

As Seen In:



By: NATE BERG

Downtown Detroit's Big Booster

Dan Gilbert has deep roots in Detroit. And deep pockets. The founder and chairman of Quicken Loans is a third generation Detroit native and has become a major force in the city, bringing thousands of his employees into new headquarters downtown and helping to incubate new start-up businesses in the city. In addition to Quicken Loans, Gilbert is also the majority owner of the Cleveland Cavaliers basketball team, and, after a recent spree of purchases, he now owns more than 1.8 million square feet of property in downtown Detroit. This makes him the third largest land owner in Detroit, behind only General Motors and the city itself, according to Crain's Business.



Gilbert chatted with us about why he's so involved in downtown Detroit, what he sees for its future, and how his approach to rebuilding the city can benefit his business and others.

You've been buying up a lot of property in downtown. Why the focus downtown?

People in their 20s and 30s, the best and brightest coming out of our universities, the vast majority of them want to be in a cool urban core in a hip city. Period. So, if we're going to retain and maintain talent in our companies and have innovative creative people, we've got to make sure that we're in the right locations that are going to generate the interest of those people. All of our businesses are Internet-related, technology-related, entertainment-related businesses. So thinking we're going to do that in a suburban setting where people have to walk a couple hundred yards across asphalt in the middle of winter, it's probably not going cut it for the kind of folks that we're trying to attract. Kids don't leave suburban Detroit to go to suburban Chicago or suburban New York or suburban L.A. They're going to the downtowns. Most of the activity and the kinds of areas and the companies that are attractive to people who are the best and brightest in our view want to be in the urban core.

How are you getting others to follow you downtown?

We created this non-profit academy that trains entrepreneurs called Bizdom U, and another way is through a venture fund we started called Detroit Venture Partners that Magic Johnson, myself and two other local Detroit guys partnered on to fund companies and startup businesses with a big Detroit bent and a Detroit bias. We will invest in other businesses, but primarily it is Detroit companies. And funding Detroit-based ventures for startup businesses. And then we've got our real estate piece of it. One of the things people don't realize about Detroit is that a lot of young people are moving back to downtown, but the inventory is very, very low. Occupancy is at about 98 percent. You can't find a lot of lofts and apartments and places to live in, so there's a huge opportunity for real estate developers to actually build residential because there's just not the inventory. A lot of people think, 'oh there must be so many vacant places. There isn't. So we're looking to do stuff there and partnering with developers on that front as well.

Why do you love Detroit?

I was born here and raised here. My father was born here, my grandfather was born here. I find myself in a fortunate position to be able to, I think, contribute to help leading the city back. And I feel like that's a great thing to do for the city, but it's also a great thing to do for our business. We have a "doing good by doing well" strategy here. And the investment in Detroit is one that's significant and growing, and we're doing it again so we can help tie all the threads here in Detroit and bring back the kind of downtown that people envision or even maybe have never seen here. We're also trying to make good investments, and we've got values of property that are low by any historical standards. So we're very excited about it. We think it's just the beginning. We've got about 4,000-plus people we've moved down here in the last 18 months. And were going to continue to move more down here and bring in more businesses and do everything we can with a bunch of other people who've been working very hard even before we got here and try to make Detroit the comeback city of this decade.

You've been involved in trying to bring more transit to the city. How are those prospects looking?

We've been working on this line called M-1, which is light rail along Woodward Avenue from the river up to Grand Boulevard. The city and state and the feds have been working on this bigger transportation plan, and they were working on light rail until a couple weeks ago when all of a sudden they changed directions and put in this rapid bus line and they killed the rail line. We had \$100 million raised in private investment from companies, businesses and foundations to get some light rail along the main corridor here in downtown. But we just had a meeting with the mayor, the governor, two U.S. senators, congressional representatives, Ray LaHood, the transportation secretary, I mean it was incredible, and everybody agreed to have our rail system sit within their rapid bus line. So we're back on track, no pun intended. We almost have all the money raised for it. And we feel like we'll be getting into the ground early next year or the end of this year if everything goes well. We have a 90-day period to prove to the feds and the state and the city that we have all our ducks in a row so we can pull the trigger on it.

Does Detroit need an emergency manger?

How Detroit does it I can't really comment because I don't have enough information or enough knowledge deep in the financials to understand. But what I do know is that something has to happen and it needs to be fixed, and it just cant keep going on and on and on here. And I think the city and the state finally realized it. It's sort of similar to the auto companies here a couple years ago. The bankruptcies at GM and Chrysler were looming for so long, and when it happened it was a little anti-climactic.

Everything got washed out, and now they're really starting to boom again here. Things are looking up. There's a lot of optimism around the auto business. And for decades that kind of financial doom and gloom weighed down these companies, and it's the same way with the city of Detroit. Whether it's the financial planner or another method, you've got to fix the financial house so we can move forward.

What do you think the city will look like in ten years?

I would hope that people all over the country and maybe the world would be talking about Detroit as one of the biggest comeback cities they've ever seen. That there's a thriving downtown with hundreds if not more of startup technology service companies who are thriving and growing, and there's venture capital and there's a lot of residential and retail down here. And there's a major improvement in the neighborhoods and there's a hugely optimistic feeling among the citizens of both the city and the state that things are really moving in the right direction here and that people would be coming back into the city, both young and older, and that hopefully the school systems improve. We obviously can't do all of it, nor can anybody, but it's got to be a group effort by a lot of contingents.

Any chance you'll be sitting in the mayor's office one day?

I'll leave that one to Dave Bing for now, that's for sure.

Photo credit: Rebecca Cook / Reuters

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