

The History and Future of Detroit

Public Policy 466.001

Autumn Term, 2016



DETROIT RENAISSANCE CENTER
PICTURE TAKEN JANUARY 16, 2016

Instructor:

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Speramus meliora, resurgens cineribus (We hope for better things. It arises from ashes)

MOTTO OF THE CITY OF DETROIT

Two individuals played key roles in founding the University of Michigan: Federal Judge Augustus Woodward and Father Gabriel Richard. On June 11, 1805, John Harvey was baking bread in Detroit. Strong winds spread flames from his unattended oven and the entire village burned to the ground. Father Richard uttered these words that became the motto for the city of Detroit

SYLLABUS

(Updated July 23, 2016)

PLEASE NOTE THIS IMPORTANT INFORMATION

- Classroom meetings will be held in Room 1230 of the Weill Hall Building of the Gerald R. Ford School of Public Policy on Tuesday and Thursday, mornings: September 13 and September 15 and then the next week on Tuesday morning September 20 and on Thursday, September 22. Each class will meet from 8:30 to 10 AM. There is a tour of Detroit on Saturday September 17.

- There are only five meetings of this one-credit course. It is necessary to attend all five meetings to receive credit for the course.
- The Saturday September 17 bus tour of Detroit will depart from the State Street side of the Ford School Building at 9:00 AM promptly. We will return by 5 PM. We will travel in a restroom-equipped comfortable bus. Doughnuts will be available at 8:45 AM, but you need to bring your own coffee or juice on Saturday, morning. We will stop briefly for lunch at Detroit's Farmer's Market. If you wish, you may stay on the bus and eat a lunch you may bring.



"There are cities that get by on their good looks, offer climate and scenery, views of mountains or oceans, rockbound or with palm trees; and there are cities like Detroit that have to work for a living, whose reason for being might be geographical but whose growth is based on industry, jobs. Detroit has its natural attractions: lakes all over the place, an abundance of trees and four distinct seasons for those who like variety in their weather, everything but hurricanes and earth-quakes. But it's never been the kind of city people visit and fall in love with because of its charm or think, gee, wouldn't this be a nice place to live"

(Elmore Leonard, The Chicago Tribune, June 27, 1986)

Aims of this Course about Detroit:

- To briefly examine the economic, demographic and social trends that contributed to the growth, then the sharp decline and, now, the possible reinvigoration of Detroit.
- To link changes in Detroit to the large scale social and economic shifts that shaped this country with emphasis upon the importance of events and people in or linked to Detroit.
- To provide a perspective about the bankruptcy of Detroit and the many efforts now underway to develop a more prosperous and less racially polarized city.
- To raise questions about the future of Detroit and other cities that prospered greatly during an industrial era when manufacturing boomed and blue collar wages were high but then saw their employment plummet.

WHAT DO YOU MEAN BY DETROIT?

When you hear the word **Detroit** or see it in a headline, what does it mean to you?

- Do you think of the frequently successful athletic teams that represent the city?
- Does it suggest to you the motor vehicle industry?
- Do you think of historically important figures born in Detroit or who lived there for long spans, including Henry Ford, Ty Cobb, Walter Reuther, Joe Louis, Rosa Parks, Malcolm Little, Barry Gordy, Aretha Franklin and Kid Rock?



**DETROIT SKYLINE AS SEEN
FROM WINDSOR**

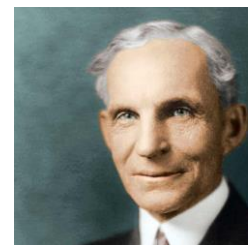
- Does it mean the 139 square miles with their 684,000 residents that make up the legal entity that entered bankruptcy in 2013 and exited from bankruptcy in 2014?
- What about the 184,000 or so persons who live outside Detroit in places such as Ann Arbor, Warren or Livonia but are employed in the city of Detroit?
- And then there are business people, investors and philanthropists who are very concerned about what happens in the city of Detroit but may live elsewhere.
- Or when Detroit is mentioned, do you think of the three-county or six-county metropolitan area that occupies much of southeast Michigan?
- This course will focus upon the city of Detroit. But that city is closely linked to a much larger metropolis and is governed by the state of Michigan. What happens in the city of Detroit has great implications for the metropolis and for Michigan but the city operates subject to state laws and regulations. The city's population in 2015 made up about 16 percent of the population of the six-county Detroit metropolitan area which has 4.3 million residents. The Census Bureau also defines a Detroit region that encompasses southeast Michigan, including Ann Arbor and Flint. This encompassing Detroit metropolitan region currently has a population of 5.2 million.



