2008 Multidisciplinary Action Project

Michigan Future, Inc.

Encouraging the Revitalization of Downtown Detroit: Attracting the Millennial Knowledge Worker

MICHIGAN
ROSS SCHOOL OF BUSINESS

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EXECUTIVE SUMMARY

Introduction

The Michigan economy has been dreadful this decade, having suffered through seven consecutive years of job losses. As a result, the state is at the bottom of the national rankings in both employment and per capita income, and at the top of rankings in the percentage of the population living in poverty. This is largely because the engine that drives the Michigan economy is the troubled domestic auto industry.

Michigan Future, Inc. believes that the key to better positioning Michigan in the new economy is in building its talent base and diversifying its industries to include more knowledge-based enterprises. This report was developed in order to identify the means by which Michigan can hope to achieve that objective, particularly in terms of attracting young talent to the city of Detroit. Through significant research and data collection, we have identified the key housing and neighborhood characteristics that young professionals demand and have compared their presence in leading MKW cities to that in specific Detroit neighborhoods in order to understand the existing gap.

Findings

Through the use of focus groups, field research, depth interviews, third party research and a market survey, the following trends have been identified:

- Millennial Knowledge Workers (MKW) have a strong preference for urban walkability.
- Neighborhood amenities are a greater differentiator and are more important to MKW than housing amenities when choosing a residential location.
- A density and variety of retail and dining options is important to MKW.
- Opportunities to socialize (e.g., third places, green spaces) are vital in order to attract MKW.
- Detroit has key perception challenges, including the belief that the downtown area is unsafe and that it is impossible to succeed in Detroit, that complement real public service and retail issues, which currently make the city unappealing to most MKW.

Recommendations

- Detroit must increase lighting and enforce nuisance abatement laws in order to create an increased feeling of safety.
- The city government must become more efficient in carrying out its public services as well as processing paperwork and providing support for small businesses.
- Detroit must support the creation of a critical mass of dining and retail, located near dense populations with an emphasis on one-of-a-kind "mom and pop" style shops.
- Detroit must better manage the publicity it receives, providing great opportunities for news outlets to cover the great things going on in the city. Furthermore, the downtown should capitalize upon existing assets, such as the strong music scene, the volume of art deco architecture, and the cultural diversity present in Greektown and Mexicantown.
- Detroit needs to promote a message of hope and opportunity. This is a city where MKW can come and have a significant positive impact on the community. This will have tremendous appeal to young talent.

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I. INTRODUCTION

The Multidisciplinary Action Project (MAP) is one of the key components in the Masters in Business Administration curriculum at the Ross School of Business. Teams of four to six students are matched to business projects at public, private and nonprofit organizations throughout the world for eight weeks. Throughout this period, the students work together with the guidance of school faculty in order to develop actionable recommendations driven by data gathered and produced by the team.

This report is a result of an analysis prepared for Michigan Future, Inc. Michigan Future is a nonpartisan, nonprofit think tank whose mission is "to be a source of new ideas on how Michigan's people, enterprises and communities can succeed in the Information Age."[1] In order to further this mission, the organization developed a New Agenda for Michigan,[2] highlighting the state's need for an increased concentration of talent. As a result, Michigan Future has set a goal of acquiring 15,000 additional young professional residents in Detroit by 2015, doubling the existing population. In an effort to facilitate this effort, Michigan Future requested that its assigned MAP team identify ways in which Detroit could create residential options that appeal to young talent.

The Project Objective

Our project seeks to answer two questions:

- What are the specific housing characteristics that young talent (college graduates between the ages of 24 and 35) seek when relocating?
- What are the preferred neighborhood attributes of this population?

Once equipped with a solid understanding of these preferences, the team sought to identify the current status of these housing and neighborhood traits in Detroit. As a result, this report includes recommendations for how the city of Detroit can become a more attractive place to live for this young talent population.

Tools and methodology

In order to fulfill the project objective, the MAP team utilized a combination of tools, including field research in both Detroit and Chicago, focus groups with MKW, depth interviews with area stakeholders and MKW, and a targeted consumer preference survey. This was complemented by third party research and the guidance of the project sponsor and faculty.

Focus Groups

The MAP team conducted four focus groups in an effort to understand the housing and neighborhood attributes of young professionals. Each focus group consisted of four to twelve individuals, with all participants falling within our target demographic (collegeeducated and between the ages of 24 and 35). These focus groups were facilitated by a member of the MAP team, and videotaped in order to ensure the accuracy of the transcribed information.

Depth Interviews

Ten interviews were conducted with real estate professionals in Detroit and Chicago, local capital fund managers, and other key stakeholders. These interviews were conducted in order to complement the data collected in the focus groups.

MKW Target Survey

With the help of faculty experts Andrew Gershoff and Christina Brown, as well as input from the sponsor and faculty advisors, the MAP team developed a survey in order to better understand the urban living preferences of young talent. The target survey population included students from the following University of Michigan graduate school programs: Business School, School of Public Policy, School of Information, School of Social Work, and Urban Planning. The survey was also completed by a small number of University of Michigan undergraduate students, graduate students at Wayne State, and alumni from both universities.

Limitations of Focus Groups, Depth Interviews and Survey Analysis:

While these primary research efforts provided insights into the needs of MKW, it is acknowledged that there were some shortcomings in our methodology.

It was difficult to access Detroit residents; particularly as many of the people we ran across who worked in Detroit actually lived in one of the suburbs. By failing to interview and survey more residents of Detroit and not surveying a greater number of non-student members of the knowledge worker demographic, key insights may have been overlooked. In order to better understand Detroit's current status as a resident, there should be further research into why people do choose to live in Downtown Detroit.

Additionally, the population of our survey respondents exhibited certain strong traits that must be acknowledged.
- 86% of our respondents were graduate students
- 78% of our respondents were graduate students at the University of Michigan
- 77% of our respondents were single (never married)
- 70% of respondents were female

These may have introduced bias into some of our survey response results.

In hindsight, it may have been helpful to further segment the age ranges in order to garner additional insights into preferences of MKW. In addition, greater segmentation of the student population in order to reflect different programs of study could have provided some additional insights.

Demographics Now Database & Social Compact Analysis

Demographics Now is the premier provider of US demographic data. Custom tools and reports offer additional analysis not easily gathered from U.S. Census Bureau Statistics.

Social Compact includes neighborhood drill-down maps provided by the Washington D.C. based non-profit which provide users with information in order to identify market opportunities in inner-city areas in hopes of stimulating investment opportunities.

These tools were used in conjunction with US Census Bureau data to identify key census blocks in Chicago and Detroit in order to gather critical demographic statistics for the purpose of identifying the best suited Detroit neighborhoods for developing a critical mass of MKW based on comparison of current demographics of those residents to that of the residents of Chicago neighborhoods with a significant concentration of MKW.

Detroit & Chicago Field Research

Select Chicago and Detroit neighborhoods were visit to gather statistics on the retail and residential mix to identify best practices and gaps in services offered. This research also provided the MAP team an opportunity to observe the character of various neighborhoods and to interact with residents.

The Economic Conditions in Michigan and Detroit

The economy in the state of Michigan continues to face difficult times. As the major U.S. automakers face tough competition from abroad and the industrial base in the state continues to erode, the need for diversification of the local industries becomes more and more apparent. Although the health and education industries have seen growth in Michigan in recent years, the state still largely lacks a strong presence of knowledge-based industries.[3] There is no place where economic challenges in Michigan are more evident than in the city of Detroit. Not only does Detroit have the highest unemployment rate of metropolitan areas nation wide, but it has the second highest percentage of residents living below the poverty line (33.6%).[4] With these challenges to the local economy and the workforce it is clear why the city of Detroit needs a significant influx of talent to support new knowledge based industries.

The Premises upon which this Project was Built

The nature of the economy has shifted; natural resources are no longer driving the wealth of regions. Knowledge and creativity have become the world's most sought-after resources. This has been reflected in the increased amount of resources. The accumulation of talent within the region is key to remaining competitive in this new economy.

Young talent has several characteristics that make them especially valuable in the pursuit of economic growth. First, young adults are mobile. By in large, this population has not yet begun a family, and is therefore more willing than their counterparts to relocate. In fact, it has been shown that young adults are twice as likely to move to other states as those who are "middle-aged."[5] This makes young adults akin to low-hanging fruit; they will be the easiest population segment to convince to move to a new location.

Furthermore, young talent possesses a characteristic that economists term "recent vintage human capital." This population is used to operating with computers, utilizing the Internet both as a resource and for the purpose of communication. As a result, they are typically better able to accumulate and assess the information needed to operate in the new economy.

Last but not least, young adults are the most entrepreneurial segment of society. A survey conducted by the Global Entrepreneurship Monitor indicated that just over 17% of people between the ages of 25 and 34 are entrepreneurial – a greater percentage than any other segment surveyed. These results are summarized in Figure 1.

