas.

**DIGITAL/CREATIVE** includes companies in Information Technology (IT) but more broadly, companies that use web-based technologies and platforms to deliver service. The Digital clusters are centered around a few large downtown companies that specialize in IT outsourcing for large corporate clients (GalaxE, Strategic Staffing Solutions, VisionIT) but also Quicken, a mortgage lending company that revolutionized the use of on-line platforms in consumer lending; and Crain Communications, which makes broad use of digital media. The downtown New Economy cluster is part of a larger regional cluster that includes the IT divisions of

global companies like General Motors and General Electric. Although still small relative to its potential, Detroit has one of the fastest-growing IT clusters in the country and is a key reason why the Detroit metro area led the United States in tech-related job growth in 2010. Detroit's creative cluster, which specializes in areas like design, advertising, and talent management, can be found in every part of the city but is most highly concentrated along the so-called Creative Corridor and in Northwest around McNichols Road.

KEY ECONOMIC GROWTH CLUSTER	CURRENT EMPLOYMENT*	PROJECTED GROWTH (2011-2020)	REPRESENTATIVE JOBS
<b>LOCAL ENTREPRENEURSHIP:</b> Local Business to Business (B2B)	23,000	13%	Accounting, landscaping, facilities maintenance, short haul trucking, wholesale activities, recruiting, and delivery
<b>TARGET INDUSTRIAL:</b> Automotive Food and Beverage (F&B) Metal Fabrication (MF) Transportation, Distribution and Repair (TDL) Construction, Demolition, Engineering and Repurposing (CDER)	32,000	13%	Assembly, fabrication, engineering, processing, packaging, trucking, rail operation, construction trades, management
<b>DIGITAL / CREATIVE:</b> Digital Industries (DI) Creative Industries (CI)	15,000	9%	Programming, engineering, industrial design, IT repair, web services, fashion, graphic design, arts
<b>EDUCATION &amp; MEDICAL:</b> Education Healthcare	59,000	13%	Teaching, administration, medical services, research, vocational training, dentistry, medical manufacturing
<b>PUBLIC ADMINISTRATION AND OTHER NON-PRIVATE EMPLOYMENT</b>	49,000	N/A	
<b>OTHER:</b> Retail Real Estate Finance	100,000	16%	Retail management and sales, stocking, headquarters activity, public service, nonprofit management

\*Includes private, non-private, and self-employment

Table Sources: Estimated by project team based on QWI, LEHD – On the Map, NETS, and Census Bureau Nonemployer Statistics, and BLS employment projections

## DETROIT AS A PERCENTAGE OF REGIONAL EMPLOYMENT



## DETROIT'S EMPLOYMENT CLUSTERS

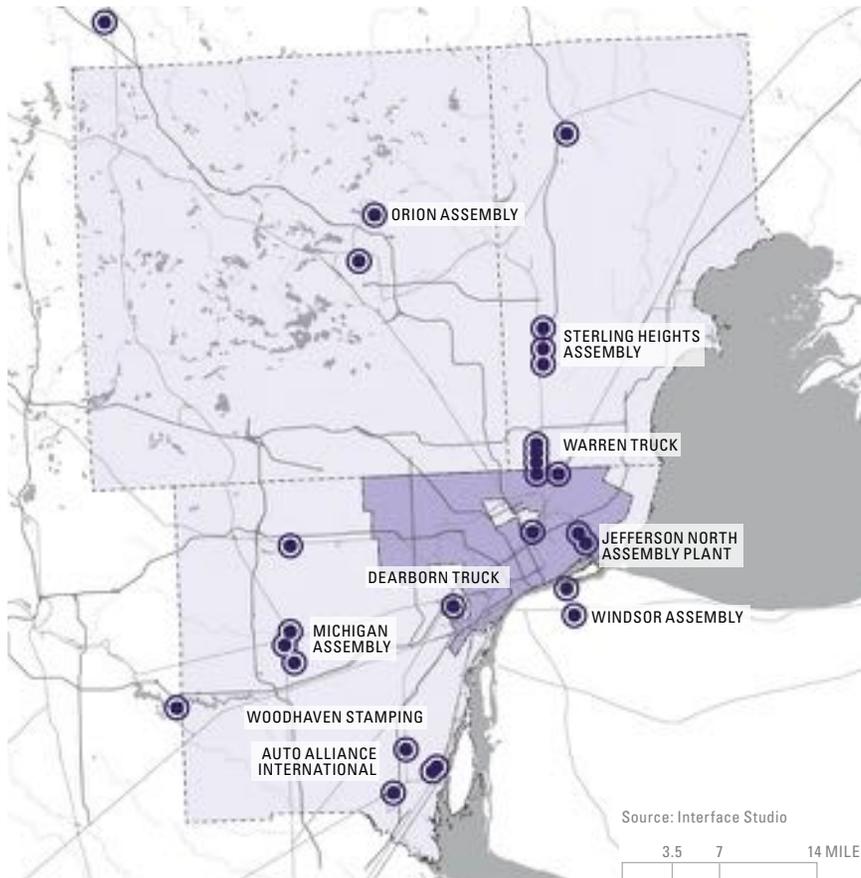


## REGIONAL AUTO ASSEMBLY

### REGIONAL AUTO ASSEMBLY

-  AUTO ASSEMBLY PLANTS
-  DETROIT
-  TRI-COUNTY AREA
-  COUNTY BOUNDARIES

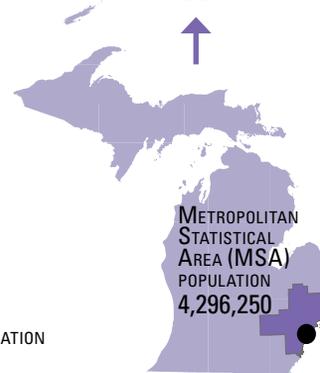
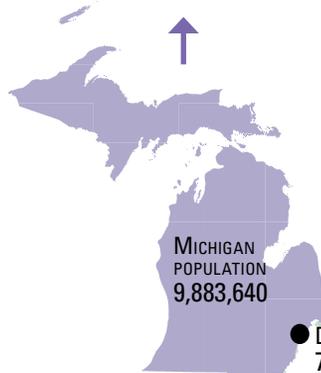
Detroit has been and continues to be the center of the industrial network in Southeast Michigan. The geographic location of the city at the center of the region and a larger international trade hub is a strategic asset that can be leveraged to revitalize Detroit's economy and increase opportunities for the city's residents.



## DETROIT POPULATION / NATIONAL INSTITUTES OF HEALTH (NIH) GRANTS

# 14%

DETROIT RECEIVES  
14% OF STATE'S  
NIH GRANTS



# 90%

DETROIT RECEIVES  
90% OF MSA'S  
NIH GRANTS

Data Sources: US Census 2010; National Institute of Health, Research Portfolio Online Reporting Tools; ICIC Analysis

Due to the strength of institutions in Detroit, the city receives a large proportion of the state's NIH Grants. This puts Detroit at the center of medical research for the Region with the city receiving 90 percent of grants by NIH in the metro area.

## FOUR KEY ECONOMIC GROWTH PILLARS: STRATEGIES

### A.1

#### ALIGN CLUSTER STRATEGIES WITH THE STRATEGIC FRAMEWORK

The city and regional economies are loosely organized into clusters with strong, but not always coordinated, local and regional intermediaries in the education, medical, creative, digital and food clusters; as well as some coordination of the traditional industrial clusters. This diverse set of organizations should create new strategies, or update existing ones, to reflect the priorities and actions in the Detroit Strategic Framework, which will the space for cooperation within and across clusters on common issues like workforce training, transportation, and security. Cluster organization and strategy development are perhaps the key mechanism for identifying areas of cooperation and investment that mutually benefit the city and regional economies and create strong and durable linkages between city and regional stakeholders.

Given the current citywide shortage of available, turnkey, low-cost space, each cluster strategy should include a real estate component that identifies real estate options, including shared-space options, for cluster companies and the self-employed. In addition, each cluster strategy should identify a portfolio of capital options for funding necessary real estate investments and business development and growth. In short, cluster leaders should look to cooperate with traditional and non-traditional capital sources to align resources with growth clusters and activities. Finally, each cluster strategy should outline a comprehensive approach for inclusion that ensures low-income and minority populations participate in and benefit from cluster growth.

## **A.2 ESTABLISH COLLABORATION WITH LABOR MARKET INTERMEDIARIES IN EACH ECONOMIC CLUSTER**

The profound changes in city and regional labor markets have been accompanied by a change in the workforce infrastructure and the role of various intermediaries. One of the key changes is the growing importance of temp agencies in identifying and placing potential workers. Temp agencies' role in placing workers in manufacturing and technology-related firms has expanded greatly in Detroit and nationally. Today, employers utilize temp agencies to screen for new hires that produce value in a short window of time. As such, cluster leaders should coordinate and create linkages between labor market intermediaries and the private sector in order to develop a Detroit labor pool that can produce short- and long-term value for companies. Detroit residents' placement into jobs will be enhanced through tighter linkages between temp agencies and traditional training intermediaries, and between the large suburban temp agencies looking for workers and the city residents looking for jobs.

### **IMPLEMENTATION ACTIONS**

- 1 Align cluster strategies with the Detroit Strategic Framework.
- 2 Establish cluster-based collaboration with labor market intermediaries.

		BUSINESS STRENGTH	LAND OPPORTUNITY <sup>3</sup>				
		DETROIT ECONOMIC ANCHORS	2010 ESTIMATED NUMBER OF BUSINESSES <sup>1</sup>	2010 ESTIMATED EMPLOYMENT <sup>2</sup>	VACANT (ACRES)	UNDER- UTILIZED (ACRES)	JOB CAPACITY AT VACANT SITES >1 ACRE
INDUSTRIAL	SOUTHWEST	Detroit Water and Sewerage, Detroit Intermodal Freight Terminal, Ambassador Bridge and Customs Complex Marathon Refinery	850	9,100	405	588	4,500
	MT. ELLIOT	GM Detroit Hamtramck Assembly Plant, I-94 Industrial Park, Detroit Chassis, Chrysler Axle, Chrysler Tool & Die, Cassens Transport	1,700	10,000	423	181	3,900
INDUSTRIAL / NEW ECONOMY	E. MARKET	Eastern Market, Russell Industrial Complex, Greater Detroit Resource Recovery Facility, Pepsi Bottling,  Wolverine Packing	650	4,400	307	42	4,600
	CORKTOWN	DHL, Michigan Avenue retail, Ponyride, UPS	750	2,600	124	8	1,600*

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010.; 3) Interface Studio, Detroit Industrial Land Use Inventory

Notes: \*Corktown statistic is only for the redevelopment of industrial vacant land.

DIGITAL / CREATIVE	DOWNTOWN	Quicken Loans/Bedrock, Renaissance Center, Comerica Park, Ford Field, MGM Grand, Cobo Hall, Riverfront, Municipal Center, Compuware, Blue Cross Blue Shield, GM Headquarters, DTE Energy, Greektown, Olympia Entertainment	7,150	61,400	N/A**	N/A**	N/A**
EDUCATION AND MEDICAL	MIDTOWN	Wayne State University, Tech Town, Henry Ford Health System, Detroit Medical Center, College for Creative Studies	3,400	50,900	N/A**	N/A**	N/A**
	McNICHOLS	Sinai Grace Hospital, WCCCD, Marygrove College, University of Detroit Mercy, Livernois Avenue retail	1,900	5,500	N/A**	N/A**	N/A**
INDUSTRIAL	SECONDARY	Legacy businesses in each district	1,850	11,600	683	372	8,200

Notes: \*\*Survey data on vacancies and underutilized sites are not available.

# **B USE A PLACE-BASED STRATEGY FOR GROWTH INVESTING IN EMPLOYMENT DISTRICTS**

Detroit was built around a diverse and distributed collection of employment corridors. Concentrations of large institutions, including universities and medical centers, formed in Midtown and along McNichols Road (6 Mile); and Downtown was built as a hub for business and entertainment. Industrial uses, long associated with Detroit's innovative spirit, were developed alongside the city's infrastructure networks (notably rail, the Port and, more recently, highways). Some formerly active areas of industrial employment have indeed experienced the worst of the city's decline. Fortunately, other areas remain strong today and provide the framing for creating concentrations of business activity. Detroit's established employment corridors, therefore, face very different futures.

The fundamental challenge for economic development strategy and growth is not a matter

## **IMPLEMENTATION ACTIONS**

- 1 Align public, private, and philanthropic investments in employment districts.
- 2 Develop detailed action plans for primary employment districts.
- 3 Encourage industrial business improvement districts (IBIDS).
- 4 Become a national leader in green industrial districts.

