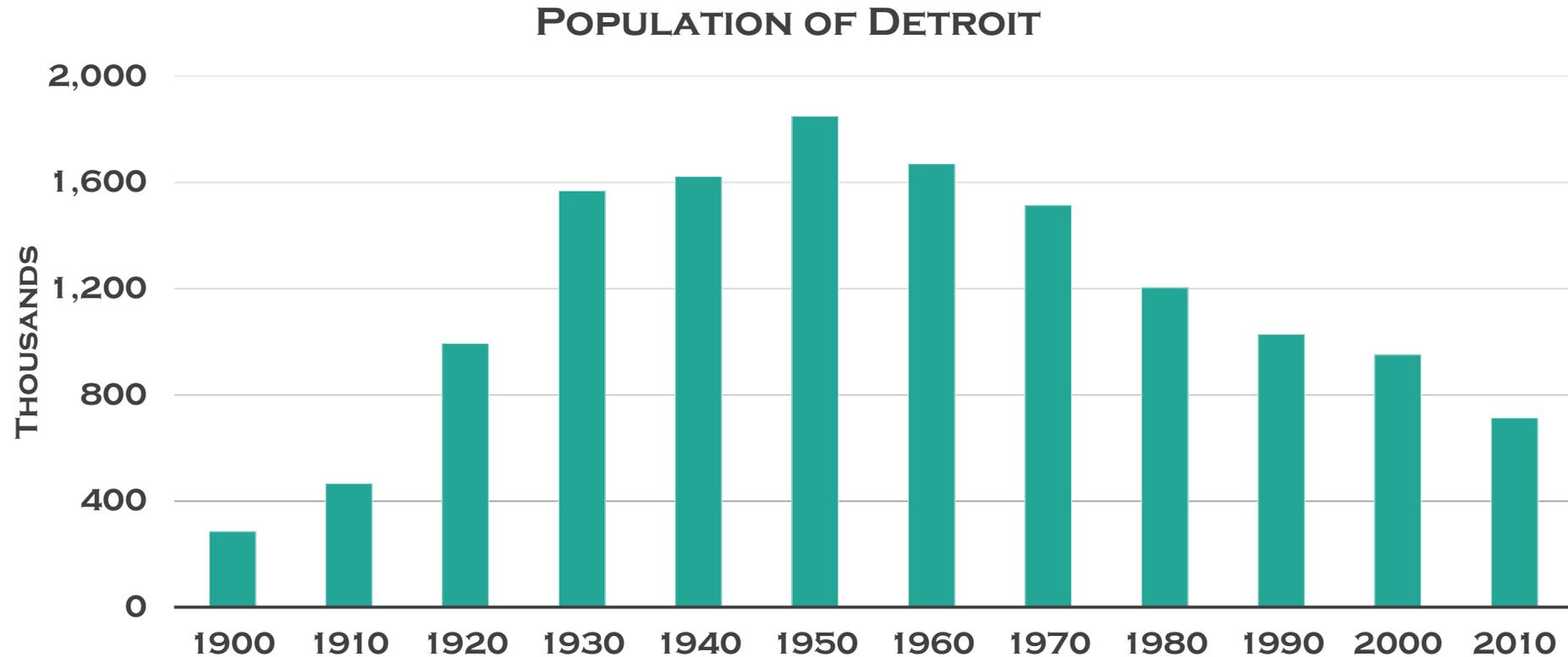


Will You Have a Role in Detroit's Future? The Next 5 Years

Mike Duggan
Mayor, City of Detroit
May 30, 2019



Detroit Population: 1900 to 2010



Detroit grew to the 4th largest city in the U.S. in 1950
and has shrunk to the 23rd largest today

Half of the City's streetlights were out



1/3 of the City buses broken down in DDOT Garages



Cars frozen in the streets...



...from 100s of water main breaks



40,000 Abandoned houses defined a blight-ridden city





The plan for Detroit's recovery had 3 distinct steps

1. Dramatically improve City services and finances to stop the exodus of people and businesses
2. Remake the physical appearance of the City by removing blight, recreating beautiful parks and building modern streetscapes
3. Identify Detroit's competitive advantages and use them aggressively to attract residents and businesses

All of this gets much easier if the financial burden of car insurance is removed from Detroit residents

Thank you to Governor Whitmer, Majority Leader Shirkey, Speaker Chatfield... and Dan Gilbert for finally getting No Fault reform passed



Step 1: Before we could start on a strategic plan, we had to prove we could deliver basic City services



We added repair crews,
fixing water main breaks immediately



We put 80 new buses on the roads and added 2,000 new trips a week



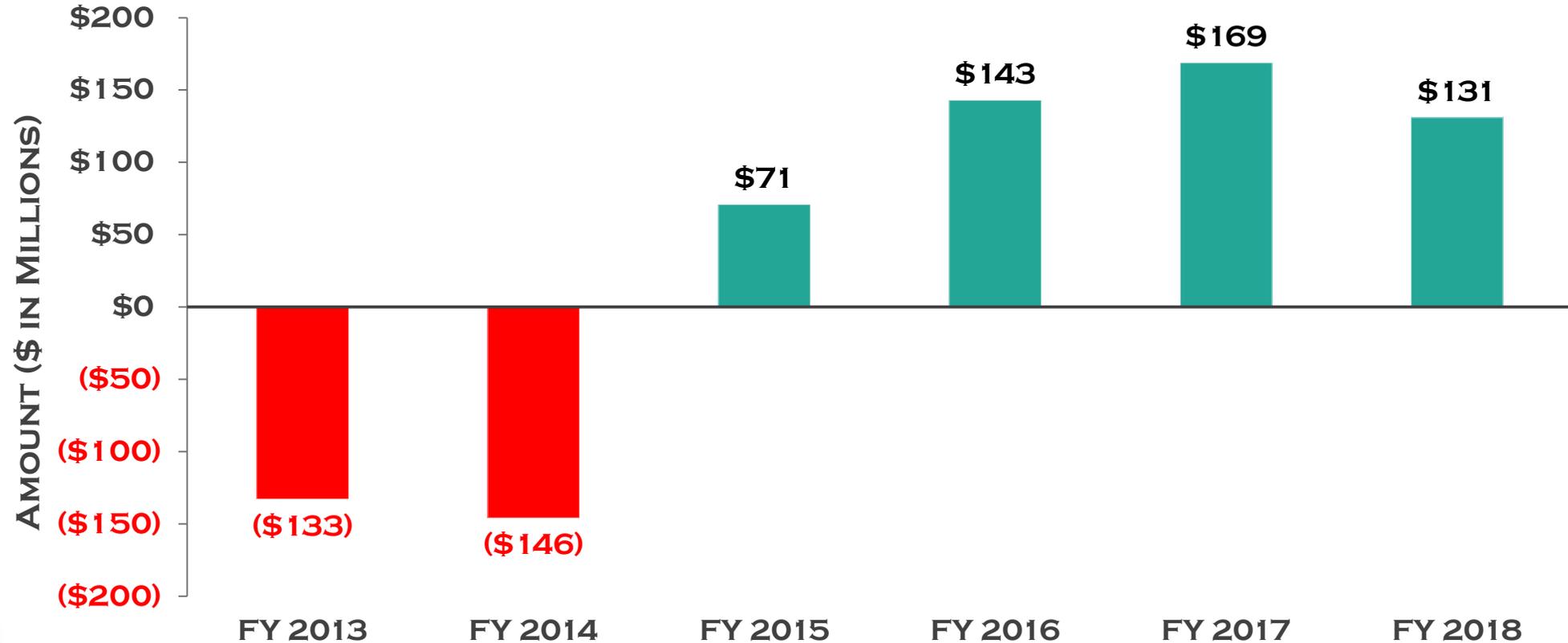
Installed 65,000 new streetlights in less than 3 years



We're now delivering balanced budgets year-after-year



UNASSIGNED FUND BALANCE (DEFICIT)



Audited FY 2017-18 Financial Results

Step 2: Blight removal in Detroit had failed for decades because it lacked a systematic plan



The New York Times

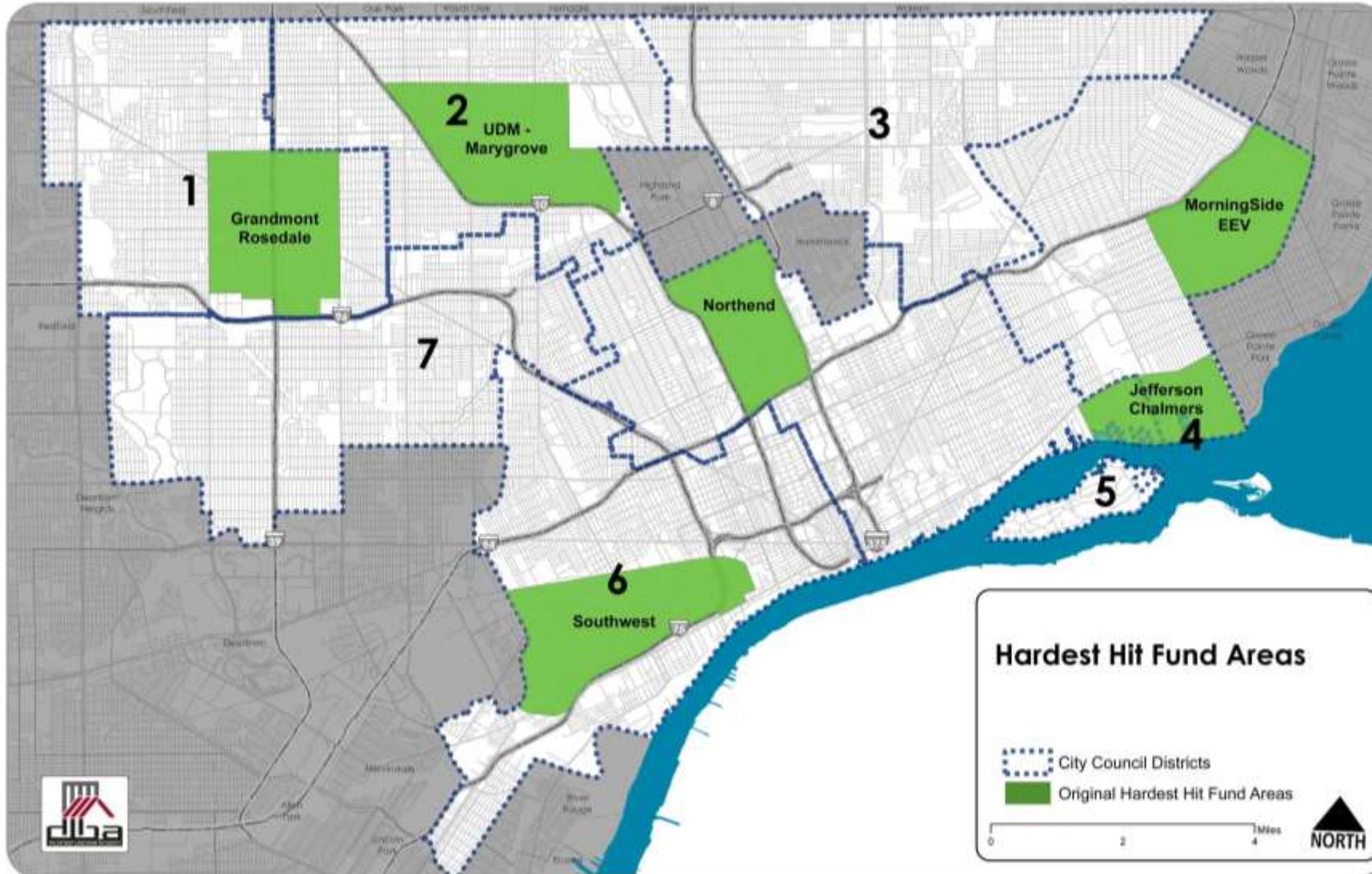
*Detroit Urged to Tear
Down 40,000 Buildings*



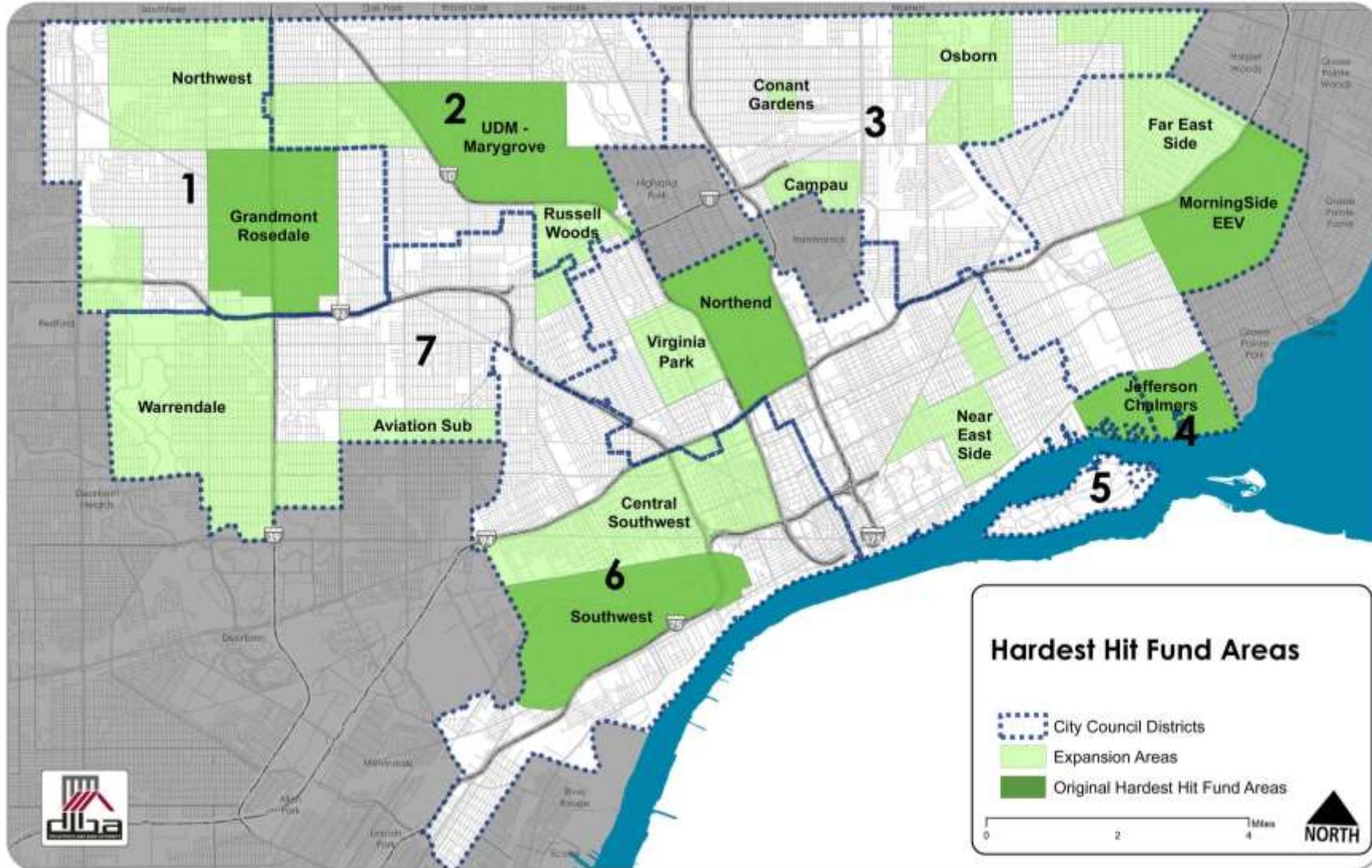
**Contractor demolition capacity is 3,000-4000 houses a year –
That meant it would take 10-12 years to remove them all**