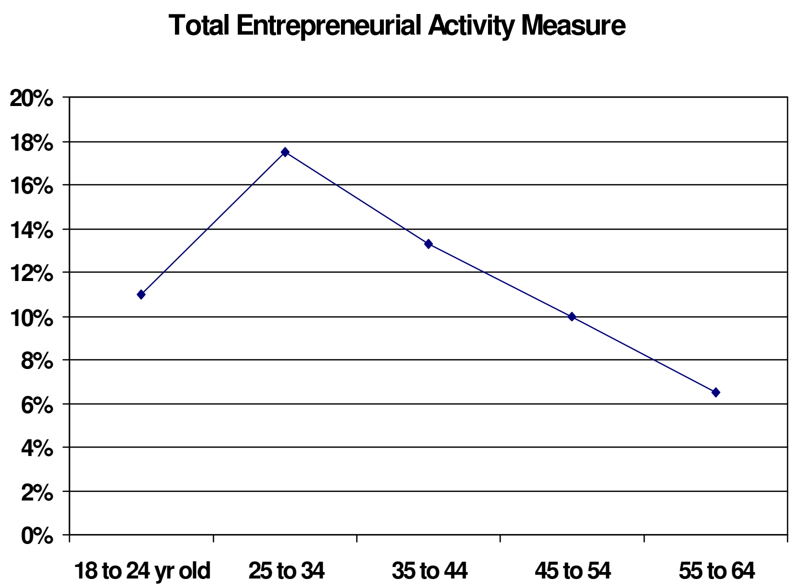

Figure 1[6]

According to a study by the Small Business Administration's Office of Advocacy, the successful establishment of new businesses is key to economic development. This survey found that raising the number of small-business start-ups in a given state by just 5 percent tended to boost gross state product -- the sum total of a state's economic output – by up to 0.465 percent.[7]

It is relatively clear (and perhaps already obvious) that regional economies benefit from the presence of young talent. However, this project addressed attracting talent not just to the region, but to the city in particular. This is the result of evidence demonstrating the importance of the city's economy to that of the region.

The assets of the nation are overwhelmingly, and increasingly, located within metropolitan areas. As of 2001, 80 percent of the American population lived in areas designated as metropolitan.[8] Relative to these metropolitan areas, cities house the vast majority of the assets and resources. Cities retain 40% of the metropolitan population, and provide just approximately 60% of the office space, 47% of employment and 44% of total business establishments. Cities have become hubs for metropolitan areas, who often rely on access to the city assets in order to garner regional growth.

Additionally, cities play a vital role in facilitating the shift from the old to the new economy, as they are disproportionately concentrated in new economic activity. In their report on cities and economic prosperity, CEO for Cities estimated that 60% of the city's economic base is "new economy" (e.g. finance, insurance, real estate, services, transportation, communication and utilities). This stands in contrast to the suburban economic base, in which only 46% of business activity falls within the new economy industries.[9]

Last but not least, cities contribute disproportionately to new business starts. The top 50 cities represent only 16% of the nation's population, yet encompass 23 % of new business starts. Stated in a different format, it could be said that new businesses are 44% more likely to locate within one of the top 50 cities. This disproportionate creation of new businesses has a spill-over effect, as these cities also compose a greater proportion of new employment, as seen in Figure 2.

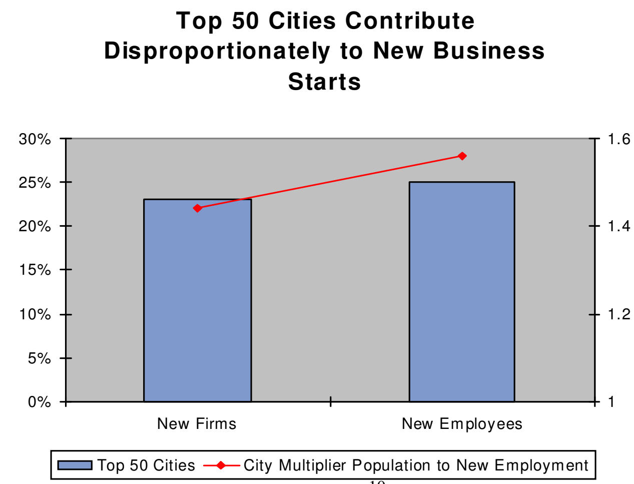

Figure 2[10]

Given the demonstrated importance of young talent in creating economic growth, and the importance of cities in creating regional economic growth, this project focused on attracting young talent to the city of Detroit.

II. UNDERSTANDING THE PREFERRED HOUSING AND NEIGHBORHOOD ATTRIBUTES OF THE MILLENIAL KNOWLEDGE WORKER

Who is the Millennial Knowledge Worker?

The Millennial Knowledge Worker represents an intersection of two segments of the population – the Millennial generation, identified as those born between 1977 and 1997[11], and the knowledge worker segment, college graduates who develop and use knowledge and information in the workplace.[12] This group of young talent is mostly single, and many have chosen to delay raising a family as they pursue their careers. They like to engage with the community; surveys demonstrate that as many as 72% of young Americans say that they follow what's going on in government and public affairs, and 36% have volunteered within the past year.[13] This generation generally prefers to work in teams rather than alone, and will spend most of their recreational time in social settings.

Understanding the Values and Preferences of Millennial Knowledge Workers

As urban planners and marketers search for ways to attract this emerging demographic, understanding the needs and values of MKW becomes even more important. For the purpose of this analysis, general trends in lifestyle values, housing preferences, and neighborhood amenities will be discussed

Diversity & Community

The diversity and creativity found in the occupations of MKW often extend into their interests and lifestyles. MKW embrace the value of diversity in all forms. Richard Florida, author of <u>The Rise of the Creative Class</u>, says that for this population, "Diversity is simply something they value in all its manifestations. This is spoken of so often, and so matter-of-factly, that I take it to be a fundamental marker of Creative Class values." [14] According to his research, the experience of interacting with a wide range of diverse people both professionally and socially is highly desired by MKW and is an important factor in their location decision. As a result, young professionals are more likely than other segments of the population to live in diverse and racially integrated neighborhoods.[15]

Active Lifestyle & the Outdoors

Young knowledge workers enjoy active lifestyles and the outdoors. In our focus groups and depth interviews, several participants expressed these interests in activities from hiking and cycling to walking their dog in the park. Independent data supports the conclusion that MKW have a special interest in outdoor activities. Research has shown that high wage earners between eighteen and thirty four are more than two times as likely as the average person to scuba dive, snow ski, play tennis or jog.[16] Furthermore, *Men's*

Fitness magazine in collaboration with Richard Florida demonstrated that fitness and creativity are positively correlated, and that correlation is statistically significant.[17] The evidence is clear: MKW are not couch potatoes. Given the interest in active lifestyles, cities hoping to attract this segment of the population should facilitate and offer a variety of venues that meet this need.

Third Places

In general MKW are not homebodies; rather they enjoying being out and about in public places. “The knowledge worker may still value domestic space, but s/he much prefers to eat, to play and to live, in public.”[18] On a sunny day, you’ll see these young adults spill into parks and outdoor dining establishments. There is a strong desire to be out, to see and be seen. MKW embrace these third places - social surroundings separate from the two familiar environments of home and the workplace. Third places often have primary purposes, such as coffee shops or bookstores but become social gathering places due to their charm and amenities that allow people to share some of the comforts of home e.g. a good meal, comfortable couches or soothing music. MKW will be drawn to residences where there are adequate third place arenas within walking distance.

Walkable Urbanism

Incorporating walkability into the attributes mentioned previously is vital to MKW. Young talent wants to satisfy most of their everyday needs (such as school, shopping, parks, friends, and even employment) by walking or utilizing mass transit.[19] In our survey, respondents demonstrated a strong preference for walkable attributes, as seen in Figure 3. The importance rankings for the attributes listed below were all positively correlated with correlation coefficients ranging from .287-.501. In addition 82% of our respondents would prefer to commute to work by foot, bike or public transportation. This survey clearly demonstrates that Southeast Michigan MKW value walkable urbanism.

Housing Preferences

Given that 86% of our survey respondents are current graduate students it is assumed that many will be changing their housing arrangements in the coming years. In fact 65% plan to rent their next home rather than to buy. While it is unclear what role the current state of financial markets and credit availability play in this issue, it is still important to note. Given the high mobility of MKW and the fact that many are in early stages of their careers, providing a proper supply of rental units is imperative. Focus groups revealed that there was no dominantly preferred housing type. The interest levels in condominiums, townhomes, lofts and apartments were virtually indistinguishable, although most surveyed expected that their next housing type would be an apartment. It is important to note that interest in stand-alone single family homes was minimal among our survey population.

