

# Multi-billionaire Dan Gilbert seeks to cash in on Detroit's financial dictatorship

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Dan Gilbert, the multi-billionaire owner of Quicken Loans, has unveiled a plan to gentrify downtown Detroit with the aid of the newly installed emergency manager. His design, hailed by the media and business community as a revitalization of the downtown corridor that will bring jobs to Detroit, is nothing more than an unprecedented opportunity to cash in on Detroit's financial destitution to make a lot of money.

Titled the "Woodward Corridor Place-making and Retail Strategy," the plan calls for transforming several streets and thoroughfares into pedestrian walkways with shopping districts, all centered around the 22 buildings Gilbert has purchased, several of which are historic, all at bargain basement prices.

Gilbert's ownership of downtown Detroit has become vast, especially within the last year when he purchased at least one third of the buildings he now owns. His latest acquisition, the historic Vinton Building designed by the renowned Detroit architect Albert Kahn in 1916, gives Gilbert control over more than 3 million square feet of commercial space in the downtown area, a near monopoly.

In addition to the office space, Gilbert also owns two major parking garages, has acquired controlling shares of Greektown Casino and is the co-chairman of the M1 Rail project, a light rail venture he pushed that will be financed with federal and private money. The rail system, a significant diminution of the original plan, is small but central to Gilbert's plans and will bring all of his projects together.

In the short-term the proposals involve low cost venues including food trucks, kiosks and lawn games that are expected to be in place this summer. Other proposals involve attracting upscale food stores, retailers and restaurants aimed at the growing number of middle class young people who are moving into the

downtown region.

"God may have created the Earth in just six days," states *Crain's Detroit Business*, "but Dan Gilbert plans to fundamentally transform downtown Detroit by the end of 2015 with a united front of government officials and business leaders, an expedited permitting process and less red tape."

Matt Cullens, the president and COO of Rock Ventures, one of the companies owned by Gilbert, told *Crain's* that while there are some hurdles the plan must clear, a lot of work has already been done by meeting with government departments. And of course with an EM, who has the right to shut down departments and absolve the government, the political situation has also changed.

"There are a lot of people freed up from the normal bureaucracy of government and business," stated Cullens.

Gilbert, a member of the round table discussions Orr has been holding with business leaders in Detroit, is particularly suited to seek a cut in red tape with an emergency manager in control. He also made it clear that he thinks an EM is essential regardless of the issue of democratic rights.

"As hard as it is to suspend democracy for a short period of time I think it's in the best interest of everyone," stated Gilbert. His plan was unveiled on the same day that the new Emergency Manager law, Public Act 436, went into effect.

An emergency manager has been imposed on Detroit ostensibly because the city's population has declined and there is "no money." Gilbert, however, is one of several billionaires in the metro area whose wealth, if taxed even ten percent, would more than resolve the deficit.

According to *Forbes*, Gilbert is worth \$3.5 billion, up

\$2 billion in 2012 alone. The project is obviously designed to allow Gilbert to maximize his wealth at the expense of the city. Millions of dollars will be provided for Gilbert's projects, while Detroit's neighborhoods decay and the EM cuts jobs and benefits.

"This is a private entrepreneur that has a combination of two key things, vision and resources, beyond the scope of most governments," stated Richard Carlisle, president of Carlisle/Wortman Associates LLC, an Ann Arbor-based consulting firm hired to work on the project.

No one has given a dollar figure on the costs for the renovation, however Crain's Business reported that a large part of the costs will be borne by the public. The plan is very similar to that outlined in Mayor Dave Bing's controversial Detroit Works Project that originally called for forcing residents to move out of neighborhoods.

The Detroit Works Project, which names Quicken Loans as one of the companies helping to establish a "digital cluster in the downtown region," was clearly working in alliance with Gilbert and his company in laying out the plans for Detroit. Gilbert has been involved in providing seed money for digital companies for which he sees Detroit as being a major future home.

The plan also calls for a light rail system, the M1 Rail streetcar project, that will tie downtown to the university/cultural area. The project, a product of private and federal funding, only spans a paltry three miles along Woodward Avenue, a major north/south street that is in the center of Detroit, but stops at the very buildings Gilbert owns.

The rail system would run from midtown Detroit, where a major state government office is located in the old General Motors world headquarters building, past the university-cultural area and then the complex of medical buildings that houses the largest section of workers in Detroit, into the downtown area. Gilbert has said he wants to have a 24/7 thriving downtown area and has moved the headquarters for Quicken Loans—involving 7,000 people—to offices in the downtown area.

The project in Detroit is much grander but similar to undertakings Gilbert is funding in Cleveland and Cincinnati, both in Ohio, where he financed a campaign to legalize casinos throughout the state. In each case, he has cast himself as an altruist concerned only with

bringing jobs and innovation. However, the development in Cincinnati is similar to that planned for Detroit. There he is involved in the gentrification of the Over the Rhine region where rioting took place in 2001

The Over the Rhine region, located near downtown Cincinnati, exploded in rioting after police killed an unarmed teenager, the fifteenth death of a black male at the hands of the police in six years. The source of the conflict was the drive to gentrify the area by driving out low income families to be replaced by those with higher incomes with close proximity to downtown Cincinnati.

Gilbert, who also owns a number of sports teams including the Cleveland Cavaliers basketball team, is a major contributor to the Republican party, but gives smaller amounts to Democrats. In 2008, he gave \$47,553 to the Republicans and \$2,550 to the Democrats, including \$2,300 to Obama and \$250 to Hillary Clinton. In 2012 his donations to the Republican Party nearly doubled, to \$87,800, of which a large amount went to Mitt Romney.



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