Detroit: The Most Important City in the Twentieth Century

No city was more important than Detroit in the Twentieth century.

- The automobile was not invented in Detroit. By the 1890s, the French were producing reliable, expensive vehicles designed for prosperous individuals. But the mass production of a dependable moderately-priced vehicle—one within the price range of farmers and factory workers—was perfected in Detroit in the first two decades of the last century. Thanks to Henry Ford, Henry Leland, R. E. Olds and many others entrepreneurs and inventors, Detroit was - **and remains - the motor capital of the world. No single technological development of the** last century had a greater impact upon how humans live their lives. The mass production of affordable cars changed where people lived, where they shopped, how often they visited their friends and relatives, where they took vacations and how young people courted.



HENRY FORD

- Currently there is much discussion of changes in the income distribution; that is, a greater concentration of income going to the rich with a decreasing share going to the middle class and those toward the bottom.



WALTER REUTHER

There is nothing automatic about the distribution of income. People make decisions. Large scale economic trends and governmental policies are extremely influential. Detroit was the center for the development of the financially secure blue-collar middle class. Vehicle manufacturers paid high wages to get men to work at difficult and often dangerous jobs. After Congress passed the Wagner Act in 1935, managements were obligated to bargain with unions. Following years of bitter labor management conflict, the United Auto Workers and the

three largest auto producers signed the "Treaty of Detroit" in 1950 providing workers with the benefits associated with the Scandinavian democracies: wages indexed for inflation, health care for a worker and his/her family, vacations, substantial pensions and generous supplemental unemployment insurance. This served as a model for workers in many manufacturing industries and in governmental employment.

- A liberal political coalition governed the United States for most years from the election of President Roosevelt in 1932 until the nation's voters selected President Reagan in 1980. Congress enacted numerous laws benefitting the working class, creating Social Security, providing health care for the elderly, support for schools and universities and generous programs designed to aid both city residents and farmers. Late in that span, the liberal coalition gradually endorsed civil rights for minorities, for women and for those with physical limitations. For the most part, industrial unions led by the United Auto Workers (UAW) strongly supported the Democratic Party and the policies their representative enacted in Congress. Indeed, for much of post-World War II era, the United Auto Workers and other industrial unions were the biggest financial supporters of the Democratic Party and their candidates for president.



ROSIE THE RIVETER



- The ingenuity of Detroit's engineers and the strong backs and arms of one-half million defense workers made the city an Arsenal of Democracy in World War II. Arms manufactured in Detroit allowed the British to hold off the Germans at the start of that conflict. Detroit was the manufacturing colossus that made great contributions to the Allies rather prompt and simultaneous defeat of potent enemies in both Europe and Asia in the 1940s.
- Detroit does not differ from other Eastern and Midwest cities in facilitating the assimilation of European immigrants. Germany, Canada and Eastern European nations were the typical origins of immi-

grants coming to Detroit. But no city in the United States experienced more racial conflict than Detroit. It is the only city in which the federal military has been sent to the streets four times to prevent blacks and whites from killing each other. Troops were deployed in Detroit twice in the 19th Century—in 1833 and 1863—and twice in the 20th Century—in 1943 and 1967. Black-white conflict, I believe, was played out more vividly and persistently in Detroit than in any other United States city.



GUARDIAN BUILDING BANK LOBBY

- Only New York and Chicago have more extensive arrays of architecturally significant buildings and public sculptures than Detroit. Because of a favorable concatenation of wealth, engineering skills, entrepreneurship and a great interest in architecture from the 1890s—when skyscrapers were first designed in Chicago—to 1929 when the Depression terminated construction; many of the nation’s most attractive buildings were erected in Detroit. There is a marvelous array of public art and sculpture throughout the city, a city that now contains 140 public parks.

The City of Detroit—The Bankruptcy of 2013 and the Future

In 1950 Detroit was, arguably, the most prosperous city in the nation. Thanks to the automobile industry, men in Detroit had higher earnings than those of men in all other large cities. But that prosperity did not last. After 1950s, there was a tremendous suburbanization of popula-



KEVYN ORR

tion, of manufacturing employment, of wholesaling and of retail trade. The city’s population and tax base persistently got smaller. The economic recession that began in 2008 accelerated the city’s decline and stunted economic and demographic growth in the suburbs.