Survey Results Q 1: In deciding where to live, indicate how important each of the following would be to you?						
Attributes	Not Important (1)	Somewhat Unimportant (2)	I'm Indifferent (3)	Important (4)	Very Important (5)	Mean
Being within walking distance of public transportation	4%	6%	19%	**39%**	32%	3.9
Being within walking distance to schools	11%	11%	36%	24%	18%	3.28
Being within walking distance to stores and restaurants	1%	6%	15%	**47%**	32%	4.01
Having sidewalks and places to walk	0%	1%	4%	**40%**	**55%**	4.47
Living in a community with a critical mass of people of my age	3%	6%	28%	50%	13%	3.62
Living in a community with a critical mass of people of my ethnicity	17%	22%	38%	19%	4%	2.72
Having a large house on more than one acre of land	43%	25%	23%	7%	1%	1.98
Having easy access to the highway	13%	19%	25%	38%	6%	3.06

Figure 3

For the housing units themselves, the MKW preferences for both the external and internal amenities were assessed on a relative scale. The series of external attributes that were used to assess the relative importance to MKW was generated from focus group discussions and reviews of features currently available in the local housing market. These attributes include outdoor amenities such as yards and decks, energy efficiency, and the presence of gyms or exercise facilities. While subject of much discussion, on average MKW were indifferent to these amenities when selecting a place to live. Of the attributes cited, energy efficient housing and secured parking were identified as the most important as seen in Figure 4. The least important attribute was the presence of a security guard or doorman, typically characteristic of managed real estate properties.

When surveyed on preferences for internal housing amenities the respondents demonstrated a general indifference in their assessments of internal housing amenities. Of the housing amenities presented (Figure 4) to survey respondents, the only internal housing amenity with a favorable importance ranking was the preference for a washer and dryer within the walls of the housing unit. On average survey respondents were indifferent on the importance of all other amenities when selecting a place to live.

The importance of neighborhood and housing amenities are both key factors in the decision making process. When presented to choose which of the two categories was more important when deciding where to live 58% responded that they were equally important, 29% responded that superior neighborhood amenities were more important than superior housing amenities and 13% responded that superior housing amenities were more important than superior neighborhood amenities.

Survey Results Q4: To what extent are the following external housing amenities important when selecting a place to live?						
Amenities	Not Important (1)	Somewhat Unimportant (2)	I'm Indifferent (3)	Important (4)	Very Important (5)	Mean
Secured parking/Garage	11%	9%	20%	37%	22%	3.52
Yard	7%	12%	37%	33%	11%	3.29
Balcony/ Deck	7%	10%	36%	41%	6%	3.3
Single level or multi-level unit	13%	11%	54%	16%	6%	2.91
Energy efficient housing	3%	4%	26%	50%	16%	3.72
New construction	22%	20%	46%	11%	2%	2.52
Historic building (older architecture)	20%	14%	46%	17%	3%	2.7
Pet friendly	21%	11%	25%	19%	24%	3.12
Gym/Exercise facilities on-site	20%	11%	41%	23%	6%	2.85
Common outdoor space	8%	13%	38%	35%	7%	3.21
Security Guard/Doorman	27%	18%	33%	18%	4%	2.54

Figure 4

As previously referenced in Figure 1, MKW have a strong affinity for walkable urbanism when deciding where to live. Survey results also indicated that a dominant 41% of respondents characterize the housing density in their ideal neighborhoods as low density urban. Survey and focus group participants are believed to identify low density urban with low rise (structures less than 5 stories) and high density urban (structures greater than 5 stories).

Neighborhood Preferences

MKW enjoy substantial levels of disposable income which enable them to take advantage of a wide selection of commercial offerings and endless forms of entertainment. With both commerce and entertainment, variety and convenience are critical to satisfying consumption needs of the young knowledge workers.

The young knowledge worker, like other segments of the workforce, struggles with the challenges of balancing his/her personal and professional life. Short commutes to work and walkable entertainment options are highly desirable by the group. Survey results have shown that (see Appendix D) in their next chosen neighborhood MKW want a mix of retail options, entertainment, groceries stores, and health services all within their neighborhood**.** Of these options having groceries stores and bars and nightclubs in the neighborhood was identified as most desirable**.** ‘Disposable time’ is highly valued by this group and young knowledge workers are willing to spend on convenient services and reduced commuting time.

Given the recognition that there is limited commercial and residential space available in urban environments, it was important to understand within these neighborhoods how close these various forms of commerce needed to be to the young knowledge worker. On average respondents would be willing to travel 5-10 blocks for groceries, restaurants and other services such as dry cleaners and shoe repair. Respondents were willing to travel 10-20 blocks to satisfy their retail/clothing, retail other, and health service needs. This finding regarding willingness to travel for retail suggests support for the concept of designated big box retail zones between neighborhoods while independent boutiques and shops could be found intermingled within the neighborhood itself.

Survey Results: How far from your residence would you be willing to travel for the following?						
Business Type	0-2 blocks (1)	2-5 blocks (2)	5-10 blocks (3)	10-20 blocks (4)	20+ blocks (5)	Mean
Retail/Clothing	2%	5%	19%	26%	48%	4.14
Retail/Other	1%	9%	26%	32%	32%	3.86
Entertainment, Bars, Nightclubs	2%	13%	32%	28%	24%	3.59
Entertainment/Other (theaters, museums, etc.)	1%	3%	32%	34%	30%	3.88
Grocery stores	8%	30%	34%	17%	11%	2.92
Restaurants	4%	19%	37%	22%	18%	3.32
Health Services	2%	12%	22%	29%	35%	3.81
Other services (dry cleaners, laundry)	8%	23%	33%	22%	15%	3.13

Figure 5

The Importance of Third Places

As mentioned previously, the Millennial generation places a high value on the availability of third places, or arenas outside of work and the home where people congregate often for social purposes or relaxation. Research has shown that a presence of third places is very important characteristic of neighborhoods with a strong concentration of young knowledge workers. These types of locations allow for the public spaces, diversity of people and comfort that are important to the demographic. Of the third places presented to the survey population coffee shops, cafes and bookstores were most desired. There was a clear appreciation for both independent and national chain third places but the favored mix would include more independent third places.

Providing the Proper Value Proposition

In addition to having the proper mix of residential and commercial amenities it cannot be overlooked that MKW are looking for competitive value propositions when choosing a place to live, and there is plenty of competition ready to invite these highly mobile professionals into their communities. These value propositions extend beyond retail offerings and housing and include other factors such as safety, quality of public services, and access to public parks and recreation. There are also indications that quality of public education is becoming more important as some MKW look to become long term residents of the city.

Understanding the Traits of Neighborhoods Attractive to MKW in Chicago

We conducted an analysis of key Chicago neighborhoods in order to understand, at a street level, what are the common traits of areas that are successfully attracting MKW. Based on third party research and stakeholder interviews, we determined that MKW seem to be disproportionately choosing to locate in specific neighborhoods. Of these we have chosen six, Lakeview, Wicker Park, Bucktown, Wrigleyville, West Loop, and South Loop to analyze further for demographic traits and business mix.

As shown in Figure 6, Lakeview, Wrigleyville, Wicker Park, and Bucktown have a particularly large proportion of 24-35 year old residents. A closer look at the demographics of these four neighborhoods (see Figure 7) suggests that the residents align closely with our definition of MKW. All have a high percentage of bachelor degree holders and graduate degree holders, a low average median age, a high proportion of singles, and a high proportion of white collar workers. And while high home values may have put some pressure on younger residents in recent years, each neighborhood continues to boast a high proportion of affordable rental units. Given that these four neighborhoods are particularly representative of MKW, we analyzed these further for common business and architectural elements.

Demographic Data for selected Chicago Neighborhoods			
	Number of 25-34 year Old Residents	Percent of Total	Average Age
Lakeview	18,756	33%	32.4
Bucktown	3,208	32%	32.7
Wrigleyville	7,083	30%	33.3
Wicker Park	2,961	28%	31.8
West Loop	470	23%	34.7
South Loop	3,301	21%	37.2

Figure 6

Education Attainment Data for selected Chicago Neighborhoods		
	Neighbor Hood	Percent of Total
Bachelor's Degree	Buck Town	38%
	Lakeview	44%
	Wicker Park	31%
	Wrigleyville	41%
Bachelor's Degree Average		39%
Graduate Degree	Buck Town	22%
	Lakeview	28%
	Wicker Park	21%
	Wrigleyville	25%
Graduate Degree Average		24%
Never Married	Buck Town	48%
	Lakeview	61%
	Wicker Park	53%
	Wrigleyville	61%
Never Married Average		56%

Figure 7

An analysis of each neighborhood's business mix yields striking similarities. With the exception of Wrigleyville, which owes its unique entertainment focused character to nearby Wrigley Field, the neighborhoods all have a relative balance of entertainment, clothing retail, and service focused business with a sufficient number of third places and grocery stores (see Figure 8). The clothing retail tends to be small independent with higher end stores located closer to rail stations. Some national chains are also present close to rail stations, however, they are chains concerned with maintaining a hip urban image such as Urban Outfitters and American Apparel. Entertainment related businesses include a vibrant mix of independent bars and restaurants with international options well represented. Service related businesses primarily include medium to high-end hair and nail salons, dry cleaners, and banks. Third places did not make up a more than a 10% proportion of any area's total business mix (with the exception of Bucktown at 16%), however the cafes, coffee shops, and diners that were present were popular and tended to be independent establishments. Starbucks of course is omnipresent, but given a choice, local residents seemed to prefer the non-national chain options.