We made the hard decision to concentrate demolition, prioritizing 5 strong neighborhoods in April, 2014



In late 2014, expanded zones to neighborhoods 90% occupied



As property values climbed in neighborhoods with demolitions, we opened a website auctioning the solid houses



\$31100

📍 5266 Grayton
SALE DATE: 05/15/2014

1,500 FT² 3 BED 1.5 BATH



\$27300

📍 5500 Kensington
SALE DATE: 05/14/2014

1,800 FT² 3 BED 1.5 BATH



\$35800

📍 5109 Kensington
SALE DATE: 05/13/2014

1,800 FT² 3 BED 1.5 BATH



\$42100

📍 4356 Harvard
SALE DATE: 05/07/2014

1,200 FT² 3 BED 1 BATH



\$30100

📍 4335 Bishop
SALE DATE: 05/06/2014

1,500 FT² 3 BED 1.5 BATH

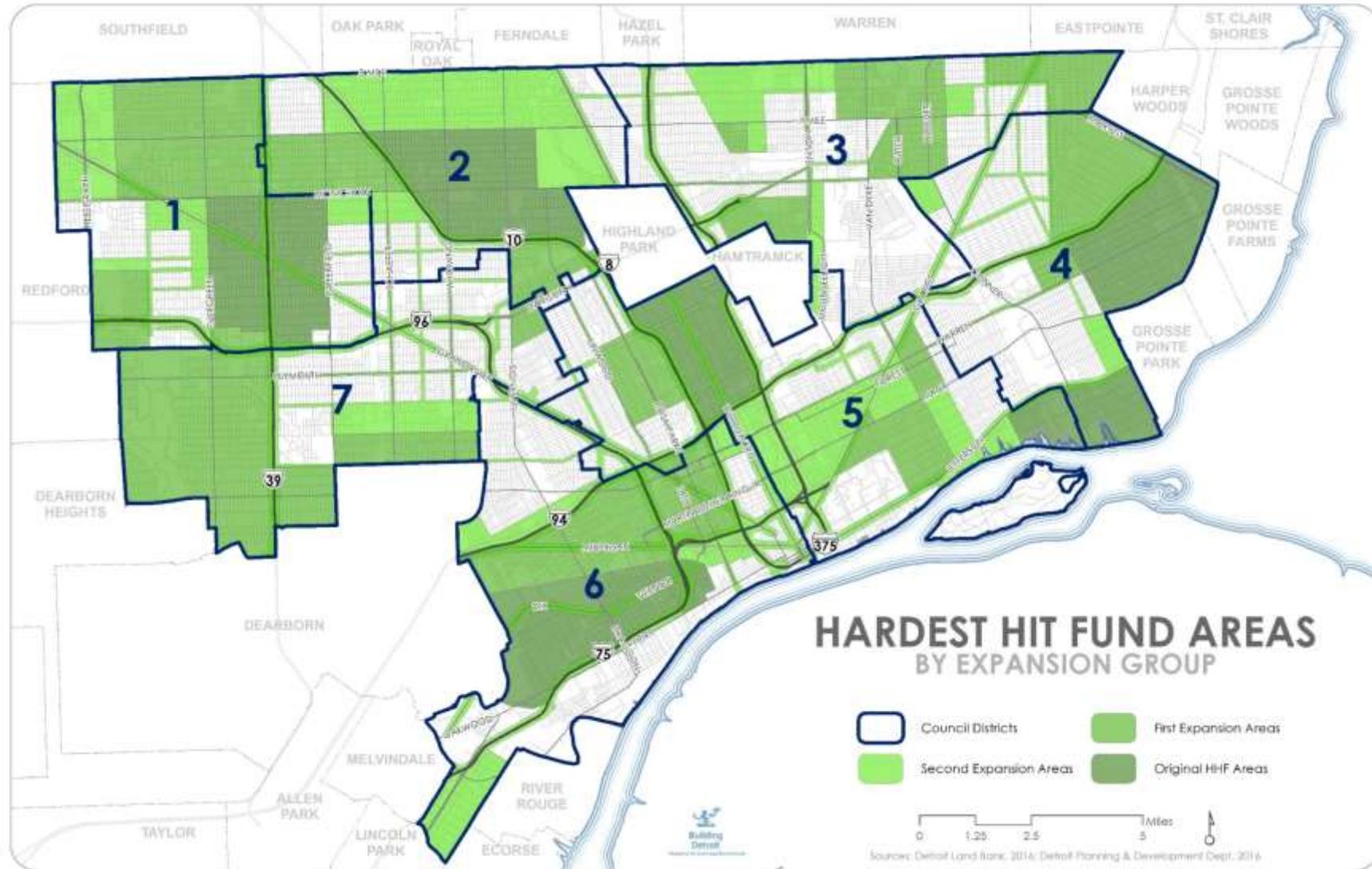


\$34100

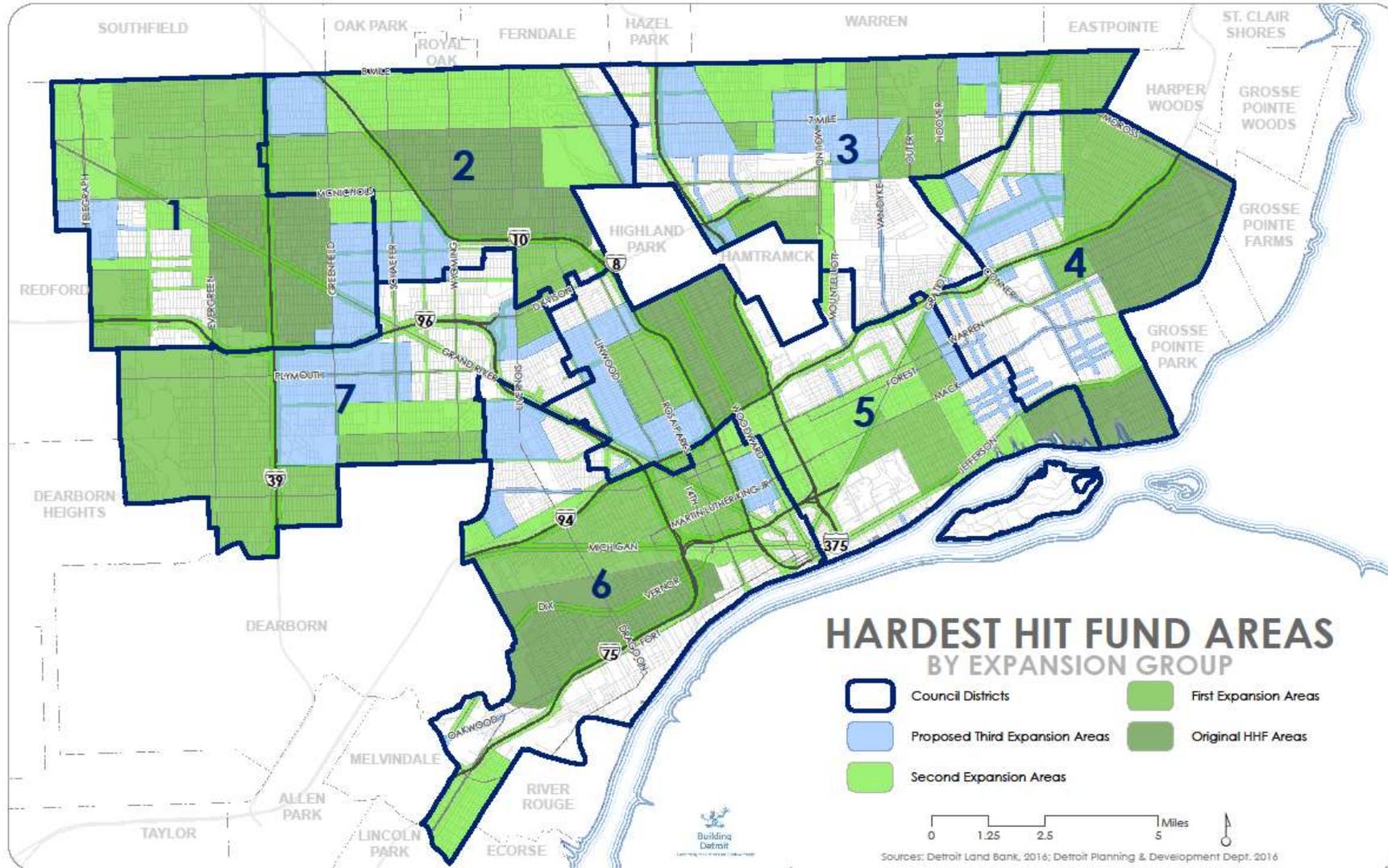
📍 4184 Bishop
SALE DATE: 05/05/2014

1,400 FT² 3 BED 1.5 BATH

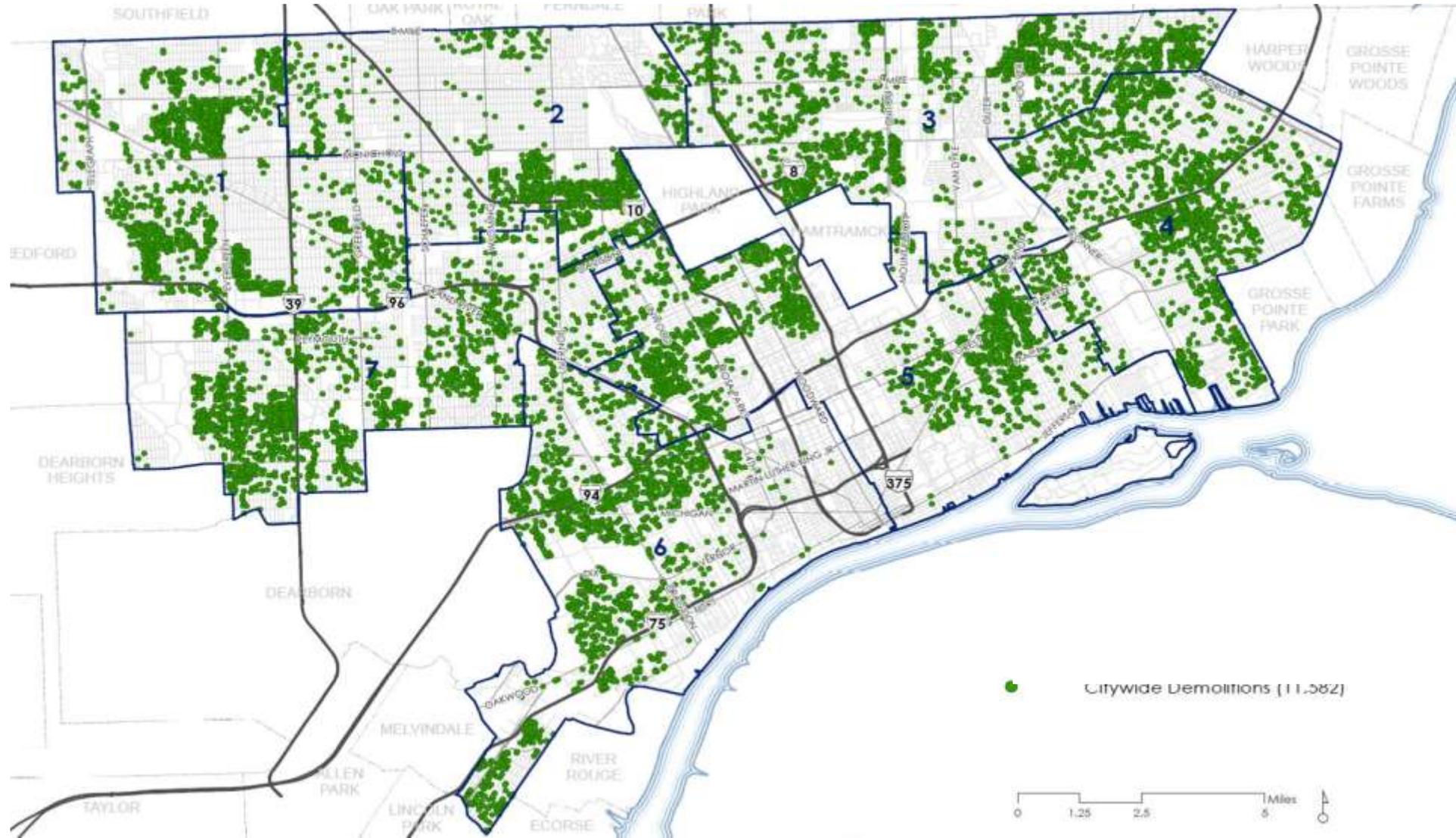
2015: Expanded to neighborhoods 80% occupied