In March 2013, Governor Snyder—acting in accord with a law hastily enacted by the legislature in the final week of 2012—determined that the city government of Detroit would soon run out of money to pay its bills. He appointed a University of Michigan graduate, Kevyn Orr, who is a bankruptcy attorney, to administer all financial aspects of the city’s government. Mayor Bing and the City Council lost their ability to make any substantial decisions. Orr examined the books,

decided the city was insolvent and, in July, 2013 sought federal court bankruptcy protection. In September, 2013, Federal Court Bankruptcy Court Judge Steven Rhodes approved the city’s request for bankruptcy. The bankruptcy process required that the debtor—the city government of Detroit—negotiate with its creditors. Kevyn Orr proposed many such settlements. In September, 2014 a bankruptcy trial began in which debtors who felt they were poorly treated prodded Bankruptcy Judge Rhodes to alter the settlements proposed by Emergency Manager Orr. Judge Rhodes approved most of the settlements Orr negotiated, freeing the city of almost seven billion dollars in obligations. In addition, the bankruptcy process reserved about \$1.7 billion for investments in the city’s infrastructure and blight removal in the next decade. The

bankruptcy came to an end in December, 2014. Kevyn Orr completed his job as Emergency Manager and governance of the city was returned to Mayor Duggan and the elected City Council. An appointed panel will closely monitor or control the city's spending and borrowing to avert another bankruptcy.

DETROIT: THE FUTURE

Large cities do not disappear. But they change greatly, especially when their economic base contracts. Many European urban observers and theorists came to Detroit in recent years. They took pictures of abandoned factories, dilapidated homes and empty blocks that have reverted to unkempt fields. Then they described Detroit as the poster child for post-industrial cities and blamed the American system of capitalism for the tragic sites they photographed for inclusion in their coffee table books. Detroit became the most negatively stereotyped city in the United States.

Despite the tremendous loss of population, jobs and commercial activity, Detroit, remains the heart of the nation's 14th largest metropolis. And it is the 21th largest city in the country. Those who spend time in Detroit will learn that there are more than a dozen attractive neighborhoods that either never fell into decline or have been renovated recently. They will appreciate that private employers have invested substantial funds into industrial plants and that medical sector employment will likely continue to increase as the state's population rapidly ages. The Ilitch family and their collaborators are constructing a \$650 million urban village/entertainment complex on Woodward that will include a new arena for the Detroit Red Wings. Dan Gilbert of Quicken Loans and his real estate firm have taken control of 80 downtown buildings in hopes of creating a high tech center there. Downtown and Midtown Detroit are now very lively and increasingly prosperous thanks to the renewal of old buildings and the erection of new ones. Those who visit Detroit will see that the attractive riverfront north of the Renaissance Center is being developed and that many new condos are coming onto the market every year in downtown and along the corridors that Judge Woodward laid out in 1807 when he planned the city.

Private developers and non-profits are using their own resources and a variety of tax abatements to rehabilitate old buildings and construct new ones. Private foundations are investing in the city's educational and social service systems. The state of Michigan and the federal government are providing modest funds to renovate Detroit.



**THE GREEN GARAGE
4444 2ND AVE**

Young entrepreneurs are creating an array of new businesses in Detroit's Techtown, at the Green Garage, The Pony Ride and other locations, such as the Russell Industrial Complex. Detroit's elected leaders, much



INDIAN VILLAGE NEIGHBORHOOD



**THE PONY RIDE BUILDING
1401 VERMONT AT PORTER IN THE CORK-
TOWN NEIGHBORHOOD OF DETROIT**

more so than in the past, may now be willing to consider the substantial changes that must be made if Detroit is to become known as a city that lives up to its utopian motto. They are challenged by severe financial problems that we will discuss. There are optimists—many of them young people and entrepreneurs—who see great opportunities in Detroit. Land and property are inexpensive. The vehicle industry is presently thriving and recruiting many information technology experts. Perhaps, the bankruptcy will be a turning point, a new and different Detroit will arise from the ashes just as Father Gabriel Richard hoped in 1805. Detroit could become something of a model for the redevelopment of cities devastated by the decline in industrial jobs.

