



# Urban Collaborators

*Working to help revitalize Michigan's cities.*

MICHIGAN STATE  
UNIVERSITY  
EXTENSION



## Foreword

On April 12, 2005, Michigan State University and the State of Michigan Cool Cities Initiative hosted a Cool Cities Symposium at the State Library of Michigan in Lansing. The purpose of the event was to provide critical reflection, from an academic perspective, to state government officials responsible for planning and implementing the Cool Cities Initiative.

The half-day meeting featured invited presentations by prominent Michigan scholars of planning and urban development, followed by discussion between the panel and members of the Cool Cities Coordinating Team.

In advance of the event, panelists were provided a set of documents summarizing the background, principles, goals, and activities of the State's Cool Cities Initiative. Each was asked to give a brief presentation based on his or her areas of expertise, including research-based feedback and recommendations intended to help the State as it continues to refine and implement the Cool Cities Initiative and other urban revitalization strategies.

Dr. June Thomas, Professor of Urban and Regional Planning and co-director of the Urban Collaborators program at MSU, served as moderator for the panel. Representing the Michigan Department of Labor and Economic Growth and the Cool Cities Initiative, Robert Johnson and Karen Gagnon hosted the event.



*R. Farley, M. Dewar, G. Sands, S. Vogel, D. Hollister, K. Corey, J. Thomas, and Z. Koival (l. to r.).*



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# Cool Cities Symposium

April 12, 2005

## State Library of Michigan

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### Welcome and Overview

**Karen Gagnon**, Cool Cities Coordinator, opened the symposium by welcoming participants and thanking the panelists for their participation. She reviewed the purpose of the event and discussed the importance of state government collaboration in the Cool Cities Initiative. She said that it is especially important for the Cool Cities Coordinating Team to learn what new questions they need to be asking, in addition to answering the questions they have already identified.

### Session One: Broad Trends and Policy Considerations

Moderator **June Thomas** introduced the first panel, consisting of Reynolds Farley (University of Michigan), Kenneth Corey (Michigan State University), Zenia Kotval (Michigan State University), and Margaret Dewar (University of Michigan).

**Dr. Reynolds Farley** prefaced his remarks by highlighting population and workforce trends in Michigan (PowerPoint presentation is available upon request). One chart indicated the distribution of high-tech jobs within Michigan. Farley noted that professional and managerial jobs requiring a four-year degree are clustered around Detroit, Lansing, and Grand Rapids. Nationally, about one quarter of all jobs requires a college degree; in Michigan the ratio is somewhat lower, about one in five.

Farley introduced four key issues in relation to Cool Cities. First, he argued, to revive Michigan's urban centers will require cultivating positive perceptions of the City of Detroit and the State of Michigan. Negative stereotypes of De-

troit abound, and many portrayals of the city do not provide a balanced and realistic picture of its assets and problems. An effective public relations campaign that emphasizes the real progress made recently in some neighborhoods could potentially improve outsiders' perceptions of Detroit.

Farley also pointed out that some neighborhoods have already seen positive change, and that the potential exists, in Detroit and other Michigan cities, for even more revitalization in the future. Because of the State's early success as a center for industrial development, Michigan cities have many neighborhoods with houses built in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. These houses are excellent examples of different architectural styles, and provide opportunities for redevelopment that builds on these unique assets. Some historic neighborhoods have already seen great improvement, while many others are ripe for revitalization, given proper conditions. However, negative perceptions – especially among white southeast Michigan residents – remain a significant obstacle. For example, according to a survey conducted recently by Farley, a high proportion of black residents (83%) report they would be interested in living in revitalized neighborhoods in Detroit, but a much smaller percentage of whites (16%) in the region say they would consider moving to a revitalized neighborhood in Detroit.

The third issue Farley raised was the role of international migration as an important engine for growth around the country. While the Detroit metropolitan area has gained immigrants from Mexico, India, Iraq and Canada, as well as many other countries, Detroit is not as successful as

other major cities at attracting immigrants to the central city. Presenting data indicating where immigrants in Michigan are located, Farley noted that although many are clustered in Grand Rapids and Detroit, a large number of immigrants are moving directly to the suburbs. Attracting more immigrants to Detroit and other cities should be an important focus for future redevelopment efforts.

Finally, according to Farley, the State must not overlook the continued importance of traditional jobs to Michigan's economy. Despite a growing emphasis in economic development circles on recruiting high-tech jobs, traditional blue-collar and service sector jobs remain important for Michigan. As an example, Farley noted that manufacturing continues to be important in Michigan's economy, and jobs are actually increasing in the railroad and trucking industries.

**Dr. Kenneth Corey** discussed the Cool Cities Initiative in terms of policy making and the knowledge economy. His recent research seeks to compare policy and planning practices in Western Europe, East Asia, and North America. Economic change occurs so fast that it is difficult for economic developers to change the mindset of economic development. In this globally competitive economic environment, leakages – of ideas, knowledge and human capital – are of significant concern.

Corey pointed out that human capital and knowledge are highly mobile, and therefore the return on investment is difficult to capture and retain locally. It is especially difficult to retain investments that are made in education. The Cool Cities Initiative has the potential to “plug the leakages” that occur when trained young workers might be inclined to leave the state. To its credit, the Cool Cities Initiative emphasizes all areas of the State, and attempts to “leave no region behind.” If successful, the initiative may help to retain people locally. Corey spoke in terms of city-regions rather than individual cities, noting

that “by attending to all regions of the state, including its city-regions, knowledge economy leakages can be addressed – at least to the extent that Michigan stakeholders can directly influence both the retention and the creation of talent and jobs.”

Corey presented a matrix, the E-Business Spectrum (PowerPoint presentation is available upon request), showing the relationship between production functions (e.g., research and development, innovation) consumption functions (such as e-commerce and online retailing) and amenity and quality of life factors (e.g., schools, housing, and social and cultural activities). The main drivers in this model are the production functions. Corey demonstrated how Michigan's policies can be related to the matrix: Cool Cities addresses issues of amenities and quality of life, while other state policies address other, equally important issues.

Corey believes Cool Cities has begun the process of plugging human capital leaks and created some momentum for widespread knowledge-economy planning throughout the state. Michigan, he argued, is on the right track in focusing on digital development, ubiquitous access to broadband infrastructure, and what he terms “intelligent development.” Intelligent development focuses planning attention on content – the use of digital infrastructure – and therefore answers questions about what should be done with this new broadband capacity. In order to be more competitive, local innovation has to be created intelligently. There are a lot of gray areas in creating this momentum.

For Michigan to be competitive in the global knowledge economy and network society, Corey recommends that the State “lead, align, and integrate its currently diverse and strategically uncoordinated policies' implementation.” Despite recent attention to the concept of economic clusters, the reality is that some jobs in the knowledge economy require clustering while others do not. Different cities and city-regions must find and



tailor niches for themselves, rather than all striving to become centers of advanced research and development; for example, only a few locations can sustain advanced R&D (research and development) functions, such as Ann Arbor. States must mobilize resources for cross-jurisdictional thinking and planning, with an emphasis on collaboration. In the short term, Corey views improving the digital infrastructure as still-needed, with positive progress; but in the medium- and longer-term, planning will need to focus on content of economic development, the “full spectrum of the knowledge economy,” for the state and city-regions to become more, and to remain competitive.

**Dr. Zenia Kotval** believes that Cool Cities is a good initiative but that it must complement other action that is being taken by the State including land banking and SmartZones. Cool by itself is not enough. The state has to create a mix of hot jobs and cool cities.