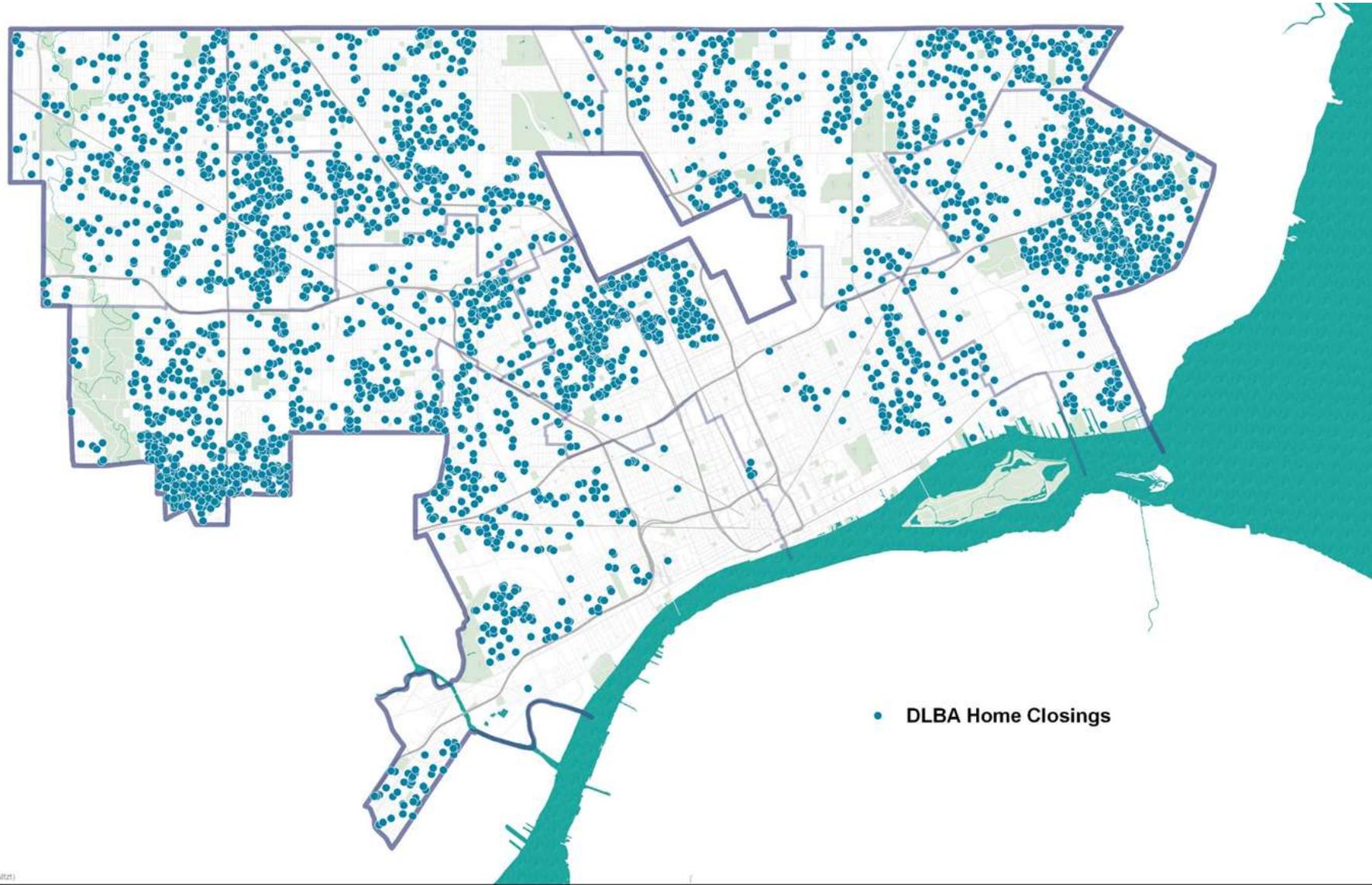
2016: Demolition zones expanded to 70% occupied



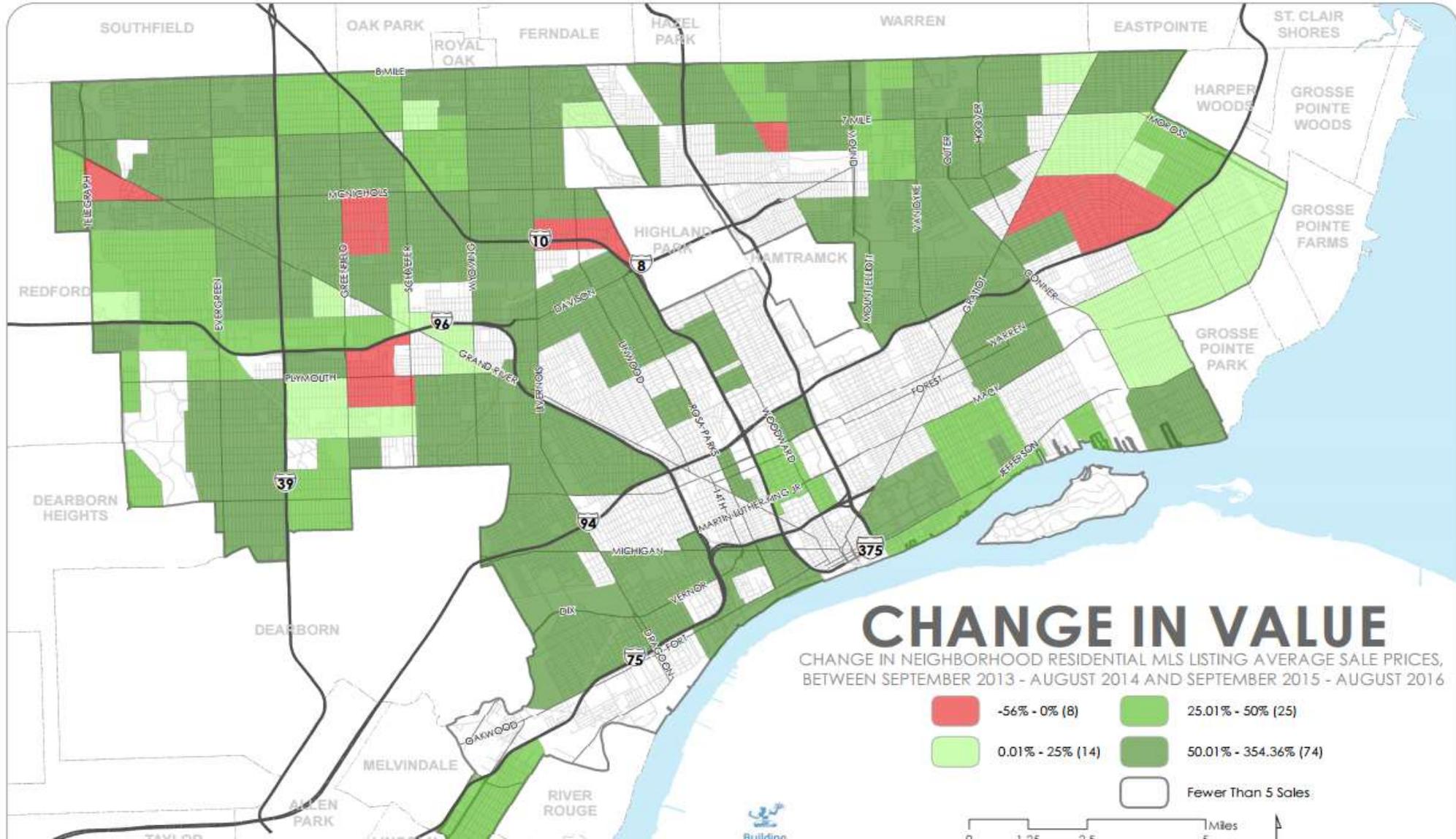
Using \$265 million in Federal funds, we have demolished 18,000 abandoned houses in last 5 years



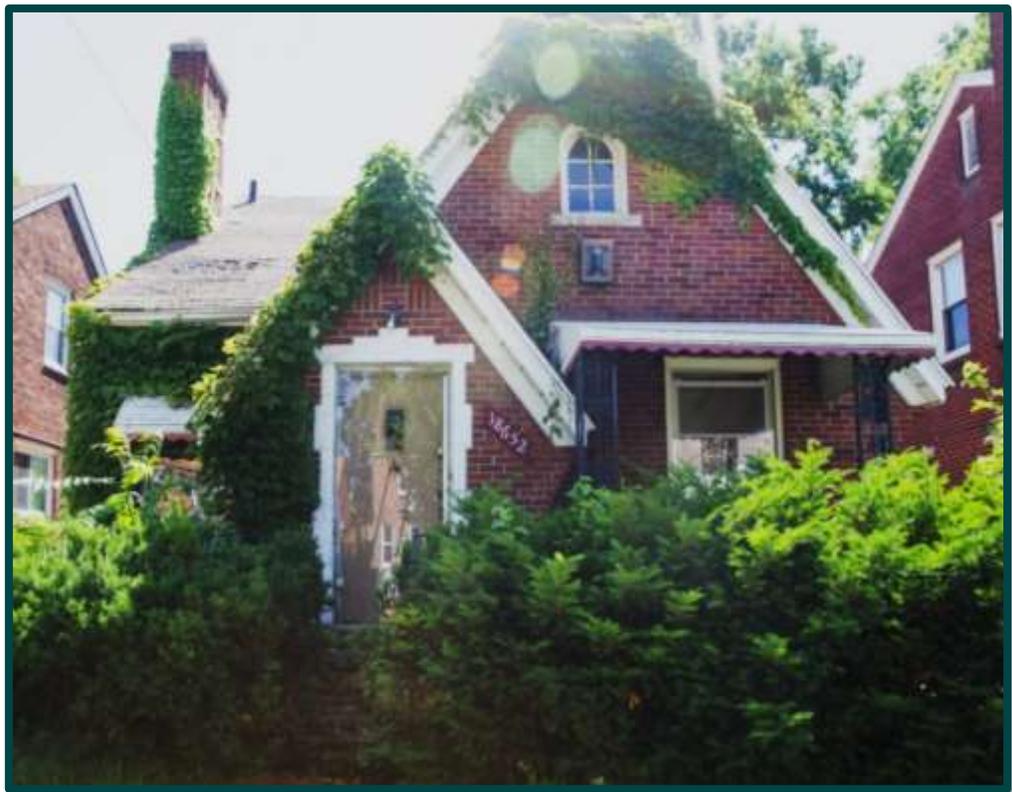
People responded to targeted demolitions by moving back: 6,000 vacant houses are now rehabbed and occupied



The sales prices in neighborhoods we targeted jumped 50% in 2 years



18625 Monica



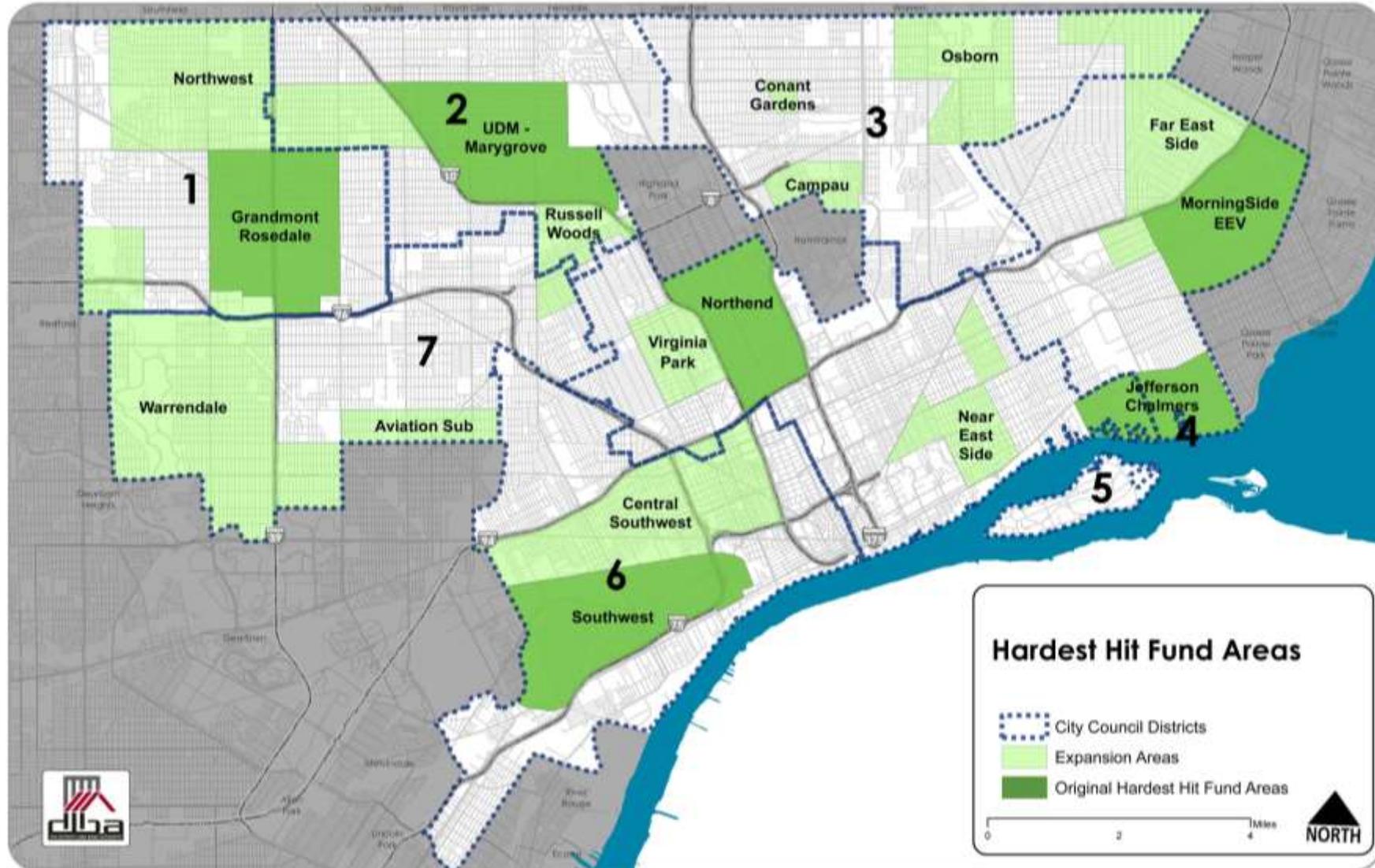
2700 Rosa Parks



3275 Collingwood



What do those early targeted neighborhoods look today?