Detroit is an interesting and exciting place but there are immense challenges. The resident population is not highly educated and few current residents may qualify for the IT and STEM jobs that are becoming available in downtown and Midtown. The stock of housing is poor with as many as 30,000 homes so blighted that they should be razed. And while overt racial conflict has been muted in recent years, black-white economic gaps have gotten very much larger. This course will describe many of these issues. Because this is a short, one-credit course, we will move rapidly and may give only limited attention to many important issues. If there are topics that you wish to make sure we discuss, please send me a message at: renf@umich.edu.

FORMAT FOR THE CLASS AND READING ASSIGNMENT

- There is one book to be read for this class: Revolution Detroit: Strategies for Urban Reinvention by John Gallagher (Detroit: Wayne State University Press, 2013). I have asked the Barnes and Noble bookstore in the Michigan Union to order copies. However, you may be able to locate a lower priced copy from one of the on-line booksellers. It is also available as a Nook Book. Please read this book before the first class meeting on Tuesday, September 13. There are brief reading assignments for the four other classes. These are listed in this syllabus. All of them are or soon will be available on the CANVAS site for this course.
- In each of the four classroom meetings, there will be a presentation at the start. Some time will be devoted to describing concepts, measures, legal decisions and other matters that have or will influence Detroit. There will be time for discussion of these issues with an emphasis upon how the city of Detroit and the metropolis are changing. In each class, there will be time for you to ask questions. *Please do so.*
- There will be a day-long bus tour of Detroit on Saturday, September 17 with a stop for lunch at Detroit's Farmers Market. There will be several opportunities to take short walks or to take pictures of sites. Let's hope it is sunny and warm. If you wish to bring a sandwich, please do so. If there are places you think we should certainly visit in Detroit, please suggest them to me: renf@umich.edu.

REQUIREMENTS

- Attendance at all five meetings of the class
- Completion of reading assignments
- Participation in discussions, as appropriate
- Completion of three short writing assignments

HOW YOUR GRADE IS DETERMINED:

NOTE: THIS IS A PASS-FAIL COURSE. I WILL COMPUTE A LETTER GRADE BUT IT WILL NOT APPEAR ON YOUR TRANSCRIPT.

- In one of the first two classroom meetings, there will be a very brief quiz keyed to chapters of John Gallagher book that was assigned. This will count for 20 percent of your grade. This will likely be due on Thursday, September 15.
- I will ask you to write a very brief essay about issues or questions that arise from our Saturday, September 17 tour of Detroit. This assignment will require about four carefully written paragraphs. It may be submitted on line. The deadline will likely be Thursday September 22. It will count for 20 percent of your final grade.
- You will need to write an “Op-ed” style essay about issues pertinent to the city of Detroit; that is, issues discussed in class or in your readings or topics that arise from our tour. This essay should be no longer than 1200 words and should be submitted electronically no later than one week after the date of our last classroom session. It should be sent to renf@umich.edu or posted in appropriate place in the CANVAS site for this course by Monday October 3. If you wish to propose an alternative to the Op-ed essay such as adding a webpage to the www.Detroit1701.com site or preparing a CD of Detroit oriented music, please check with me. Or, if you wish, you could submit a short YouTube video of sites in Detroit that are meaningful to you with a brief description of why.

CLASS MEETINGS AND READING ASSIGNMENTS

- **FIRST CLASS MEETING: TUESDAY, SEPTEMBER 13, 2016 ; 1230 WEILL HALL; 8:30 TO 10 AM**
TOPIC: The History of Detroit and Its Importance for the Twentieth Century
Reading assignment: John Gallagher, Revolution Detroit: Strategies for Urban Reinvention (Detroit: Wayne State University Press, 2013).
- **SECOND CLASS MEETING: THURSDAY, SEPTEMBER 15, 2016 ; 1230 WEILL HALL; 8:30 AM TO 10 AM**
The Decline of Detroit after World War II – A Tale of black-white conflict; Labor-Management Conflict and city-suburban Conflict



HOME OF OSSIAN SWEET

READINGS FOR THIS CLASS (AVAILABLE ON CANVAS SITE)

KEVIN BOYLE (U OF M GRADUATE) Arc of Justice: A Saga of Race, Civil Rights, and Murder in the Jazz Age (New York: Henry Holt and Co. 2004)