## **PRECEDENT**

- 1 Los Angeles Downtown Industrial District (LADID): Los Angeles, CA

## **PILOT PROJECTS**

- 1 Action Plans for Primary Employment Districts
- 2 Industrial Buffers

of the physical scale of the city, as is often claimed, but the lack of employment density. Attracting investors, new businesses, and employees to Detroit is now inhibited by physical deterioration, limited services, and aging infrastructure that comes with the reduction in the number of companies and employees in a given area. Similarly, potential public investments in key infrastructure like transportation are difficult to deploy efficiently because of the checkerboard pattern of business activity in the city. Detroit must strategically boost employment density to fuel economic growth and investment and provide targets and a rationale for public investments to strengthen the economy.

Based on the existing patterns of business activity, potential for future growth, location of key economic assets, and land availability and ownership patterns, three categories of employment districts have been identified. These include:

**CORE EMPLOYMENT DISTRICTS.** Seven employment districts across the city represent the best opportunities to leverage existing land and infrastructure and support sustainable economic development. Core employment districts are defined by the presence of significant economic anchors to build upon including major legacy businesses or

institutions, a diversity of economic activity, excellent infrastructure access, a recognized niche or brand that can help to attract additional businesses, and relatively vibrant existing employment activity. It is in these districts where focused and proactive public investment can have the greatest impact. Given their importance to the overall economic health of Detroit, core employment districts should be the target of efforts to assemble and redevelop land, improve and upgrade infrastructure; and test and develop initiatives designed to maximize private investment and improve workforce training. In an era of limited resources, Detroit's economic growth should be built upon the future of these districts.

**SECONDARY EMPLOYMENT DISTRICTS.** Not all existing economic activity occurs within the core employment districts. Other locations in Detroit provide valuable jobs, just not at the same density or scale as the core districts. These secondary districts represent many of Detroit's remaining industrial areas and are characterized by established industrial businesses but also higher vacancy rates. Due to the presence of larger tracts of vacant land, a few of these districts present some significant opportunities for redevelopment. However, due to location, infrastructure, and the level of investment needed to bring these sites to market, they have remained

vacant. While valuable to the city's economy, the secondary districts lack a distinct niche or marketing identity that could help to spur additional private investment, and—in a world of limited resources—should generally not absorb public or philanthropic dollars for new infrastructure or programmatic investments. The strategy for these districts should include maintenance of existing infrastructure, retention of existing businesses, and flexibility to allow public and philanthropic dollars to follow the lead in the event of large-scale private-sector investment.

**TRANSITIONING INDUSTRIAL DISTRICTS.** Some industrial land is no longer suitable for modern industrial use due to a combination of different factors including a high concentration of vacant land and buildings, buildable sites that are too small to attract investment, and poor truck or rail access. In a handful of cases, what was formerly industrial is now institutional or commercial, all but eliminating the likelihood of new industrial development. Like many cities, Detroit needs to change land use policy to enable a full transition of these unmarketable industrial areas to alternative uses as identified in the Land Use and Land and Building Assets Element chapters of this Strategic Framework.



## INDUSTRIAL

# SOUTHWEST

### CAPITALIZING ON INTERNATIONAL TRADE

#### DISTRICT VITALS

##### LAND AND INFRASTRUCTURE

SIZE (acres)	2,694
VACANCY (acres)	405
UNDERUTILIZED (acres)	588
% VACANT AND PUBLICLY OWNED	6%
INFRASTRUCTURE ASSETS	I-75, NS Container Port, Ambassador Bridge, Port of Detroit, Fort Street, DIFT Intermodal Hub
PLANNED INFRASTRUCTURE INVESTMENTS	Michigan Central Railway Tunnel expansion, DIFT expansion, New International Trade Crossing

##### BUSINESS AND ECONOMY

ECONOMIC ANCHORS	Refer to adjacent map
TOTAL NUMBER OF BUSINESSES <sup>1</sup>	850
CURRENT EMPLOYEES <sup>2</sup>	9,100
TYPES OF JOBS	Stock clerks and order fillers, truck drivers, first line supervisors and managers, carpenters, civil engineers, accountants

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



Source: DWPLTP Planning Team



### SOUTHWEST EMPLOYMENT DISTRICT

**ECONOMIC ASSETS AND OPPORTUNITIES**

- ▤ CORE EMPLOYMENT DISTRICT
- INDUSTRIAL ANCHOR / ASSET
- INFRASTRUCTURAL ANCHOR / ASSET
- ▨ POTENTIAL BUSINESS INVESTMENT OPPORTUNITIES

**NETWORK INFRASTRUCTURE AND OPPORTUNITIES**

- ← PROPOSED TRANSIT ROUTES
- ▨ FREEWAY CARBON FOREST
- ▨ GREEN INDUSTRIAL BUFFERS

“Don't pigeonhole other areas – people live in SW Detroit; it is a desirable place still for people to move... There's a place for both [industry and neighborhood amenities].”  
DWP Website, 8/2012



**DISTRICT VISION.** Southwest Detroit has unparalleled access to infrastructure and represents a signature opportunity for Detroit. Through investments to the area's port, rail yards, international crossings, and main streets, Southwest will be positioned to become the country's largest, non-coastal transportation, logistics, and distribution (TDL) hub and an integral node for national and international trade. Expansion of TDL operations will transform blighted land into jobs-producing assets that provide economic opportunity for Detroiters of all backgrounds and skill levels. To protect both industrial activity and the nearby communities, industrial land uses will be consolidated south of I-75 and around the proposed Detroit International Freight Terminal (DIFT). Landscape buffers will be created to reduce noise, visibility, and pollution impacts on nearby communities. A proposed ring-road that connects employment districts across the city as well as the Coleman A. Young Airport will help to fuel additional demand for TDL activities in Southwest from local businesses.

**DISTRICT DETAILS.** Southwest Detroit is a compact industrial corridor radiating from the Corktown neighborhood along the Detroit River on the south and along the rail corridor leading to the proposed Detroit Intermodal Freight Terminal (DIFT) on the

north. Nearby residential and commercial districts are located in Mexicantown, Hubbard Farms, Springwells, and Delray neighborhoods, along with major civic assets such as Historic Fort Wayne, and Riverside Park.

Southwest's unique concentration of industrial assets includes the newly expanded and consolidated DIFT and three international border crossings at the combined Ambassador Bridge / new Customs complex; the Michigan Central Railway Tunnel (slated for replacement); and the proposed New International Trade Crossing (NITC). These crossings supplement the major infrastructure assets: the Rouge and Detroit River Marine Terminals; access to I-75 and I-94, proposed rail track upgrades to West Detroit Junction; the reconstruction of southwest Fort Street and its River Rouge Bridge; and numerous freight rail hubs and drayage trucking links to the DIFT Southwest. Southwest is thus the ideal location for a range of industrial activity, including the region's only oil refinery (being upgraded to include "heavy crude" capability), a DWSD Wastewater Treatment Plant, the Detroit Produce Terminal, and two industrial parks: Springwells and the Clark Technology Park. The proposed infrastructure investments are essential for Southwest to reach its potential for economic growth, but only

if accompanied by complementary efforts to strategically assemble land that supports global trade and logistics activities. Although there are opportunities for redevelopment in the Springwells and Clark Technology Parks, the most promising assembly areas lie just west of the NITC project area in Delray, the area adjacent to the DIFT expansion, and the land around the Port of Detroit.

The TDL, automotive, and CDER clusters currently dominate the district with a mix of large operations and small- to mid-sized firms. Southwest is the second-largest industrial corridor in the city by employment, with more than 7,500 employees, and companies currently operating are able to add 3,000 more jobs.



**\$49B** IN TOTAL MERCHANDISE  
EXPORT VALUE IN 2011

**4TH** AMONG THE NATION'S  
METROPOLITAN STATISTICAL AREAS  
IN TERMS OF EXPORT VALUE



## INDUSTRIAL

# MT. ELLIOTT

## CREATING A MODERN INDUSTRIAL AND INTERMODAL FREIGHT DISTRICT

### DISTRICT VITALS

#### LAND AND INFRASTRUCTURE

SIZE (acres)	3,203
VACANCY (acres)	423
UNDERUTILIZED (acres)	181
% VACANT AND PUBLICLY OWNED	11%

**INFRASTRUCTURE ASSETS** I-94, Detroit North Rail Yard and Freight Rail, Coleman A. Young International Airport

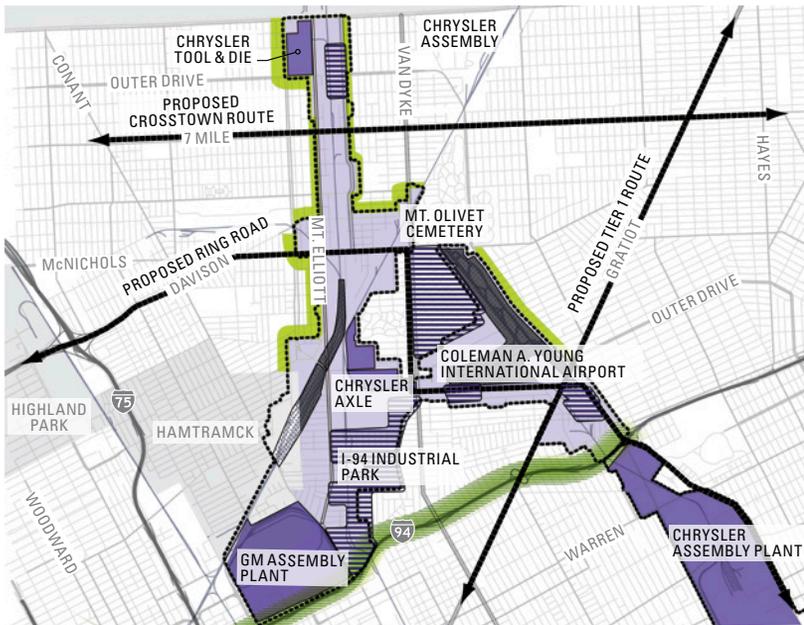
**PLANNED INFRASTRUCTURE INVESTMENTS** Coleman A. Young International Airport expansion, I-94 widening

#### BUSINESS AND ECONOMY

<b>ECONOMIC ANCHORS</b>	Refer to adjacent map
<b>TOTAL NUMBER OF BUSINESSES<sup>1</sup></b>	1,700
<b>CURRENT EMPLOYEES<sup>2</sup></b>	10,000

**TYPES OF JOBS** Assemblers and fabricators, machinists, truck drivers, accountants, civil engineers

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



Source: DWPLTP Planning Team



### MT. ELLIOTT EMPLOYMENT DISTRICT

- ECONOMIC ASSETS AND OPPORTUNITIES**
- ▤ CORE EMPLOYMENT DISTRICT
  - INDUSTRIAL ANCHOR / ASSET
  - INFRASTRUCTURAL ANCHOR / ASSET
  - ▨ POTENTIAL BUSINESS INVESTMENT OPPORTUNITIES
- NETWORK INFRASTRUCTURE AND OPPORTUNITIES**
- PROPOSED TRANSIT ROUTES
  - FREEWAY CARBON FOREST
  - GREEN INDUSTRIAL BUFFERS

“I am trying to work where I live and volunteer where I live: Van Dyke and Mt. Elliott, E. Seven Mile. I’d love to see both chain and local shops of all kinds on [these] corridors. Coffee shops, boutiques, restaurants with patios, pop-ups, retail, etc.”

Angie, Economic Growth Open House, 8/7/2012



**DISTRICT VISION.** The Mt. Elliott employment district was built around automotive and metals activity. The vision is to upgrade Mt. Elliott as an intense and attractive industrial area designed to accommodate modern, large-format industrial development; provide ample employment opportunities for Detroiters; and reinforce the region's role as a global hub for manufacturing. Expansion of the Coleman A. Young Airport will serve to support the local auto and metals industries but also provide additional opportunities in aerospace activities that align with many skills already in place to serve auto production. A new ring-road will connect this district directly with Chrysler to the south along with logistics activities, the Port, and the international crossing in Southwest Detroit.

The contraction of the auto industry in 2008-2010 set the stage for a new wave of growth and diversification in Mt. Elliott by opening up large tracts of land. The three largest land development assets in the corridor include the nearly complete I-94 Industrial Park, the large parcel vacancies centered on the former Chrysler Detroit Axle Plant and the Trident Huber site to the south, and the vast—and largely vacant—residential area between Forest Lawn Cemetery and the Coleman A. Young Airport. In

addition, with moderate land assembly efforts, four additional mid-sized parcels could be created out of current vacancies. With the resurgence of the auto industry and the assemblers' and suppliers' new and evolving research and training needs, this district can be positioned for innovative education and training facilities and can support smaller-scale tech center research and development for smaller and lower-tier suppliers.