Architecturally, the neighborhoods also shared many similarities. Characterized as low-density urban, the neighborhoods have an average population density of 14,315 (people per sq. mi.)[20], which is significantly lower than that of Manhattan (66,940 people per sq. mi.[21]), but also significantly higher than that of metro Detroit (6,855.1 people per sq. mi.[22]). Generally, businesses and mixed use buildings occupied North-South avenues as opposed to East-West streets. On the East-West streets residential buildings dominated, often in the form of refurbished town homes and walk-up apartments. Buildings generally do not exceed 5 stories. Higher density apartments and high-end loft conversions, where they exist, are most often located close to rail stations.

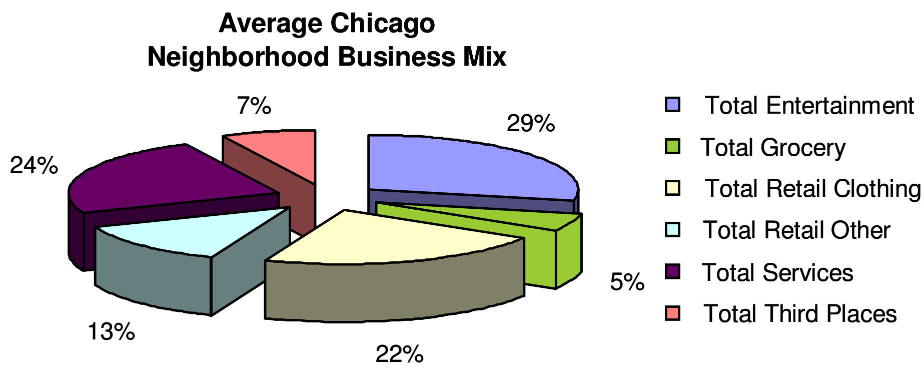

Figure 8

While Lakeview, Wrigleyville, Wicker Park, and Bucktown all share many similaries, they all have a unique character that is borne out by their mix of businesses. For example, as shown in Figure 9, Lakeview has a higher proportion of services oriented business than any of the other neighbor hoods. Wrigleyville has a higher proportion of entertainment oriented businesses, undoubtedly as a result of the presence of Wrigley Field on the neighborhood's northern border. Wicker Park has a far higher proportion of retail businesses, made up predominantly of small, medium to high-end boutiques. Bucktown also shares Wicker Park's concentration of Boutiques but also has a high proportion of third places. In Bucktown it was particularly evident that MKW prefer independent character driven businesses over national chains. This mix of businesses strengths shows that while a balance across neighborhoods in paramount, there is room for variability in individual neighborhoods to satisfy the diverse tastes of the MKW segment.

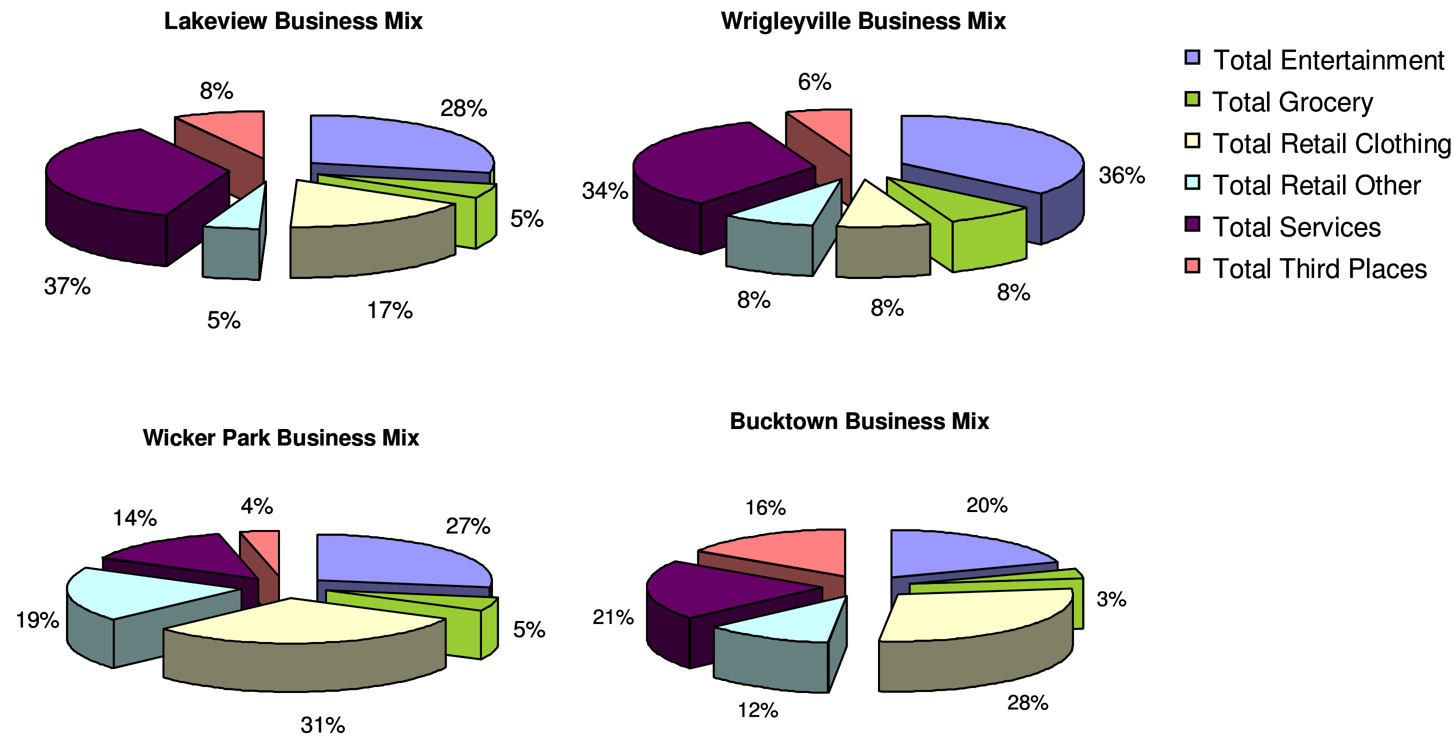

Figure 9

III. AN ASSESSMENT OF DETROIT DEVELOPMENT

In order to understand the challenge of attracting MKW to Detroit, the MAP team assessed the current state of the development in the downtown neighborhoods.

Current Land Use

Detroit may be the only city in the United States whose downtown is so vastly underutilized. The large amount of grey in the map below demonstrate the significant proportion of vacancy within the downtown neighborhoods, including the Central Business District, Corktown, Lower Woodward, Near East Riverfront, and Lower East Central. As people and businesses have moved out of Detroit, there has been sparse reuse of the land, leaving vacant lots and deteriorating buildings in the wake. The land that is not vacant is primarily used for commercial (non-office) use. The city has only a small proportion of land used for residential activities.

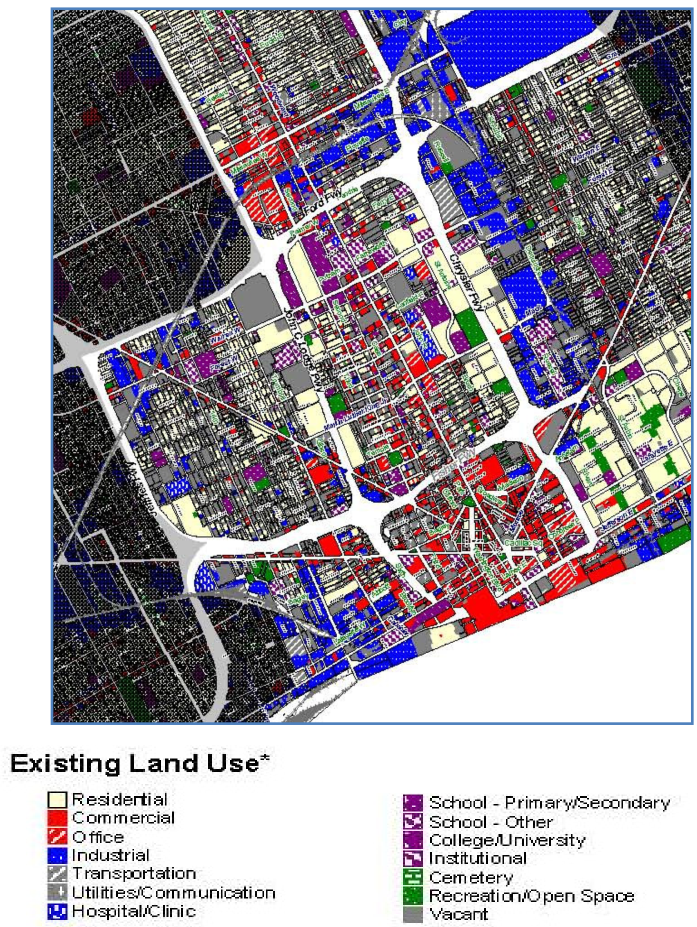

Figure 10[23]

The current lack of land use within the downtown has been noted both locally and nationally, most recently in Detroit's designation as a "ghost city" in 2100. "Detroit's population has fallen by around a third since 1950 and now equals about 950,000. It is expected to shrink slowly but steadily until at least 2030. If trends hold, Detroit will be altered beyond recognition by 2100." [24] Immediate intervention is necessary so that Detroit does not live up to this prediction.

