

Flint: a snapshot in time



Finding hope among fields of quicksand

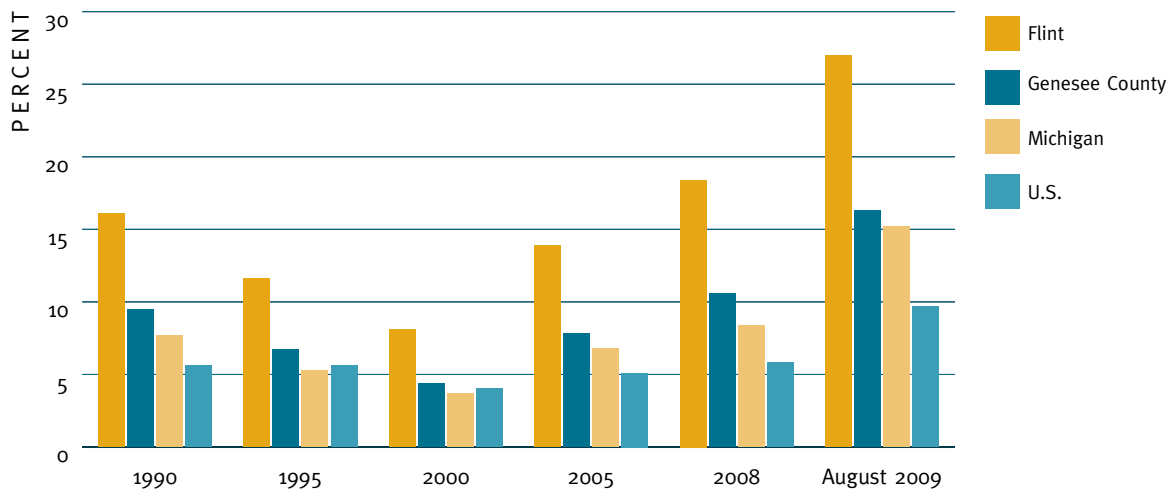


Michael Brown

Michael Brown chooses vivid word pictures to describe Flint's precarious economic situation.

“It seems like the bottom is quicksand. Every time we make decisions, we sink a bit deeper,” said Brown, who served as interim mayor for six months after the elected mayor resigned in February 2009, less than 10 days before a scheduled recall vote.

Unemployment



Source: Michigan Department of Labor and Economic Growth

When Brown spoke on CNN’s “State of the Union with John King” in June 2009, he told an international television audience that Flint’s economic crisis predates the recent global meltdown.

“We’ve been experiencing this recession for 25 years, so we’re really the epicenter of this crisis.”

For most of those 25-plus years, the greater Flint area has been the topic of socioeconomic research projects, the butt of jokes, the fodder for non-flattering movies, and at or near the bottom of several “worst of” national lists, including “Worst Cities for Recession Recovery,” “Worst Cities for U.S. Housing Markets” and “America’s Fastest Dying Cities.”

The city itself has made headlines in the past decade for its mayoral and council recalls, employee indictments, record foreclosures and even a financial takeover by the state in 2002.

Sean McAlinden, vice president of research and chief economist at the Center for Automotive Research in Ann Arbor, Michigan, says Flint illustrates the negative impact of the current global financial crisis.

“The Dark Angel flew over this city during the country’s economic downturn,” said McAlinden, who also is co-author of “Beyond the Big Leave,” a study about the future of automotive employees in the U.S.

Few deny that Flint’s longtime overdependence on automotive-related jobs, especially those linked to General Motors Corporation, has been a major cause of Genesee County’s ongoing economic woes. For decades, a well-worn adage was “As GM goes, so goes the country.” That was especially true for the county.

One hundred and one years after GM was founded in Flint, the company was emerging from bankruptcy in the summer of 2009. Meanwhile, the city was trying to stay afloat amid \$15 million of municipal red ink while facing a jobless rate of 27 percent as of August 2009.

