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Millennial draw

Urban, mixed-use neighborhoods, an expert says, are key to attracting young people

By Sherri Begin

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Metro Detroit's future may hinge on its ability to attract the millennial generation of under-30s.

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An informal group that includes **Michigan Future Inc.**, the **Michigan State Housing Development Authority**, the **Michigan Municipal League** and the **Southeast Michigan Council of Governments**, in May brought in a recognized expert to help deliver a message to area government, foundation and business leaders.

"Young people are the future of the country," said Laurie Volk, a research analyst and principal at **Zimmerman/Volk Associates Inc.** in Clinton, N.J.

"If you lose them all, you're going to be left trying to support an aging population with few young people."

To retain and attract millennials, the region and state need to create more of the urban, mixed-use neighborhoods they seek, she told area foundations, business groups, individual senators and members of the House of Representatives' New Economy and Quality of Life Committee.

There was an assumption young professionals moved where the jobs were, said Lou Glazer, president and co-founder of Michigan Future. "But today it's the other way around — knowledge-based employers move where the talent is."

"We're either going to create urban housing or we won't attract them," Glazer said.

The group is talking about backing policies to develop these kinds of neighborhoods, he said. They would involve incentives and regulatory reforms to spur the creation of such mixed-use, urban areas.

"At some point, we're going to push it," Glazer said.

Attracting and retaining talent should be the new priorities, rather than focusing on enterprises, he said. By focusing on attracting talent, the state will get both regional and neighborhood economic growth. Knowledge-based companies will follow the talent, and retail and restaurants will move into the urban neighborhoods created.

It's smart for groups like the **Michigan Economic Development Corp.** to attempt to attract business investment, he said. "But what we think is not as smart is this whole new idea that you use government to create industries, enterprises and entrepreneurs."

Governments historically have been good at creating places people want to live, Glazer said. Over time, "somehow we thought that was not as important," he said. "What (Volk) is saying is it's really important."

In 2006, through brownfield tax-incentive programs, the MEDC helped generate \$1.7 billion in planned new investment in the city of Detroit alone, much of it mixed-use developments, said chief communications officer Michael Shore.

"There is no argument over the need to create walkable, attractive urban centers, and we're confident we are doing that," he said.

It's important for the survival of Detroit and the state to retain and attract young people, Volk said.

"For Michigan, this represents a great opportunity. It's not hard to renew housing stock in a city which will then make it more attractive to a broader range of people," she said.

Volk, who has done several downtown studies for a number of Michigan cities including Detroit in 2001-02, donated her time to speak with local leaders last month. MSHDA covered her travel expenses, and other organizations such as Michigan Future and the **Hudson-Webber Foundation** sponsored breakfast and lunch presentations so that Volk could communicate the importance of putting in place the urban, mixed-use neighborhoods millennials seek.

"If Michigan doesn't begin investing in its cities like other states ... we aren't going to grow economically," said Arnold Weinfeld, director of public policy and federal affairs for the Michigan Municipal League. "If we want to set Michigan on a long-term economic growth pattern, we need to be attracting these folks."

According to SEMCOG's economic and demographic forecast for Southeast Michigan released in April, the region will have 651,000 more people 65 or older by the year 2035 and 296,000 fewer people of prime working ages 25-64.

That's in line with the national trend of an aging population, but Southeast Michigan's population is aging at a greater degree, SEMCOG said. The percentage of local residents ages 65 or older will increase from 12 percent to 24 percent by 2035. For the U.S., it will rise from 12 percent to 20 percent.

The resultant shift to more condominiums and high-density developments versus single-family homes could accommodate both the aging population and the millennials we need to attract, said Kathleen Lomako, deputy executive director at SEMCOG.

To attract millennials, cities must also price their urban housing within reach, Volk said.

"It's good for Michigan that places like New York and Chicago are getting expensive," she said. "We're seeing an outward migration of young people, seeing them move to places like Louisville that have the housing they want and a downtown area."

Some of the cities best at attracting young talent have young professionals groups, and cities like Louisville have established art districts to attract young people and generate more downtown foot traffic, Volk said.

Detroit's Midtown is a prime example of the type of neighborhood that would attract millennials because of its loft development, restaurants, entertainment venues and walkability, said Gary Heidel, director of program policy for MSHDA.

The agency, which has traditionally financed affordable housing and supported the elimination of homelessness over the past 20 years, also has begun to support neighborhood and downtown revitalization to help create vibrant cities, towns and villages, Heidel said.

"We've got some of (the housing) we need," he said. "We just need to be better at expanding housing downtown and commercial activities."

If you look at the urban centers in America that are succeeding and growing in per capita income and in population, they're doing it by attracting millennials, said David Egner, chairman of Michigan Future's board and president of the **Hudson-Webber Foundation**.

For Detroit to succeed, there has to be a focus on the amenities and the qualities millennials want in the city, he said. "We'll continue to talk in the foundation community about what this data means to our future funding."

"In the past, we thought the jobs had to come first," said Laura Trudeau, senior program officer at the Troy-based **Kresge Foundation**.

But young people are demonstrating that they are making decisions based on things like environment, sustainability, walkability, the opportunity to interact with other people and quality of life.

"Kresge's funding of redevelopment efforts in Detroit is taking into consideration all of these trends," Trudeau said.

The **Detroit Regional Chamber** agrees that urban environments will attract young professionals, but real job opportunities are also needed, said Executive Vice President Thelma Castillo.

"We are working with **One D** and **Detroit Renaissance** through the (Workforce Innovation in Regional Economic Development) initiative ... to make sure we not only have the quality of life but have jobs once they are here."

"It all has to be part of a total package," Castillo said.

Until now, everyone thought Michigan was having trouble attracting young people because it wasn't providing the kinds of jobs young professionals are looking for, Volk said. "That's a piece of the picture, but only a piece."

A certain percentage of the jobs being created in Michigan's economy are identical to those available in other cities like Chicago, Volk said. "The difference is that Chicago has lots of great urban neighborhoods that are very attractive to millennials."

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