Livernois McNichols



Southwest Detroit



Corktown



North Rosedale Park



Jefferson Chalmers



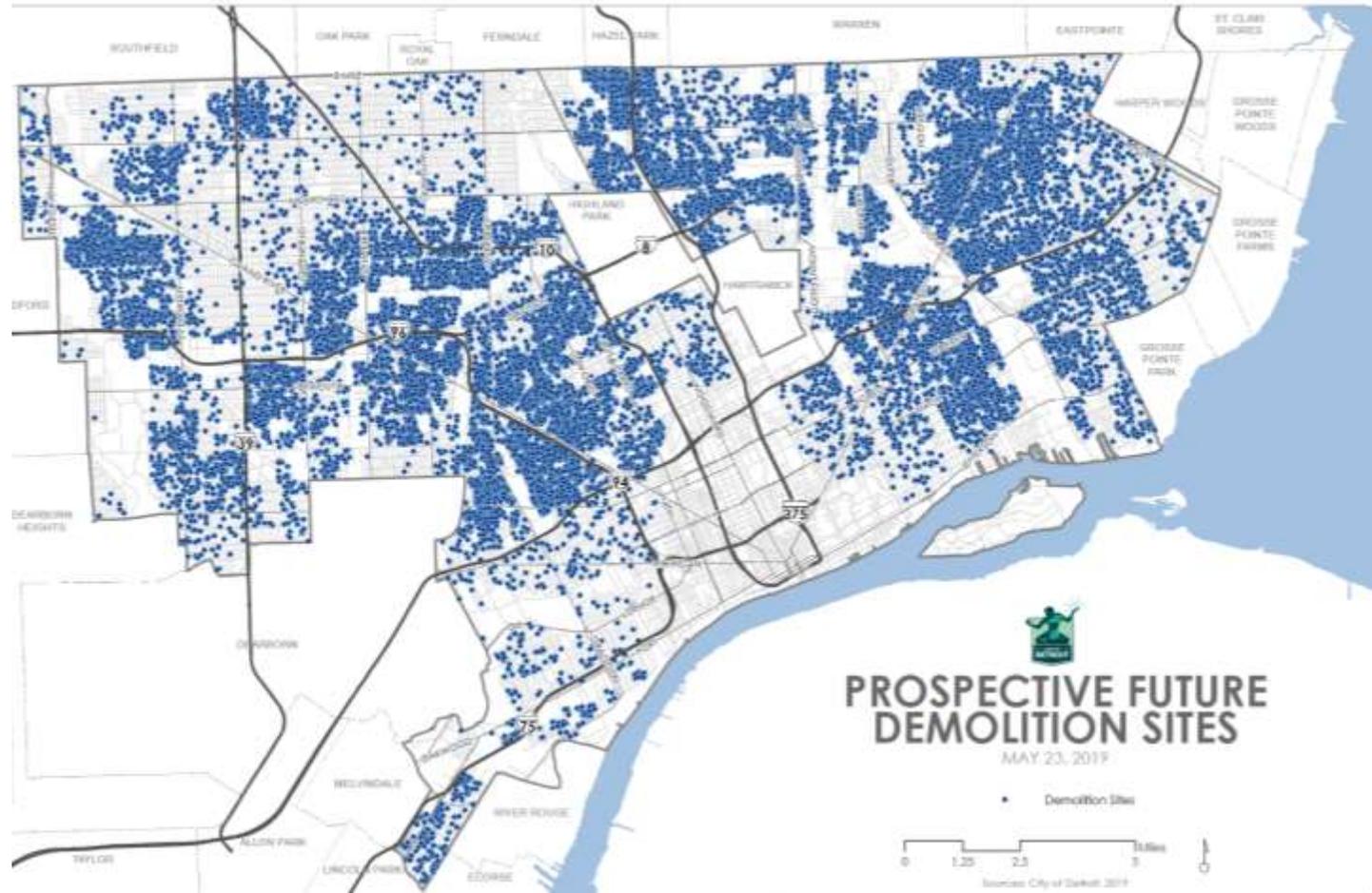
Campau Banglatown



Our obligation now is to every Detroiter
we haven't reached



We still have 18,000 more abandoned houses left



The next step: Take down every abandoned house in Detroit in next 5 Years, without Federal funds



Every area of Detroit will be blight-free by the end of 2024

- March 2020:
 - Ask voters to support blight removal bond issue of \$200+ million
 - Will require no tax increase
 - Will support renovation of houses that can be saved
 - Supplemented with other sources of funds

Will allow demolition of 4,000 houses/year from 2020-2024, fully removing blight from City of Detroit

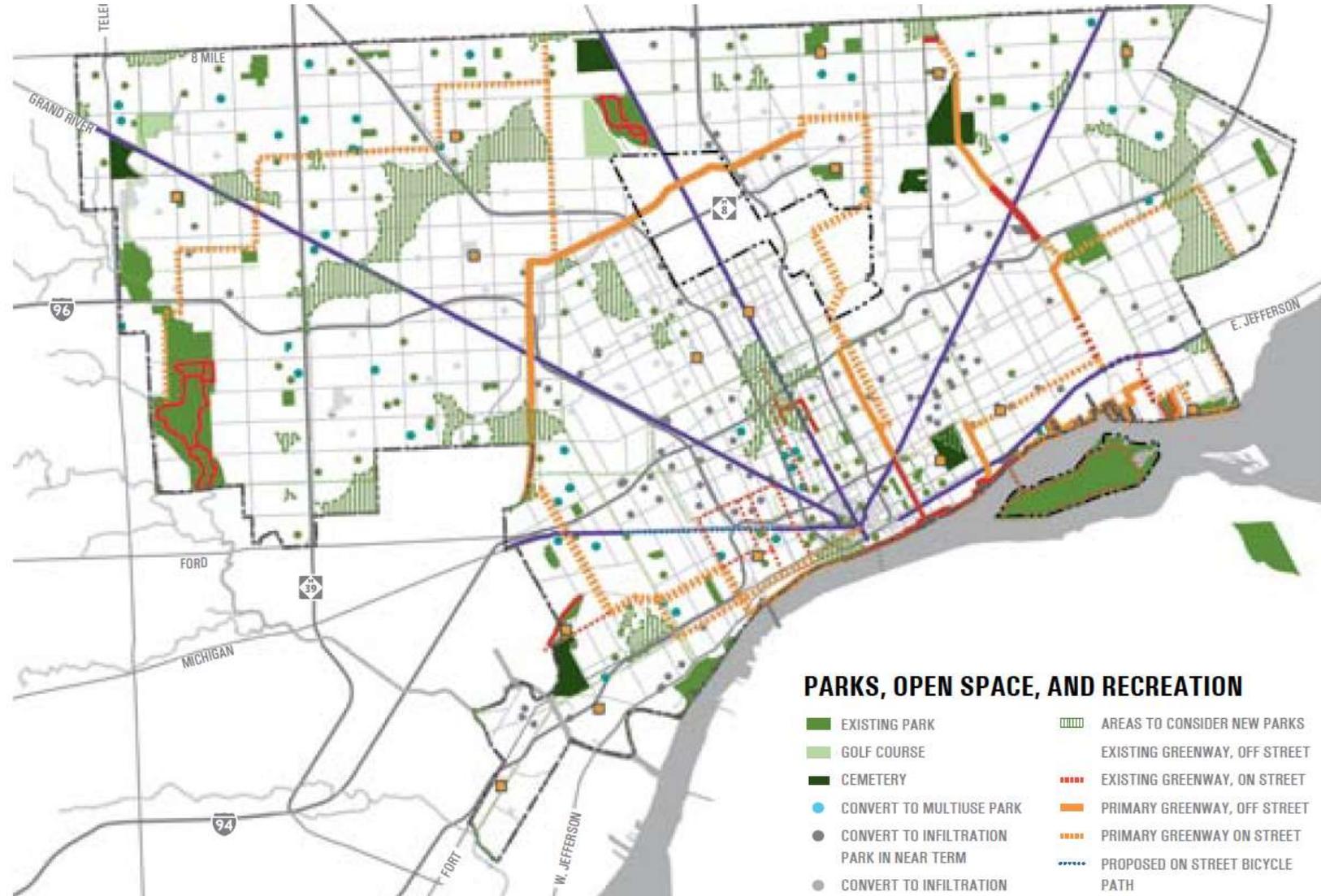
In 5 years, this sight will not exist in any neighborhood in Detroit



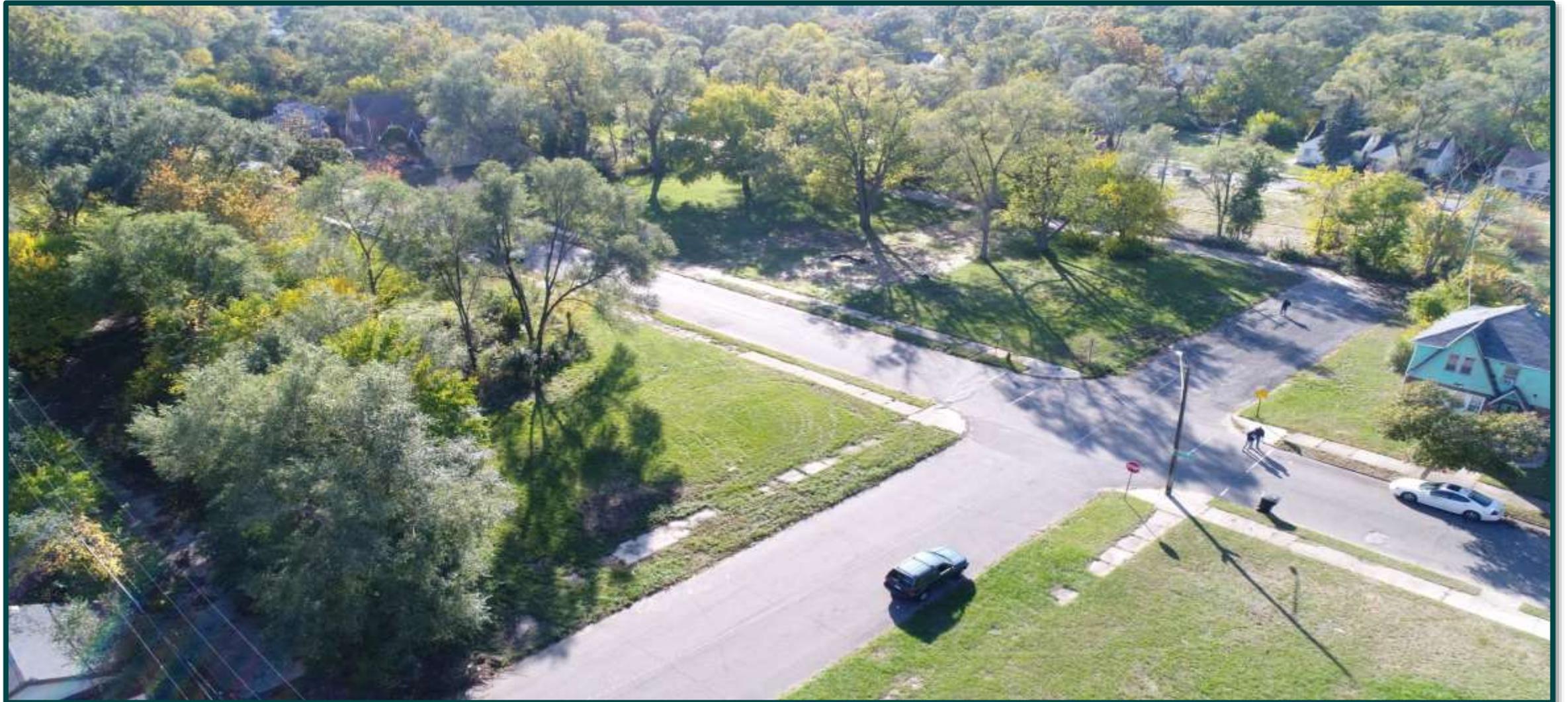
Rebuilding the Parks: Every Detroit child should be able to walk or bike to First Class park in 10 minutes



We're on track – we've already rebuilt 53 parks and will be upgrading 60 more in next 5 years



