# REMAPPING DEBATE Asking "Why" and "Why Not"

# Detroit's woes can be eased, but region's officials avert their eyes

Original Reporting | By Mike Alberti | Urban Policy

#### THE DETROIT SERIES

In <u>Part 1 of our series</u>, we looked at how proposals to deal with the current crisis ignore or exacerbate long-term problems.

In Part 2, we looked at a series of proposals from the 1970s that attempted to treat Detroit as an integral part of a single metropolitan region, proposals that many experts say would have radically altered Detroit's trajectory from then to now.

In Part 3, we probed the obstacles to achieving regional cooperation, obstacles driven in significant measure by the narrow perspectives held both by city officials and advocates as well by their suburban counterparts.

Here, we examine the nature and plausibility of the solutions that would need to be put in place if anyone were serious about trying to help Detroit thrive at any time soon.

— Editor

Jan. 25, 2012 — What if success for Detroit were no longer defined as avoiding bankruptcy or a takeover by a state-appointed emergency manager? What if there were a way for Detroit to do better than, as one local official put it, "limp along for the next 10 or 20 years"? As it happens, there do appear to be approaches available that could yield a thriving city and region. But experts stress that those approaches would require policy makers at all levels of government to put aside rigid, one-dimensional narratives of causes for the city's decline, and to reckon with sharing the huge cost of a reconstruction program done right.

"We're at a time when we need the leadership to step beyond their historic biases and help people to imagine a different kind of city," said Betty Buss, a senior research associate at the Citizen's Research Council of Michigan. "I have not seen that leadership so far."

#### **One-dimensional narratives**

Historically, both Detroit and its suburbs have viewed efforts at regional cooperation with hostility: the suburbs have long been wary of regional tax policy proposals, because they see them as attempts to use suburban money to subsidize Detroit; the city, on the other hand, has tended to see proposals for regional governance as schemes aimed at diluting its political power.

Contributing to this impasse are two strikingly divergent narratives about what has caused Detroit's decline. One narrative, espoused mainly by suburban officials, is that Detroit's decline was caused purely by mismanagement of city officials.

L. Brooks Patterson, the county executive of Oakland County, the wealthiest county in the state and Detroit's neighbor to the north, subscribes to this view loudly and unapologetically. "Detroit has brought this completely upon itself," Patterson told Remapping Debate. "Here is a city that is infamous for mismanagement and kicking the can down the road."

On the other side, many officials and advocates in Detroit point to the systemic barriers that have been imposed on the city, and blame the city's decline principally on suburban, state, and federal policies that have combined to "steal" the city's assets. This narrative is born, in part, from a long-held suspicion that the mostly-white suburbs want to take autonomy and self-determination away from the mostly-black city.

"We're at a time when we need the leadership to step beyond their historic biases and help people to imagine a different kind of city," said Betty Buss, of the Citizen's Research Council of Michigan.
"I have not seen that leadership so far."

Thus, when a proposal was made fund the Detroit Zoo regionally and have it run by a regional body with both city and suburban representation, Councilmember JoAnn Watson reportedly called for a boycott of the suburbs in protest. In another instance — a proposal to regionalize Cobo Hall, the city's convention center — former Councilmember Barbara Rose-Collins compared the proposal to colonialism and charged the suburbs with trying to "steal" the convention center. And a 2010 proposal to create a regional entity to manage Detroit's Water and Sewage department was greeted with a Detroit City Council resolution denouncing it as an effort to "end the city's autonomy."

# Rejecting a more nuanced view

According to Buss, progress requires people to acknowledge that there is plenty of blame to go around. "It's impossible to deny that there has been mismanagement in Detroit and that it has contributed to the city's problems," she said. "But policies coming from the suburban governments and the state also contributed, and it's impossible to deny that racism and segregation has played a big role."

Several experts cited Detroit's failure to plan for the long-term as evidence of the city's mismanagement — "For a long time there wasn't even a land map of the city," said Myron Orfield, executive director of the Institute on Race & Poverty at the University of Minnesota — and some pointed to initiatives, like the hugely expensive Renaissance Center and the Downtown People Mover train, as examples of wasted resources that could have been better spent.

And as <u>Remapping Debate has reported</u>, segregation played a large role in Detroit's decline, as federal and state policies incentivized white flight from the city.

