

Why is Dan Gilbert on the Detroit Blight Removal Task Force?

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On September 27, the Obama administration created the Detroit Blight Removal Task Force. With great media fanfare, Housing and Urban Development Secretary Shaun Donovan, Transportation Secretary Anthony Foxx and Attorney General Eric Holder traveled from Washington to Detroit for a roundtable meeting with Michigan Governor Rick Snyder, Detroit Mayor Dave Bing and Detroit's emergency manager, Kevyn Orr. They met on stage at Wayne State University's law school auditorium to announce the task force as part of a \$300 million federal aid package for the city.

During their public relations blitz, one government official after another spoke of the new commitment to "helping citizens" and "focusing on the people who live and work in Detroit." According to the Obama administration's press announcement, the Blight Removal Task Force is the centerpiece of the aid package, with \$150 million allocated for "the effective, coordinated demolition of blighted properties, neighborhood revitalization and redevelopment in Detroit."

The reality is that \$300 million is not going to fix anything in Detroit. The federal money is in large part a political charade designed to provide cover for Emergency Manager Orr and the use of Chapter 9 bankruptcy laws to pilfer the pension and health care funds of city employees and retirees and hand public assets over to private businesses and individuals.

There is, however, another purpose for the federal funds. An examination of the goals and personnel—in particular the presence of real estate billionaire Dan Gilbert—of the Blight Removal Task Force proves that it has nothing to do with improving the conditions of people living and working in Detroit. It is, in fact, an elaborate business scheme designed to hand land over to Detroit's wealthiest individuals for next to nothing and to give Wall Street unprecedented investment opportunities.

The scheme is to use the federal aid to bulldoze vast

tracts of land in Detroit and put them on the real estate market for investors and developers, creating money-making opportunities that have never before existed in a US city. Moreover, it is likely that some residents will be forced from their dwellings and some workers will lose their places of employment as a result of the financially motivated task force "redevelopment" projects.

Among those who will benefit most from the blight removal program is real estate and mortgage billionaire Gilbert. Therefore, Gilbert's appointment as one of three co-chairs of the Blight Removal Task Force stands as a glaring example of the conspiracy by the super-rich—facilitated by the Democrats and Republicans, the unions and the corporate media—that is underway against the people of Detroit.

Encountering no opposition to plans for an unprecedented Detroit land grab, Gilbert can hardly contain himself. At a December 18 task force meeting at Marygrove College, he blurted out the real meaning of the enterprise, "We're either going to get this done or we're going to die trying. For probably the first time in Western civilization in a major metro area, you're going to have large parcels of vacant pristine land that have paved streets, utilities of all sorts, cable, phone, water, sewer — everything at affordable land prices."

Who is Dan Gilbert?

Dan Gilbert is Detroit's wealthiest man. According to Forbes, he is number 118 on its list of America's richest 400 people and his net worth is \$3.9 billion. Gilbert has built his fortune largely from his privately held online mortgage company Quicken Loans and his development company Bedrock Real Estate Services.

His other businesses include sports teams—the Cleveland Cavaliers of the NBA – entertainment—Cleveland's Horseshoe Casino and Detroit's Greektown Casino—private-equity investment—Rockbridge Growth

Equity LLC—and venture capital investment—Detroit Venture Partners.

Quicken Loans is the largest online retail mortgage lender. Gilbert and several partners originally founded the company as Rock Financial in 1985. During the “refi” boom of the 1990s, Rock Financial grew rapidly. In 1998, Gilbert took the firm public with an IPO underwritten by Bear Stearns and Prudential Securities. In 1999, Intuit Inc. (Turbo Tax, Quickbooks, Quicken software) purchased Rock Financial from Gilbert for \$532 million and renamed it Quicken Loans. Gilbert bought the firm back from Intuit in 2002 for \$64 million.

Beginning in 2010, with the relocation of Quicken Loans to downtown Detroit, Gilbert started acquiring real estate in the city at a rapid pace. As though he were playing the board game Monopoly, Gilbert has since bought 40 properties in the downtown area, many of them on Woodward Avenue. Gilbert’s Bedrock Real Estate Services advertises itself as a company devoted to the “revitalization of Detroit’s central business district.” The company’s web site says, “What does opportunity look like? It looks like Detroit.”

Speaking recently to *Forbes.com* about his Detroit property acquisitions, Gilbert said, “Capitalism and free markets are a great thing. When people can get in at a fair price, and not be restrained, great things can happen.”

He should know. Gilbert epitomizes how—in unrestrained fashion since the crash of 2008—the rich have gotten richer. While some homeowners in Detroit have seen their property values fall below \$1,000 and lost everything they worked their whole lives for, Gilbert has quadrupled his fortune. In the last year alone, his net worth jumped \$2 billion primarily from \$80 billion in mortgage deals closed at Quicken Loans.

Gilbert’s campaign to promote the government-sponsored ground zero program has attracted the attention of other investors. In November, he told the *Detroit Free Press*, “The momentum, the inbound traffic in the last 90 days from companies has been unreal, not only retailers but bigger companies that I think we’re going to get to move downtown.”

It is likely that the creation of the task force was hatched in meetings Gilbert held with Obama administration cabinet members in early September. Speaking at a technology conference on September 17, Gilbert was quoted as saying, “... you’re going to have open pieces of land and you’re going to have, more importantly, open optimism ... I was at the White House a couple weeks ago. We were talking to several secretaries in the cabinet about

this very issue ... There is money available to do this. It’s just a matter of getting the infrastructure in place and getting ourselves in a position to make it happen.”

Detroit Blight Removal Task Force

The real purpose of the Blight Removal Task Force is revealed in its official mission statement published at www.timetoendblight.com: “To develop a straightforward and detailed implementation plan to remove every ‘blighted’ residential structure, commercial structure and public building, and clear every blighted vacant lot ... The plan’s recommendations will focus on creating economic opportunities for the city and its people, as well as dramatically improving the safety of residents and first responders.” In other words, the primary goal of the task force is to develop a plan to remove blight, create business opportunities and assist law enforcement, not help the people living or working in the city.

The creation of the task force coincided with the Obama administration’s appointment of Roy Roberts to the newly created position of City of Detroit Chief Land Officer. Roberts, a retired top executive at General Motors and recently the Emergency Manager of the Detroit Public Schools, is responsible for managing the aid funds and reports directly to Emergency Manager Orr. It is clear that Roberts’ role is to dole out the seed money to firms connected with the real estate business in Detroit and then sell off the land cheaply to wealthy investors.

As Roberts said at the time of his appointment, “What we really want to do is make sure we find the most appropriate way, most efficient way of using the land that we have, which is the most valuable resource the city has. I think working with the public sector, the private sector and all the other component parts that are here, we have a chance to re-scope this city.”

As with the court-supervised bankruptcy of Detroit, the Blight Removal Task Force is an instrument by which the capitalist class is exploiting the collapse of their system to impoverish and attack the rights of the working class. The economic and social experiment pioneered by billionaire Dan Gilbert to return Detroit to virgin real estate is seen by wealthy elites internationally as a pilot project that can be repeated in cities throughout the country.



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