Center of Fitzgerald Neighborhood was full of abandoned houses and vacant lots



Today the new Ella Fitzgerald Park is a community gathering place of beauty



Hackett Park in 2016



Hackett Park Today



Stewart Park in 2015



Stewart Park now



Luce – St. Louis Park: Before



Luce – St. Louis Park: After



Phelps Park: Before



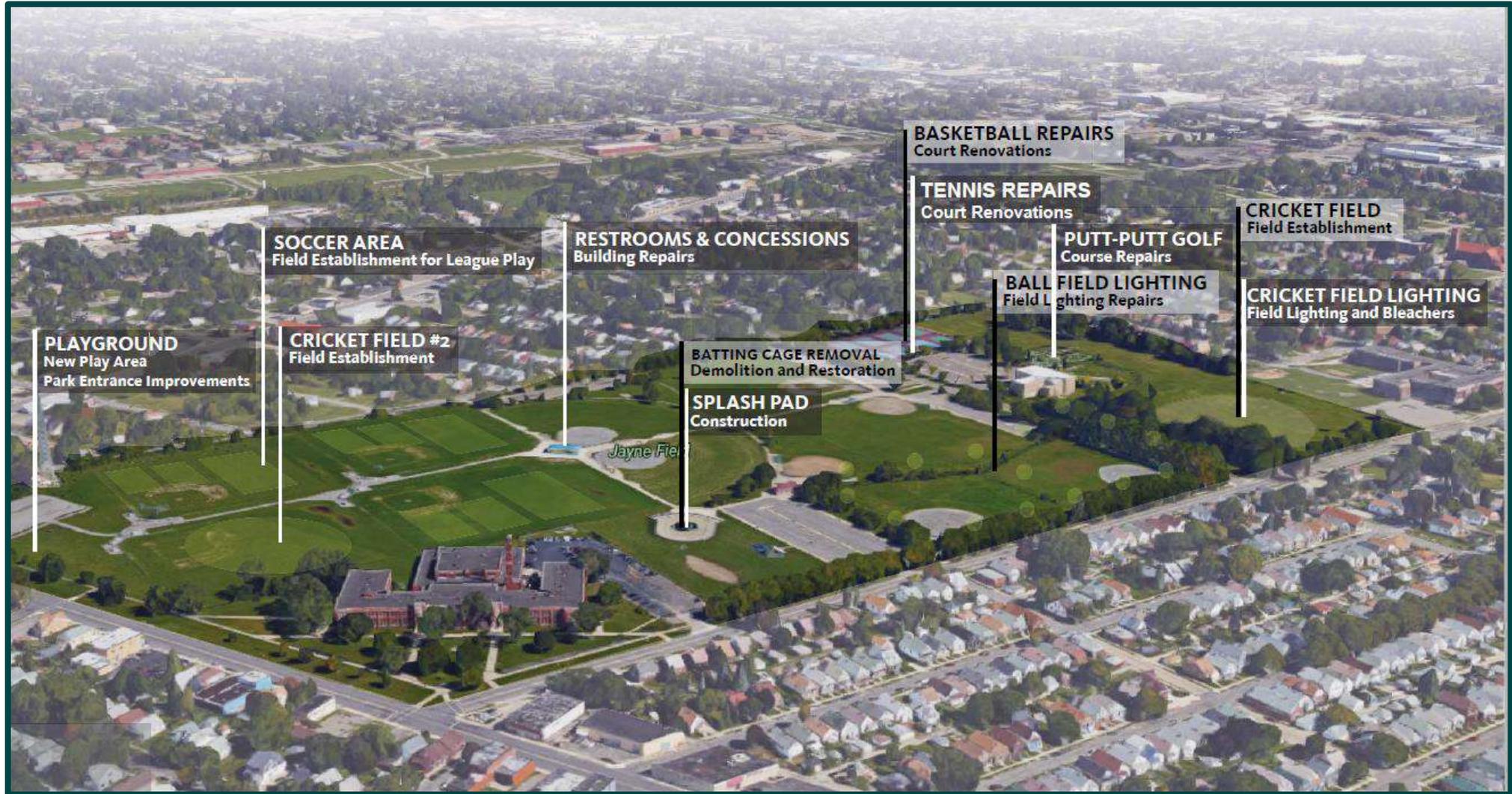
Phelps Park: After



Jayne Park in Campau/Banglatown had become an underused baseball complex



Now it's being converted to baseball, soccer, cricket, putt-putt golf, and splash pad



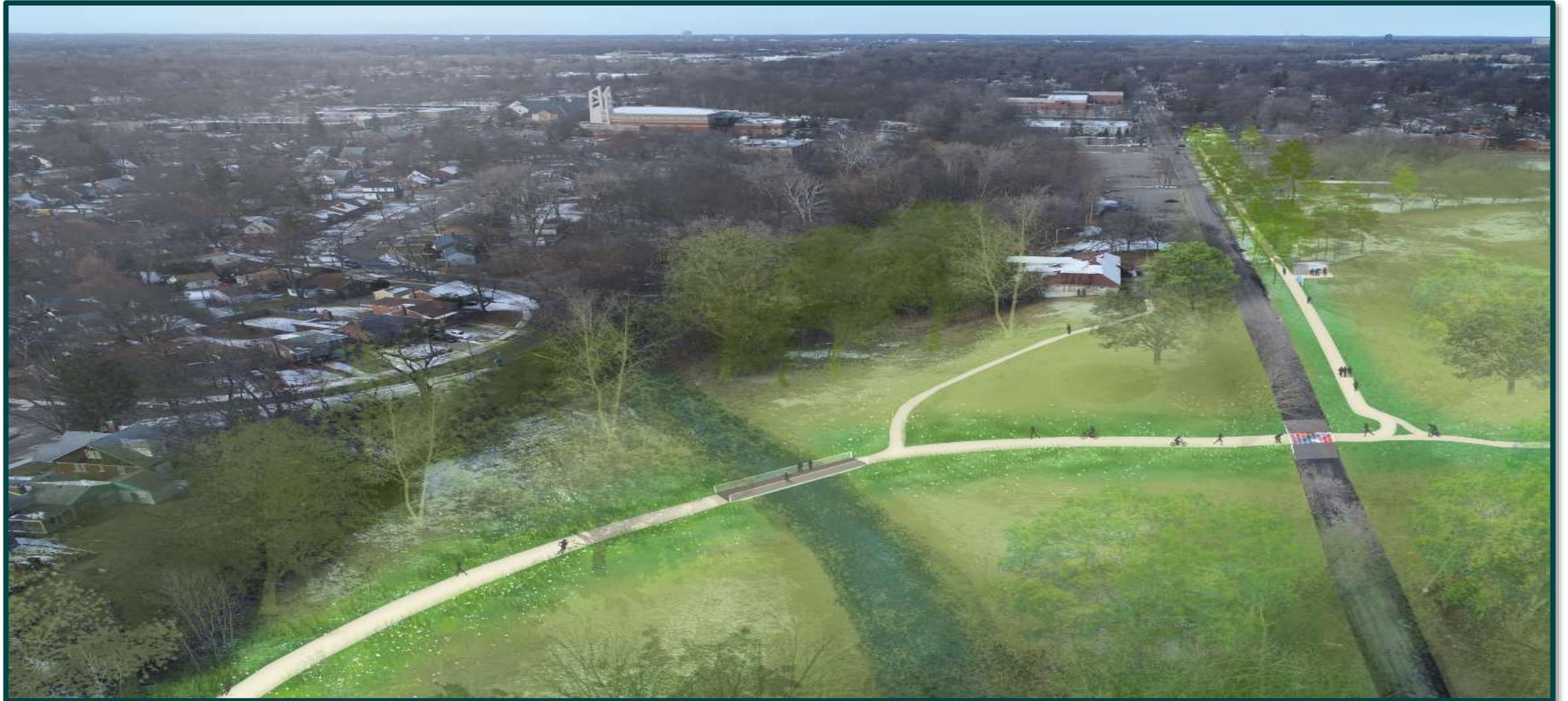
Rebuilding Riverside Park in Southwest



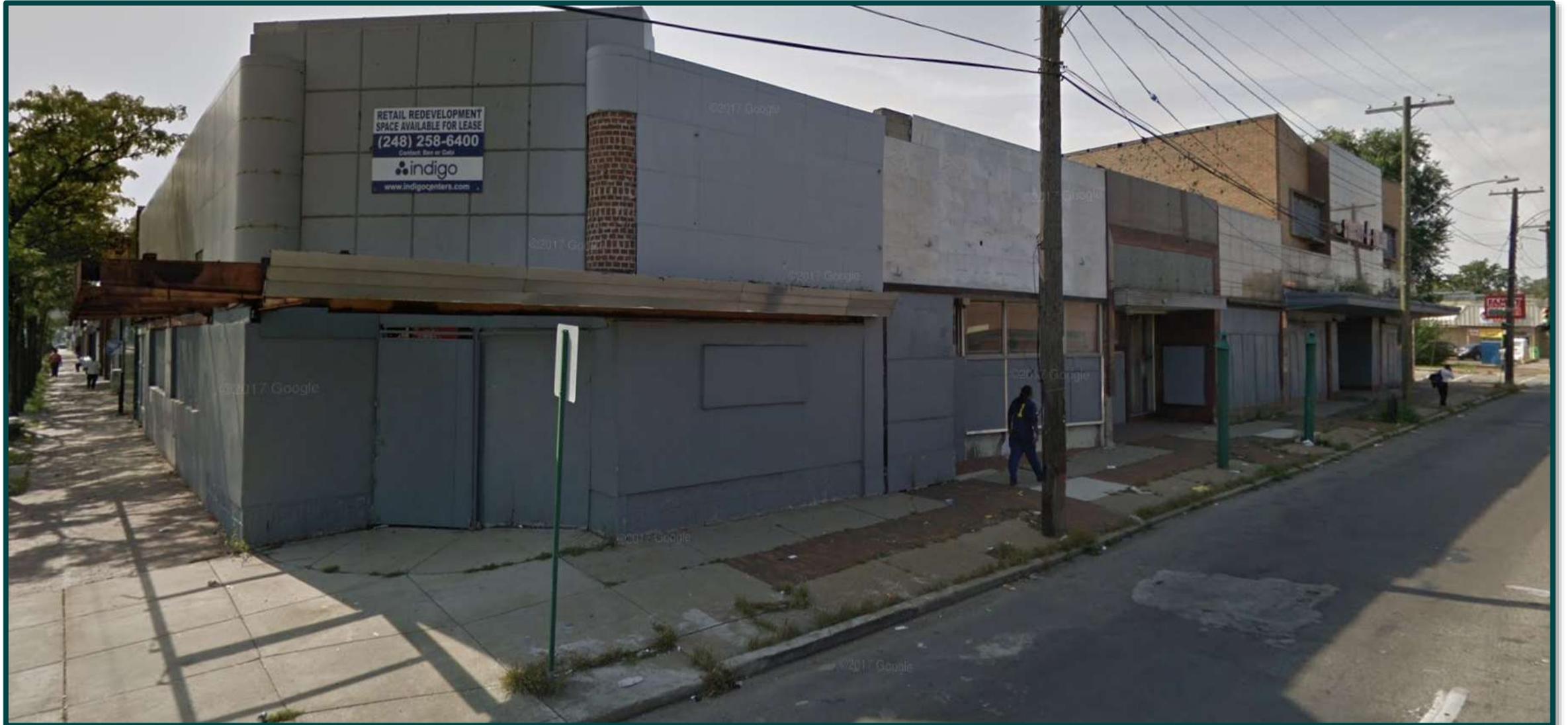
Abandoned Rogell Golf Course closed in 2013



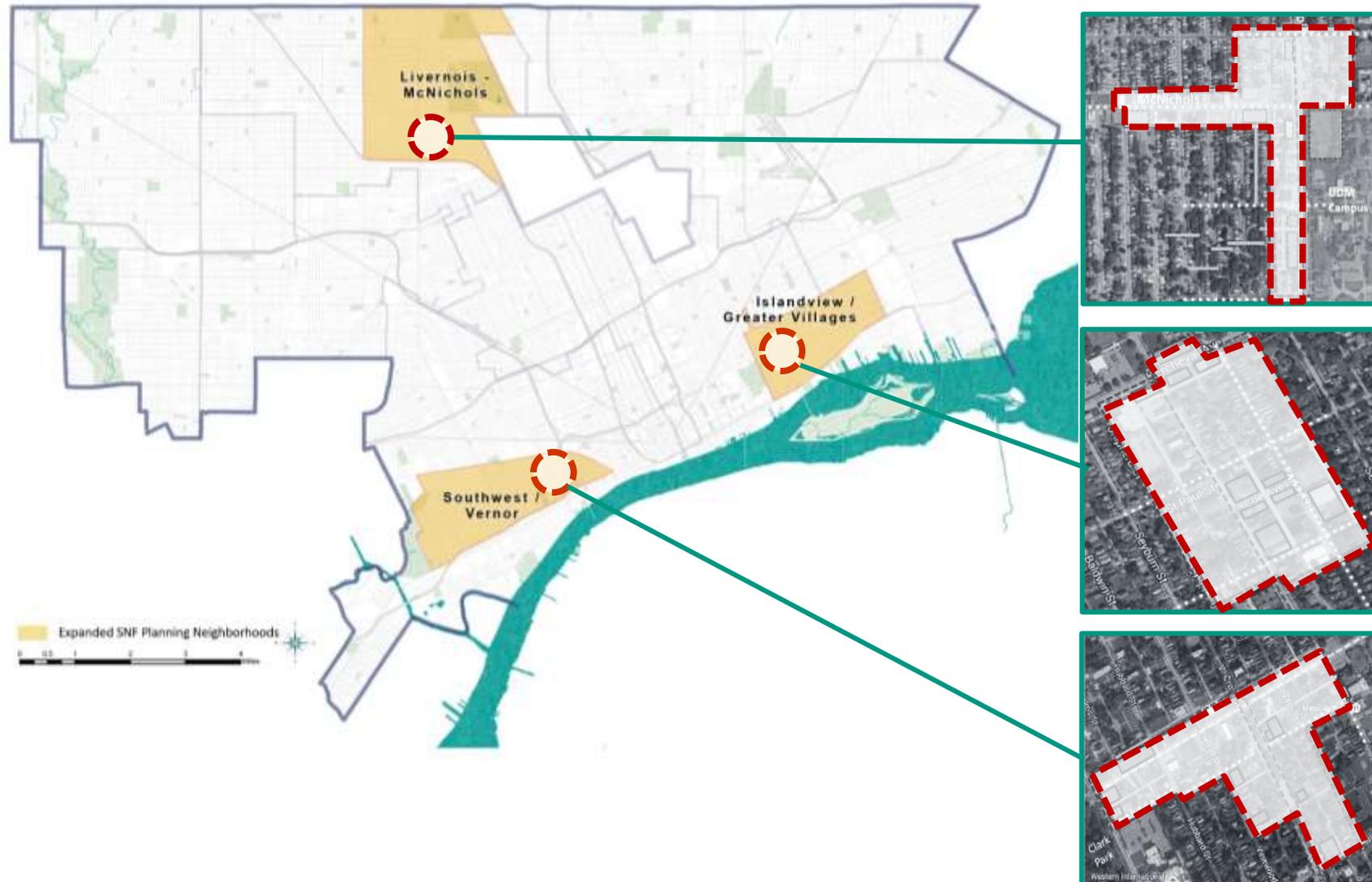
...Is being converted to a wetland/nature park