PROLOGUE: “America: 1925”, Pages 1 to 12

CHAPTER 1: “Where Death Waits”, Pages 13 to 43

- **THIRD CLASS MEETING: SATURDAY, SEPTEMBER 17, 2016; BUS TOUR OF DETROIT: 9:00 AM TO 5 PM**

*This tour will depart **promptly at 9 AM** from the State Street side of the Gerald Ford School of Public Policy Building. We will return at 5 PM.*

READINGS FOR THIS CLASS (AVAILABLE ON THE CANVAS SITE)

Amy Haimerl, *Detroit Hustle: A Memoir of Love, Life and Home* (Philadelphia: Running Press, 2016)

Chapter 5: Pages 82 to 88

Chapter 6: Pages 88 to 114

While living briefly in Ann Arbor, Amy Haimerl fell in love with Detroit and decided to become residents of a revitalizing city. Previously they lived in Brooklyn. This is a lively account of their experiences.



HOME OF AMY HAIMERL

Also: Please watch three short videos about Detroit. (Links are available in Canvas Site)

"Imported from Detroit", Eminem commercial for Chrysler, Super Bowl February 6, 2011, 2 minutes 3 seconds

*"A Tour of Detroit Street Art" **Mark Stryker**, Detroit Free Press, August 23, 2015, 7 minutes 37 seconds*

"Vacant Not Blighted: Revitalizing Detroit," 4 minutes 12 seconds

- **FOURTH CLASS MEETING: TUESDAY SEPTEMBER 20, 2016; 8:30 AM TO 10 AM**

TOPIC: *The Demographic and Economic Trends Shaping the City of Detroit, the Metropolis and the State of Michigan*

READINGS FOR THIS CLASS (AVAILABLE ON THE CANVAS SITE)

EDWARD GLAESER, *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier* (New York: Penguin Press, 2011)

Chapter 2. "Why Do Cities Decline?" Pages 41 to 68.

Nathan Bomey, *Detroit Resurrected: To Bankruptcy and Back* (New York: W. W. Norton, 2016)

Chapter 3: Kevyn Orr, Pages 30 to 43

Chapter 11: Fixing the City

This is the most informative book yet published about the bankruptcy process. If you are going to specialize in municipal finance issues or municipal bankruptcy, you might download or purchase this book.

- **FIFTH AND FINAL CLASS MEETING: THURSDAY SEPTEMBER 22, 2016: 8:30 TO 10 AM**

TOPIC: *Detroit's Future: What Will Detroit Look Like and Who Will Live There in Twenty Years.*

READINGS FOR THIS CLASS (AVAILABLE ON THE CANVAS SITE)

WILLIAM K. TABB, "National Urban Policy and the Fate of Detroit," in Michael Peter Smith and L. Owen Kirkpatrick, Reinventing Detroit: The politics of Possibility, (New Brunswick, N. J.: Transaction Publishers, 2015).

Kimberly Kinder, DIY Detroit: Making Do in a City without Services, (Minneapolis: University of Minnesota Press, 2016)

Introduction: Pages 1 to 22

Chapter 5: Domesticating Public Works, Pages 119 to 141.

Margaret Dewar, Matthew Weber, Eric Seymour, Meagan Elliott and Patrick Cooper-McCann; "Learning from Detroit: How Research on a Declining City Enriches Urban Studies," Pages 37 to 53. In Michael Peter Smith and L. Owen Kirkpatrick (eds.) Reinventing Detroit: The Politics of Possibility, *Comparative Urban and Community Research*, Vol. 11, (New Brunswick, N. J.: Transaction Publishers, 2015)

NOTE: *I maintain a website about the history and future of Detroit:*

www.Detroit1701.org

Most of the pictures on this syllabus are taken from that website where you will find much more information about these and many other sites in and near Detroit.

If you have any questions about this course or this syllabus, please send a message to:

Ren Farley at renf@umich.edu

STUDENTS WITH DISABILITIES If you believe you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course may be modified to facilitate your participation and progress. As soon as you make us aware of your needs, I can work with the Office of Services for Students with Disabilities to help us determine appropriate accommodations. I will treat any information you provide as private and confidential.



MODEL T FORD, 1924

PICTURE TAKEN AT 2016 ROLLING SCULPTURE
CAR SHOW IN ANN ARBOR.



FORD FIESTA

TODAY'S REPLACEMENT FOR THE MODEL T. FORD
PICTURE TAKEN AT 2016 NORTH AMERICAN
INTERNATIONAL AUTO SHOW