**DISTRICT DETAILS.** The Mt. Elliott employment district runs from the center of Detroit north to the city limits at Eight Mile. It lies in the heart of the region's automotive manufacturing corridor that runs through the city and into the suburbs by way of the Chrysler Warren Truck Plant and the GM Powertrain and Tech Centers. Mt. Elliot is Detroit's manufacturing heartland and its potential is bolstered by its proximity to major infrastructure assets such as Coleman A. Young Airport, freight rail and rail yards, and direct access to I-94. The area is slated for further infrastructure investment in the form of rail improvements, bridge construction, and the widening of I-94 through the area to four lanes.

The automotive, metals, and TDL clusters dominate this district's economy, with large stakeholders

such as the GM Detroit Hamtramck Assembly Plant, Detroit Chassis, and Chrysler Tool and Die interacting closely with metal manufacturers, fabricators, and shippers. Mt. Elliott is the single largest industrial corridor in the city by employment—and the third largest industrial or non-industrial employment district in Detroit—with an estimated 10,000 employees within its boundaries as of 2010. Companies currently operating in the district are able to add 4,000 jobs.

**16K** 16,000 CHEVY VOLTS WERE SOLD  
IN THE FIRST 9 MONTHS OF 2012

**1ST** AMONG ELECTRIC CARS SOLD  
IN THE U.S.



## INDUSTRIAL AND CREATIVE

# DEQUINDRE/EASTERN MARKET

## ESTABLISHING A CENTER FOR FOOD-RELATED JOBS AND PRODUCTION IN THE REGION

### DISTRICT VITALS

#### LAND AND INFRASTRUCTURE

SIZE (acres)	1,130
VACANCY (acres)	307
UNDERUTILIZED (acres)	42
% VACANT AND PUBLICLY OWNED	8%
INFRASTRUCTURE ASSETS	I-94, I-75, freight rail, Dequindre Cut
PLANNED INFRASTRUCTURE INVESTMENTS	I-94 widening, Dequindre Cut Phase II

#### BUSINESS AND ECONOMY

ECONOMIC ANCHORS	Refer to adjacent map
TOTAL NUMBER OF BUSINESSES <sup>1</sup>	650
CURRENT EMPLOYEES <sup>2</sup>	4,400
TYPES OF JOBS	Packing and filling machine operators, assemblers and fabricators, advertising sales agents, lawyers

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010

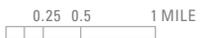


### DEQUINDRE / EASTERN MARKET EMPLOYMENT DISTRICT

- ECONOMIC ASSETS AND OPPORTUNITIES**
- ▤ CORE EMPLOYMENT DISTRICT
  - INDUSTRIAL ANCHOR / ASSET
  - INFRASTRUCTURAL ANCHOR / ASSET
  - ▨ POTENTIAL BUSINESS INVESTMENT OPPORTUNITIES
- NETWORK INFRASTRUCTURE AND OPPORTUNITIES**
- PROPOSED TRANSIT ROUTES
  - ▨ FREEWAY CARBON FOREST
  - ▨ GREEN INDUSTRIAL BUFFERS
  - DEQUINDRE CUT GREENWAY

“Eastern Market is a great example of a fresh & thriving market place, and more areas like it need to spring up throughout the city.”  
 Detroit 24/7, 5/2012

Source: DWPLTP Planning Team



**DISTRICT VISION.** Building on local assets, Dequindre/Eastern Market is envisioned as the center for food in Detroit and the region, with uses that support retail, wholesaling, packaging, and food/beverage processing. Investment will leverage this activity and grow additional food-related businesses. This district exhibits a visible connection to the land, with urban farms and the popular indoor/outdoor market that gives the district its name, where as many as 40,000 Detroiters come from across the city each week for locally grown produce and locally made food. Productive landscapes proposed to the east of the district provide the opportunity to create a full-year growing cycle, which would ensure Detroiters have better access to fresh food and feed the processing and packaging activities that provide the greatest number of jobs in the food cluster.

Eastern Market is an intense mixed-use district. Investments should seek to not only grow food cluster activities but also reinforce local retail and creative production. Above I-94, investments should continue to strengthen the auto cluster. Unlike other districts, Dequindre/Eastern Market will become a combination of Live+Make activities, light, and general industrial typologies.

New businesses focused on food and beverage processing and the expansion of existing facilities

should be a priority in this district. These activities should be linked to the expansion of local food production, as proposed in the Productive Landscapes typology in the Detroit Strategic Framework's Land Use Element. For the auto cluster north of I-94, the successful redevelopment of the American Axle site is key to the district's success. At nearly 170 acres, this sprawling complex actually includes a large area of vacant acreage that American Axle was "banking" for future development. The site could be redeveloped into a modern, multi-tenant industrial park.

**DISTRICT DETAILS.** The diverse corridor extending from Eastern Market on the south up through the freight rail node of Milwaukee Junction to the massive former American Axle site comprises the Dequindre/Eastern Market Employment Center. The district has good access to major highways (I-75, I-94) and perhaps most crucially, proximity to the innovation corridor in Midtown Detroit. On its south end, the corridor also abuts the Dequindre Cut Greenway, soon to be extended through Eastern Market to the north, which serves as an important and highly visible neighborhood and recreational amenity in Detroit. Phase II of this "rails to trails" conversion will lie cheek-by-jowl with active industrial uses, setting an important precedent for the mingling

of clean, low-impact modern industrial uses with recreational and residential priorities in Detroit.

This unique, mixed-sector corridor is currently dominated by several clusters, most notably food. The southern part of the district is anchored by the multitude of wholesalers, suppliers, and processors based in the Eastern Market, as well as a handful of large food-related plants, including Pepsi Bottling and Wolverine Packing. Near the intersection of I-75 and I-94 lies the Detroit branch of the Federal Reserve Bank of Chicago as well as a large collection of city industrial functions, including a DPS maintenance facility, the Greater Detroit Resource Recovery Facility, a Detroit Transportation Department yard, DTE's

Trombly Service Center, and the Detroit Household Hazardous collection center. Metals cluster activity is interspersed throughout this area and extending north to the former American Axle site. The district's Russell Industrial Center has become a hub for design, arts, artisanal craft activities, and entrepreneurs. With the closing of American Axle, employment in Dequindre/Eastern Market fell dramatically. As of 2010, there were about 6,000 jobs in the district and firm utilization rates were about 50%, largely because of the dramatic downsizing at American Axle.

**\$1.5B** DEMAND FOR FOOD IN DETROIT  
AMOUNTS TO **\$1.6** BILLION

DETROIT HAS ONE OF THE LARGEST AND HIGHEST-QUALITY  
WATER SYSTEMS IN THE **WORLD** TO SUPPORT



1.

Data Source: ICIC, et al., "Designing an Inner City Food Cluster Strategy," Submission to EDA, October 13, 2011

Image Source: 1) Marvin Shaouni



## INDUSTRIAL AND LOCAL ENTREPRENEURSHIP

# CORKTOWN

## A NEW ENTREPRENEURIAL DISTRICT

### DISTRICT VITALS

#### LAND AND INFRASTRUCTURE

SIZE (acres)	509
VACANCY (acres)	124
UNDERUTILIZED (acres)	8
% VACANT AND PUBLICLY OWNED	3%
INFRASTRUCTURE ASSETS	I-75, Ambassador Bridge, freight rail, Fort Street
PLANNED INFRASTRUCTURE INVESTMENTS	Michigan Central Railway Tunnel expansion

#### BUSINESS AND ECONOMY

ECONOMIC ANCHORS	Refer to adjacent map
TOTAL NUMBER OF BUSINESSES <sup>1</sup>	750
CURRENT EMPLOYEES <sup>2</sup>	2,600
TYPES OF JOBS	Laborers and freight, stock and material movers, stock clerks and order fillers, truck drivers, editors, advertising sales agents

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



Source: DWPLTP Planning Team



### CORKTOWN EMPLOYMENT DISTRICT

**ECONOMIC ASSETS AND OPPORTUNITIES**

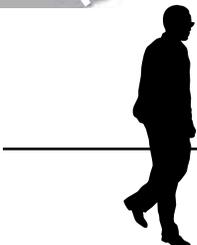
- ▤ CORE EMPLOYMENT DISTRICT
- INDUSTRIAL ANCHOR / ASSET
- INFRASTRUCTURAL ANCHOR / ASSET
- ▨ POTENTIAL BUSINESS INVESTMENT OPPORTUNITIES
- ▨ NEIGHBORHOOD INVESTMENT & STABILIZATION
- ARTS AND ENTERTAINMENT ASSETS
- CIVIC ASSETS

**NETWORK INFRASTRUCTURE AND OPPORTUNITIES**

- ← PROPOSED TRANSIT ROUTES
- ▬ FREEWAY CARBON FOREST

“...By creating concentrations of new industry and business entrepreneurship in community, we can make it easier to meet the needs of businesses and developers, employees. It possible present opportunities to use our vacant buildings in more productive ways.”

Economic Growth Open House, 8/7/2012



**DISTRICT VISION.** At the edge of Downtown, Corktown is envisioned as one of the City’s most desirable Live+Make neighborhoods. New small businesses and creative enterprises will mix with existing industrial uses to further attract both national and global talent. New housing and continued revitalization along Michigan Avenue will provide a walkable environment for businesses with new services, entertainment, and housing.

At the heart of Corktown’s future is a network of community leaders, volunteers, and business entrepreneurs who can undertake neighborhood improvements and reclaim vacant lots as productive community spaces. Such groups include the Corktown Historical Society, Greater Corktown Residents Council, Detroit Hispanic Development Corporation, Greater Corktown Development Corporation, Old Tiger Stadium Conservancy, the Roosevelt Park Conservancy, Most Holy Trinity Church, and The Greening of Detroit, among others. Corktown’s resurgence has attracted new businesses and entrepreneurs, and has gained momentum through the interest of funders and investors.

With existing companies operating close to capacity, additional employment in Corktown will come through the strategic repurposing of vacant buildings and new construction on targeted sites. Similarly,

with a housing shortage in the community, future growth of Corktown will be accommodated by the development of critical parcels of land currently held by speculators and other private land owners.

To realize this vision, investment should be coordinated closely with community leaders to promote new business and housing development. Initial investments should leverage projects and programs underway, including: the \$3.8 million federal earmark awarded to help redevelop the old Tiger Stadium; the Detroit RiverWalk, funded with over \$40 million to connect Corktown and the Ambassador Bridge to Belle Isle; and the recently established program to promote business in Corktown, funding up to \$50,000 or 25% of total development/capital improvements.

**DISTRICT DETAILS.** A National Register Historic District, Corktown is Detroit’s oldest neighborhood. Established by Irish immigrants in the wake of the Potato Famine of the 1840s, this once-industrial area is now home to key local and regional assets and popular eateries and shops, including Slow’s Barbecue, Honey Bee Market, and Mudgie’s Deli. Green spaces include Murphy Playlot and Roosevelt Park. Additionally, the Welcome Center and Mercado act as vital economic anchors in the neighborhood.

Corktown is convenient for freight and people alike, providing access to the Detroit riverfront, the International Ambassador Bridge, the International Michigan Central Railway Tunnel, and all major highways. MDOT has made streetscape improvements to make Corktown's retail district inviting for pedestrians and bicyclists.

Corktown is home to about 2,500 private-sector jobs, as well as thousands of public sector jobs, including public works employment, Wayne County Community College District (WCCCD) faculty and staff

jobs, and hundreds of local logistics jobs through major employer Penske Logistics and others. A 30,000-square-foot creative business incubator, Pony Ride, currently provides almost 20 creative firms with shared space at reasonable rents.

CORKTOWN IS HOME TO

**2.5K** JOBS IN A MIX OF LOGISTICS,  
CREATIVE ENTERPRISES AND RETAIL \*

**\$4M** HAS BEEN EARMARKED FOR  
REDEVELOPMENT EFFORTS, INCLUDING

THE FORMER TIGER STADIUM SITE \*\*



2.