The belief is that the creative class will bring the knowledge economy. The reality is that the same elements are acting to allow jobs to move anywhere around the world. What are the inputs and catalysts to this development? The basics are a talented workforce and other draws to the global marketplace, but other things draw firms into areas. Important to firms’ location decisions are access to global markets and ready markets for their goods and services, not just a ready labor force.

There must be recognition that high unemployment is not equivalent to a large available workforce, because different skills are needed. Many employers want to see ten qualified people for each job opening. Firms also need “shovel-ready” sites, areas where development can occur more quickly, business and technology incubators and infrastructure to make location decisions.

Then look at the creative class and the people. These people will stay or go. Those who stay may create hot jobs. The state needs a cli-

mate to create jobs and the main input for that job creation is financing, including venture capital, angel funds, and small business assistance. Connectivity may be coming with new broadband infrastructure but entrepreneurs also need networks to become successful.

Quality of life elements are also needed, including affordable housing. In many places on the east coast people “drive until they qualify” which pushes them farther away from the center of the city. Kotval encouraged the group to think beyond making downtowns pretty and to think about the capitalists that are making the decisions to move firms. These neighborhood revitalization strategies are tried and true but they don’t necessarily create the kind of economic growth needed. Kotval advocates a holistic approach that relies on connections to universities, banks with funds from the Community Reinvestment Act (CRA) and Revolving Loan Funds with money from the state. The need is to increase the inputs into the system.

**Dr. Margaret Dewar** introduced her remarks by recalling a Michigan Futures task force she served on in 2003.<sup>1</sup> In considering the goals of the Cool Cities Initiative, she reexamined the task force report and found its recommendations remain valid. The report included an urban agenda, built around four commitments, against which Dewar compared current policies.

The first of these four commitments emphasized the need to be “welcoming to all.” The Michigan Futures report recommended that the State strive to be open to immigrants, all races, religions, and varied lifestyles. Dewar recalled Reynolds Farley’s research showing the diversity that exists in the Detroit area. Michigan, she noted, faces real challenges in these areas, especially considering the State’s high levels of racial segregation and the recent approval of Proposal 2 prohibiting benefits to same-sex partners. Dewar

<sup>1</sup> Michigan Future, Inc., 2003.

concluded that the Cool Cities Initiative does share the commitment to diversity reflected in the Michigan Futures recommendation.

The 2003 report also pointed to the need for “quality public services.” These include quality public schools, which are the most important investment for children and which reinforce the demand for housing in local areas. Also important are things like policing and code enforcement. Beyond these factors, tax policy must allow for land to return to productive use. Nurturing cultural assets can be very difficult for financially strapped cities that are experiencing a loss of property tax base and cutbacks in state revenue sharing.

Another critical issue identified by the Michigan Futures report was the need for cities to be “development friendly,” to allow good ideas to be realized. This means creating a climate that is hospitable to large and small development, and for-profit and non-profit development. A system may offer benefits to development that meets with approval and penalize owners of derelict property. Changing the approval process and streamlining it in some cases is important. Also cities need to allow for more flexible zoning and regulation. Encouraging mixed use development and housing to affect street life. Dewar also talked about how some communities may be overly restrictive to development.

Finally, Dewar noted, the Michigan Futures report recommended priority be given to the goal of “deconcentrating poverty.” Reversing the concentration of poverty in core cities would help to create opportunity for all residents and facilitate the expansion of a middle income population in good, stable neighborhoods.

Dewar concluded that, overall, the Cool Cities Initiative is a good start to begin to invest in cities, but the State must realize that other policies are also needed. For example, the recent establishment of a Land Bank Fast Track Authority is a positive development that may remove certain obstacles to redevelopment. Dewar noted that more needs

## Session One Questions and Discussion

**Q1:** *To Reynolds Farley, is the problem that people don't really know what they want as far as where to live, in relation to the perception of the housing and the location of the housing? Were there other questions in Farley's study about schools or more specific questions to get why people answered the way they did?*

**Farley:** There were only four questions but without following up on the questions about why they answered the way they did. A survey did show people a map of the three-county Detroit area with ten locations scattered about on the map. Respondents were asked if they had looked for housing, did they look in those areas, or would they consider living in those areas. Those questions were followed by open-ended questions. Most whites said they would not live in the Detroit area but many black said that they would look in most areas except in the far suburbs.

**Q2:** *Many of the people are asked how Cool Cities translates into job creation. How would the panel answer that question?*

**Dewar:** That is the missing link. There are many connections that still need to be made. Many people assert that but the proof is somewhat harder to come by. My students are looking to live in Detroit and think that many things are cool that other would not consider cool. They could be urban pioneers but they cannot find employment.

**Kotval:** The cool city concept is a great concept. The quality of life aspect is becoming more important in firm location it used to not be an issue. Crime, tax base and safe neighborhoods are increasingly important. The initiative is a building block to retain the job base, but you cannot rely only on that. You need to balance that with funding sources and infrastructure and other programs such as SmartZones and land banking.

The initiative is a building block in a pyramid that will create jobs.

**Q3:** *Is there a link that is obviously missing?*

**Kotval:** The first round of grants were for very physically oriented, design, downtown improvements. There seems to be little difference between this and other downtown revitalization projects. What is missing is a tie between cool cities and hot jobs. What is being done in relation to the inputs and catalysts to get those things done? In isolation you probably won't see the changes that are necessary.

**Corey:** There is a need for emphasis on priorities and policy linkages. If I had my druthers to create the jobs, short-term and long-term I would focus on a lot of the things we have policies and programs for now, but put that up front and make it a banner. Put the emphasis on the production functions of the E-Business Spectrum, and move toward knowledge economy process. The cool cities as a promotion strategy and collaboration in government would be a very important complement. The consumption functions are non-basic, creating jobs in retail, but more important are those that improve productivity in the industries that we already have, such as manufacturing. The startups and further informatization of existing industries should be emphasized; this will enhance competitiveness.

**Kotval:** We can't forget that there is a strong base of blue-collar traditional manufacturing industries; a lot of people work in these jobs. Only a small percentage of workers in traditional jobs will be able to transition into the knowledge economy jobs. We must not forget our traditional base.

**Farley:** Many people react to what they think things are like. The tales of woe about Michigan's loss of jobs and focus on troubled industries abound. The Cool Cities Initiative can make a change in the negative stereotyping of the

state. There is a role for public relations, but that has to be linked to real programs. For people who get their information from popular media, there may be a distortion of reality about Michigan.

**Q4:** *I have a question for Zenia. You mentioned that you would like to see universities become more involved in their neighborhoods; how and when will that happen? Does coordination exist for universities to become more hands-on, with community and economic development to coordinate the tech transfers, the SmartZones, etc.? Is there a way for universities to really get involved?*

**Kotval:** We really do try to work in neighborhoods and cities to work on the ground. We could certainly be doing more. Michigan State University is involved in the SmartZone programs and spin-offs and things. All I can say is that from the top down, no recovery has taken place without taking a strong university or educational presence. The whole nature of knowledge jobs is intellectual capacity and ties to universities become crucial. I will turn to someone like Ken who can speak about what the university is doing...