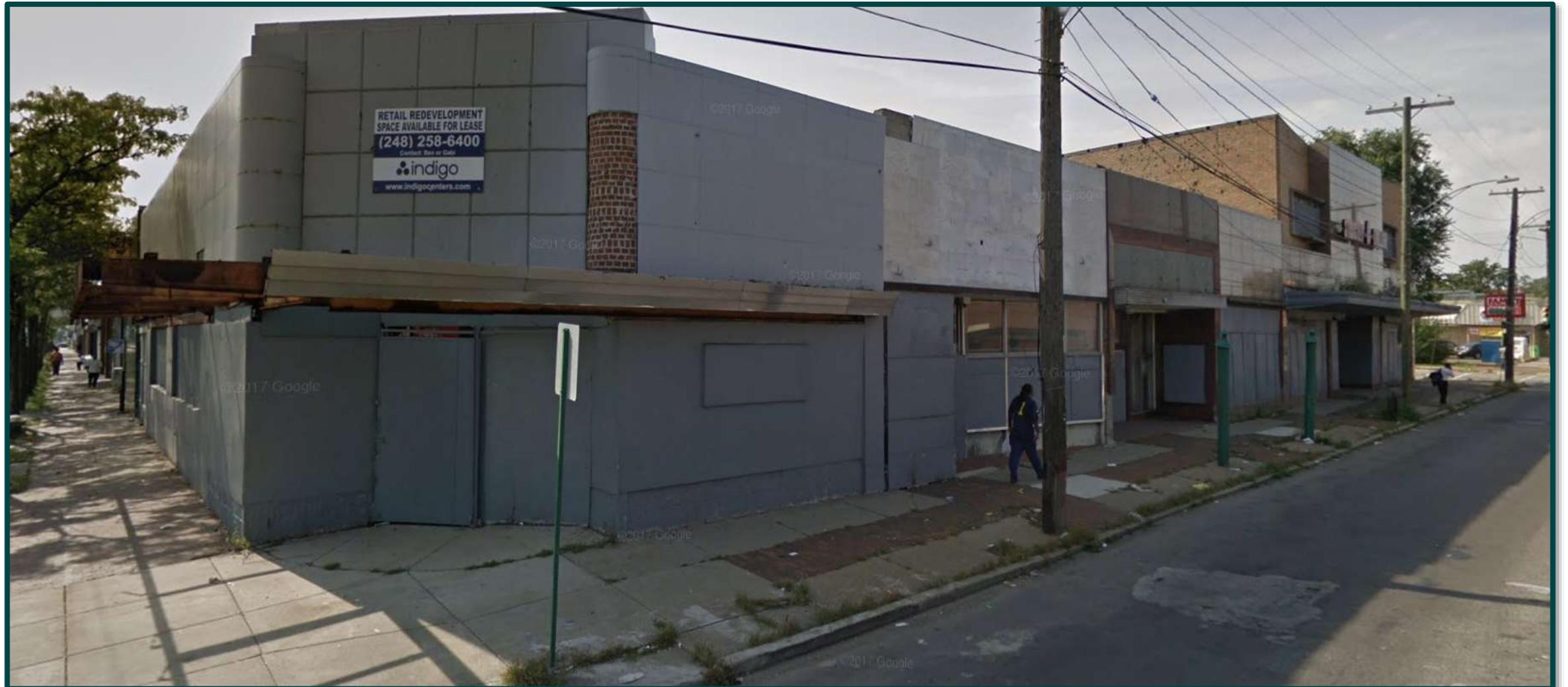
Neighborhood commercial corridors are harder to bring back: They require private business investment



So we started in 2016 with Invest Detroit and Philanthropic Partners with Strategic Neighborhood Fund:



This vacant former B. Siegel site on Livernois



Is now being rebuilt as a new restaurant and housing



The City has started tearing out the old Livernois median



Livernois
Streetscape

B. Siegel
Development

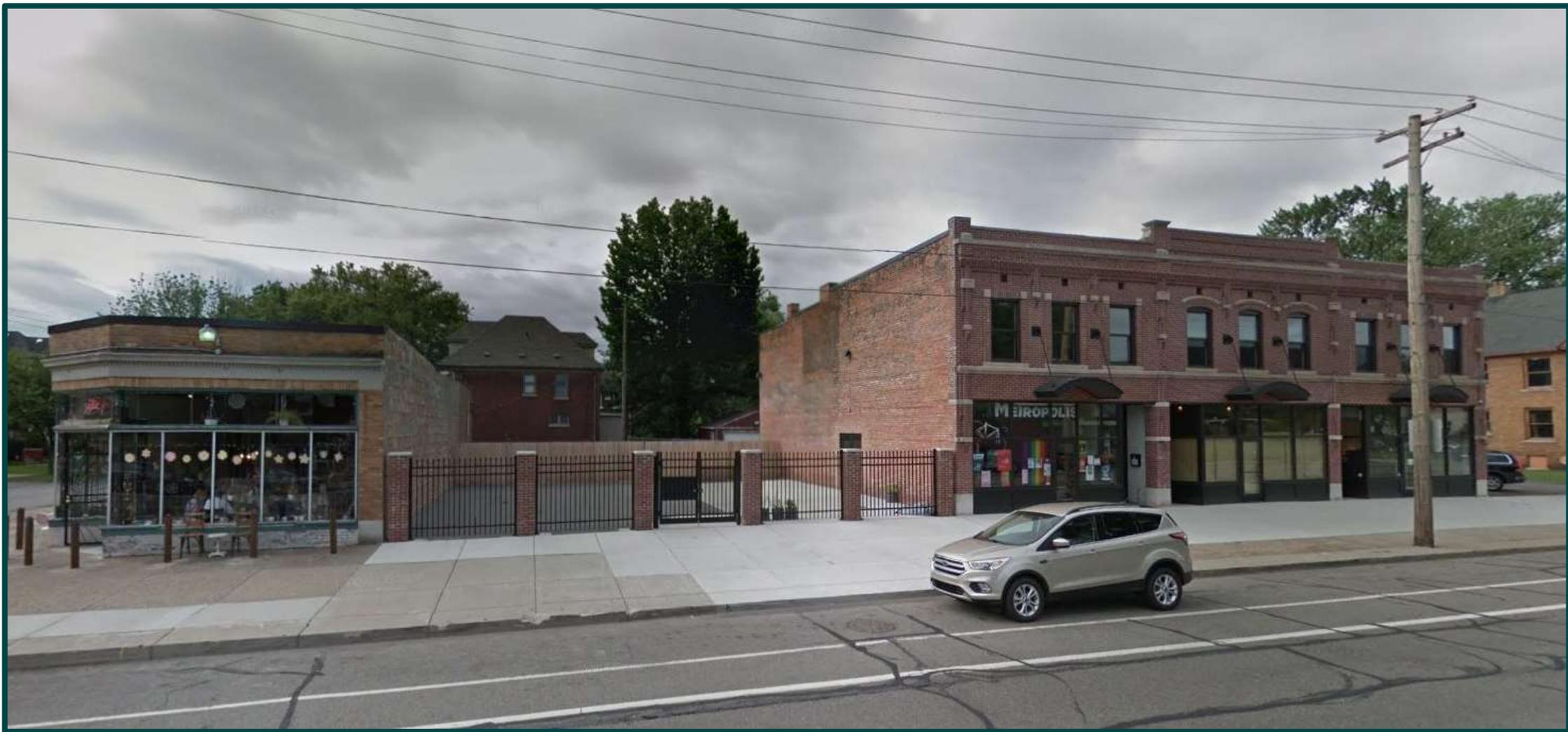
And is now building a streetscape that will look this...



This stretch of Kercheval had been long abandoned



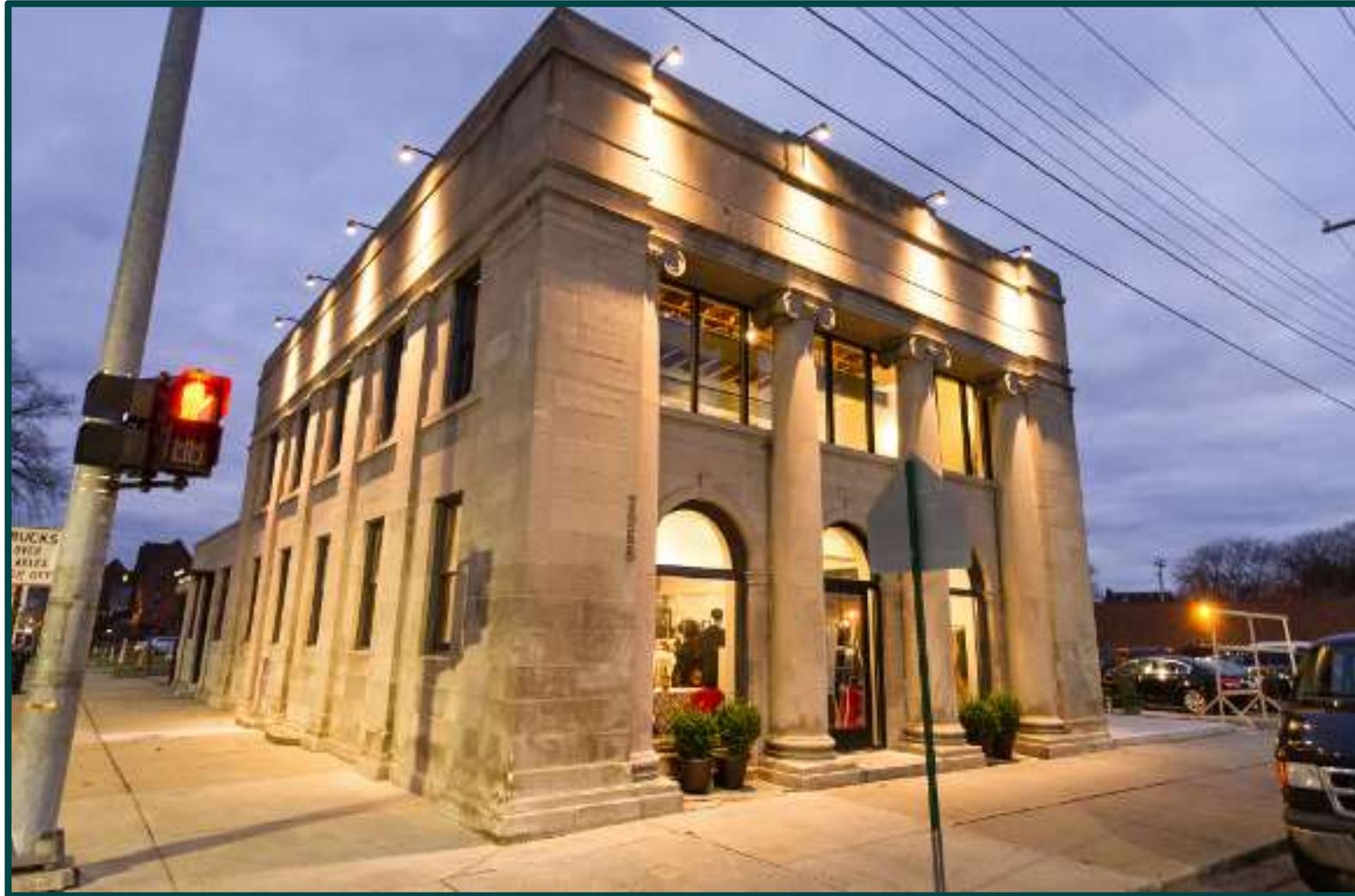
But now, a vibrant commercial district is coming back



An abandoned NBD Branch...



...is now retail stores and apartments



As one vacant storefront after another...



...reopens in this rapidly growing neighborhood



As the City remakes this Kercheval streetscape



Into this



On Bagley in SW Detroit, we're turning this...