Data Sources: \*2.5K stat from 2010 NETS; SEMCOG; QWL;  
\*\*[http://www.mlive.com/news/detroit/index.ssf/2011/08/old\\_tiger\\_stadium\\_conservancy.html](http://www.mlive.com/news/detroit/index.ssf/2011/08/old_tiger_stadium_conservancy.html)

Image Source: 2) Marvin Shaouni



## DIGITAL AND CREATIVE

# DOWNTOWN

## RECREATING DETROIT'S CITY CENTER AS AN INFORMATION TECHNOLOGY HUB

### DISTRICT VITALS

#### LAND AND INFRASTRUCTURE

SIZE (acres)	723
VACANCY (acres)	N/A (survey data on vacant and underutilized sites not available)
UNDERUTILIZED (acres)	N/A
% VACANT AND PUBLICLY OWNED	3%
INFRASTRUCTURE ASSETS	I-75, M-10, I-375, Woodward Avenue
PLANNED INFRASTRUCTURE INVESTMENTS	M-1 Rail

#### BUSINESS AND ECONOMY

ECONOMIC ANCHORS	Refer to adjacent map
TOTAL NUMBER OF BUSINESSES <sup>1</sup>	7,150
CURRENT EMPLOYEES <sup>2</sup>	61,400
TYPES OF JOBS	Computer programmers, computer support specialists, editors

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



### DOWNTOWN EMPLOYMENT DISTRICT

**ECONOMIC ASSETS AND OPPORTUNITIES**

- ▤ CORE EMPLOYMENT DISTRICT
- ARTS AND ENTERTAINMENT ASSETS
- EDUCATIONAL ANCHORS
- GOVERNMENT
- CIVIC ASSETS
- ECONOMIC ANCHORS
- INFRASTRUCTURAL ANCHOR/ASSET

**NETWORK INFRASTRUCTURE AND OPPORTUNITIES**

- ➡ PROPOSED TRANSIT ROUTES
- FREEWAY CARBON FOREST
- ➡ DETROIT PEOPLE MOVER

Source: DWPLTP Planning Team



“Young people are recognizing movement to the city and excited about coming downtown.”

Information Cluster Working Session, 5/3/2012



**DISTRICT VISION.** The seat of government for the City of Detroit and Wayne County, Downtown is already an important hub for employment and a symbol of Detroit. It is also a major convention and entertainment destination for the region, with a major convention center, the nation's largest automobile show, three sports teams, and casinos, along with other attractions. Downtown is poised to become the best location in the state for medium- and large-sized corporations, the center of the region's burgeoning digital/creative cluster, and a nationally known center for entertainment. Vacant buildings in Downtown, often characterized by striking architecture, will be rehabilitated and occupied with new creative, digital, and professional services companies. Light rail along Woodward will connect Downtown to other employment centers and services, while the Detroit River will continue to provide a unique asset for Downtown residents, workers, and visitors. Over time, new development will complement the existing Downtown fabric to fill in the gaps and create a mixed-use and flourishing city center.

This vision is already underway, with a surge in downtown employment as a result of major corporate relocations including Quicken Loans and Blue Cross Blue Shield. Recent investment includes a

public-private partnership to develop three historic buildings for mixed-use space in Capitol Park as well as the renovation of the historic Broderick Tower and David Whitney Building for residential reuse. Potentially the largest driver of the Downtown transformation is Quicken Loans' acquisition of over 2 million square feet of office space. Under the banner of Opportunity Detroit, Quicken Loans has successfully attracted a broad range of digital and creative entrepreneurs and start-ups, establishing the Downtown as a nationally and internationally recognized technology hub.

**DISTRICT DETAILS.** Downtown Detroit is a major employment center that enjoys a number of key regional and national assets, including the region's highest concentration of entertainment venue: Three professional sports stadiums, three full-service casinos, and the Detroit riverfront. As a National Register Historic District since 1978, the district includes over 50 Nationally Registered Historic Places, such as the Fox Theatre and Detroit Opera House. Downtown Detroit is the largest employment hub in the city of Detroit and among the largest in the region, with about 40,000 employees. Existing companies could add 11,500 jobs, suggesting that current companies have space to grow.

The digital and creative clusters are well-represented in this district, as are regional and global headquarters of large companies such as General Motors, Blue Cross Blue Shield, Compuware, Quicken Loans, and DTE. The headquarters activity is attracted to the availability of affordable and abundant Class-A office space. The high density of office jobs and close proximity to local retail amenities have created the conditions for intercompany cooperation and the branding of the area. Examples of collaborative efforts include the “WEBward Initiative” led by Quicken Loans and the “Outsource to Detroit” campaign by GalaxE Solutions.

**DETROIT IS RANKED**

**2ND**

**AMONG THE 100 LARGEST CITIES FOR  
GROWTH IN INFORMATION TECHNOLOGY  
BUSINESSES BETWEEN 1998-2009\***

**19M**

**VISITORS COME TO DOWNTOWN  
DETROIT EVERY YEAR\*\***



3.

Data Sources: \*ICIC SICE Database; \*\*Detroit Economic Growth Corporation

Image Source: 3) Marvin Shaouni



## EDUCATION, MEDICAL, DIGITAL, AND CREATIVE

# MIDTOWN

## BUILDING UPON LOCAL EDUCATIONAL, MEDICAL, AND CREATIVE INSTITUTIONS

### DISTRICT VITALS

#### LAND AND INFRASTRUCTURE

SIZE (acres)	1,534
VACANCY (acres)	N/A (survey data on vacant and underutilized sites not available)
UNDERUTILIZED (acres)	N/A
% VACANT AND PUBLICLY OWNED	6%
INFRASTRUCTURE ASSETS	1-75, M-10, 1-94, freight rail
PLANNED INFRASTRUCTURE INVESTMENTS	M-1 Rail / BRT, Midtown Shuttle

#### BUSINESS AND ECONOMY

ECONOMIC ANCHORS	Refer to adjacent map
NUMBER OF BUSINESSES <sup>1</sup>	3,400
CURRENT EMPLOYEES <sup>2</sup>	50,900
TYPES OF JOBS	Janitors and cleaners, secretaries, registered nurses, computer support specialists

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



Source: DWPLTP Planning Team



### MIDTOWN EMPLOYMENT DISTRICT

**ECONOMIC ASSETS AND OPPORTUNITIES**

- ⋯ CORE EMPLOYMENT DISTRICT
- ARTS AND ENTERTAINMENT ASSETS
- MEDICAL ANCHOR / ASSET
- EDUCATIONAL ANCHORS
- ▨ NEIGHBORHOOD STABILIZATION AND INVESTMENT

**NETWORK INFRASTRUCTURE AND OPPORTUNITIES**

- ➔ PROPOSED TRANSIT ROUTES
- FREEWAY CARBON FOREST

“ . . . there [has been] a culture shift in the university to recognize that Wayne [State University] and Detroit are linked.”

Education Cluster  
Working Session 5/2/2012



**DISTRICT VISION.** With an unprecedented level of public/private cooperation that builds on the local skills, resources, and knowledge base of the district's major institutions, Midtown serves as a national model for anchor-based revitalization in distressed urban areas. With the advent of the Henry Ford Innovation Institute and myriad collaborative ventures across the College of Creative Studies, Wayne State, and the medical institutions, Midtown has the potential to be a national model for innovation-based economic growth. The staging of tech-based growth companies and the creation of flex space to absorb second-generation growth from TechTown and the hospitals and universities will promote knowledge spillovers and fuel multiple scales of entrepreneurial activity—further leveraged by the proposed light rail system on Woodward Avenue and the Woodward Corridor Initiative, a collaborative effort between Midtown Inc. and Living Cities Integration Initiative to attract local residents and businesses.

Despite the positive momentum and national attention, barriers to this vision remain. Midtown is a very large district and, although many assets are in place, there is no real or symbolic center of activity. Places like TechTown need a recognizable, physical district to help attract and retain knowledge workers. There is also too little low-cost flex space for creative

firms. Targeted redevelopment activity is needed to support the small, creative and IT firms as well as B2B operations that support and serve the large local institutions like Wayne State University and Henry Ford Medical Center.

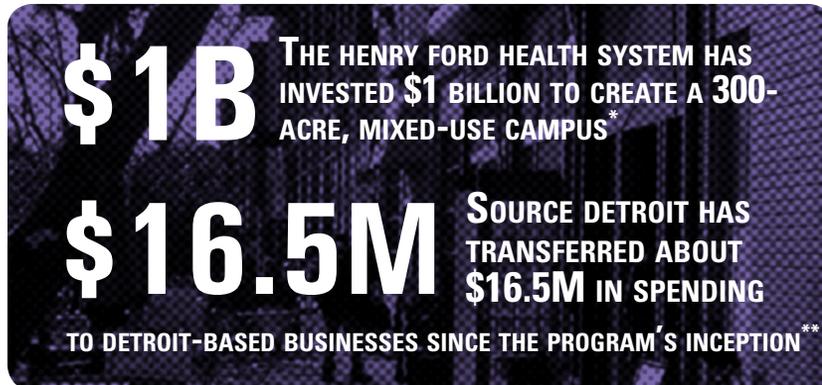
**DISTRICT DETAILS.** Midtown is comprised of the traditional Midtown, North End, and New Center neighborhoods. This district is home to a number of key regional assets, including four of the region's most celebrated hospitals that collectively represent 23,000 jobs; an agglomeration of post-secondary institutions; renowned Cass Tech High School; the Charles H. Wright Museum of African American History; the Detroit Public Library; community groups such as the Detroit Parent Network and Black Family Development; and three up-and-coming incubators that leverage Midtown's position as Detroit's core innovation corridor. The district also includes over 70 sites on the National Register of Historic Places, including the Detroit Institute of Arts (DIA), the Whitney Restaurant, and the world's largest Masonic temple, the Detroit Masonic Temple.

The education and medical clusters are the economic anchors in this district, while creative sector activity from organizations like Detroit Creative Corridor, TechTown, Museum of Contemporary Art Detroit (MOCAD), Detroit Symphony Orchestra (DSO), and

Mosaic Youth Theater are some of the most tangible representations of the broad set of skills in the city and region. Collaborative efforts include the \$93M “Bio-Tech Hub” led by Wayne State University with participation from the Detroit Medical Center (DMC) and Henry Ford Health System (HFHS); and Live Midtown—a wildly successful \$1.2M program that provides incentives for Midtown’s institutional employees to purchase, rent, or improve residential property in Midtown.

As the second largest employment hub in the city of Detroit, Midtown Detroit is also the fastest-growing non-industrial employment district. Existing

companies could add 16,000 jobs, suggesting that they have space to grow. Larger anchors are helping to give the area a facelift with DMC and HFHS planning to spend over \$1B in facility upgrades over the next few years. These anchors are also leveraging their balance sheets to build out facilities for suppliers and other complementary companies. One anchor institution recently agreed to build a \$25M medical warehouse to house supplies it uses regularly and plans to procure additional acreage in Midtown, where one-third of the available land is currently owned by the City.