**Corey:** I probably shouldn't open my mouth.... I've always been disappointed that the universities don't engage the community nearly enough, that is my bias. Universities are horribly decentralized beasts, when you talk about silo behavior within an organization. There are many entities that do outreach and engagement (not just at Michigan State). There is no one person whose job it is to mobilize those diverse resources and link them to some of these crucial strategic policy dimensions that are so important to local economies. That is a major void. There is a book, funded by the Southern Growth Policies Board that looked at some of the southern research universities.<sup>2</sup> Some of the best universities – Johns Hopkins, Georgia Tech – were studied.

<sup>2</sup> Tornatzky, et. al., 2002.

Many of them had a sort of economic development/ community czar whose job it was to make sure there were linkages. Now that doesn't mean intrusion into academic freedom, but rather it means linking them to the local economy to make it better. I think that universities are under-participating in a strategic sense.

**Dewar:** Another direction for universities reflected in the 2005 RFP for Cool Cities is how universities can contribute to the cool of a city. Looking at it from the University of Michigan perspective, there are lots of decisions to locate offices outside of the city because people want parking and land costs are lower. Some people are working on a sustainable campus initiative which looks at how a university's land use decisions contribute to the university's ability to attract students, but not many people are listening.

**Thomas:** Some of the people at this table are some of the best people I know to deal with that question, and they wouldn't say because they are too modest. But it really does take the initiative of an individual faculty member because of the organizational constraints to decide to do that. I know that Zee and Rex [Zenja Kotval and Rex LaMore, state director of MSU's Community & Economic Development Program, who was in attendance] are supervising individual projects in seven Michigan communities. These are teams of five students each who devote a whole semester to do the work needed by a neighborhood or city, and that happens regularly. The students are doing projects that they win awards for. Reynolds has been conducting research and outreach and surveys since 1976, and our knowledge about race and southeast Michigan comes largely from Reynolds.

**Corey:** There are some structural barriers as well. Michigan is one of the only states that does not have a Higher Education Board that oversees its publicly funded universities. There is a constitutional separation, so if a governor became

heavy-handed about linkages there would be some problems raised. Those institutions in the study I mentioned earlier were largely private institutions that got some public funds, which is a small problem. If I were king, I would love to sit down and talk about the public good or the overall public interest. That kind of dialogue is still needed. The Life Sciences Corridor discussions created some interesting collaborations both between universities and across disciplines within universities, but that was narrowly conceived. Do we have the will to do it? That is the question.

**Q5:** *You talked earlier about public education and the need in cities for education system change to happen at the same time that people are coming back to cities. There are external forces on the school system. Maybe we need to focus on other things first. In the Cool Cities online survey we found that the number one thing was walkability and safety. Fixing schools first is a challenging task, maybe there has to be a partnership. The immigrant issue is interesting—families with children move into those areas. How do we work on the acceptance? Is that a more realistic consideration for the short-term?*

**Dewar:** I didn't mean that schools should come first, rather that schools are major. But the first population likely to prefer living in urban areas are people before they have children and families after they have children who have left schools. The longer-term goal is to improve schools as well.

**Farley:** There are two new high schools that can serve as magnets for different population. Two of the most impressive schools in the nation are both in Detroit, Cass Tech and the High School of the Performing Arts, the latter has half of its spots reserved for suburban residents. Students in my classes complain that they can't go to Cass Tech. Other schools may become part of immigration decisions if they are outstanding.

**Thomas:** The online survey that the State carried out had a high percentage of undergraduate respondents who are younger. It is possible that as they get out and start marrying ... they may not have indicated that schools are important but they will eventually realize that that is the case.

**Q6:** *This is our first symposium specific to cool cities. Do any of you have any ideas how we can better work with scholars as we move forward with this initiative?*

**Thomas:** Most of the people here expressed a desire to come, and I am now hearing from people who were not invited [who would have liked to participate]. I think that these folks would be willing to continue a dialogue with you.

**Corey:** I think that is an organization issue. You already have a relationship with June and Zenia. You can funnel future things through them. They can mobilize resources in a way that would be quite useful as the project allows.

**Farley:** If your budget allows I think it would be interesting to have a series of dog-and-pony shows in neighborhoods in cities across the state with presentations about what it means to be a cool city in that area. Not only academics would be involved. That would bring attention to the Cool Cities Initiative and what you are trying to do.

## **Session Two: Urban Revitalization and Community Development**

**June Thomas** introduced the second panel, including herself, Gary Sands (Wayne State University) and Stephen Vogel (University of Detroit Mercy).

**Dr. Gary Sands** framed his remarks in terms of “Four Ps” – perspective, partners, permissiveness, and patience. He spoke first about the mission of the Cool Cities Initiative, as stated in the 2005 Action Plan. As it stands, Sands argued, the program’s mission is far too ambitious; it aims to do more than any single program could realistically achieve.

Sands argued that “Perspective” is required, about what the Cool Cities Initiative can really do to improve conditions in Michigan cities. The initiative is limited, both in the size of its grants and in its geographic scale. The program places great importance on attracting people age 25-34, entrepreneurs, and knowledge workers, but there are other people and activities that are involved and cannot be neglected.

The initiative can realistically do two things, according to Sands. First, as a pilot project it might serve as an opportunity to experiment and gain a sense of what might be accomplished in certain areas of redevelopment. In addition, Cool Cities grants may make a real difference in a limited number of Michigan communities and neighborhoods. But to expect such a program to shape the entire state is not realistic. Sands used as an example one of the pilot grants made in 2004, noting that it might be expected to make a difference for the affected business, and may even help make the neighborhood or a part of the city more attractive, but was not likely to revitalize the city.

The second point of emphasis in Sands’ presentation was the need for “Partners.” He suggested that in Cool Cities, as in other efforts to revitalize, change, restructure, and adapt the state of Michigan’s economy and policies to the new

realities of the 21st century, we must accept that government lacks both “money and smarts.” Government alone cannot devote sufficient resources into revitalization efforts to make a difference, and it is not smart enough to figure out everything that needs to be done. That means that government must partner with community-based organizations, institutions, business, and universities to make change

On a related note, Sands recommended that government regulations and policies be more “Permissive,” rather than prescriptive. To enable communities to meet the goals of Cool Cities, the State must be open to innovation and change, and should therefore seek to craft policies that permit innovation to flourish.

Finally, Sands emphasized the need for “Patience.” What happens in the next six months or eighteen months is not as important as what happens in the next six years or eighteen years. Individual places need to be worked on and enough time has to be given to these beginnings.

**Dean Stephen Vogel**, because he has lived and worked there for many years, focused his comments about Cool Cities on the City of Detroit. In framing his remarks, he noted that is important to realize that in the many studies of the economy, we only know how to deal with growth; there are no textbooks on successful decline.

Vogel stated his belief that to succeed at re-viving cities we must start from the broadest concepts and work forward. There needs to be a federal vision, a state vision and a local vision for the City of Detroit. To realize these visions, there needs to be both massive programs with focused dollars, and also grassroots leadership. More specifically, the nation needs to deal with a mismatch between where jobs are and where people of color are located. Detroit is the most mismatched city in the United States. Inner ring suburbs are beginning to experience problems that Detroit is still grappling with.

In his initial reaction to the Cool Cities Initiative, Vogel noted, the term “cool” was a turn-off because it sounded like quick fixes and public relations. After considering the details of the program, however, he concluded that the initiative does have a strong grounding and seems to be based on good values. Promoting diversity and mixed-income development, stopping sprawl, improving mass transportation, diversifying the job base, preserving historic urban centers, and promoting immigration are all important to Detroit and Michigan.