Current Development and Residential Price Points

With Detroit land being largely vacant, the Master Plan indicates the city's desire to add density to the downtown neighborhoods, particularly along Lower Woodward. Despite this desire for density, it is clear that investments are spread throughout the downtown area, as seen in the map below. In terms of the investment that has occurred, most developers have focused on redeveloping and rebuilding some of the historical commercial and industrial buildings, with renovations representing more than 80% of the new residential spaces within the neighborhood.

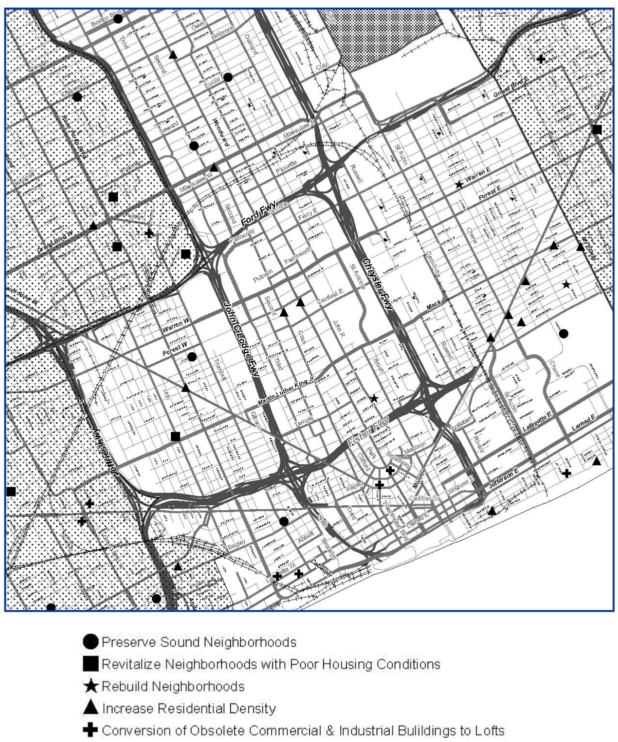

Figure 11[25]

The current supply of new apartments and condominiums are marketed as a for-sale product, as opposed to rental. Their prices fall within a range that is competitive with the desirable suburbs of Royal Oak and Ferndale. Currently, the average new construction for-sale product in Royal Oak is priced at approximately $300,000 and consists of 1425 square feet on average. In Ferndale the sale price runs around $204,000 for an average of

836 square feet. In comparison, the average price of a Detroit residence is $202,000 at an average square footage of 1000 square feet.[26] In terms of making a home purchase, Detroit is clearly more affordable than its suburbs.

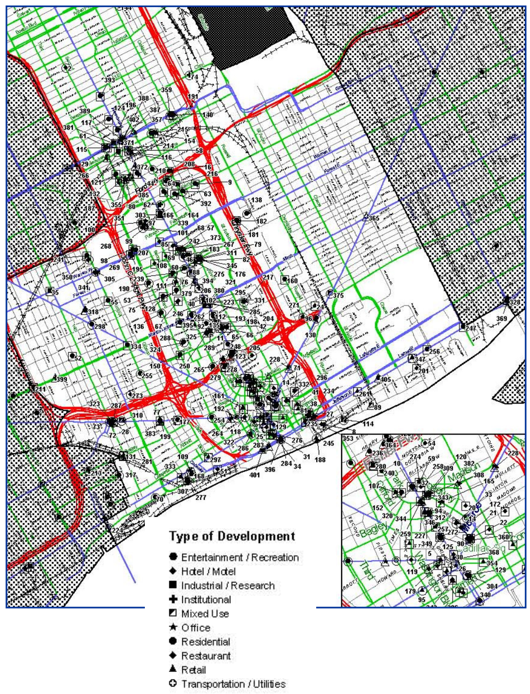

Figure 12[27]

Detroit is also more affordable than Royal Oak in terms of rentals, although Ferndale is more competitive. For the downtown Detroit neighborhoods, the average rental price for an apartment that would be of interest to MKW is $901 per month for an average of 918 square feet. We can estimate the salary needed in order afford apartments by using a metric typically utilized by landlords to qualify incomes for apartment rental, which is an income that is greater than or equal to 40 times the monthly rent. In the case of downtown Detroit, yearly salary of $36,000 would be necessary in order to rent the average apartment. In comparison, a typical apartment for rent in downtown Royal Oak costs $1,523 per month and averages 1,215 square feet. This requires a salary of $61,000 a year; almost double that of Detroit. In downtown Ferndale, however, apartments are being listed for rent at $680 per month for 700 square feet, thus requiring a salary of $27,200. However, in evaluating the value proposition to Detroit, the additional costs of commuting to Detroit for work would have to be considered. Participants in our focus groups and depth interviews suggested that these suburbs had a quality of life that was worth the additional costs.

Having established that Detroit is largely affordable to the MKW population, there is still reason to be concerned about a lack of housing options for this population segment, particularly in terms of rentals. As demonstrated in our survey, the majority of the MKW prefer to rent versus buy, a reflection of their desire to remain mobile. However, a large proportion of residential options in Downtown Detroit is restricted to for sale – not rent.[28] Clearly this mismatches with the demands of young talent. Therefore, Detroit must develop more rental housing to serve this target demographic, particularly if they are looking to double the number of MKW residents by 2015.

While there is demand for rental housing by the MKW market segment, our research suggested that there are several impediments to the development of such apartments in Detroit. The developers we talked with talked about challenge of developing in an area with an inefficient city government. Things as simple as providing decent trash and recycling service to residents become challenging in light of Detroit's current public service capabilities. Furthermore, many of the city tax incentives are designed to encourage ownership – not rental. Even as developers try to take advantage of these incentives, the work needed to be done at the government level is often very slow and full of errors, which frustrates developers and creates significant waste in terms of time and money. For the downtown Detroit neighborhoods to be successful in attracting MKW, the city stakeholders must work with the development community to incentivize more rental housing product that is attractive to the MKW population.

Downtown Detroit Neighborhood Amenities

There is no significant presence of retail in downtown Detroit, a circumstance that deters many MKW from moving to the area. However, in tandem with the redevelopment projects along the Lower Woodward corridor, many of the essential amenities are beginning to appear. For example, the first neighborhood Starbucks appeared at the corner of Mack and Woodward on August 18, 2006. According to Starbucks spokeswoman Valerie Carlborg: "Customer requests for a Starbucks in the area played a significant role, and we responded by opening a store in the community"[29]

More recently, Zacarro's, a small, high-end grocery store, opened in Lower Woodward on April 10th, 2008. As reported by the Detroit News, "Some 40 people were waiting in line to get in when the store opened at 7 a.m. Throughout the morning, a steady stream of shoppers seemed elated at its arrival. The store also will feature an extensive prepared food menu. Nearby, Henry Ford Medical Center has already ordered 400 boxed lunches for this afternoon."[30] These retail pioneers are helping to demonstrate to entrepreneurs and national chains alike that there is significant demand in Detroit. With continued residential development, and its focus of reusing older buildings, it is fair to expect that local and national retailers will continue to open in the downtown area.

Last but not least, there is reason to believe that Detroit may soon invest in the development of a light rail. This would have a tremendous impact on the appeal of the city to MKW. In looking at analog cities, investment in mass transit has a significant impact on the residential development of those communities. Dallas, Portland, Denver, and Minneapolis have all made significant investments in their alternative transportation infrastructure. In Denver alone, in which residents approved a $4.7 Billion transit plan, infill TOD development, planned and constructed, along all of the lines has exceeded over $14 Billion.[31] In Dallas, with over 45 miles of light rail complete, $3.3 Billion of TOD has been completed, resulting in an additional $78 Million in tax revenue.[32]

Downtown Detroit Neighborhoods Most Likely to attract MKW

In our analysis of the current state of Detroit, we have identified neighborhoods that would be most attractive to population of MKW based on specific factors that are prevalent in the neighborhoods that currently appeal to MKW in competitive cities.