Data Sources: \*Greene, Jay. "Henry Ford lands first tenant for health park in Midtown." *Crain's Detroit Business*. 03 June 2012; \*\*sourcedetroit.com



## EDUCATION AND MEDICAL AND CREATIVE

# McNICHOLS

## ESTABLISHING DETROIT'S SECOND EDS AND MEDS CORRIDOR

### DISTRICT VITALS

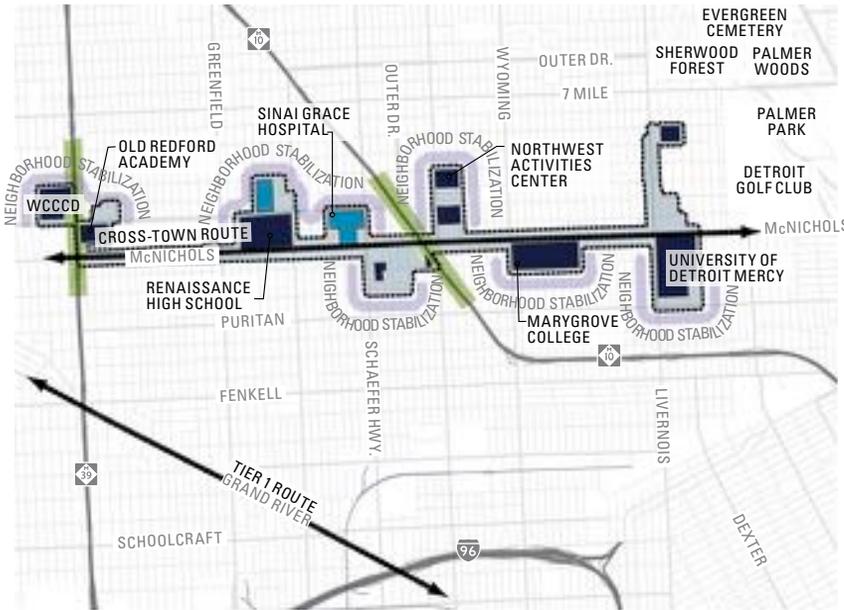
#### LAND AND INFRASTRUCTURE

SIZE (acres)	962
VACANCY (acres)	N/A (survey data on vacant and underutilized sites not available)
UNDERUTILIZED (acres)	N/A
% VACANT AND PUBLICLY OWNED	2%
INFRASTRUCTURE ASSETS	Southfield Freeway, M-10
PLANNED INFRASTRUCTURE INVESTMENTS	M-10 improvements

#### BUSINESS AND ECONOMY

ECONOMIC ANCHORS	Refer to adjacent map
NUMBER OF BUSINESSES <sup>1</sup>	1,900
CURRENT EMPLOYEES <sup>2</sup>	5,500
TYPES OF JOBS	Janitors and cleaners, security guards, secretaries, registered nurses, editors, post-secondary teachers, physicians and surgeons

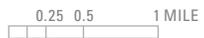
Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



### McNICHOLS EMPLOYMENT DISTRICT

- ECONOMIC ASSETS AND OPPORTUNITIES**
- ⋯ CORE EMPLOYMENT DISTRICT
  - MEDICAL ANCHOR / ASSET
  - EDUCATIONAL ASSET
  - ▨ NEIGHBORHOOD STABILIZATION AND INVESTMENT
- NETWORK INFRASTRUCTURE AND OPPORTUNITIES**
- ← PROPOSED TRANSIT ROUTES
  - FREEWAY CARBON FOREST

Source: DWPLTP Planning Team



**DISTRICT VISION.** The vision for McNichols is to connect its education and medical institutions, as well as creative enterprises, into a revitalized McNichols Road corridor that will serve as home to a mix of new small businesses, retail, and supporting services. While redevelopment and expansion opportunities are predominantly located within existing campuses, McNichols Road will serve as an attractive front door, improved to provide a unifying character and brand focused on Eds/Meds, creative businesses, and retail. Targeted investments will strengthen existing retail along Livernois Avenue and new programs will support housing and neighborhood stabilization around the district. The major employment opportunities, quality of the surrounding housing, and location near the city border position McNichols as an ideal district to attract new businesses or residents that may otherwise choose the suburbs. McNichols could also become the city's second key district for growth of creative firms.

Active partnership among the district's primary employers is necessary to enact this vision. Although large land holdings by Jesuit and other publicly minded organizations foster a well-kept, pastoral feeling in the district, McNichols is currently comprised of islands of major institutions that feel disjointed from one another, which inhibits efforts to

capitalize on this concentration of employment, pool money for improvements, or market the district and its services. The key to success for this district rests in the ability to tackle the nuts and bolts of revitalizing a commercial corridor to attract businesses, manage parking, and improve the physical character of McNichols Road (including improved lighting, sidewalks, landscaping, signage, and public art). The major institutions will need to develop a comprehensive strategy beyond the boundaries of any one campus to create a much-needed center of gravity, which will benefit them all by providing attractive options for faculty, staff, and students to live and play. Marygrove College and University of Detroit Mercy are positioned to lead this district forward, as Wayne State University is a leader in the revitalization of Midtown.

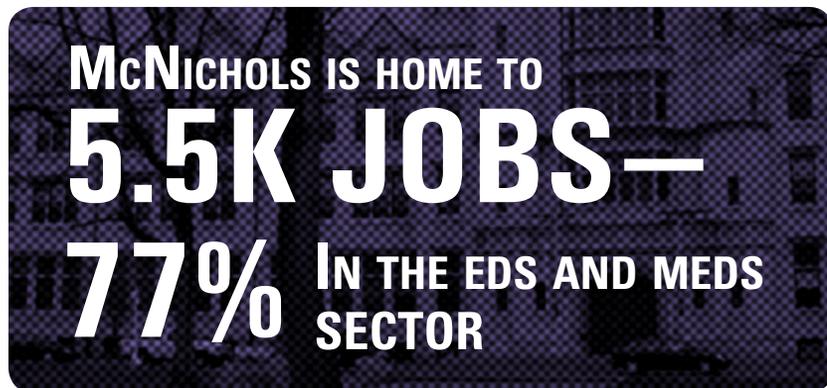
**DISTRICT DETAILS.** The McNichols employment district extends from Greenfield road to Woodward, (east and west), and from Puritan to 8 Mile, (north and south). Local assets include two turn-of-the-century post-secondary institutions that were historically the schools of choice for much of Detroit's homegrown talent; a 36-hole private golf course, designed by Scottish golf-pro Donald Ross with a clubhouse designed by famed architect Albert Kahn; a 18-hole public golf course; the Michigan State

Fairgrounds, a sprawling 160-acre site that was home to the oldest state fair in the United States. The district also boasts the most expansive concentration of high-quality housing stock in the city and a rich network of faith-based organizations who work with community groups to address neighborhood challenges and opportunities.

The Eds and Meds clusters contribute just under 65% of the economic activity as measured by employment. Sinai Grace, a Detroit Medical Center affiliate, recently began a \$77M renovation project. Additional large-scale activity can be seen in the District's unveiling of the 36-acre Gateway

Marketplace retail development. Local retail and personal services range from local restaurant gems like La Dolce Vita, home to Ronald Reagan's former personal Chef Matteo, to the Swanson Funeral Home, which has handled the "going-home" arrangements for everyone from Detroit Mayor Coleman Young to Rosa Parks. Local groups like University Commons are drafting strategic initiatives and building internal capacity to leverage dollars for economic development through programs like ReStore Detroit.

4.



5.

Data Sources: 2010 NETS; SEMCOG; QWI

Image Sources: 4) Dwight Burdette, Wikimedia Commons;  
5) Hamilton Anderson Associates

## EDUCATION &amp; MEDICAL AND CREATIVE

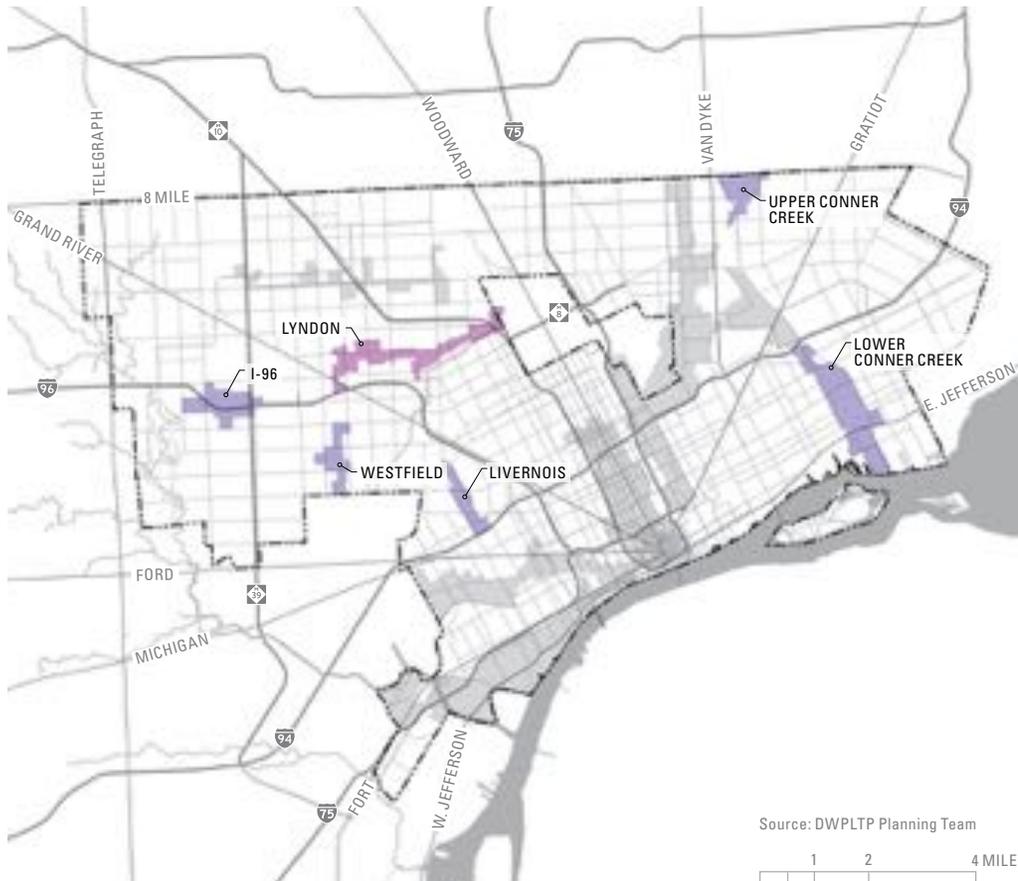
**SECONDARY EMPLOYMENT DISTRICTS****REINFORCING INDUSTRIAL JOBS****DISTRICT VITALS****LAND AND INFRASTRUCTURE**

SIZE (acres)	3,752 acres
VACANCY (acres)	683 acres
UNDERUTILIZED (acres)	372 acres
% VACANT AND PUBLICLY OWNED	6%

**BUSINESS AND ECONOMY**

NUMBER OF BUSINESSES <sup>1</sup>	1,850
CURRENT EMPLOYEES <sup>2</sup>	11,600
TYPES OF JOBS	Machinists, assemblers and fabricators, inspectors, testers, sorters, samplers, weighers, truck drivers

Table Sources: 1) NETS 2010 Estimates; 2) Private sector employment from QWI; non-private employment from LEHD—On the Map. Private sector employment was apportioned to districts using NETS data for 2010



## SECONDARY EMPLOYMENT DISTRICTS

- INDUSTRIAL
- INDUSTRIAL / CREATIVE
- PRIMARY EMPLOYMENT DISTRICTS

In addition to Detroit's primary Employment Districts there are six secondary Employment Areas. These areas are home to a wide range of employment opportunities and currently contain 1,850 businesses and 11,500 jobs.

Source: DWPLTP Planning Team



## INDUSTRIAL

I-96	WESTFIELD	LIVERNOIS	UPPER CONNER CREEK	LOWER CONNER CREEK	LYNDON
<p>Near Detroit's western city limits, this area is anchored by the CP Oak Yard, soon to be consolidated into the DIFT to the south, the Gateway Industrial Center on I-96, Sherwood Food Distributors, and a number of TDL, metal fabrication, and engineering companies. The most significant redevelopment opportunity here lies to the south of the CP Oak Yard and I-96 on the large site of the former Farmer Jack Distribution Center.</p>	<p>South of the freeway and east of the I-96 Employment Area, Westfield is centered along a north-south freight rail corridor anchored by PVS Nolwood Chemicals, the Westfield Industrial Centers, the Joy Road Distribution Center, and a number of other construction, chemical, metal fabrication, and TDL companies. A great deal of space is available in the Westfield Industrial Center, and to the north around the former Chrysler office complex at Plymouth and Freeland Streets.</p>	<p>Centered along a freight rail spur south of I-96 and north of I-94, the Livernois Employment Area is anchored by three large industrial users: the DTE Warren Service Center, Coca-Cola Bottling Plant, and ThyssenKrupp Steel Distribution Center, that receives and processes rolled and billet steel from the Port of Detroit bound for regional Auto cluster firms. Large and significant redevelopment and land assembly opportunities exist in the areas adjacent to ThyssenKrupp between Warren Ave and I-94.</p>	<p>One of the smallest Secondary Employment Areas, Upper Conner Creek is significant for its industrial anchors—the Chrysler Conner Avenue Assembly Plant, a DWSD Filter Station, and W Industries. In addition, Upper Conner Creek is located at the base of an extensive industrial corridor radiating north into Warren along M-97. A moderate redevelopment potential also exists around a land assembly opportunity at East State Fair and Hoover Streets.</p>	<p>Lower Conner Creek is a legacy industrial corridor anchored by the Chrysler Jefferson North Assembly Plant on Conner Ave and the Mack Avenue Engine Plant. Lower Conner Creek retains tremendous development and redevelopment potential in the form of the stalled Riverside Industrial Park, located between Jefferson and Freud Streets south of the Chrysler assembly plant, which is partially assembled and developed.</p>	<p>The Lyndon corridor is a unique and vibrant collection of smaller industrial companies from many different clusters that occupy the garages and shops of Lyndon Avenue from Livernois, west to Schaefer Hi ghway. The few larger anchor businesses in the area include DDOT's Coolidge Terminal, DTE MichCon Gas Company's Coolidge Station, and a Comcast Yard. A smattering of smaller redevelopment opportunities exist in Lyndon that would strengthen the corridor. The eastern portion of the corridor is anchored by Focus: HOPE, a multifaceted career training community advocate and industrial innovation center.</p>

## INDUSTRIAL/CREATIVE

**VISION.** In addition to Detroit’s primary employment centers, a number of peripheral nodes of industrial activity comprise a smaller, less intensive, but important set of secondary employment centers. As they contain many active and viable businesses that employ Detroiters, the vision is to stabilize and maintain these centers going forward. Each district offers potential development opportunities to further strengthen the city’s auto, metals, TDL, and CDER clusters if led by private interest and investment. Proposed investments in infrastructure include targeted industrial buffers to protect nearby communities promoted for stabilization and growth and a new ring-road designed to connect employment districts across the city with infrastructure assets in the Southwest.

