

While slashing city workers pensions

## Detroit officials find \$286 million to subsidize new sports arena

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21 June 2013

Detroit's Downtown Development Authority (DDA) has approved a \$650 million plan that will allow Mike Ilitch to build a new sports and entertainment district just north of downtown Detroit. Nearly half of the cost will be covered by public funds.

The announcement comes just two days after Emergency Manager Kevyn Orr said the public coffers are empty when it comes to paying the pensions and health care benefits owed to city workers. Orr has threatened to pay as little as 10 cents on every dollar owed to pension funds and force retired workers to get health care through the federal Medicare program or President Obama's cut-rate medical exchanges.

A more callous slap in the face could not be imagined for pensioners and other city residents facing the gutting of essential services and the selling off of city parks, zoos and art museums. There is supposedly no money for the needs of the city's working class population, but several hundred million can easily be found to subsidize a new arena for a billionaire sports franchise owner. The project has been sanctioned by Orr, who has final say over how the city's finances are managed.

The new arena—for Ilitch's Red Wings hockey team—will be 650,000 square feet and house 18,000 spectators—few enough, comments the *Free Press*, to make the tickets more expensive than average. Other nearby development will include a hotel and 265,000 square feet of new or renovated office, retail and residential space.

The city will contribute 44 percent of the funds for the new stadium, or around \$286 million. The rest will be financed by private sources, including Mike Ilitch.

The stadium will be built in a 45-block

“entertainment district” a few streets away from the Henry Street apartments, where hundreds of low-income residents are facing eviction by the end of the month. Although the new owner of the apartment complex has been kept secret, residents all along speculated that Ilitch was behind their evictions. Many of those being thrown out have lived in the apartments for decades.

Simultaneously, residents at the Griswold, a nearby apartment tower housing mostly retirees, also face eviction come next March. This is in keeping with the stated goal of the city planners: the entire area is to be gentrified, with low income tenants being pushed out to make way for rarified lofts and office spaces.

The stadium district is intended to be the centerpiece of the new upscale “Arena District,” which spans the gap between midtown and downtown. Currently, the impoverished area is a stark reminder of the devastation wrought on Detroit by big business. The new development will encompass “office, retail and residential” space.

In addition to Ilitch, the founder of mortgage lender Quicken Loans, billionaire Dan Gilbert, has been a primary advocate of the plans to remake Detroit's downtown. Gilbert has bought up more than 30 buildings around the city at low prices. He stands to make a fortune on rising property values in the downtown area. Ilitch has also begun buying properties in downtown Detroit and is rumored to have been the buyer of the Griswold building.

The construction of the stadium is part of a policy by the city government to “revitalize” Detroit. This means, in practice, clearing downtown and midtown of poorer residents by raising the land value—and thus the

rents—and making an enclave of wealth at the center of America’s poorest big city. The office workers who labor in the new downtown, of course, will have to pay the inflated rents. To this end, the *Detroit Free Press* cites the “successful redevelopment” of the David Broderick Tower, which rents penthouse suites for \$5,100 a month.

Current rents in the downtown area are around \$1.25 per square foot, and the developers’ goal is to raise this number to at least \$2.00.

The gentrification of Detroit is not intended to improve the city as a whole, nor will it. It is a part of the broader attack on the living conditions of working people. As “undesirables” are shooed away from the city center, Orr and other city officials are shutting down whole areas of the city deemed too poor to invest in and forcing residents to abandon neighborhoods by cutting off street lights, closing schools and ending fire protection.

As usual, the arena is being justified to the people of Detroit with the claim that it will create thousands of jobs. Taking the city’s generous figure of 8,300 new jobs at face value, this is cold comfort to Detroit’s residents. The same was said for the city casinos built more than a decade ago. Low wage service jobs are poor replacement for the dismembered auto industry, and the incoming white-collar workers at Quicken Loans and other downtown companies will be highly exploited and gouged by the city’s new billionaire landlords.



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