The two most heavily weighted characteristics in our neighborhood redevelopment assessment model were the current proportion of MKW in the residential population and presence (or future likelihood) of a light rail stop. The table below (Figure 13) identifies the analytical components of the model and the weight or importance given to each factor.

Neighborhood Redevelopment Assessment Model	
Categories	Weight
MKW Segments	1.50
Population Density	1.00
Median Income	1.25
New Homeowner	0.75
New Construction Permits	1.00
Rehab Permits	1.25
Home Values	1.25
Light Rail Stops	2.00

Figure 13

After running neighborhood data through our model, several downtown neighborhoods emerged as potential targets for future development geared towards MKW. The results can be seen in Figure 14.

Assessment Model Results for Select Detroit Neighborhoods	
Neighborhood	Total Value
Central Business District	67.5
Lower Woodard	52.5
Corktown	42.8
Near East Riverfront	33.8
Lower East Central	35.5

Figure 14

Gap Analysis

With these neighborhoods identified as those currently most attractive to MKW, it is possible to compare these against the Chicago neighborhoods in order to better understand the gap. Not surprisingly, there are significant discrepancies in both the demographics and density when comparing the Detroit neighborhoods to Chicago.

First in assessing the demographics of the area, 35.30% of the Chicago neighborhood residents possessed a bachelor's degree, versus 16.26% in the Detroit neighborhoods. Additionally, the Chicago neighborhoods were generally younger, with an average age of 32.56 years in contrast to 38.8 years in Detroit.[33] Other key demographic differences are demonstrated in Figure 15.

Comparing Population Metrics Across Select Neighborhoods		
	Chicago – 2007 Estimate	Detroit – 2007 Estimate
Bachelor's Degrees	39.00%	16.26%
Median Age	32.56	38.84
Never Married	49.23%	45.23%
Pop / Households	1.98	2.06
Housing Unit Density	11,310.41	3,047.69

Figure 15

Perhaps more important than the demographic characteristics of a neighborhood is the business mix and density of retail. During our Chicago trip, we carefully calculated and document the business mix throughout the Chicago MKW neighborhoods. In looking at the business mix that was present in all the neighborhoods combined, we found a carefully balanced business mix with 29% entertainment, 35% retail, and 24% services, as demonstrated graphically below (in Figure 16).

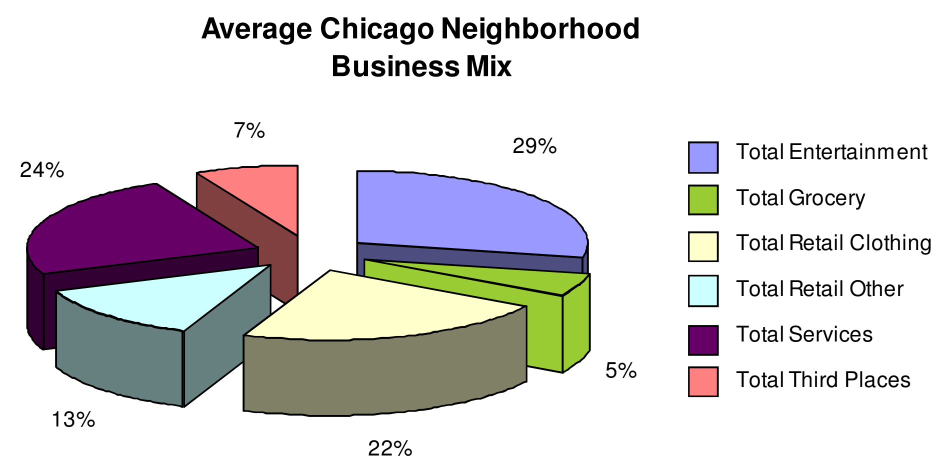

Figure 16

In comparison with Chicago, Detroit is lacking the crucial mix of business mix that provides for the neighborhood requirements that MKW want. In order to make this direct comparison, retail data was collected in a similar fashion to that produced in Chicago.

Our analysis revealed a very different mix of business in the downtown neighborhoods in Detroit, as seen in the Figure below. In the neighborhoods, 52% of all of the street level business are either sports or entertainment based. This reflects Detroit's strength in entertainment; however, in order for MKW to be attracted to the downtown neighborhoods the neighborhoods must develop businesses in alternative areas in order to create the healthy mix of businesses necessary to support this population.

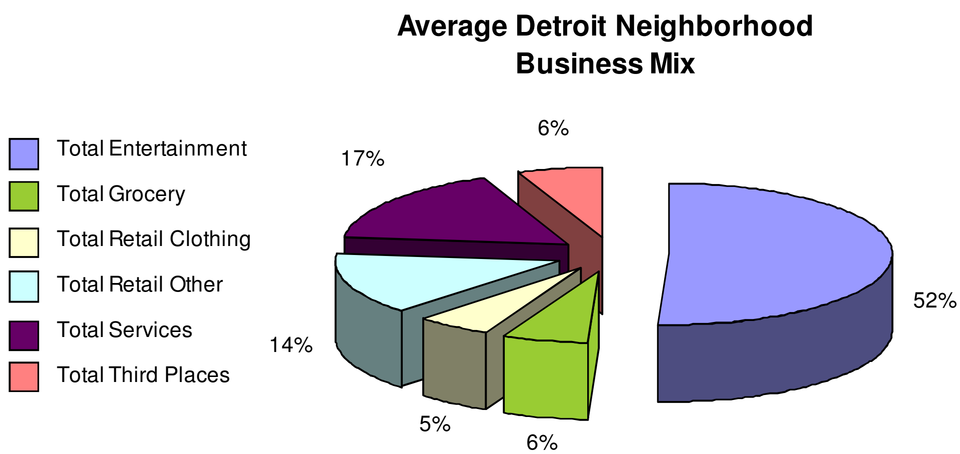

Figure 17

Currently, 19% of the ground floor business in Downtown Detroit neighborhoods is retail-based, while a mere 17% of the business mix is service-oriented. Reflecting the desire for urban walkability, MKW require that their chosen residence to be surrounded with an adequate presence of retail and service, including but are not limited to the hair and nail salons, dry cleaners, and local health care providers.

It should be noted that if anything, this chart understates the gap in service and retail options, as the quality of these opportunities in Chicago is generally a significant improvement over their Detroit counterparts.

The third component in comparing the Chicago MKW neighborhoods to the selected Detroit neighborhoods is examining the density of the business within the neighborhoods. As mentioned previously, MKW place a high value on the density of housing and amenities. Such density is demonstrated in the Chicago neighborhoods, which boast on average 67 entertainment businesses, 95 ground floor retail business, 52 service oriented business, and 17 third place type businesses per one square mile of city real estate.

In comparison, the average Detroit MKW targeted neighborhood has 42 entertainment businesses per square mile – relatively close to Chicago's level of density. However, the other categories of business are not nearly so compact. The average amount of retail stores, including grocery, clothing and other retail stores, is only a total of 24 businesses per square mile of these downtown neighborhoods. At the same time, there is a minimal presence of service-oriented business within these neighborhoods, representing a density of just 18 businesses per square mile. The graphic below (Figure 18) demonstrates the stark difference between the business densities of the Chicago and Detroit MKW neighborhoods.

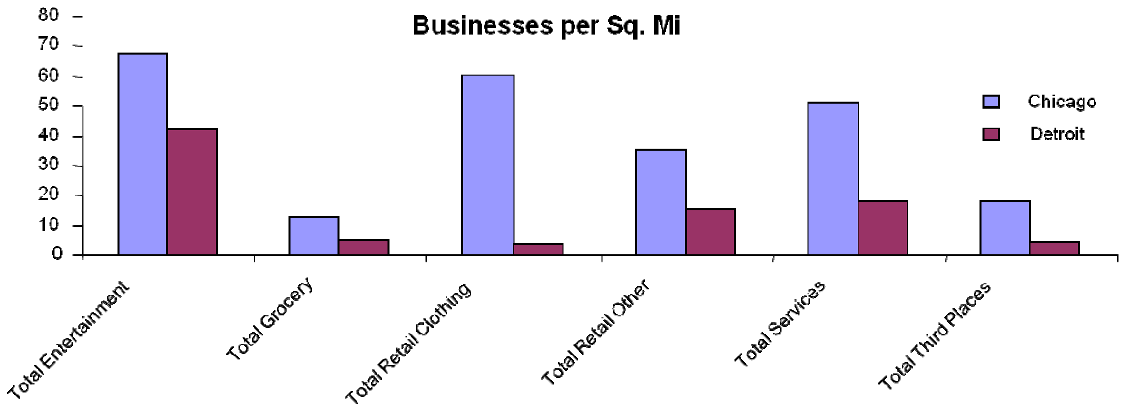

Figure 18

In comparison to the Chicago neighborhood retailers, the Detroit retailers also tend to lack an element of quality and selection in the products they offer. Since quality and value play predominate roles in what MKW value, both the density and quality of the business that they value.