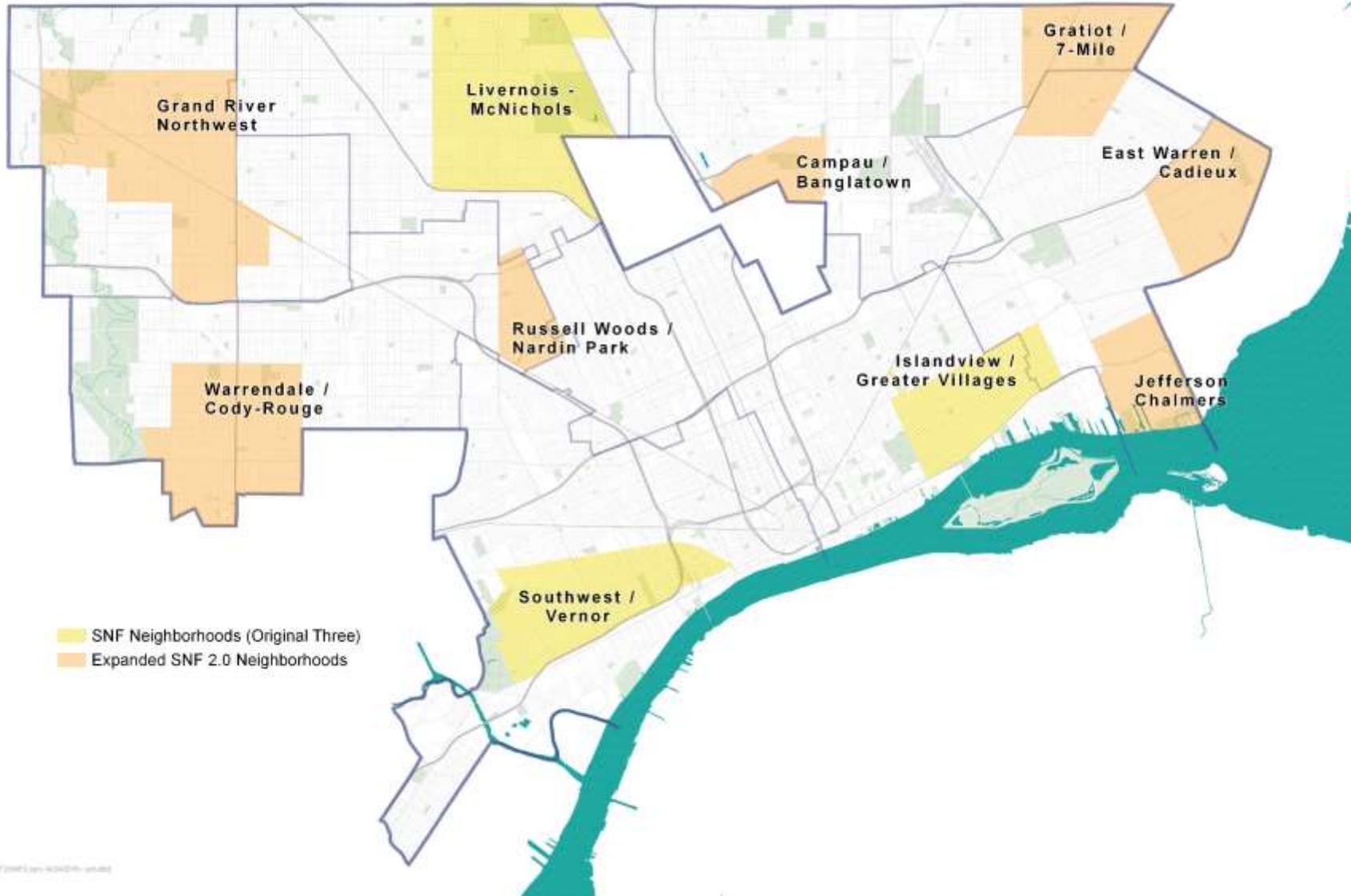
...into this



All of these plans are a shared vision of those in the neighborhood, forged through dozens of community meetings



We wanted to expand to developing 10 neighborhood corridors, but we couldn't do it without major financial help



SNF launched with strong support from philanthropy



Wilson Foundation

Kresge Foundation

JP Morgan Chase Foundation

CDFI Fund

JPB – Miami

Knight Foundation

Kellogg Foundation

Ford Foundation

Skillman Foundation

Hudson Webber

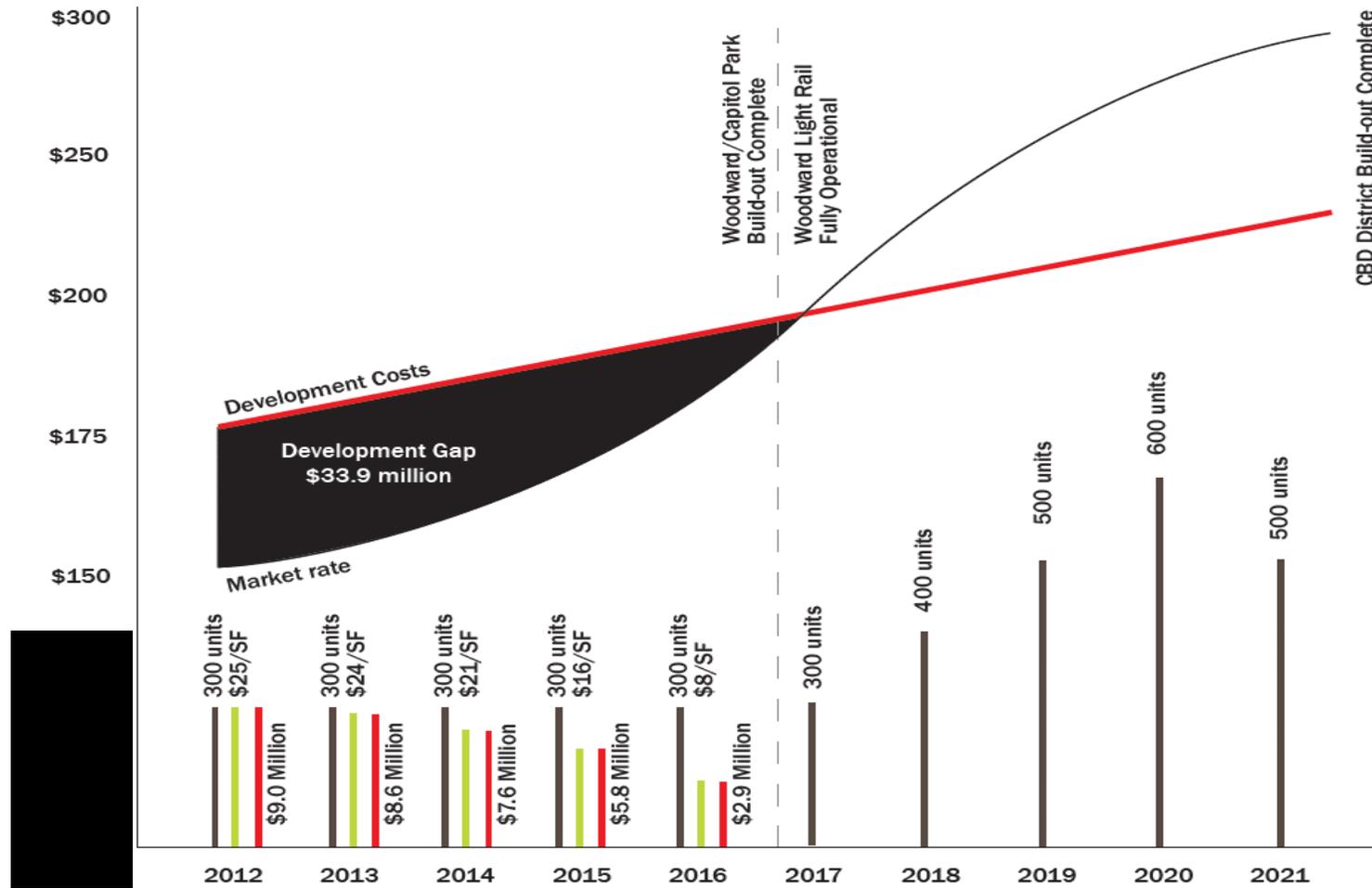
Rockefeller Foundation

**Gary Torgow, Steve Steinhour, and Dan Loepp led a 7
company \$35 million commitment –
Will leverage another \$100+ million in private investment**



Why did these corporate leaders do this?

History shows short term subsidy leads to long-term success



Sandro Dinello and Flagstar Bank have partnered with the Old Redford neighborhood



April 22, 2019 02:54 PM

Flagstar's \$5 million Detroit neighborhood commitment to support Old Redford

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- Bank's investment part of seven corporations contributing \$35 million to neighborhoods
- Funding to support Affordable Housing Leverage Fund and city's Strategic Neighborhood Fund
- Grand River Northwest among initial seven neighborhoods targeted



Kurt Nagl/Dain's Detroit Business

Alessandro DiNello, president and CEO of Troy-based Flagstar Bank Inc., speaks to the media and community members Monday at Crowell Community Center in Detroit's Old Redford area as the bank launches a \$5 million commitment to the revitalization of the northwest Detroit neighborhood.

Flagstar Bancorp Inc. is investing \$5 million toward the revitalization of the Old Redford neighborhood in northwest Detroit.

The Troy-based bank plans to put the funding toward the Affordable Housing Leverage Fund and the city's Strategic Neighborhood Fund, its CEO Alessandro

To take this stretch of Lahser...



...to develop like this



And this area of Grand River at Lahser...



...to look like this



The Penske Corporation partnered with Jefferson Chalmers



To help activate this recreation center



And help turn this stretch of Jefferson...



...into this



David Dauch and American Axle committed to Campau/Banglatown



American Axle to fund \$5M in small business subsidies in Campau/Banglatown

Breana Noble, The Detroit News Published 4:13 p.m. ET May 10, 2019



Buy Photo
Mayor Mike Duggan, left, and David C. Dauch, AAM Chairman and Chief Executive Officer talk to reporters on Friday, May 10, 2019. (Photo: Clarence Tabb Jr., The Detroit News)

Detroit — American Axle & Manufacturing Holdings Inc. will fund \$5 million to support subsidies for small businesses to open up shop in the neighborhood bordering Hamtramck to the north.

The investment announced Friday by the company and city of Detroit is part of a [previously announced \\$35 million commitment](#) to the city's Strategic Neighborhood Fund by seven companies led by Chemical Bank chairman Gary Torgow to extend the revitalization of Detroit's downtown and Midtown into the neighborhoods. American Axle's contribution to the neighborhood fund and Affordable Housing Leverage

Fund will support the Campau/Banglatown neighborhood that includes East Davison Village.

"I jumped at the chance to help with the rebirth and revitalization of the Detroit neighborhoods because that's how this city gets fixed," David Dauch, CEO of the automotive supplier with headquarters bordering the neighborhood, said during a news conference at Davison Elementary School. "It's by fixing our neighborhoods where each and every one of us live, where we work, where we go to school and where we play."

ADVERTISING



To turn this stretch of Conant...



...into this



And this area outside Davison School...



...into this



The plan for Detroit's recovery had 3 distinct steps



1. Dramatically improve City services and finances to stop the exodus of people and businesses
2. Remake the physical appearance of the City by removing blight, recreating beautiful parks and building modern streetscapes
3. Identify Detroit's competitive advantages and use them aggressively to attract residents and businesses

As we rebuilt the City physically, we took stock of Detroit's strategic position



**To Grow, We Had to Compete for
Residents and Businesses**

In Michigan

Southfield

Royal Oak

Farmington

Canton

Sterling Heights

In Midwest

Chicago

Cleveland

Pittsburgh

St. Louis

Milwaukee

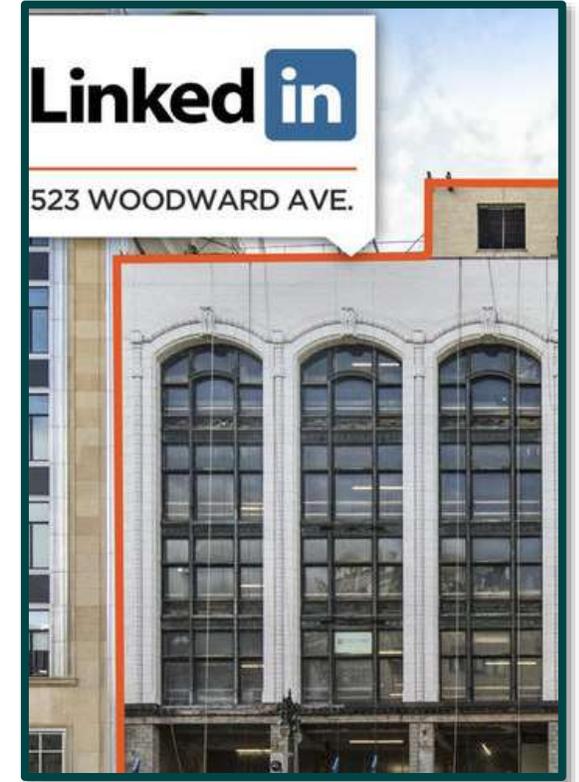
What Are Detroit's Advantages?