Nevertheless, when asked if he would acknowledge that state and federal policies favoring the suburbs over the city have contributed to Detroit's problems, Patterson said, "There are people in Detroit who would like to blame the suburbs and the state for its decline. But they need to be pointing the finger back at themselves."

"Detroit is like the Balkans. As long as that place is so isolated and so separated, it's never going to grow." — Myron Orfield, University of Minnesota Given the number of former city officials who have been removed from office for corruption, it is more difficult for current officials there to deny that Detroit has at times been mismanaged. Yet, in interviews with members of the City Council and a representative for the Mayor's Office, officials were unwilling to reckon with the consequences of poor decisions made in the city's history.

City Councilmember Kenneth Cockrel, Jr. was prepared to say, "Yes, there have been some mistakes," But, he added, "focusing on those mistakes distracts from what we need to be doing now. It makes it harder for us to move forward."

Jennifer Bradley, co-director of the Great Lakes Economic Initiative at the Brookings Institution, sees the failure to take mutual responsibility as thwarting the progress toward the regional cooperation that the Detroit Metro Area badly needs.

"You can squander a lot of opportunities by insisting that somebody else buy your story," she said.

## Regional problems needing regional solutions

Detroit's structural deficit could be reduced in part by "right-sizing" (see box below). If that occurred, there would be less pressure on the city to cut badly-needed services and ignore necessary long-term investments, Bradley said. But, she added, "the future growth and development of the area is in the hands of the region" and will require significant changes in how Detroit interacts with its suburbs.

Myron Orfield of the University of Minnesota, who has long studied Detroit and is one of the country's foremost experts on regional planning, said that the fragmentation of the region and the isolation of the city will make it impossible for Detroit to thrive in the future. "Detroit is like the Balkans," he said. "As long as that place is so isolated and so separated, it's never going to grow."

"One of the first things Detroit needs is some kind of strong regional body to do planning and [to] coordinate investment," Orfield said. The current regional planning body — the Southeastern Michigan Council of Governments (SEMCOG) — is a relatively weak, voluntary institution with few powers.

"SEMCOG has not instituted a single regional solution to the problems that face this area," said John Mogk, a professor of law at Wayne State University and an expert in urban planning. "Not a single one."

"We know that economies are regional and not divided by municipal boundaries," Mogk added. "We need to be competing as a region, not against each other."

That is the opposite of what has happened over time. A now decades-long process has seen suburbs seeking to encourage businesses with low taxes and incentives that Detroit could not match, a process that has fostered sprawl, and, according to Orfield, has drawn investment away from the city.

In addition to land-use planning, the regional governance entity should plan for the long-term economic development of the region, Mogk said. Currently, the largest entity aimed at regional development is the Economic Growth Alliance, which was put together by Patterson and includes six suburban counties, but does not include the City of Detroit.

Mogk and Orfield agree that SEMCOG needs to be significantly strengthened and given the authority to provide comprehensive, long-term planning for the region, especially in terms of land use.

#### Right-sizing the city, part 1

Remapping Debate asked a range of experts on urban and regional policy what steps the Detroit region needs to take to alleviate the city's structural problems and put it on solid footing going forward.

Many believe that a fundamental problem facing Detroit is that it is simply too big for itself. "Detroit was built for almost two million people," said Brian Connolly, an urban planner. "The severity of the city's population loss has meant that there are huge areas that are basically abandoned, but the city still has the responsibility of servicing them."

That has led many experts to embrace the idea of "right-sizing" or "planned shrinkage" — an arrangement by which the city would concentrate residents in denser neighborhoods and stop or reduce services to abandoned ones.

There are obvious pitfalls to the proper implementation of right-sizing. "This would clearly need to be done not only as a money-saver but explicitly in the interests of the people who would need to move," Connolly said. The process would include providing those who are displaced access to high-quality replacement housing, compensating them monetarily for moving costs and for losses on their homes as a result of right-sizing, and offering them significant logistical support in connection with relocation, he said.

Continued on next page...

Orfield also said that regionalizing the area's tax policy would yield additional benefits — most obviously to Detroit, but also to the suburbs. The current, fragmented system pushes jurisdictions to outdo each other in offering incentives to lure business and investment, thus reducing tax revenue for all. Over time, that competition contributed to disinvestment in Detroit. A more regional tax system, Orfield said, would encourage the constituent parts of the metro area to cooperate for mutual gain.