Having discussed the Cool Cities Initiative with participants in the Detroit region, Vogel identified three especially positive aspects. First, he noted that the most outstanding feature of the program appears to be the Resource Toolbox, which gives Cool Cities projects priority access to additional grant programs within state government. Even for an organization with experienced leadership, “jumping to the front of the line” is of great value. The project moves more quickly and decisions are made rapidly.

Vogel also noted that the Cool Cities concept does create a broader theme, and Cool Cities designation does tie the local project to a broader initiative. Even without a “big vision” for cities, this is important.

Finally, Vogel praised the fact that the education and outreach of Cool Cities brings important concepts to public view. There is a conversation happening around the issue of sprawl. The conversation is about livable neighborhoods but there are also conversations about diversity and mass transit. The popular media is beginning to take notice of the problem. A problem in this country is the lack of travel outside the United States; people don’t have an idea about how the rest of the world works, and are locked into post-WWII paradigms. Their money goes to houses and cars but not to travel, and so we lack awareness that there is another way to view our cities.

In conclusion, Vogel raised several questions he continues to have about the initiative. Is the

program more PR than substance, and therefore likely to fade away like other programs? Is this just marketing? The positive marketing may be helpful, Vogel noted, but he wondered if the marketing can be backed up beyond individual projects spread across the state.

Vogel also wondered whether the effort would be sustained. He noted that the individual grants were relatively small and seemed to be awarded to projects that were already well underway; if that is the case, grants may fail to reach the desired “tipping point” as catalyst investments. He wondered about the nature of the projects selected, and whether this will make a difference to the ultimate success of the initiative? Vogel was not certain that the more “holistic” aspects, which individual physical development projects will need to connect to in order to make a lasting difference, are in fact in place. Is this initiative only addressing the symptoms and not the disease of the problems? There seem to be movements to address these issues, but it isn’t clear that projects are actually reaching these goals. Finally, Vogel asked, “What defines the big picture? Who is looking at the state or the region as a whole?” He advised the State to engage in benchmarking, to compare ourselves to the whole country to see what we can learn.

**Dr. June Thomas** described what has been learned to date in the Cool Cities research project that Michigan State University researchers are conducting (Power-Point presentation is available upon request). The MSU Cool Cities Team looked at the indicators and the theoretical underpinnings of the TIDE Model. The literature is uneven in terms of the investigation into the three Ts of Richard Florida (2002, 2004). We need to understand the empirical basis for the changes that the state is looking to make.

Diversity refers to the economy and people but Florida looks specifically at four areas in relation to Diversity: gay index, bohemian index (people in the arts), melting pot index (immigra-

tion) and integration index (race). Thomas points out that Florida deals with correlations, not causation. This may mean that it is cutting edge and has not been investigated thoroughly. There is support for the immigration thesis. This should cause concern because of reductions in immigration since 9/11. The race element caused a lot of controversy for Florida when his work was first published, because he implied that there was a negative correlation between high percentages of racial minorities and economic growth. He has since clarified this and is using the integration index. Bohemians are also weakly supported in the literature.

In relation to the Environment, Florida’s work has very little support. He identifies authenticity, “thick” labor markets and night life. Other authors cite the importance of density, pedestrianism, mass transportation, tourist economy and sports, but this list should also include schools and safety.

In light of Detroit, an initiative needs to address the issues of population decline, racial segregation, declining economy overall, and suburban distress. Diversity issues facing Detroit include high segregation index, high domestic migration out of the city, moderate rates of international migration, and high concentrated poverty. Thomas used graphs and maps to illustrate each of these points. In relation to the environment Detroit is challenged by insufficient density due in part to a lack of a transportation system, an unusual amount of brownfield vacant land, high amenity neighborhoods that are scattered and fragmented, tourist economy difficulties as related to the riverfront, and the sports stadium strategy a partial success. What is different when you compare Detroit to other cities is the lack of rail that is used by the middle class.

Thomas and team are looking at seven comparable cities: Chicago, Cleveland, Indianapolis, Minneapolis, the South Bronx, Philadelphia, and Pittsburgh. Indianapolis used a sports stadium strategy but started many years ago. The South

Bronx was the focus of years of investment to improve housing. Cleveland had strong land assembly and working relationships between the city and CDCs to target redevelopment. Detroit has made some progress with successful projects including the riverfront, Campus Martius, stadiums, new attractive housing, land assembly reforms in progress and creative cities movement. Other concerns for the city include previously mentioned problems as well as massive budget shortfalls, challenges with city bureaucracy and regional estrangement. The next steps for the team include continued work on TIDE including indicators posted with instructions, a search for applicable ideas for distressed cities such as Detroit, assessment of strategies put in place by the State, and directions for future research.

## Session Two Questions and Discussion

**Q7:** *Both the first set of speakers and the second set of speakers talked about the term “holistically” in relation to the program being focused on the built environment and TIDE – looking holistically, what does that look like, what pieces are missing?*

**Vogel:** I guess I was the one to use that term. What I meant was the physical development cannot be seen in isolation with human development and economic development. Creating healthy neighborhoods is more than just physical health. I think back about some of the programs, especially in the seventies that got only the physical aspects, such as commercial streetscapes, while the stores behind them collapsed from lack of economic resources; or around social service organizations other issues. So that’s what I meant by holistically.

**Q8:** *I had a question about the charts that showed the drop in high poverty [in Detroit] in 2000. We saw an increasing move toward 40 percent high poverty and then a drop in 2000. Can you explain what that is?*

**Thomas:** A number of us have been looking at those maps for a while trying to figure out how to explain those maps—for a long while. Basically, they shook the foundations of Detroit scholars because we didn’t expect to see that. I actually thought that might be a good research project in just trying to figure that one out. But I suspect, first of all, that was the most concentrated poverty, so in one sense, I think that the pendulum had gone so far in one direction that it had to swing back. We had so much of the city covered by high poverty neighborhoods all you need is a little bit of redevelopment and a little bit of movement from one tract to another to start to see that change. And, of course, if you drive around Detroit, you see more than a little. There are some areas, some census tracts, where there really has, finally, begun to be built some housing either by



CDCs or by private developers. That may be part of it as well. I was in a forum with David Rusk. David Rusk took violent exception to what was shown in those maps. And he claimed basically that it was a poor measure to begin with and that, essentially, it was too focused on very, very high-poverty households. And the economy, of course, essentially improved in 2000. I would prefer to believe, and maybe this is just wishful thinking, that we do see a turn around in some areas. That is what we would like to see. There is an opportunity to build on a few successes that have been able to have an immense effect.

**Q9:** *I thought that all of your presentations were excellent. The different approaches to your presentations provided a good mix. I noticed that in all of your presentations there really wasn't a discussion about preparing political organizations of a community and what impact or role that might play in economic and community development. To me it's an obvious part of the pie to talk about and yet none of you really talked about it. And I don't just mean Detroit, it can be small cities as well as big. I've seen in small cities where it is completely dysfunctional and my office has actually recommended that these places change their city charter so that the term of the city council is longer to give the council some breathing room. Many times they are on two-year terms so they are always having elections and there is no opportunity for political civility or competency to grow. Would you agree that that is a must? Chicago for instance, do they have a city council that are aldermen and they have over 100 and they are very un-empowered and they have a very powerful mayor that, I guess for better or worse, is allowed to make things go. I guess that is my comment or observation. When you issue your report about Detroit will you make an honest assessment about the political structure, or other cities too, not just Detroit?*

**Sands:** I agree with your basic point that the political culture does in fact make a huge difference. Take for instance Ecorse, which for about

eight or nine years would have an election for two year terms, recall the elected officials in the odd year, so get new ones, and then have another election and recall those. Nothing happened during that entire period, except that they went into bankruptcy and started selling things, like the parks. So, yes, it makes a huge difference and now that they've got a little stability and the current administration may actually get to run for reelection as opposed to being recalled. It looks like they're going to be able to accomplish some things. It is hugely important. In terms of the role of community development corporations vis-à-vis local government, I think that maybe if Avis [Avis Vidal, professor and chair of the Department of Urban and Regional Planning at Wayne State University] had been here we would have had some measure of that because that is an area that she is doing her research on. So that might have been a contributing factor.