**DETAILS.** These secondary employment centers are scattered across Detroit, primarily following highways and rail corridors. Four of these centers—I-96, Westfield, Lyndon, and Livernois—are located in northwest Detroit, while the remaining two—Upper and Lower Conner Creek—extend to the north and south of the Coleman A. Young Airport, respectively, on the city’s east side. Home to 1,850 businesses and a combined industrial employment of more than 11,500, these districts comprise a significant proportion of Detroit’s overall industrial activity.

At the root of an expansive and vibrant industrial corridor that extends west out of Detroit into neighboring Livonia and beyond, the four northwestern Secondary Employment Centers all lie within a short distance of I-96 and active freight rails. They contain a mix of cluster activities, from TDL uses—including an active intermodal yard that is currently being consolidated into the DIFT expansion in Southwest Detroit—to metal fabrication and CDER. These corridors historically contained many larger, rail-adjacent industrial properties which have become fragmented in the intervening years due to continuous subdivision. Many of the remaining properties are currently underutilized and these employment centers suffer from a lack of “critical mass” of industrial diversity or anchor activity. However, three of Detroit’s largest multi-tenant industrial buildings are located here. In contrast, Upper and Lower Conner Creek are driven primarily by auto cluster anchors, including the large Chrysler Jefferson North Assembly Plant in the south, and Chrysler’s Conner Avenue Assembly Plant in Upper Conner Creek near Eight Mile. These infrastructural and anchor assets underpin the redevelopment and intensification potential of these secondary employment districts.

## A PLACE-BASED STRATEGY FOR GROWTH: STRATEGIES

### **B.1** ALIGN PUBLIC, PRIVATE, AND PHILANTHROPIC INVESTMENTS IN EMPLOYMENT DISTRICTS

Employment districts provide targets for private, public, and philanthropic investments, including local and national philanthropy, and city, state, and federal government investments. By concentrating investments and economic activity, Detroit can create the economic density associated with more successful cities, and provide a framework for the effective and efficient allocation of public and philanthropic investments. For example, road funds can be strategically deployed to support employment districts; investments in and operation of public transportation can prioritize employment districts; and workforce and training facilities can be concentrated in neighborhoods and employment districts. One-stop centers in each of the primary employment districts could offer practical services

to working parents, such as high-quality daycare and help with applying for the Earned Income Tax Credit and other support for lower-income working parents. Funding for similar centers across the country has come from some combination of employment consortia and public and philanthropic funds.<sup>9</sup> Policy makers should focus on investing in infrastructure that guides public, private, and philanthropic investments to employment districts, tracks cumulative investments, and identifies and addresses any operational issues that arise. These district boundaries need to be formally adopted by relevant organizations and staffed with the appropriate internal capacity. The coordination of city and state investments is paramount. A formal mechanism for this coordination should be considered.

---

Text Source: 9) Karin Martinson and Pamela Holcomb, "Innovative Employment Approaches and Programs for Low-Income Families." The Urban Institute Center on Labor, Human Services, and Population. February 2007.

## **B.2 DEVELOP DETAILED ACTION PLANS FOR PRIMARY EMPLOYMENT DISTRICTS**

An important step is to develop detailed action plans and a prioritized list of actions and investments for specific land assembly opportunities, infrastructure investments, public realm improvements, and facilities to provide assistance with pre- and post-employment support for workers to address issues like transportation and childcare. Drawing on the data collected for the development of the Strategic Framework, as well as the work of entities working on the ground in these districts, the planning must rely on an active dialogue with existing businesses and adjacent communities to set priorities for actions and investments that will grow the base of economic activity in each district as well as opportunities for Detroit workers. The plans must strive to brand core employment districts with a clear identity that can be reinforced and marketed to prospective employers. For areas lacking a clear identity or requiring a change in direction to best leverage assets and business climate, the plans must detail necessary steps to reposition such districts.

## **B.3 ENCOURAGE INDUSTRIAL BUSINESS IMPROVEMENT DISTRICTS (IBIDS)**

Cities across the country utilize Business Improvement Districts (BIDs) to supplement city services and ensure an attractive and safe business environment through a nominal yearly tax. Detroit's industrial districts would greatly benefit from a similar approach. Led by local business representatives, an IBID would focus its activities on the needs of each specific district. Likely IBID activities would include improving safety, reducing blight, maintenance, coordinated marketing initiatives and offering shared services unique to local businesses, such as job training. An IBID would help to build business leadership across the city, and create a more secure environment in which to invest. BID legislation is in place; however, the process of organizing local businesses to create a BID is often a difficult challenge to overcome. A pilot IBID is needed to help demonstrate the benefits of this approach to businesses across the city. The pilot IBID should target an employment district with strong existing leadership willing to work with the public sector to enable the organization and establish its mission and activities.

## **B.4** BECOME A NATIONAL LEADER IN GREEN INDUSTRIAL DISTRICTS

A series of landscape initiatives can improve and integrate employment districts into the fabric of the city, boosting economic growth and improving neighborhoods. Currently, industrial areas and major transportation infrastructure (interstates and rail corridors) directly abut residential neighborhoods in many areas of the city. As a result, pollution, noise, and light/glare from industry and infrastructure threaten resident health and comfort. In particular, emissions from these land uses degrade air quality and contribute to a number of health problems for nearby residents, including cardiovascular, respiratory, and other diseases.

Industrial buffers, carbon forests, and setback requirements are proposed solutions aimed at reducing the impact of these uses on residential neighborhoods by cleaning air, reducing sound, blocking light/glare and providing a visual barrier. Specific strategies for these approaches are discussed in the City Systems, Land Use, and Land and Building Assets Elements of this Strategy.

**PRECEDENT****LOS ANGELES DOWNTOWN INDUSTRIAL DISTRICT (LADID)**

LADID is a 44-block industrial business improvement district administered by the Central City East Association. The district provides public safety, maintenance and trash services, and abandoned property removal.



6.

**PILOT PROJECT****ACTION PLANS FOR PRIMARY EMPLOYMENT DISTRICTS**

Utilizing the data collected through the Detroit Works process, detailed action plans should be created for each employment district. These plans will identify relevant land assemblies, infrastructure investments, and other public improvements may be needed.



7.

**PILOT PROJECT****INDUSTRIAL BUFFERS**

Industrial Buffers are forested areas that repurpose vacant land around industry to clean air, block light/glare, and provide a visual barrier for adjacent residential neighborhoods. Buffers also limit land use conflicts and create a more attractive, healthy business environment.



8.



“I can easily remember the busy restaurants and shops along Grand River...updated versions of those places are really important to creative and entrepreneurial work...need to be located all over the city, but especially in the targeted areas.”

David, DWP Website, 8/2012

## CIVIC ENGAGEMENT FEEDBACK AND PUBLIC PERCEPTIONS

- Relate economic development and land use: target different industries and businesses in different areas of the city
- Plan for and develop retail in certain areas – along commercial corridors
- Using existing buildings and infrastructure (convenience stores, etc.) to sell fresh/healthy food
- Update zoning codes to support small businesses (don’t “over-zone” for commercial, ensure residential zoning densities match/support nearby commercial or mixed use)

# C ENCOURAGE LOCAL ENTREPRENEURSHIP AND MINORITY BUSINESS OWNERSHIP

## EXPANDING OPPORTUNITIES TO CREATE NEW BUSINESSES

### C.1 PROMOTE SHORT-TERM APPROACHES TO INCREASE THE NUMBER AND SUCCESS OF MBES IN THE CITY

Successfully promoting minority business enterprises (MBEs) requires short- and long-term strategies. Short-term strategies should promote growth in sectors of the economy that serve local markets, have low capital requirements, or are known to have a strong MBE presence. These characteristics are prevalent in the city's Local B2B cluster, which should be an early target for MBE growth. In addition to increasing opportunities for MBEs, business and economic development organizations should create a specific toolbox to help MBEs to address financing and business development challenges.

### CIVIC ENGAGEMENT FEEDBACK AND PUBLIC PERCEPTIONS

- SUPPORT SMALL, NEW, AND RESIDENT-OWNED BUSINESSES
- Provide more resources for existing and small businesses via collaboration with and among universities, funding – e.g. grants and competitive tax breaks – at City, State, and Federal levels, and resources for specific types of businesses, e.g. Black-owned and home-based businesses
- Create a physical environment that makes it easy to operate a business (safe, clean, properly zoned, accessible)

Over the longer term, strategies must attempt to address the larger social and economic factors that curtail MBE creation and growth, including lower average personal wealth, less experience with family businesses, lower average education levels, and challenges with access to capital.

**C.2****SUPPORT THE DEVELOPMENT OF LOW-COST, SHARED SPACES FOR CLUSTERS WITH HIGH LEVELS OF SELF-EMPLOYMENT**

Detroit should develop new models of shared space for entrepreneurs and small businesses in clusters with high levels of entrepreneurship and for which there are currently few models that include local business services and construction. Like some of the shared and incubator models that exist, these spaces would provide small businesses and entrepreneurs with low-cost office space with shared services and access to relevant expertise, including cost estimation, contract negotiation, accounts receivable, and business development planning. Unlike most shared and incubator spaces, however, this concept would also provide areas for businesses to store equipment, tools, products, and so forth.

**IMPLEMENTATION ACTIONS**

- 1 Promote short-term approaches to increase the number and success of MBEs and disadvantaged business enterprises (DBEs) in the City.
- 2 Support the development of low-cost, shared spaces for clusters with high levels of self employment.
- 3 Provide young Detroiters with exposure to and experience in Digital / Creative and other new economy clusters.
- 4 Develop a comprehensive long-term strategy to increase and strengthen the City's MBEs.

**PRECEDENT**

- 1 Minority Business Enterprise-Focused Funding

## C.3

**PROVIDE YOUNG DETROITERS WITH EXPERIENCE  
IN DIGITAL/CREATIVE CLUSTERS AND THE NEW  
INNOVATION ECONOMY**

Business ownership tends to follow generational patterns: People with relatives who were entrepreneurs are more likely to own businesses and often have more tools to grow those businesses. Moreover, those who start businesses tend to concentrate in areas of the economy with which they are most familiar. In some cases, this can make it difficult for MBEs to break into some of the highest-growth, most profitable segments of the economy. To strengthen the number and performance of MBEs in the city, children and young adults without these advantages will need to be given a similar set of experiences and skills. A consortium of business leaders in digital and other sectors, Detroit schools, and the city's leading business incubators should work together to expose young Detroiters to employment and entrepreneurship in the city's high-growth Digital/Creative clusters.

The traditional clusters, like automotive and food, are also important not only for job growth in the city and region but for innovation to address national challenges. For example, Southeast Michigan was a global center for automotive research and

"Support small businesses with grants to get to the next level."

Planning Cluster-based Meetings,  
1/2011-3/2011

"We should have Detroit designated a regional center for the purposes of investor visas and encourage entrepreneurs from all over the world to come to Detroit to start businesses."

Richard, Planning Cluster-based Meetings,  
1/2011 - 3/2011



development even before the region's automakers recently agreed to double average vehicle fuel economy by 2025. Students in Detroit's high schools should be contributing to these goals and preparing for careers in the leading innovative segments of the economy. The public schools already offer specializations in most of the city's major economic clusters, and some of the programs work with businesses in the city and region. By more closely linking cluster development with the innovation pipeline and education reform, Detroit can create a national model while preparing its students to succeed in the new economy.