A regional tax policy could take the form of tax base sharing, in which all of the municipalities would contribute a percentage of the revenue from taxes on new growth. In that way, growth anywhere in the region would benefit the entire region.

Regional tax policy, some have suggested, would recognize the fact that Detroit's current tax rates derive in part from the costs of functioning as the region's hub — to the benefit of surrounding suburbs — and also in part from serving as the home of a disproportionately high percentage of the region's poorer citizens. The proposed solution: a regional sales tax that would reallocate costs more equitably and, Orfield said, potentially allow the city to reduce its income or property tax rates.

#### Right-sizing the city, part 2

The Citizen's Research Council's Betty Buss cautioned that right-sizing should not involve abandoning altogether the areas outside the redrawn city. "If we're trying to imagine how to do this successfully, I don't think that would mean just leaving those neighborhoods in their current state." She was also concerned that those implementing right-sizing recognize that there is potential value to be unlocked even in neighborhoods that currently are not doing well. She, along with others, thinks that potential ought to be developed in the public interest, and rejects the idea of effectively "giving [those neighborhoods] away to private investors."

One proposal would turn some neighborhoods into urban forests. Another would use some land for food production. "We need to do it in a way that these parts of the city become [public] assets," Buss reiterated.

While the exact form that right-sizing should take is debated among experts, but there is no dispute that right-sizing the city *in the interests of residents* would be an enormously expensive capital undertaking. "It's going to be an incredibly expensive proposition," Jennifer Bradley of the Brookings Institution said. No precise estimates exist for the total cost of the project, but several experts agree that it could easily run into the hundreds of millions of dollars. Bradley said that making the initial capital investment is "an appropriate role for the federal government." But despite Mayor Bing's support for the concept of right-sizing, no comprehensive plan to deal with issues of equity and cost is currently on the table or even on the horizon.

Tax base sharing continues to meet with resistance from the suburbs, who believe they should not be forced to "subsidize" the city with their tax dollars. "Why should I pay for the city's mistakes?" Patterson asked. "Tax base sharing is anathema to me."

Orfield also said that a much more aggressive housing policy is needed to integrate the region residentially. "The segregation you see there now is just choking it," he said. "The old segregation barriers are still in place to an extent. If you're going to have real regionalism, you need to give people the opportunity to move freely between municipalities."

Finally, experts said that improving the regional transportation system would be essential to future economic growth. "Most of the people in Detroit who are working have jobs in the suburbs, but very few of

"We know that economies are regional and not divided by municipal boundaries. We need to be competing as a region, not against each other." — John Mogk, Wayne State University

them have cars" said Ponsella Hardaway, executive director of the MOSES Project, a community advocacy organization. "We need to be able to get people to where the jobs are. And parts of Detroit depend on suburban residents coming into the city, as well. It's crucial that we facilitate mobility around the region."

The region's current transportation system in famously fragmented and dysfunctional, with Detroit running its own bus service and the suburbs another. But proposals to integrate the regions transportation system also continue to run into resistance. John Scott, the elected chairperson of SEMCOG, said that he "is still having trouble understanding why everyone wants a regional transportation system."

Scott, who is the Oakland County Commissioner, said that most of the people in his county "wouldn't use it anyway, because they'd rather drive."

#### Where are the leaders?

Past attempts to integrate the Detroit metro region have failed, fueled by segregation, racial politics and mutually exclusive narratives about the city's decline. Those narratives have also carried up to the state level, where much of the necessary policy changes would need to take place.

Recent years have seen a shift in rhetoric, however. Republican Governor Rick Snyder has repeatedly said that the state will not be able to succeed unless Detroit succeeds. And some officials in the city have also embraced regionalism, at least in theory.

In dozens of interviews with a range of officials at various levels of government, Remapping Debate asked how they had translated their expressed support for regionalism into concrete policy change. Few specifics were forthcoming.

Dan Lijana, a spokesman for Mayor Bing, said that "there has been a lot of progress in this administration. You see a new level of cooperation now."

Melissa Roy, the assistant executive for suburban Macomb County, agreed. "I think we are seeing a shift," she said. "We consider our partnership with Detroit to be very strong."

Those sentiments were echoed at the state level, as well. Democratic State Representative Fred Durhal, Jr., who represents part of Detroit, said that "there is a broad recognition that are all going to have to work together to succeed," and Republican State Representative Kurt Heise, who represents part of Oakland County, said that "there are many examples of regional cooperation already. We have demonstrated that we have a commitment to cooperation."