**Vogel:** I'll give you my take on it. I think leadership is a huge issue. I remember when Boston was a place that you didn't want to go and Toronto was a place you didn't want to go. Of course Detroiters loved to bash Cleveland 25 years ago. Leadership was part of the process of bringing those cities back and making them what they are. I think that for whatever reason Detroit has had difficulty bringing strong leadership to the city. Conversely, because the city has been, in varying degrees, dysfunctional for about fifty years the neighborhood organizations become extremely powerful. I don't necessarily mean that negatively, but it's almost like a feudal system. For at least the last twenty years, up until recently the organizations were very good at stopping projects from happening because they were so powerful. The city was, sort of, powerless to bring them together. There is huge distrust of city government in any neighborhood I've worked in. Recently, though there are certain kinds of progress, for example in releasing land for infill housing. It maybe takes less than three

years now. And garbage is being picked up, although maybe next year that's going to stop. This whole issue of leadership and politics is very important. Four of seven city council people live in my neighborhood. What kind of representation is that? We're this little neighborhood up on the northwest side of Detroit. That is not representational government. I think there are tremendous political problems in the city of Detroit that prevent things from being accomplished.

**Thomas:** In terms of Detroit, that's another panel. The single basic reform that the voters have consistently voted down is to create a ward system in Detroit. If they had a ward instead of an at-large council I think you'd see an immediate difference. They also need to overhaul their civil service system. That is what I was referring to in terms of the bureaucracy. In terms of leadership, we actually worked on a project comparing Grand Rapids, Lansing and Flint. For those three cities the leadership made a big difference. The way the city was structured, and the way that they organized themselves to deal with neighborhood revitalization, made a big difference. I'll tell you that, in Grand Rapids, there are a lot of things we could complain about but they seem to be well organized to address the kinds of neighborhood support that would be needed in this new era of creative cities. So, that is a big topic but that would be another panel, another day.

Are there any questions of the whole group of seven?

**Q10:** *This has been very enlightening. I wonder if there is any utility in incentives and how we think about incentivizing development, retaining the creative sector of the population, and getting people to move into downtown areas, whether it's through lower mortgage rates or lower taxes to get people to move into cities. Or getting them to live in downtown areas by forgiving a portion of their mortgage loan or forgiving their student loans for students who come to Michigan schools and stay*

*here for five years maybe start a company. I am not an economic developer but I think if you get enough of a concentration of people that eventually those things begin to happen and the economy will begin to grow. A collection of small businesses or endeavors will create pockets of activity. My grandparents came to this country because of advertisements of cheap land and opportunity; it would be that same thing in our core cities.*

**Kotval:** My initial reaction, though, is that we would be better off putting our money into basic infrastructure than into incentives. Putting our money into affordable housing, into education, because if you are going to give me an incentive to move into your downtown, what is stopping Cleveland from giving an incentive for me to move there. Just giving incentives is a short-term, stop-gap measure. We have seen how this works with industrial development, giving firms large incentive packages—what is stopping them from moving somewhere else with a better incentive package. What has been invested in these incentives is lost when a better offer comes along and they move. If you invested in schools and infrastructure and roads that investment is there to stay. So I think that your money is better utilized in basic infrastructure.

**Q10 (cont):** *But I see us providing those financial incentives to businesses but not to the individuals necessarily ...*

**Dewar:** Part of what we're talking about today is really trying to redistribute where people are and bring them into the cities or keep them where they are in the cities, and I think in this regard Cleveland is a really great example. Because starting in the late eighties or early nineties, they had a person that some of his department heads called a crazy person, he said, we're going to a lot of new housing, 1000 units a year built in Cleveland from now on. They had 330 building permits for new housing in the previous ten years. They put in place with strong leadership, at the

mayor's directive. Each department head had to look at how their agency could help move toward this goal. He understood the importance of the visibility of something new happening in a city that had been dominated by abandonment. They got the banks involved offering lower interest mortgages. They put in place some tax abatements so that property taxes were not higher than in the suburbs. They have been building very diverse kinds of housing, some of it looks like it should be in the suburb and some of it is more dense urban-style housing. Detroit has built new housing but Cleveland has exceeded that in relation to its population. There is no reason why Cleveland should be doing better than Detroit. Its demographics, its poverty rate is a little worse than Detroit's, its population loss is the same, its job loss is a little less than Detroit's, so really, the demand for land and housing is pretty much the same. I think that is a great beacon of hope for what can happen.

**Q11:** *Earlier, Zenia, you said that it was important for us to retain our blue collar workers and I guess I am curious about how you formulate that argument. I saw a Wall Street Journal article that says, yes, we're tops in manufacturing. I understand that we want to keep the knowledge workers in manufacturing. Because I see a lot of small towns that are still hoping that manufacturing will come to town and save the town. They are looking for that big win in their town. I guess what I'm wondering is, how do I understand how encouraging or supporting that base of blue collar furthers what we are trying to get at?*

**Kotval:** I think that the whole definition about what is traditional manufacturing is changing. I don't see that smokestack type manufacturing that once was. The basic qualification for entry into manufacturing is an associate's degree. We are not talking about anything other than high-tech even when we talk about manufacturing. Really what I'm trying to say is, don't just focus on software and high-tech industry and concen-

trate on those industries to the exclusion of others. But also look at what we have which is the new traditional manufacturing which is highly educated people working more in the design-oriented, R&D-oriented aspects of manufacturing and not to leave that whole sector behind or not to devalue that sector. The whole notion of what is blue collar is changing. If you think that blue collar is something on an assembly line, we're out of sync. Today, a blue collar worker is someone with a bachelor's degree. A blue collar worker is someone working in an R&D-type environment. It is someone who still works with their hands rather than just their mind, a gray collar or management-type position. Hopefully we won't lose that because that would be hard. Our concept of what we call manufacturing is changing.

**Farley:** Can I speak from the past for just a second? The United States is approaching a population of 300 million and not everything we buy here is going to be manufactured in China. Obviously manufacturing is not going to save small towns but there is good reason to think that manufacturing employment is going to increase in some ways. We've got the new 1.5 billion dollar Ford F-150 pickup and we hope they will decimate the Nissan Tundras and so forth that come out of Mississippi. You've got two new assembly plants here in the Lansing area, fairly new. The City of Detroit has two new assembly plants dating from Coleman Young's efforts. The steel industry in the United States was given up for dead three years ago. President Bush imposed the tariffs on European steel and surprising to most of us the US steel industry is now doing reasonably well. There is an increase in employment in the Upper Peninsula from mining, and Great Lakes shipping of iron ore may have set a record last year and may set a record this year. Those are traditional jobs that are not going to escape and in any economic development policy it seems to me that some attention has got to be given to that. Some of those jobs are going to go to people that have

an associate's degree but there are still going to be blue collar jobs that recent immigrants and people that don't prefer to go on to college can fill and find financially satisfying.