Detroit's recovery strategy is taking advantage of 5 unique assets



1. We have huge amount of vacant land and buildings
 - You can locate business or home at low cost
2. Talented and creative Millennials want urban lifestyle
3. Detroit's unemployment rate is double state and national average
 - A large workforce of people able and willing to work
4. We are building a spectacular Riverfront
5. American auto industry is located here

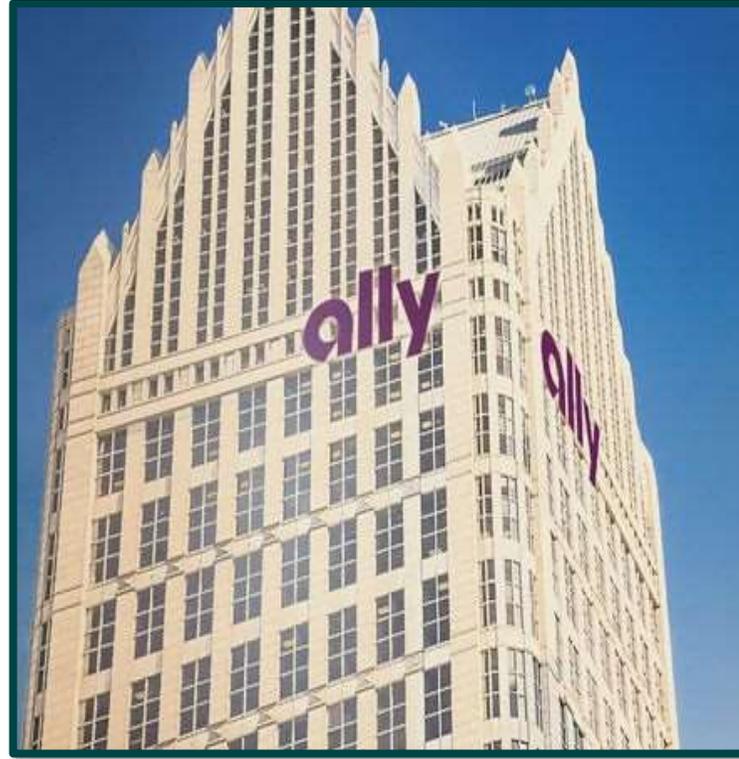
We went after the companies depending on Millennial recruitment with great success



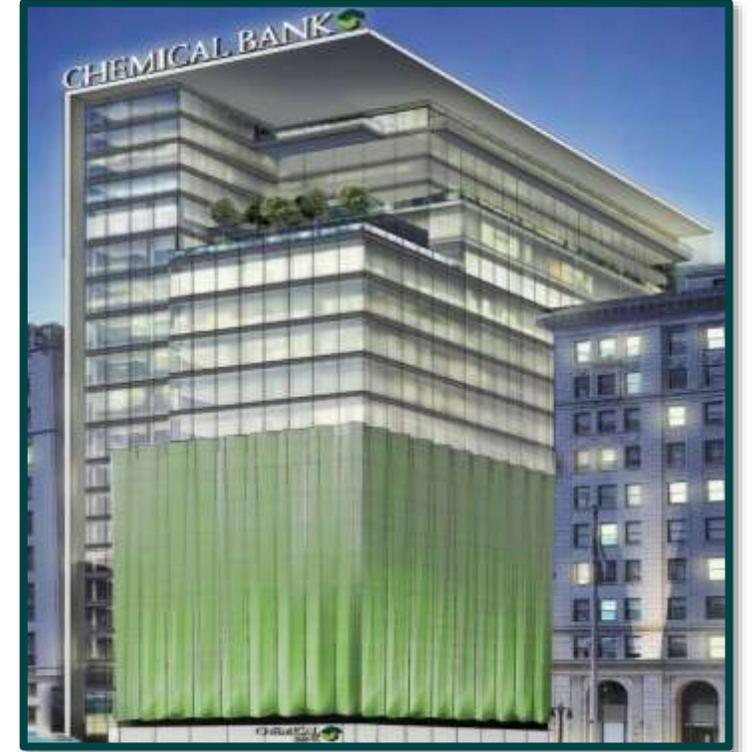
We landed bank headquarters



**3/2016 Fifth Third Bank
Opened HQ
300 Jobs**



**4/20/16 Ally Bank
Moved into HQ
1,400 Jobs**



**Chemical Bank New HQ
500 Jobs**

Could we turn Detroit's unemployment rate into a competitive advantage recruiting manufacturing companies?



March, 2019 City Unemployment Rates

Southeast Michigan		National Cities	
Detroit	8.8%	Detroit	8.8%
Ann Arbor	2.5%	Chicago	3.7%
Canton	2.1%	Huntsville	3.5%
Novi	2.4%	Nashville	2.5%
Rochester Hills	2.9%	Spartanburg	3.5%

We intentionally targeted companies with jobs that would train those with high school degrees: Wolverine Packing = 100+ new jobs



And this Cardinal Health plant with 150 jobs



The breakthrough came when we landed this new Flex-N-Gate auto parts plant in the I-94 Industrial Park for 700 jobs



And 16,000 people showed up to apply



April 29, 2016 12:20 a.m. UPDATED 2 DAYS AGO

Focus: Hope operating city-funded training for Flex-N-Gate jobs

New Detroit auto parts plant got 16,000 applications for 500 positions

By CHAD LIVENGOOD

[f](#) [t](#) [in](#)

[t](#) [f](#) [in](#) [g+](#) [m](#) [e](#) [p](#) [r](#)

Automotive Focus: HOPE Jobs/Career More +

- Flex-N-Gate has received 16,370 applications to date for 496 jobs at new Detroit plant
- Auto supplier to stamp and mold parts for new Ford Ranger
- Focus: Hope operating city-funded training for Flex-N-Gate production workers



The I-94 Industrial Park has started filling up



ArcelorMittal
100 Jobs

Flex-N-Gate
700 Jobs

Linc Logistics
150 Jobs

Sakthi Automotive brought a parts plant to the old Southwestern High School



Employing 600 workers in 3 expansions in 3 years



Then Ford decided to rebuild the abandoned train station as its Center of New Technology Development



Anchoring a \$750 million campus housing 5,000 new employees





Waymo to build self-driving cars in Detroit, invest \$13.6 million in factory

Pete Bigelow
Automotive News



TWEET



SHARE



SHARE



EMAIL



PRINT

- The Google affiliate will integrate its self-driving systems onto FCA, Jaguar vehicles
- It will repurpose American Axle & Manufacturing facility
- Existing facility could eventually grow to 200,000 square feet



The number of employed Detroiters grew 25,000 in the last 5 years



TOTAL EMPLOYMENT



Detroit's ultimate challenge: Land FCA Assembly Plant



Experts called that goal “Impossible”



The Detroit News

OPINION

Opinion: New large manufacturing plants not in Detroit's future

John E. Mogk Published 10:38 p.m. ET July 29, 2018



(Photo: Anthony Lanzilote, Special to The Detroit News)

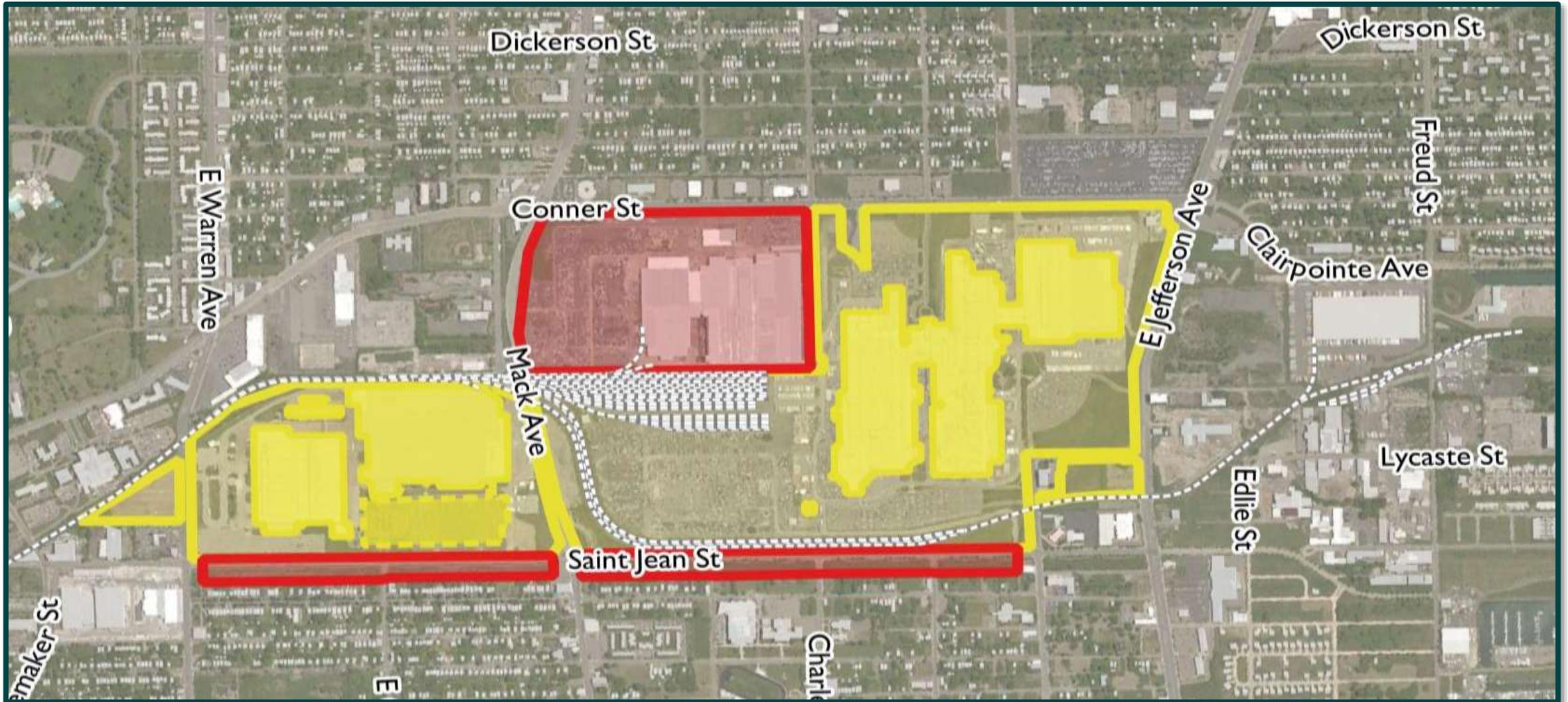


President Donald Trump's proposed tariffs on the auto industry highlight the enormous benefit large manufacturing plants are to American cities today. Recently, The New York Times focused upon the anticipated impacts of tariffs on Spartanburg, South Carolina's BMW plant. The \$2.2 billion plant, built two decades ago using 1.5 square miles, employs 23,000 BMW and contract workers and drew more than 200 companies from two dozen countries to the Spartanburg area. One-in-ten people earn a living making vehicles or their parts in Spartanburg. Many more are employed in small businesses serving the workers and their families.

Detroit could reap all those benefits if the BMW plant or another like it was located here. The unemployment and poverty rates in Detroit are second to none and weigh heavily on the city's African-American community. New manufacturing jobs would make a difference in Detroiters' lives.

So why don't we have another manufacturing plant? Detroit simply does not have large enough assembled sites within its 40 square miles of vacant land. The recently acquired State Fairgrounds site is only 25 percent of what would be required.

We proposed attempting to acquire 200 adjacent acres



The Key: Detroit offered the services of the City's rapidly expanding employment agency: Detroit At Work



- Detroit has 20,000 active unemployed
- Another 40,000 adults who have dropped out of the work force – many due to criminal records
- We made FCA an offer: Let us do your recruiting for you

We committed to holding continual job fairs to fill openings



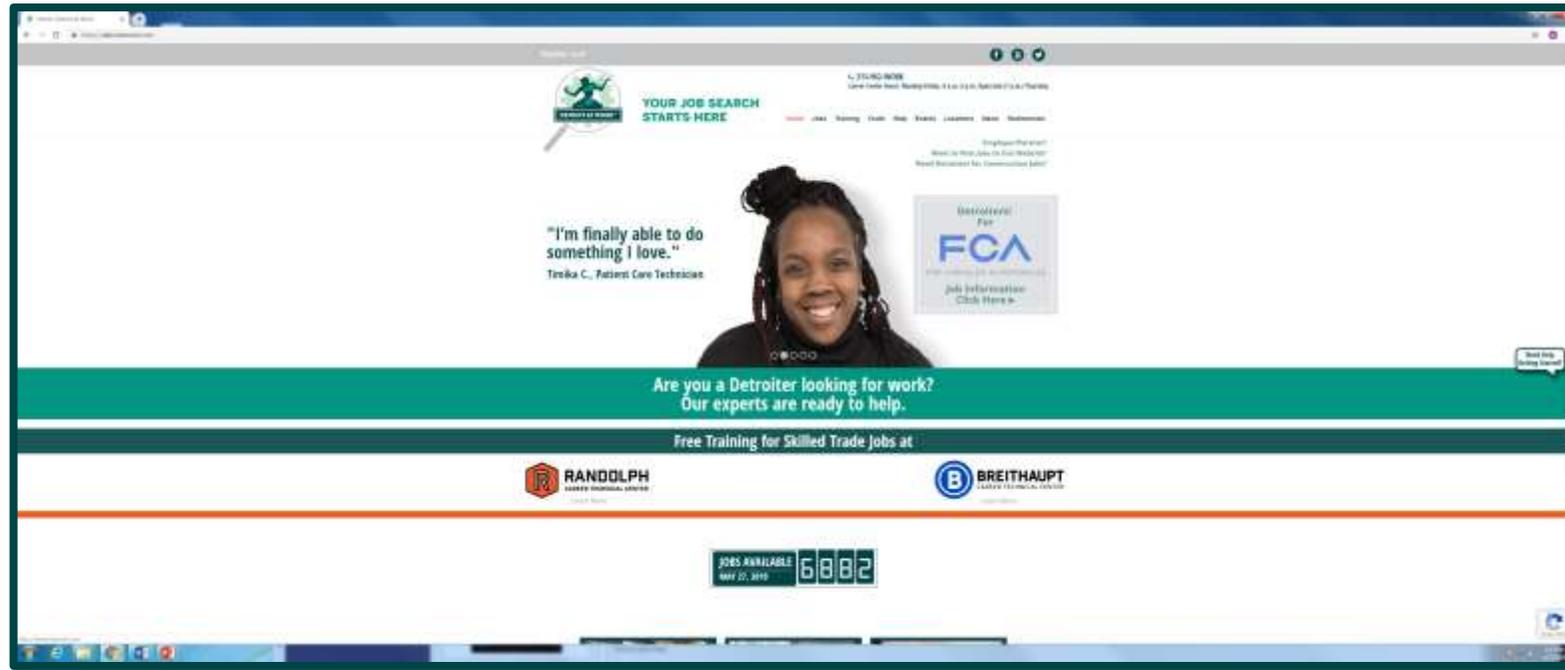
JOBS TODAY **7,122**

Find yours at detroitatwork.com

Now expanding from 3 Career Centers to 8



FCA is required by contract to interview candidates from Detroit At Work first



More than 20,000 have already provided text numbers to request applications

Detroit At Work will offer the following prescreening services to each Detroit FCA applicant



- Assessment Prep
- Interview Skills
- Application Assistance
- Identification/Document Assistance
- Soft Skills and Conflict Resolution
- Work Readiness Training Program



Would you like Detroit At Work to be your employment agency?



- We are looking now for pilot partners with 4 criteria:
- Company located in Detroit or will be opening in Detroit
- Has full time jobs with benefits
- Will commit to "Ban the Box" in employment
- Will sign an FCA-type agreement committing to interviewing Detroiters first before offering jobs to others

**To learn about becoming a Pilot Partner
go to DetroitAtWork.com**