**C.4****DEVELOP A COMPREHENSIVE LONG-TERM STRATEGY TO INCREASE AND STRENGTHEN THE CITY'S MBES**

Detroit must develop strategies to increase the participation of minority populations in all modes of entrepreneurship, including self-employment, business ownership, and communal models such as cooperatives. Getting there will require a comprehensive strategy that addresses the particular opportunities and challenges facing MBE growth in the city of Detroit—such as the city's high rate of minority self-employment and its very low rate of graduation from self-employment to hiring employees. Where possible, a comprehensive strategy will need to address common challenges that face MBE development and growth as described above in Strategy C.1. Such a strategy should include a cluster-by-cluster assessment of opportunities and roadblocks to more and stronger MBEs in the city; assessment of the variety of models that promote

local and minority ownership of economic assets; and an assessment of the capital needs and challenges facing the city's MBEs. Some of the country's leading experts on MBEs are in Detroit's universities; their expertise should be tapped.

To help interested Detroiters transition from informal to formal activity will likely require a menu of strategies. Some Detroiters have been excluded from formal sector activity by strict licensing requirements for a range of occupations, an issue that has received attention at the state level. Michigan Department of Licensing and Regulatory Affairs recently proposed dropping licensing requirements associated with 18 occupations, although few seem to be in the occupations that have been identified by national groups as limiting options for lower-income workers.<sup>10</sup> However, a bill to loosen requirements for barbers was recently introduced in the Michigan House.<sup>11</sup> Detroit stakeholders could be important voices in policy discussions around occupational access for lower-income and populations.

---

Text Sources: 10) Turner, Mike, State Office of Regulatory Reinvention report: Deregulate 18 occupations, kill 9 boards," Detroit Free Press, April 16, 2012. Michigan Office of Regulatory Reinvention, "Recommendations of the Office of Regulatory Reinvention Regarding Occupational Licensing," February 17, 2012; Carpenter, Dick M., II, Lisa Knepper, Angela C. Erickson and John K. Ross, License to Work: A National Study of Burdens from Occupational Licensing, Institute for Justice, May 2012. 11) "2012 House Bill 5517: Repeal barber licensure mandate" on <http://www.michiganvotes.org/>

In addition to licensing, strategies to graduate informal workers into the formal sector and help the self-employed scale their businesses must address capital challenges and regulatory burdens. Increasing the availability of capital, especially micro-loans that small businesses often require, can create incentives for informal businesses to transition for formal activity and can provide the self-employed with needed capital to scale their activities.<sup>12</sup> Similarly, changes in the regulatory environment that reduce costs of registering or maintaining businesses can also foster formalization of activity. Finally, additional strategies must be employed to help those with criminal records, poor credit history, or other factors that create real or perceived barriers to licenses, capital, and other factors that contribute to entrepreneurial success.<sup>13</sup>

---

Text Sources: 12) Klapper, Leora, Raphael Amit, Mauro F. Guillén, and Juan Manuel Quesada, "Entrepreneurship and Firm Formation Across Countries," The World Bank, Development Research Group, Finance and Private Sector Team, Policy Research Working Paper 4313, August 2007; 13) Losby, Jan L., Marcia E. Kingslow, and John F. Else, "The Informal Economy: Experiences of African Americans," ISED Solutions, September, 2003.

## EXAMPLES OF DETROIT MINORITY-OWNED BUSINESSES BY ECONOMIC PILLAR

### LOCAL ENTREPRENEURSHIP

CAFÉ CON LECHE



9.

BOB'S CLASSIC KICKS



10.

NORAH'S VINTAGE LOFT



11.

G.R. N'NAMDI GALLERY



12.

DSE



13.

HONEYBEE MARKET



14.

GOOD GIRLS GO TO PARIS  
CRÊPES



15.

SPIRAL COLLECTIVE



16.

## INDUSTRIAL

## NEW CENTER STAMPING



17.

DISEÑOS  
ORNAMENTAL IRON

18.

## FUTURE NET GROUP



19.

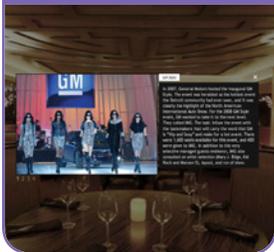
## OAKLAND STAMPING



20.

## DIGITAL / CREATIVE

## IGNITION MEDIA GROUP



21.

## REAL TIMES MEDIA, LLC



22.

## VELOCITY COW



23.

## ALTER EGO MANAGEMENT



24.

# **D** IMPROVE SKILLS BUILDING AND EDUCATION REFORM

## PREPARING THE WORKFORCE FOR A DIVERSE ECONOMY

The strategies for building skills aim at increasing skills and opportunities for Detroiters by improving access to training institutions, aligning training with cluster strategies, increasing the number of local opportunities, and addressing current roadblocks to training and employment, especially transportation.

### **D.1**

#### **“HIRE DETROIT”: STRENGTHEN LOCAL HIRING PRACTICES**

Shared prosperity will depend on the ability of Detroit residents to secure employment at the major institutions and corporations in the city, which will largely depend on a continued shift towards demand-driven models of workforce training. These must be accompanied by clear mechanisms for recruitment and hiring of Detroit residents, and even roundtable discussions with local employers regarding perceptions and misperceptions of Detroit workers and benefits of local hiring. The Midtown education and medical institutions are already at the national forefront of “hire local” efforts. Best practices include the following: targeting specific positions with the greatest potential for local resident recruitment and documenting education, training,

and experience requirements; developing screening and referral partnerships in the community and setting targets for local applicants to be interviewed and hired; creating strategies to retain and retrain incumbent workers through flexible scheduling and on-line training modules; and formulating incentives for managers to hire locally. These efforts should be scaled first within Midtown to organizations not currently involved, and then expanded citywide.

“The single most important thing the City can do is better workforce training.”

Entrepreneurs Working Session

“Most of the innovative entrepreneurship programs I am aware of are already here in Detroit (even national/international ones).”

Angie, Economic Growth Open House, 8/7/2012

“Help create a plan for building new, viable, self-sustaining communities of the future with an emphasis on changing the culture of our youth...by promoting the development of a community workforce that will help improve the quality of life for city residents within their neighborhoods and communities. The goal is to build healthy, strong, vibrant, self-sustaining neighborhoods and communities in Detroit.”

Ann, Planning Cluster Meeting, 2/5/2011



## D.2 LINK WORKFORCE INVESTMENTS TO TRANSPORTATION

Transportation accessibility remains a key issue for Detroiters looking for employment. Many of the city's households do not have access to private vehicles and public transportation options do not usually succeed in reliably linking Detroiters to employment centers. Over the longer term, these issues can be addressed through the development of employment districts and the alignment of new public transportation investments around them. In the shorter term, innovative public-private models must be explored. All workforce investments, especially for unemployed or lower-skilled workers, should be linked to a transportation solution.

Innovative models to better link workers and jobs have been successful in other cities. For example, the Lake Cook Shuttle Bug Program in Chicago is a public-private partnership that serves 1,300 riders per day by shuttling them from commuter rail stations to employers.<sup>14</sup> The program, which is currently funded by private employers and the

metropolitan transportation authorities, began with vans that brought employees directly from public transportation stops to work sites then expanded to buses as demand grew; this scalability makes it a good model for Detroit. Developing public-private partnerships to better link workers to employers in Detroit will be made more feasible by the strengthening of employment districts that better concentrate jobs in the city.

“Connect . . . transit lines with a much-expanded international airport hub. Build a big enough hub for Detroit and it will inevitably regain its massive export capacity. Watch the jobs pour in...”

John, Facebook Comment



Text Source: 14) Barbara Ladner, “Blending Public/Private Funding Sources for Employment Transportation.” Accessed at [http://joblinksencore.ctaa.org/presentations/panel\\_3](http://joblinksencore.ctaa.org/presentations/panel_3). June 2008.

### D.3 COORDINATE WORKFORCE DEVELOPMENT BEST PRACTICES

Workforce conditions and challenges in Detroit and the surrounding region are unique among American cities: The scale of job loss over the last decade is unparalleled, job sprawl is more pronounced than in any other region, and the returns on education appear to be low, especially for male Detroiters. The civic and philanthropic communities recognize that these unique conditions require innovation and experimentation. There is also recognition that sharing information and experiences is critical, yet stories exist about the replication of unsuccessful models. Stakeholders in workforce development need to double down on efforts to coordinate investments, share findings from innovation, and replicate successful models. Development and dissemination of a shared fact sheet on the Detroit workforce, hiring trends, and successful models can be used to track progress and develop the pipeline of talent to meet employer needs.

#### IMPLEMENTATION ACTIONS

- 1 “Hire Detroit”: Strengthen local hiring practices.
- 2 Link workforce investments to transportation.
- 3 Coordinate workforce development best practices.
- 4 Revitalize incumbent workforce training.
- 5 Expand public-private partnerships for workforce development.
- 6 Commission a study to improve graduation rates and poor labor market outcomes of Detroiters.

#### PRECEDENT

- 1 Focus: HOPE: Detroit, MI

## **D.4** REVITALIZE INCUMBENT WORKFORCE TRAINING

The greatest opportunity for changing the quality of life for Detroiters is to improve employment options, increase wages, and reduce commuting time for those who already hold jobs. Over 60% of Detroiters who hold jobs commute to the suburbs; of these, 40% make less than \$1,250 per month or less than \$15,000 per year. In other words, 25% of Detroit's working population faces long commutes for low wages. The majority of this group of Detroiters has at least a high school degree, and a significant segment has at least some college. By virtue of their employment status, many of these Detroiters already possess the so-called "soft" skills needed to find and secure employment.

For these workers, training to advance in their current jobs or secure better-paid employment is critical. Unfortunately, federal funds for incumbent workforce training have evaporated. Philanthropic funding can be aligned with cluster-based growth strategies to better leverage the existing pool of Detroit labor and talent. These funds are the key to the "forgotten middle" in Detroit's workforce.

## D.5 EXPAND INNOVATIVE PARTNERSHIPS FOR WORKFORCE DEVELOPMENT

Innovative partnerships have the potential to address challenging workforce issues. For example, the public-private partnership “Michigan Shifting Code” was launched in January 2012 by the Michigan Economic Development Corporation in order to address critical labor shortages in the areas of computer programming and information technology (IT)-related occupations. Designed as demand-driven training modules, each Shifting Code program responds to specific market needs by relying heavily on local IT employers in partnership with local community colleges. Public-philanthropic partnerships have also shown promise. The statewide “Earn and Learn” program works to place the chronically unemployed, including the formerly incarcerated, into long-term employment. The local partner, Southwest Solutions, aims to help over 1,000 metropolitan residents by the end of 2013. The city’s strong set of faith-based organizations (FBOs), which already contribute to community and economic development, can also be important partners in workforce development programs, especially for harder-to-serve populations such as the formerly incarcerated.

### PRECEDENT

#### FOCUS: HOPE

Focus: HOPE operates two flagship programs: the Machinist Training Institute and the Information Technologies Center, which have jointly trained and certified thousands of machine and CNC operators, and IT professionals in specific areas like network administration and small office operations.



25.

**D.6****COMMISSION STUDY TO IDENTIFY LEVERS TO IMPROVE GRADUATION RATES AND POOR LABOR MARKET OUTCOMES OF DETROITERS**

The strong correlation between educational attainment and future employment prospects highlights the need to better understand how to increase high school graduation rates, improve the quality of GED preparation, and address poor labor market outcomes for those with two-year degrees. Studies of GED recipients in recent years demonstrate that while they fare better in terms of college acceptance than those who drop out of high school, only 31 percent of them enroll, mostly in two-year colleges, and 77% percent of them last no longer than one semester. GED recipients who do not enroll in college tend to earn salaries on par with high school dropouts of similar ability.<sup>15</sup> The study

should also examine trends in high school graduation rates and in particular, the recent dramatic decrease in high school graduation rates of young black men in Detroit. Finally, the study should examine the relatively poor economic outcomes of Detroiters with two-year college degrees who, as a group, suffer from 16 percent unemployment and poverty rates of more than 20 percent, both well above the national average for Associate's degree holders.

---

Text Source: 15) Margaret Becker Patterson, Wei Song, and Jizhi Zhang. GED candidates and their postsecondary educational outcomes: A pilot study. Research Studies 2009-5, GED Testing Service, Washington, DC, December 2009. James J. Heckman, John Eric Humphries, Nicholas S. Mader, The GED, NBER Working Paper No. 16064, June 2010



"I believe that you can make a greater impact with job training and educating people of all walks of life."

Sonja, DWP Website, 8/2012



"Education is an economic tool. It is good business."

Nonprofit and Community Development Roundtable



"If you mention training on a lot of campuses there's a negative sentiment. But if you mention education there's a positive response. Are you training people to function in the work pool, or are you training people to be thinkers?"