In order to attract MKW to live in Downtown Detroit, city stakeholders must be make solid efforts not only to provide the housing that the MKW want, but also to support the development of the neighborhood amenities that the MKW require. Furthermore, in developing these neighborhood amenities, the city should carefully consider the density and mix of these businesses and their proximity to the new retail.

IV. IMPEDIMENTS TO DETROIT'S REVITALIZATION AND RECOMMENDATIONS FOR MOVING FORWARD

Through focus groups an depth interviews, the MAP team heard the same challenges come up again and again. Many of these were further validated by the survey. There are some major impediments to Detroit's revitalization which must be addressed in order for the city to become an appealing location for Millennials to locate. In this section of the paper, these issues are identified and accompanied with recommendations on Detroit should proceed in light of these concerns.

Safety Concerns

Not surprisingly, survey respondents expressed a desire for safety, with 93% indicating that safety was an "important" or "very important" factor in deciding where to live. In the focus groups, participants elaborated on this need, stating that they wanted to be able to safely walk home after a night on the town. Plus they wanted to have the option of jogging at any time of day or night, preferably with their headphones on, without having to worry that they would be attacked. It was also just as clear that this young talent did not feel Detroit provided such an environment. "Where I live in Ferndale I can walk down the street at 10 pm, whereas I could not do that in Downtown Detroit – not even on the Wayne State campus" When asked about Detroit in particular, 71% of our survey respondents stated that significant safety improvements were needed before they would consider Downtown Detroit a viable living option. Detroit's recent ranking in *Forbes Magazine* as "Most Murderous City" certainly does little to mitigate this perception of danger in Detroit.

Lighting

While many of the young professionals working in Downtown Detroit felt that perception of crime was worse than reality, there was a clear sentiment that the poor lighting and abandoned buildings made walking at night unsettling. "Certain areas by the YMCA are well lit. But if you go around the corner, the buildings are shut down and it is dark, so there is a visual difference, the streets are crumbled and it looks intimidating." The respondent making this comment worked in Downtown Detroit for 5 years previous to attending graduate school. She stated that her co-workers would never allow her to walk to her car at night by herself. This was echoed by an employee at Compuware, who told us that many of her peers actually shifted their work schedule so that they would not be in Detroit after dark.

Many will argue that this perception of safety is unfair, that while there is significant criminal activity within the city of Detroit, the downtown area has seen significant safety improvements – so much so that Downtown Detroit is safer than the state of Michigan. There is some truth to this suggestion, as the Figure below indicates.

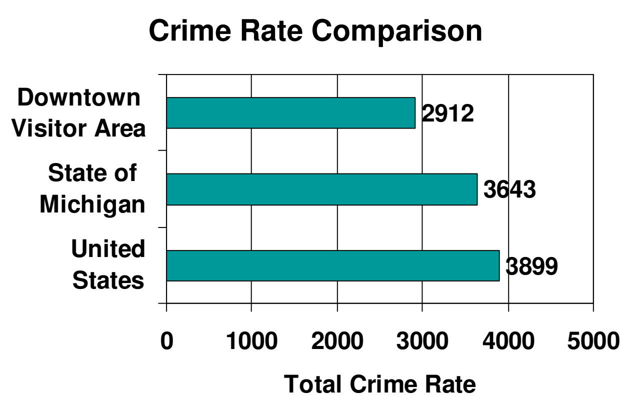

Figure 19[34]

However, so long as the perception of crime persists, the statistics mean very little to potential MKW residents. Increasing the lighting of the downtown area is a step in the right direction; however, that alone will not be sufficient to change popular opinion.

Abandoned Buildings

The presence of so many abandoned buildings also impacts people's perception of safety as they walk around downtown Detroit. A depth interview conducted with a Detroit native demonstrated the immense presence of such buildings. "Me, myself… I have never been to a downtown in any other city where there are so many abandoned buildings." In both the focus groups and depth interviews, MKW discussed how these buildings seem to loom over you at night, creating an environment that is both spooky and intimidating. The sheer number of these abandoned buildings, and the potential for illegal activity lurking inside of them, have a direct impact on the perception of safety. Detroit should actively pursue the renovation or repurposing of those buildings that are structurally sound. By enforcing nuisance abatement laws, the city can pressure the owners of these dilapidated buildings to make the necessary changes or give up their ownership of the land. The buildings that cannot be renovated should be torn down, and the area landscaped and maintained so that it does not become another trash-filled lot. Such efforts will alter the look of Downtown and in so doing induce a level of comfort and safety for those walking through the streets.

Green Space

While Detroit has had considerable success in the green space it has developed (e.g., Campus Martius), more of this green space is going to be necessary to satisfy the preferences of MKW. In addition to adding visual interest, green space creates a perception of the area being cleaner and safer. Additionally, this type of green space accompanied by outdoor patios creates a social setting that young talent craves.

In taking these steps, the new sense of safety will draw greater numbers of people out in the streets of Detroit. This will create a sense of security in itself, as this presence is a deterrent to crime. The city can help to increase the presence of people in the streets by encouraging restaurants and coffee houses to utilize outdoor patio spaces. In order to create this increased public presence, however, the city must first address the issues of lighting and building abandonment.

Weakness in Public Services

From Detroit's struggling school system to the immense potholes and broken sidewalks, it is clear that the city is not providing the minimal services necessary to attract new residents. This is in spite of the fact that Detroit's taxes are among the highest. "It seems as though the little things have gotten worse. You have places in Detroit where there are no lights or signs at the crosswalks. Bulk trash pick-up used to be once a month, now it is once every 3 months. It is the little things that make a city worth living in that people don't think of." The message that such service deficiencies send to people is that the city does not care about its image nor its people.

In our student survey, we asked respondents what asked about the importance of high quality services. Eighty-three percent of respondents found these services to be

Important to Very Important. In focus groups, people expressed concern about everything from the potholes and broken sidewalks to the lack of frequent bulk trash pickup. One participant talked about how the lack of maintenance created an impression that the government just didn't care about its people. Given the preference of many MKW to walk and bike to their destinations, broken sidewalks and potholes create a clear and present danger. The general sentiment of all the people who were interviewed was that it was unfair to have such poor service in light of the high taxes. One student offered that the lack of service in Detroit made the surrounding communities more competitive. "From a common sense point of view, I get more for my money living in the suburbs because I would pay so much in taxes for less service Downtown."

Perception of Employment Options and Climate of Success

There is a strong perception among a lot of MKW that Downtown Detroit just simply does not have the new age jobs necessary to make them want to live there. Sixty-two percent of the respondents that we surveyed stated that the Downtown Detroit job market needed to have significant improvement before it would become an attractive living destination. Additionally, many focus group participants talked about how if there are job opportunities, they are likely to be in the automotive industry, which was a turn-off. In fact, *Crain's Detroit Business* created a list of Metro Detroit's largest employers, and not surprisingly three of the top five were Auto Manufacturers (Ford, GM, and Chrysler).[35] Furthermore, Detroit has the highest unemployment rate (7.7%) in the U.S.[36] This statistic sends a message that Detroit is not an area in which a young professional can find success.

However, as more businesses move in to Downtown Detroit, there is increased hope. "The biggest thing about Detroit is if you look at the Quicken Loans deal, Dan Gilbert could have gone to Los Angeles or New York. However he decided to come to Detroit and he is a hero; this community will bend over backwards for him." Quicken Loans is the nation's largest online retail mortgage lender, and Chairman Dan Gilbert recently made the decision to move his company's headquarters to Downtown Detroit. This will approximately 4,000 Quicken Loan employees into Downtown Detroit.[37] This will complement the existing base of knowledge workers into Downtown Detroit established by such companies as Compuware and EDS (Electronic Data Systems). Bringing more attention to the changing nature of Detroit business will help to combat the perception of Detroit's automotive-driven economy.