**Vogel:** One small comment I wanted to make is again about Detroit. While they were focusing on these two large automotive projects that cost hundreds of millions of dollars to the city, every day five to six small-scale manufacturing operations, employing fifty people or less, were leaving the city. It's gone on for years and years. And I've talked to people who owned these businesses. A lot of them are related to auto industry but a lot of them are not. They get no cooperation from the city. They want to expand or put on an addition and hire ten more people. I think that we also look at Los Angeles where small-scale manufacturing is very successfully spread throughout the whole city. That's an attention, at least in Detroit or Grand Rapids, which really needs to be a focus.

**Farley:** You may or may not like it but Holland is the city in this state that is remarkable for developing somewhat unskilled manufacturing endeavors and seeing its population sustained by immigration from south of the border. That is one strategy. Providence, Rhode Island, has done this with jewelry and Los Angeles is perhaps the peak place in the United States where dollars from Asian investors establish textile plants, manufacturing plants, and workers from Latin America work in those plants in the Los Angeles area. It is one development strategy that should not be cast aside.

## **Discussion with Director of Department of Labor and Economic Growth**

Robert Johnson thanked the panel and talked briefly about the Cool Cities Initiative and other State programs. What may be necessary is a gap analysis that would identify what is needed for the initiative. He reminded the audience that Detroit is a major concern because Michigan is associated with Detroit from the outside world and reiterated Dr. Corey's assertion that we have to think in terms of city-regions. Johnson then introduced David Hollister, Director of the Michigan Department of Labor and Economic Growth.

**Director David Hollister** began his comments by recounting his personal history working in communities in Michigan. In his experience, this initiative has created a lot of discussion and excitement because of the collaboration within government. Director Hollister then talked about the origin of the Cool Cities Initiative. The CCI was started as a result of the Michigan Land Use Leadership Council, a bi-partisan committee appointed by Governor Granholm, to study the issues of land use and make recommendations to the government. One of those recommendations has become the Cool Cities Initiative. The CCI is unique because it relies on the collaboration at all levels and in all the departments of government to make sure that their efforts support the initiative. It is also remarkable the number of other kinds of collaboration and partnerships that have been created because of the initiative.

Director Hollister understands that the initiative is not a silver bullet but rather a comprehensive strategy that includes cool cities to address issues broadly and help Michigan communities. The governor's administration is continuing to create reforms that will support this initiative, including programs like the Single Business Tax Reform policy to keep industry in the state. Michigan has to retain its industry and transform it. Lansing has become a center for training in the complex manufacturing processes that the

auto industry now requires. The State has a Jobs Today program that is part of that comprehensive strategy. The State is also reinvesting infrastructure including downtown neighborhoods. Part of the Jobs Today strategy is going to repair colleges and universities. Efforts are being made to leverage strategy to achieve multiple goals. Addressing emerging industries is part of a Jobs Tomorrow strategy for the future. The Cherry Commission looked at how to encourage the education of students for the future.

The ultimate goal of all of these pieces of the comprehensive strategy is to have more jobs and a better quality of life. People want vibrant cities that celebrate diversity and have cultural amenities. The Cool City designation has served as a marketing tool that is helping these cities to redefine themselves.

Director Hollister closed his remarks by congratulating and thanking the people who are involved in this new collaboration to work toward the goals of the State.

The floor was opened to questions and discussion following Director Hollister's remarks.

**Q12:** *I asked about manufacturing but I'd like some clarification. What kind of manufacturing are we talking about? Are we still talking about higher wage, middle-class, union-type jobs, or are we talking about more an extension of the service sector kinds of jobs that are more entry level, paying minimum wage? What is the picture of this new manufacturing economy?*

**Hollister:** Yes [Laughter]. It's a mix. Earlier today the MEGA authority approved a deal with Toyota for seven hundred acres in York Township that is bringing their international R&D center to southeast Michigan. We are the epicenter of auto research and development. We are talking about high-end R&D type jobs, fifteen hundred dollars a week jobs—good jobs. We also made other deals, with Johnson Controls in Holland and a couple of others. Some of them are unionized

and some of them are not. They require skills that my father who was a high school dropout and worked at Oldsmobile for thirty-plus years would not even be eligible to apply for now. Even though these are entry-level jobs they require technology skills and literacy skills that he didn't have. It is a mix. But don't forget that we are a pharmaceutical manufacturing center, a furniture manufacturing center, tool-and-die, and auto, so when you think about manufacturing, you have to think about all of those and they're big and they're small and in between. The ones that are really being squeezed right now are the Tier 1 and Tier 2 suppliers – not just the big OEMs (Original Equipment Manufacturers) because they don't have the capital and cash flow and the ability to go to Wall Street that the bigger ones do. You can't focus on any one you have to focus on all of them.

**Kotval:** I would agree that it is a mix of jobs. I actually think that the US as a whole is not very competitive in low-skill, low-paying jobs. If you look at our minimum wage structure, I mean, there's always going to be the McDonald's jobs and there's always going to be the bottom level service jobs in this country. We're not competitive when it comes to low-cost manufacturing. When you compare our wage structure with a place like India where the minimum wage is a dollar a month there's just no way that we can compete in those types of markets. But will there be jobs in those sectors? Yeah, we still need to eat in those fast-food restaurants; we still need basic infrastructure jobs. But what we want to target are those jobs Director Hollister is talking about.

**Q13:** *I had a question going back to higher education and its role in the community. Do we have programs in place, or does the university, or the state with the university to bring people from the university into the public schools and to students at a very young age, because these students are not exposed to very many people that have a higher education so*

*the expectation is not there, I think, they don't think that they can go to school. As someone who grew up in Lansing and went to the public schools, there weren't programs to expose you to that at a very young age. One teacher in a classroom doesn't seem to do that very well.*

**Corey:** I can jump in and say yes, there are programs. Are they adequate to do the implied job that you're suggesting? Absolutely not. Our colleagues of natural science, for several decades have had science education enhancement programs – a whole variety of types, bringing youngsters on to the campus, and so on. They really are superficial relative to the kind of transformational need that is inherent there. It has to happen, I would assert, not just in places near a handful of research universities but out in the localities and the regions that Bob Johnson picked up on as I was touting before – community colleges. In other words, everything does not exist at Stanfords and MITs. I think the kind of suggestion you're making makes me think of the whole range of tertiary education activities that we have access to. I think it also relates to a whole variety of other things – transforming other kinds of institutions like Extension where we would be talking about science and technology as well as art and culture. Something to stimulate creativity and innovation. I think it's doable, but I think that it takes a concerted and coordinated effort.