Education Cluster Working Session, 5/2/2012

**PRECEDENT****43E EXPEDITED PERMITTING**

This Massachusetts program promotes expedited permitting of development projects on sites with dual designation as “Priority Development Sites.” The program requires permitting bodies to review and take final action within 180-210 days of receiving a permit application.



26.

**PILOT PROJECT****PRIORITY PERMITTING IN EMPLOYMENT DISTRICTS**

In cities and states across the country, priority permitting has been used as a catalyst in economic development. This approach would streamline the permitting process and create incentives to shift investment and development patterns towards these districts.



27.

**PRECEDENT****CLEVELAND INDUSTRIAL-COMMERCIAL LAND BANK**

This land bank allows the City of Cleveland to strategically assemble properties and create long-term economic and community investments. The City aggressively pursues assessments, acquisition, demolition, and remediation of identified properties.



28.

# E LAND REGULATIONS

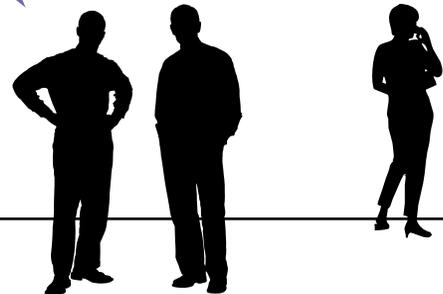
## ENCOURAGING PRIVATE INVESTMENT AND ENVIRONMENTAL ACTIONS

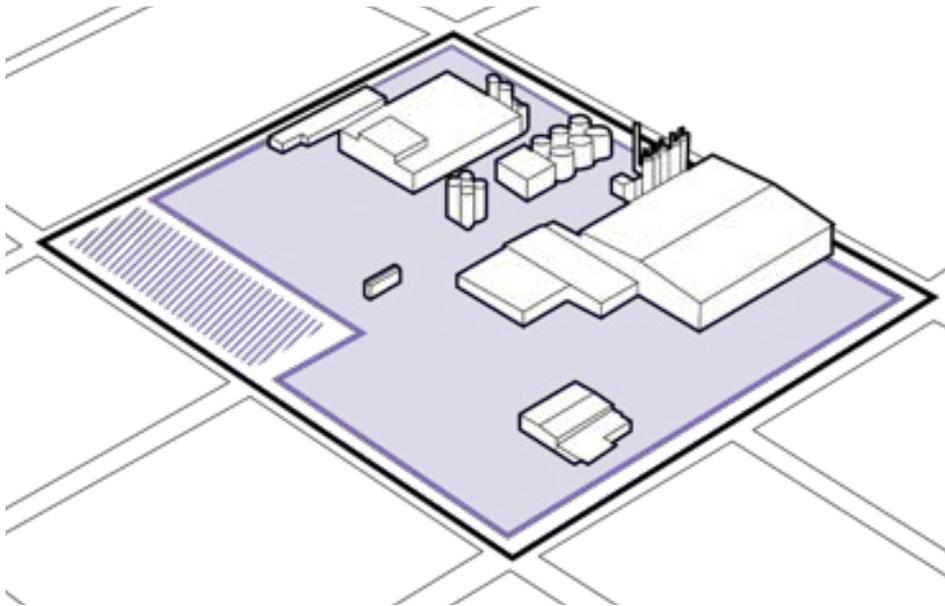
### E.1 CREATE AN INDUSTRIAL SIDE LOT PROGRAM

The vast majority of industrial vacancies are very small (under 1 acre) parcels, for which there are few industrial development opportunities in Detroit today. The goal of this program would be to dramatically reduce the number of these parcels. Modeled on the residential side lot approach, this program would transfer property rights of small (under 1 acre) industrial lots to an adjacent owner with the proviso that the lots be combined into one larger parcel.

“To help industrial development, there should be pre-assembled sites for development and obsolete/blighted structures torn down.”

For Profit Real Estate Developer and Broker Working Session, 1/27/2012





## INDUSTRIAL SIDE LOT PROGRAM

- ▭ COMBINED SITE
- LARGE SITE
- ▨ SMALL SITE

The vast majority of vacant industrial sites are less than one acre in size and have few prospects for redevelopment. Similar to the residential side-lot program, this program would transfer these small sites to the adjacent business.

Land regulation strategies recognize the key role that private markets must play in unlocking the city's potentially vast real estate assets. Unlike in residential areas, almost all of the jobs-producing land in the city, including the vast amounts of vacant and underutilized land, is held privately. With so few opportunities to date to assemble property directly from public agencies or land banks and limited resources to outright acquire private property, other strategies must be considered to affect change on stagnant, privately held commercial and industrial sites. Markets right now are locked because of speculation, the age and quality of the building stock, gaps between development costs and rents, and other financing challenges. Land regulations need to encourage the private market through a combination of strategic land assembly and consolidation where appropriate while also focusing on long-term management tools that provide healthy, safe, and attractive employment districts.

## **E.2** CREATE A PRIORITY PERMITTING PROCESS FOR EMPLOYMENT DISTRICTS

In cities and states across the country, priority permitting has been used to facilitate investments that will have significant economic development or community impacts. Detroit should adopt expedited permitting in employment districts. This approach would create incentives to shift investment and development patterns towards the employment districts and, by reducing construction time and risk, would increase overall investment in the districts and the city. Models for priority and expedited permitting, including pre-permitting, have been successfully utilized in Chicago, Washington, D.C., and at the state level in Florida, Massachusetts, New York, and Rhode Island.

## **E.3** FOCUS ON LAND BANKING INDUSTRIAL AND COMMERCIAL PROPERTY

Detroit must take the lead among cities in America's manufacturing heartland that have established a land banking process dedicated to the acquisition, assembly, and disposition of property for industrial and commercial development. The Detroit Land Bank Authority has substantial statutory powers to flexibly acquire and convey property. To date, land bank activities have focused on the challenges associated with vacant and tax delinquent residential property. An arm of the Detroit Land Bank Authority focused on industrial-commercial land would build upon these activities and serve to address the challenges associated with redevelopment within designated employment districts. Such a program, designed with DEGC, would allow the City of Detroit to proactively assemble and transfer properties to attract businesses and create long-term economic growth.

## E.4 IDENTIFY ALTERNATIVE CAPITAL SOURCES FOR REAL ESTATE DEVELOPMENT

Detroit is in desperate need of capital and subsidies for commercial and industrial building construction that New Markets Tax Credits (NMTC) provide. Nationally, 21 NMTC allocatees include Michigan in their service area but only one, Invest Detroit, is headquartered in the state of Michigan. An annual report and convening of NMTC allocatees would promote Detroit to non-Michigan organizations. In addition, the potential for philanthropic program-related investments (PRIs) in a Detroit-centric real estate investment trust (REIT) and solicitation of non-Michigan REITs should be explored.

“Detroit is a good place to own a business because of the opportunity, openness, and the spirit of the people. You can't do elsewhere what you can do in Detroit.”

Entrepreneurs Working Session



## E.5 ARTICULATE A REVERSE CHANGE-OF-USE POLICY

In many U.S. cities, a steady erosion of valuable industrial land has been underway through piecemeal conversion of formerly industrial parcels to commercial or residential uses. Detroit, however, is in the unique position of being able to rezone land for jobs producing uses in and around the city's most valuable jobs-producing areas. A clearly articulated reverse change-of-use mechanism should be established to effectively return vacant, abandoned or foreclosed residential or commercial properties adjacent to key employment centers to productive use. As a minimum threshold of properties is reached, such a mechanism could be utilized by the city or land bank to extend adjacent productive land use and zoning designations to the target properties. Long term, the future land use map proposed in the Land Use element chapter identifies and recommends converting formerly commercial and residential lands to industrial zoning in areas that have the greatest potential to create new job and business growth.

## E.6 CREATE MASTER-PLANNED INDUSTRIAL HUBS

The most innovative trend in industrial development in recent years has been the emergence of holistic, master-planned industrial hubs such as Supplier Parks, Inland Port developments, Distribution Parks, Workforce Development Hubs, and Eco-Industrial Centers. Such developments often concentrate synergistic industrial activities in close proximity, providing many benefits to tenant companies and clients (including large manufacturers), including closer supply-chain integration, shared services, and more effective innovation and product development. As such, these developments offer major competitive advantages over traditional, dispersed, industrial development models. The feasibility of specific applications within the City of Detroit should be explored in detail.

### PRECEDENT

#### **VOLKSWAGEN CHATTANOOGA SUPPLIER PARK**

Volkswagen's new supplier park is key to powering the success of the Chattanooga assembly plant. Once completed, seven VW supplier companies will assemble parts and ready them for use in the park. Five hundred new jobs will also be created.



29.

## E.7 ADDRESS UNDERUTILIZATION OF INDUSTRIAL BUILDING SPACE AND LAND

Many industrial buildings and sites are simply underutilized, with too few workers given the building and parcel size and location. These are generally the result of long-term employment loss that leaves companies with only a fraction of the company's peak-level workforce. Companies suffer because of the high space and utility costs they must

absorb; growth in the city is stifled because these large sites are not available for more productive use. This program would evaluate potential strategies to create a market for subletting unused space to smaller companies and entrepreneurs and in extreme cases, to “right size” companies by moving them to smaller sites in the city.

### EMPLOYMENT DENSITY

HISTORIC EMPLOYMENT DENSITY



5 EMPLOYEES PER ACRE

CURRENT EMPLOYMENT DENSITY

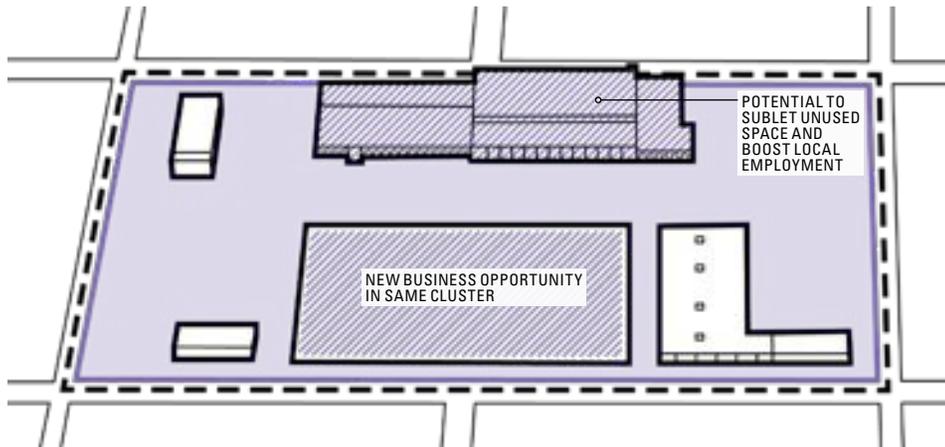


3 EMPLOYEES PER ACRE

# 60% UTILIZATION RATIO

Many industrial sites are underutilized and could accommodate many additional jobs.

Data Sources: Interface Studio



### UNDERUTILIZED FACILITY

- COMBINED SITE
- LARGE SITE
- ▨ SMALL SITE

The challenge of underutilized land requires a long-term initiative designed to boost employment at existing firms. This example demonstrates a common condition: underutilized facilities that used to employ many more Detroiters.

## **E.8 ADDRESS WEAKNESSES IN THE LOCAL BROKERAGE SECTOR**

As in many cities with dramatic employment loss, Detroit suffers gaps in local business services. In residential real estate, few brokers focus on Detroit, but several strong existing organizations with deep knowledge of the city could be tapped to expand into residential services. In commercial/industrial real estate, an entire regional infrastructure exists but there is too little incentive to show Detroit properties given the glut of space in the region. The Framework recommends working with key downtown organizations to develop programs to strengthen and coordinate information about residential real estate options and the development of an incentive pool to encourage commercial/industrial brokers to show Detroit properties.

### **IMPLEMENTATION ACTIONS**

- 1 Create an industrial side lot program.
- 2 Create a priority permitting process for employment districts.
- 3 Focus on land banking industrial and commercial property.
- 4 Identify alternative capital sources for real estate development.
- 5 Articulate a reverse change-of-use policy.
- 6 Create master-planned industrial hubs.
- 7 Address underutilization of industrial building space and land.
- 8 Address weaknesses in the local brokerage sector.

### **PRECEDENTS**

- 1 43E Expedited Permitting: Massachusetts
- 2 Cleveland Industrial-Commercial Land Bank: Cleveland, OH
- 3 Volkswagen Chattanooga Supplier Park: Chattanooga, TN

### **PILOT PROJECTS**

- 1 Priority Permitting in Employment Districts
- 2 Industrial Side Lot Program