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What America Can Learn From Detroit

By Andrew Holland

Thanks to a series of smart collaborations, the hollowed-out motor city may be slowly growing back.



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No major city in America has been hit harder by the recession than Detroit. Even before the recent near-total collapse in auto demand, the city had been decaying for decades. In the 1950s, its population was around 2 million; today it is less than 750,000.

A few weeks ago, I participated in a study tour (with the [Emerging Leaders in Energy and Environmental Policy](#) program) to discover how Detroit's businesses, non-profit foundations, and residents are working to bring the city back. I saw the vacant neighborhoods, the urban prairie where houses once were, and marveled that the average price for a four-bedroom home was only \$48,000.

Superficially, it seems a stretch to look at Detroit as a model. But the long downturn that burned through the city's industry has made room for new green shoots that could grow the city back. My optimism about Detroit comes from the partnerships between universities, non-profit foundations, and entrepreneurs that incubating new companies and new industries. I saw three particular examples that of these burgeoning partnerships that can provide lessons for the rest of the country.

Tech Town is a small-business incubator based in Detroit's Midtown area. It connects scientific research being done at nearby Wayne State University with entrepreneurs who can monetize the new technologies. It also provides office space, business services, mentoring, and guidance to over 200 companies in industries ranging from human tissue sampling to web-design to hairdressing. Its success is founded on its location and its ties to the nearby research institution.

Next Energy, based across the street from Tech Town, is a non-profit company that provides support to alternative energy companies by linking them with potential funders and markets. One of its success stories was a cooperative venture between Titan Energy and the Defense Logistics Agency (of the U.S. Department of Defense) to develop an easily transportable solar power generator that is now being deployed with our troops in Afghanistan. Renewable energy is one of the fastest growing new industries in the country, but it is heavily dependent upon scientific research as it develops. Non-profits like Next Energy can provide crucial support to companies trying to commercialize the emerging discoveries.

In Downtown Detroit, just a few miles from Tech Town and Next Energy, a different sort of research center is emerging. Dan Gilbert, the wealthy owner of Quicken Loans, has decided to move the company's operations from the suburbs into a series of buildings stretching along Detroit's historic Woodward Street. This infusion of jobs and life into a previously moribund downtown district is an important step toward bringing the city back. Perhaps more important, though, is Gilbert's vision of turning Woodward Street into "Webward" Street by encouraging high-tech firms to locate downtown. The first example of this is the **M@dison Building**, a repurposed old theater that has been turned into an open-concept venue to host start-up companies. By encouraging more initiatives like this, Gilbert hopes to catalyze a renewal of Detroit's long-empty urban center.

Detroit's rebirth is only beginning, and we should all count ourselves lucky that the rest of America never fell as far as Detroit did. But it can show us a way out of our long troubles. A hundred years ago, Detroit was the model for the country: the large integrated assembly line, represented by Ford's River Rouge plant, showed us how to meet the needs of the 20th century. Today, by forging links between scientists and entrepreneurs, Detroit may provide a new model for re-energizing our cities.

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