**Comment:** *The Kalamazoo Regional Chamber of Commerce hosted a jobs summit that was very valuable and much could be learned from similar activities. People should consider participating in the on-going conversations in Kalamazoo.*

**Q14:** *Are we lacking a narrative in housing? I feel like it might be emerging. It seems as though, at least in my parents' generation, we grew up believing that high density equals poor, meaning that if you live in high density you can't afford to have your one to three*

*acres and all these things. I think this relates to some of the things that the gentleman from UD Mercy was talking about in terms of this being antithetical to American values. I see that when I talk to people about real estate in New York they tell me about \$1,000 per square foot and you get to see your neighbors—you really get to see your neighbors. In Michigan, what it means is you don't see your neighbors when you buy land. I wondered if you have ideas of arguments that can be used to overcome or provide new narratives for those people. My parents may not be able to be reached but at the same time my brothers certainly can because they've lived in Chicago and San Francisco. I'm asking, have you experienced things that helped you to explain that it's okay to see your neighbor? You can be affluent and still see your neighbor.*

**Vogel:** I have one reaction to that. I think it is an American value system. In European cities the wealthiest people live in the core of the city. Now, they may have a villa outside somewhere but in our cities it is just the opposite. When you look at some of the background to Cool Cities, I think those are all of the reasons why and I think there is some sense that Americans are in fact, changing. Now I'll be optimistic. We are changing some of our values in that way and you certainly see it with young student-types who are just graduating. When the rubber really hits the road though is when they have kids, school age kids. All of the sudden there is this dramatic shift. And Detroit by the way has always been a single-family city, the auto companies promoted that, in fact they built the houses, that is a hard shift to change.

**Thomas:** I really think the New Urbanism movement is getting us there. And just to be sure that the record is straight the so-called American culture was federally financed. Basically, if it wasn't for federal financing for FHA and VA loans and the highways, we wouldn't have this idea, and the tax policy, the mortgage policy. So that was a created cultural value. I think the

New Urbanism movement, which is a real movement; there are now developers who have discovered that people will pay for dense living. That they really do like Birmingham over Novi. There is something about that mixed-use high density. There is a growing literature in this area, and some of it is empirical, where they are essentially going and asking people about their preferences. So, that is definitely a possibility and I think we will see more of that in the future.

**Dewar:** Some of my colleagues are doing research on the question of where do different kinds of people want to live and they're finding that where people have had the chance to see what denser living looks like, for instance, they compare Boston and Atlanta; they find that there are more people who actually want that kind of life. They also find in studying a number of cities that a lot of density is forbidden by our current regulations. So they're advocating strongly for more choices. Perhaps then we will allow people to live more densely.

**Q15:** *Steve, this is related to one of the comments you made earlier about Atlanta and how the city was very responsive in the building of Centennial Place/Park. What did they do in Atlanta that you see being done in Michigan or that is not being done in Michigan?*

**Vogel:** What they did was, they decided that the project was so important, and they had the Olympics as sort of a spur, that they were going to create the kind of operation and collaboration between all the departments of the city and the state together to work together and sit together and so on to make decisions very rapidly. I don't think that typically happens. Although I have seen the City of Detroit do it on a number of occasions. When Victoria Park was built – that was the first new single-family subdivision in the city in thirty years, which is by the way a totally suburban development. But in order to make that happen they had a similar kind of thing where they pulled all the city departments together so

the builders, who were very concerned about the timeliness of getting permits and so forth. So how do you get through the bureaucracy and get decisions made any other way.

**Kotval:** We see a lot of that happening in my work with economic development where the mayor will institute something called an all-boards meeting and there's a spokesperson for business or industry. When they see a good prospect coming in, the mayor will call an all-boards meeting where everybody is in one place at one time and you all need to stop and look at the plan. So you are not waiting till the second Tuesday of the month for the conservation meeting or the first Monday for the planning meeting. So in calling an all-boards meeting everyone is there. When I worked in communities, for example, in New Delaware, they were working on a capital improvements plan, and the Friday after Thanksgiving is working day, but no one works. So an all-boards meeting was called for that day and you really don't have much on your agenda for that day. They sat down and hashed out a plan for capital improvements. So there are examples where that does happen.

**Vogel:** By the way, a lot of communities are moving toward one-stop shopping for permits and things so that all the decision making happens in one place and it's actually clear what is step one, step two, and so on.

**Q16:** *You've talked a lot about urban revitalization and redevelopment. I was wondering if you could talk about the flip side of the coin for a moment. This program has taken a little criticism about not focusing on small towns and rural development although we do have a couple of grants that are in those communities. How can we reconcile the differences between the kind of development that takes place in those two different kinds of communities and philosophically does small town and rural development fit under the heading of Cool Cities as another type of that development or*

*is a different animal that we have to think about approaching in a different way?*

**Hollister:** We modified the proposal to acknowledge different categories of grants that target more urban communities. But many small towns have created these Cool Cities advisory boards and are moving, in their own unique ways, based on their own set of circumstances, to successful policies. So I think there is role for both. We are focusing on the urban areas. But the Main Street and other initiatives address small towns. Portland is a good example of what can be done in small towns.

**Thomas:** The literature on small places is much smaller and we've had trouble getting it but, actually, we don't know that much about small places, rural places and small places. On the one hand we know that it's easier to see results. At MSU we have the Small Town Design Institute [online at <http://www.ssc.msu.edu/~la/smalltowns>] and they go into a small town and make a visible difference in a fairly short amount of time. They spur a Main Street kind of program. On the other hand if you look at the research on economic development, and maybe Zee would like to say something about this too. Certainly if you look at Richard Florida's work, his work is driven by regions and that was what Ken was talking about as well. Because if you are looking to make a substantial impact in terms of the economy of the state, then I don't think you should be defensive necessarily because a lot of that takes place in the urban regions just because of the need for a critical mass. You have to balance those kinds of issues.

**Corey:** Particularly in terms of technology, it's connectivity that's crucial. Small towns can have virtual as well as real linkages that were not as feasible in the previous years. Also we have a state that has remote and small density areas that small towns in the U.P. or in the north east part of the state really take on more significance and importance. So I think that part of your question is, are these urban and small town pieces the

same? I think they have a lot of linkages and commonalities that can be picked up on for economic development purposes. Thus that the goal that I mentioned earlier, that by 2007 all corners of the state connected, I think becomes really important for a ton of reasons. Just quickly, we've done some surveys, household surveys, based around the state, and there are clear regional differences how they respond to the technology, broadband technology in particular, and what they have access to and don't have access to. There are some definite conclusions about needs, if you're using telephone modems as opposed to high-speed broadband, it really is going to make a difference to some of those small towns that are really connected. That digital development, as I was calling it, is crucial. But then as planners, as we are, we have to worry about, all right once you've got that relatively in place what's the content that goes through there. Not just for jobs but for jobs and recreation and creativity and other things. So I think there are a lot of connections.

**Q17:** *A couple of people talked about, on one hand Dr. Farley talked about a reputation and its negative impact, and on the other hand there was talk about investment and where that is coming from. I see a mismatch between the actual money within the state and the money that can be leveraged for investment. I wonder if you could talk about where these angel investors are coming from. Are we looking within the state? What about the fact that we have the third or fourth richest place in the world, in the Detroit area, I think it's part of Oakland County. Are we leveraging all the resources we can from the wealthier areas and help these areas realize they can invest in communities and can invest in technology and innovation? I am talking about angel investment for example, are we looking for investment to come from overseas or are we taking anything we can get, or are we saying you live here in Michigan, you're Mott Foundation or*



*Ford Foundation, or something like that, and we need investment for these kinds of things.*

**Kotval:** I don't think there's a one-size fits all model. I think that the issue is that we want to explore possibilities. We certainly have some of the richest foundations in this state. We have investment we can draw on here; as I mentioned earlier we can draw on the CRA funds, which is localized. There is certainly investment we can draw on from within but we can draw investment from outside. A lot of New York's real estate is owned by the Japanese. I don't think we necessarily need to limit ourselves to in-state or in-country, but for all of those investments to come in we're going to need to see that there is a relative commitment or possibility of success and for that to happen we're still going to need to have basic infrastructure in place and basic foundations for these businesses in place for these people who want to invest. I'm not sure there's one answer.