Perhaps one of the greatest challenges Detroit faces in its revitalization is its lack of entrepreneurial spirit. For decades, its residents have been able to rely upon the automotive industry for a steady paycheck, and there has been no need to innovate and create outside of that arena. However, the shifting economy has obliterated the safety net created by the automotive industry, and now rewards entrepreneurial efforts, which involve a risk that the typical Detroiter is not used to. "Entrepreneurship in Detroit? I notice existing businesses are just hoping that one day it will pick up and take off. However starting out? I can't even imagine it not being really high risk to do any type of retail store Downtown." Several individuals and organizations are making serious efforts to support the young entrepreneur. Bizdom U is one example, where young entrepreneurs can take classes for two years to build their skills as business developers and graduate with financial support to implement their business plan in Detroit. Such initiatives need even greater support from the Detroit City Council and other organizations. While the government is often ready to put significant investment behind the opening of a national chain in Detroit, they often view local initiatives as being too risky. If Detroit wants to be part of the new economy and attract MKW, however, this tactic must be altered in order to strengthen the efforts of local entrepreneurs.

During our field research of Detroit neighborhoods, the MAP team had an opportunity to sit down and speak to young entrepreneur brothers Phillip Cooley and Ryan Cooley. Phillip and Ryan together started the successful Slows Bar-B-Q restaurant located on Michigan Avenue in Corktown, the first of several entrepreneurial initiatives they began in the neighborhood. In discussing their experiences with starting a business in Detroit, they spoke about the hardships of having to find financing for a fledgling start-up without any assistance. They talked about the continued inefficiency with the city in processing necessary paperwork, resulting in excessive time wasted and relentless effort. Nonetheless, the Cooley Brothers remain dedicated to revitalizing their neighborhood through these entrepreneurial efforts. Unfortunately, not everyone feels such an allegiance to the city of Detroit. The city must provide more support, and make the processing of paperwork more efficient if it wants to cultivate this entrepreneurial talent. As the city becomes more welcoming and supportive to these new businesses, there will be a greater the number of entrepreneurial victories, this will help to transform the perception of Detroit from that of a motor city to one in which a person can succeed.

Retail and Dining Options – the Need for "Whitebox" Retail Space

MKW value diversity and creativity in their dining and retail options. In terms of restaurants, they prefer those that are independently owned and lay claim to a certain market niche. A good example of this is the aforementioned Slows Bar-B-Q in Corktown. The interior design of the restaurant is open and inviting, the food unique, and the atmosphere friendly – particularly as the owners seem to know everyone by name. Within their neighborhoods, Millennials want a broad range of ethnic variety within these types of restaurants. This became clear while walking along a street in Lake View, where Mexican, Korean, Italian, French and Sushi restaurants were all located within three blocks of each other.

This desire for charm carries into MKW retail preferences. Among some MKW, there is an aversion to most national chains. These urbanites would prefer to stop at a number of boutique shops in search of unique items over a department store. Additionally, these boutiques create a visual interest for pedestrians. Whether a pet store, a bike shop or a wiggery, there is an intrinsic desire in passing these shops to look in the windows in order to see more. While it seems that many of Detroit's redevelopment efforts are targeted at leapfrogging these small boutiques in order to build a presence of national chains, MKW would be most drawn to the "mom and pop" shops, as they both tend towards superior customer service and provide a unique experience or adventure in retail.

Currently, there is a real lack of retail within Downtown Detroit. This is partially driven by the lack of "whitebox" space available for retail. Because these "mom and pop" shops typically start with very little capital, they are unable to make large quantities of up-front investment. This is problematic for Detroit, as much of the retail space is in need of major improvements before it can realistically be used. Although Detroit has significant amounts of retail space, much of this is in need of major repair. Without "whitebox" retail (i.e., creating a retail space that is akin to a white box, ready for the occupant to bring in their inventory and open shop), there is no hope of developing the critical mass of retail necessary to attract the MKW. Already there is significant unmet demand within Downtown Detroit. According to the Brookings Institute, there is unmet demand sufficient to support a minimum of 389,000 square feet of retail within the current Downtown Detroit population. Furthermore, an additional 125,000 square feet of grocery stores could be supported by Downtown Detroit residents. In order to attract and retain young talent, the downtown area needs meet the dining and retail needs of their population. Otherwise, these Millennials will move to areas in which their wants can be satisfied.

Transforming the Perception of Detroit

There has been considerable attention brought to Detroit within the last year; unfortunately, the vast majority of this publicity has been negative. People in Hollywood often say "no news is bad news;" however the focus on Detroit's shortcomings has had a disastrous impact on people's perception of the city.

In recent months, the text message scandal involving Mayor Kwame Kilpatrick has regularly made the front page in the national papers. However, Detroit was receiving a lot of negative attention long before this news broke. Within the last twelve months, Forbes has included Detroit in each of these rankings:

- Worst Cities for Jobs (released 4/10/08), Detroit ranked #2
- America's Most Miserable Cities (released 1/30/08), Detroit ranked #1
- America's Most Obese Cities (released 11/27/07), Detroit ranked #5
- America's Most Murderous Cities (released 11/8/07), Detroit ranked #1
- Weakest US Housing Market (released 10/5/07), Detroit ranked #1
- America's Most Expensive Commutes (released 8/8/07), Detroit ranked #3
- Ghost Cities of 2100 (released 6/11/07), Detroit ranked #2

These rankings have been supplemented with stories of Detroit's failing public education system (reporting that only 24.7% of students complete high school) and the struggles of the automotive industry in the down economy. It is therefore not surprising that there are no masses of people are moving to Detroit.

The city and its residents need to take control of their image. Several organizations in Detroit do a great job in publicizing the variety of positive phenomena occurring within the city, such as *Crain's Detroit Business*, Model D, and After5. The efforts by these agencies to put out good news about Detroit is astounding, but this needs to be increased ten-fold. As they say in sports, "sometimes the best defense is a good offense." By flooding the news markets with opportunities to cover what is going well in Detroit, we may overshadow the headlines that sensationalize the city's challenges.

Marketing to Detroit's Strength in the Arts

Detroit has long been known for its cutting edge music scene. Motown brought the spotlight to Detroit, and the area continues to produce nationally recognized talent such as R&B artist Kem. This is accompanied by a stellar visual arts presence, and the excitement of Major League Baseball and the National Hockey League. There are a variety of options to engage your spirit in the city of Detroit.

While participants in the focus groups agreed that there were numerous exciting entertainment options in Detroit, they noted that they typically came into the city for that particular event and left. As opposed to an area like the Gas Lamp Quarter in San Diego where you stay for a day, they talked about the lack of appealing restaurants and bars near these entertainment centers; that you had to know where you were going to find a nice place to hang out and most likely drive there, as opposed to being able to wander the streets as you would in Chicago.

Detroit should focus on building up its retail and dining options around its cultural anchors (e.g. the Fox Theater, the DIA and Comerica Park). By creating areas that are destinations for socializing as well as events, Detroit will be a more appealing location to MKW. Furthermore, the presence of the cultural institutions will give the Detroit scene a competitive advantage over the suburbs. The city will be offering young adults something which they cannot acquire in Royal Oak and Ferndale, and thus make living in Detroit more appealing.

Marketing to Detroit's Strength in Authenticity and Culture

Detroit has been coined as the art deco capital of the world, and there is no reason why it shouldn't take advantage of that. Buildings like the Guardian are simply unforgettable. Furthermore, the repurposing of buildings adds a sense of character. In midtown, real estate developer Bob Slattery is transforming the Willys building into lofts with ground floor retail. The building was constructed in 1912 for Willys Overland Company, and also served as a dry goods store, a department store, and most recently, a Detroit Public Schools warehouse.[38] This development is among the most sought-after by young talent in Detroit, thanks in large part to its authentic charm. Detroit has a considerable supply of such buildings throughout downtown, and if developers follow Mr. Slattery's lead by choosing to rehabilitate these buildings in a manner that is LEED certified, they will certainly find a market among MKW.

Additionally, the Greektown and Mexicantown have significant appeal for MKW. Not only are these areas vibrant parts of the city, but they exude an authentic sense of the different cultures, representing a diversity that the typical Millennial appreciates. Too often, people think of Detroit in terms of black and white, which is largely a result of the political struggles that the region has endured over the years. The genuine authenticity of Mexicantown and the busy energy of Greektown demonstrate that Detroit is in fact multicultural. By promoting these areas, being careful not to undermine their authenticity, the city could garner a lot of positive attention.

Relaying a Message of Hope and Opportunity

When marketing to MKW, it is important to recognize the traits that have made them a distinct generation. Millennials want to engage in their community, prefer a balanced life to one overloaded with work but significant wealth, and are willing to make sacrifices in order to be a part of something bigger than themselves. Detroit offers a unique opportunity which cities like Boston, New York and Chicago cannot match – the chance to be a person who has the power to make a difference right away. To be on the ground floor of the turn around of a city, a city which was thought to be doomed to be a ghost city, is an opportunity which many young professionals will find appealing. The city has a number of believers, including the Cooley brothers, Bob Slattery and Roger Penske. By making sure that their message is heard, that MKW are aware of the exciting opportunities that Detroit has to offer, that they know they can be a part of the critical mass that transforms the city, Detroit will attract those people who will indeed change the course of the city's history.

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