According to several experts, however, the rhetoric does not match the reality, and the scope of regional cooperation taking place is modest in relation to the fragmentation of the metro area and the barriers to growth that exist.

#### Who is going to pay for it? Part 1

Among urban policy experts, there is a broad understanding that in order for Detroit to overcome its structural problems and become a thriving city, massive public investment will be needed. But among officials at various levels of government, there is little willingness to reckon with the necessary costs. As reported in the box on page 2, proposals to right-size the city could easily run into the hundreds of millions of dollars. But right-sizing is only one example of the kind of large, capital investment that experts believe the city needs. According to Jennifer Bradley of the Brookings Institution, large amounts of investment will also be needed to "retool" Detroit's industrial infrastructure and channel that capacity into productive industries.

But as with right-sizing, there is no plan in place to make those investments. Instead, there is an unwillingness to speak about where the money will come from. Among Democratic officials in the city and state governments, there is a decidedly incrementalist attitude towards the massive amount of investment that's needed.

"We can't expect some white knight to come in with a fat paycheck," said Detroit City Councilmember Kenneth Cockrel, Jr. When asked whether the city should be planning proposals to generate that investment, Cockrel said, "We need to focus on the things that can be done."

Democratic State Senator Bert Johnson said that he was currently concentrating on getting funding from the state that would allow Detroit to avoid an emergency manager. But when asked about the larger, long-term investments, he said, "We haven't gotten to that point yet. There isn't agreement about what should be done."

Continued on next page...

"If everybody is getting along now, then why can't you get a regional transportation system done?" Hardaway said. "Why don't we have a plan?"

Orfield agreed. "It's promising that people are beginning to talk that way," he said, "but I'm withholding praise until I see any significant results."

Republican leaders in the state government, for example, still maintain a Detroit-only approach to the city's current fiscal problems by focusing on cutting costs and reducing services, which, as <u>Remapping Debate has reported</u>, are likely to make the structural problems worse.

And when it comes to making the kinds of changes that would require residents of the region to abandon the status quo, officials were not actually prepared to move forward. When asked whether she believed Macomb County was prepared to make any alterations to the current arrangement, Roy said, "I think there needs to be a natural change. I don't think anybody's going to have to make concessions."

When asked about regional governance and tax base sharing, both Heise of Oakland County and Durhal of Detroit used the exact same language, saying that there was "no appetite" among their constituents for those proposals.

But, Remapping Debate asked, isn't part of being a leader making the case for the policies that are needed, even if those policies require tough decisions?

### Who is going to pay for it? Part 2

State Republicans, for their part, insist that the state does not have the money to make those longer-term investments, despite a budget surplus of more than \$400 million this year. According to State Representative Kurt Heise of Oakland County, "The state is not in a position to bail out Detroit." Other state Republicans, including Governor Rick Snyder, did not respond to requests for comments.

Bradley believes that the necessary funding should come from the federal government. But at that level of government, too, there is a reticence about large scale funding. When City Councilmember JoAnn Watson <u>presented the White House</u> with a "Marshall Plan" modeled after the aid program that helped to rebuild Europe after World War II, she yielded no concrete results.

According to a range of experts in the region, an incrementalist approach runs the risk of consigning Detroit to an unnecessarily bleak future indefinitely. "The scope of the problem demands some profound action," said Wayne State University's John Mogk. "I do not think this is a time to sit idly by and see what happens."

"I have a responsibility to listen to my constituents," Heise said. "I don't have any responsibility to Detroit."

To Buss and other advocates, that is not an example of far-sighted leadership. "We haven't had leaders who are willing to look beyond their own selfish interests," Buss said. "And I doubt we'll get any of this done until we do."

According to Dan Gilmartin, the executive director of the Michigan Municipal League, a silver lining in Detroit's current crisis is that it has become more apparent that the fate of the region depends in large part on the City of Detroit. And if leaders do not take this as an opportunity to move forward, "it will be a tragedy."

"If we recognize that we're all on the same conveyor belt, that's positive," he said. "But we also need to recognize that the conveyor belt is running off a cliff."

This content originally appeared at <a href="http://www.remappingdebate.org/node/1046">http://www.remappingdebate.org/node/1046</a>