**Thomas:** I think that also gets back to the political difficulty. Of course, Oakland County has a lot of money but if anyone reads the papers, the Detroit papers, which is really a fascinating thing to do. It's almost as good as a novel series. A week ago they had a huge debate between L. Brooks Patterson and Mayor Kwame Kilpatrick which was quite instructive where we saw a page of invective back and forth. This is a small box state. David Rusk has helped us to understand that; our political structures are too fragmented. Also Myron Orfield—we've had lots of people come in and try to preach to the State about what it needs to do in order to create some kind of sensible distribution of resources and thus far we have steadfastly resisted all prescriptions for change. Although we have made some headway, even if you look at what has happened with the Land Use Leadership Council suggestions in terms of joint planning. Very good suggestions were made by that commission and implemented but it is still such a long way from what is needed. If you aren't careful, it is quite discouraging.

**Sands:** Just another perspective on it, for the last two years the U. S. Department of Treasury has been running something called a new markets tax credits program. In two years they've given out something like \$6 billion worth of tax credits, of which a grand total of \$27 million has come to the State of Michigan. So, are we getting our fair share? That's contributing to the case. There something like just under 1900 eligible organizations across the country to receive these tax credits; there's about 40 or so in Michigan. So we don't have the infrastructures to take it, we're not getting it. We're not competitive, because they are awarded competitively. So, yes, there is a lot more we could do. The purpose of these tax credits is to provide equity financing for housing, business, home ownership, whatever, in low- and moderate-income neighborhoods. We're not taking advantage of some of these opportunities.

**Thomas:** We have time for one more question.

**Q18:** *My question is multi-faceted, along the lines of attracting immigrants, what strategies should we be thinking about? Affordability of housing was mentioned. Do we do these things like niche neighborhoods like Little Italy or Chinatown or something? You mentioned Holland having some success at retaining and sustaining immigrants, how do they do that? It's more along the lines of the niche question.*

**Farley:** There was time, almost more than a hundred years ago when firms actually recruited in Europe and brought immigrants here. It seems to me that's not on the agenda right now. For a variety of reasons, we saw the dispersion of the Mexican and Spanish-origin populations across the entire United States in the last fifteen years. Partially, this is due to the availability of jobs, the availability of low cost housing for immigrants that lack skills, and then one major attraction are the universities here with graduate students coming from around the world. Another attraction is the burgeoning health sector with its employment

of many Asians, particularly Asian Indians, and the automobile industry with the high tech jobs that attract many of the Asian immigrants who have advanced skills. Whether there should be an even more direct policy of attracting immigrants is something to think about. I understand the downsides in time of inflation, but the cities that grew rapidly in the nineties were the hardest mainly because of immigration. Eight of the ten largest cities grew in the last decade. Detroit and Philadelphia were the only two that did not grow. And the thing that distinguished Detroit and Philadelphia is the absence of immigrants. Minneapolis has grown rapidly in recent years, not so much because people are moving from the Great Plains into Minneapolis but because it has attracted to the university and to jobs there a large flow of immigrants. On the agenda, it seems to me, immigration does deserve some attention.

### **Concluding Remarks**

**June Thomas** thanked the panelists and audience members for their participation. She also thanked members of the MSU Urban Collaborators research team, Faron Supanich-Goldner, Jamie Rudell and Julia Darnton. Dr. Thomas also acknowledged sponsorship for the Urban Collaborators Cool Cities project from units within Michigan State University.

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## Appendix: Panel Members

**Kenneth E. Corey** (Michigan State University), Senior Research Advisor, Office of the Vice President for Research and Graduate Studies, Professor of Geography and Urban and Regional Planning

Dr. Corey specializes in international approaches to urban and regional policy analysis and planning. He has researched and published on the role of information and communications technologies (ICT) policies in the development planning of urban areas and regions. His ongoing research of Southeast Asia continues, with research on “Singapore as ICT and Knowledge Economy Development Model.” Dr. Corey is former Dean of the College of Social Science at MSU, and currently advises on the strategic planning and assessment of the university’s principal research and development investments in research centers and institutes.

**Margaret Dewar** (University of Michigan), Chair and Professor of Urban and Regional Planning, College of Architecture and Urban Planning

Dr. Dewar conducts economic development research into troubled industries and the distressed regions and communities that surround them. Her current research focuses on the historic transformation of the Detroit regional economy and initiatives to revitalize areas affected by economic and technological restructuring of heavy manufacturing. Dr. Dewar also studies barriers to brownfield redevelopment, and directs numerous community outreach projects involving students of planning.

**Reynolds Farley** (University of Michigan), Research Professor, Population Studies Center

Dr. Farley conducts research concerning population trends in the United States, focusing on racial differences, ethnicity and urban structure. He offers courses in urban sociology, population, race, demographic techniques, and introductory sociology.

**Zenia Kotval** (Michigan State University), Associate Professor of Urban and Regional Planning, and Co-Director of Urban Planning Partnerships Program

Dr. Kotval teaches courses in research and quantitative methods, the economics of development and planning, local economic development, and planning practicum. Her research interests include the economics of development, the changing structure and characteristics of local economies, and the impacts of community development strategies. Dr. Kotval has also undertaken community development activities involving more than 50 cities and towns across New England, New York, and Michigan.

**Gary Sands** (Wayne State University), Chair and Associate Professor of Geography and Urban Planning

Dr. Sands conducts research in the areas of housing and real estate development, community development, and planned communities. His other recent research interests include industrial tax abatement policy, and development strategies for city centers of mid-size urban areas in Canada.

**June Thomas** (Michigan State University), Professor of Urban and Regional Planning, and Co-Director of Urban Collaborators and Urban Planning Partnerships Programs

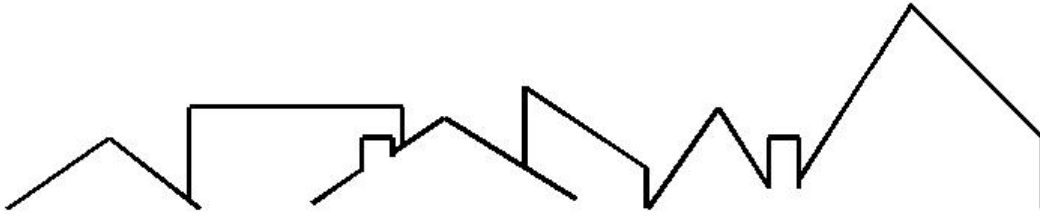
Dr. Thomas teaches courses on central cities, urban policy analysis, introduction to urban planning, and urban planning practicum. Her research interests also include neighborhood planning in urban areas, planning and redevelopment history in Detroit, race in urban planning and development, and race and diversity in urban planning curriculum.

**Stephen P. Vogel** (University of Detroit-Mercy), Dean and Professor, School of Architecture

Stephen Vogel teaches design, and directs the School of Architecture’s mission of service to the urban community and to educating future architects committed to building sustainable communities. He co-founded the Detroit Collaborative Design Center, a university-based center that provides professional design services to non-profit civic and community organizations, and the International Center for Urban Ecology that advocates community participation in the re-ordering of post-industrial cities. Dean Vogel is a licensed architect with extensive experience in urban design, adaptive reuse, historic rehabilitation and multi-family, mixed income housing communities.







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