Part of the city’s financial problems has been a 50 percent decline in its industrial tax base. In addition, its property tax base has declined in the past decade. In 1999, Flint’s property tax valuation of \$1.81 billion was 20.6 percent of Genesee County’s total \$8.82 billion valuation. In 2009, the city’s valuation had declined to \$1.64 billion, which was 13.2 percent of the county’s total valuation of \$12.46 billion.

Still, Brown, McAlinden and especially Flint’s newly elected mayor, Dayne Walling, 35, point to glimmers of hope in Flint, the Mott Foundation’s home community.

As the father of two young sons, Walling says he prefers to look at the community through “the front windshield and not the rearview mirror.”



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| <ul style="list-style-type: none"> 1 Kettering University 2 Brownfield
(Chevrolet in the Hole) 3 Atwood Stadium 4 Durant Lofts 5 Flint Farmers' Market 6 University of Michigan-Flint 7 Riverbank Park | <ul style="list-style-type: none"> 8 Riverfront Residence Hall
(former Character Inn) 9 E. Kearsley Street Connector 10 Land Bank Building 11 First Street Lofts 12 Community Foundation
of Greater Flint Building 13 Rowe Building | <ul style="list-style-type: none"> 14 Wade Trim Building 15 First Street Residence Hall
(UM-Flint dorm) 16 City Hall 17 Brownfield (Buick City) 18 Kearsley Park 19 Flint Cultural Center | <ul style="list-style-type: none"> 20 Mott Community College 21 Applewood 22 Brownfield (AC) 23 General Motors Truck Plant 24 General Motors Engine Plant 25 Baker College 26 Intermodal Facility |
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Outdoor concerts around Genesee County during the summer attract thousands of people.

“My goal as mayor is to accelerate the positive change that I see taking place across the city, especially around downtown, the hospitals, and the colleges and universities, while at the same time reforming City Hall to serve the community in the 21st century.”

As someone who was raised in Flint and its public schools and then went on to become a Rhodes Scholar, Walling says he knows Flint’s challenges up close and personally. But he also recognizes its potential after having traveled nationally and internationally.



Dayne Walling

“Business owners from anywhere in the world should take a close look at our low-cost land, world-class infrastructure and unique location halfway between Toronto and Chicago.”

Unlike the failed revitalization efforts of the 1980s, community leaders are not looking to outsiders to bring the magic-bullet solution this time, says Philip Shaltz, a lifelong Flint-area resident and local business owner since 1975.

Instead, he says, they rolled up their sleeves, made a realistic assessment of the community’s strengths and challenges, and started putting their energy and finances into promising projects, especially those in the city’s downtown area.

“That’s the key difference between back then and now,” Shaltz said. “This time, local people who have a history of being successful here are putting their own money at risk.”

As president of Shaltz Automation Inc., a Flint-based automotive supplier, he was an original investor in the Uptown Six, a group of prominent businessmen who together have provided \$2.5 million since 2004 to support downtown redevelopment projects. That investment has leveraged almost \$200 million in projects by linking with other private, public and nonprofit partners, including the Mott Foundation, according to Scott Whipple, project manager for Uptown Development, LLC.

He says a variety of projects are reshaping Flint’s downtown landscape, including restaurants, commercial businesses, retail establishments, parking ramps, and housing options, such as lofts, university housing and renovated historic hotels that will serve as apartment buildings.

For the past five years, the ongoing development has been a visible sign that Flint, and more broadly, Genesee County, is trying to reduce its dependency upon

the automotive industry while diversifying its economy. There has been steady growth for several years in two specific sectors: medicine and higher education.

Each sector has strong anchor institutions, with the county serving as home to three major hospitals — Genesys Regional Medical Center, Hurley Medical Center and McLaren Regional Medical Center — and four educational institutions — Baker College of Flint, Kettering University, Mott Community College and the University of Michigan-Flint.

The three hospitals employ more than 8,300 people, while the four colleges and universities (with a total of 29,400 full- and part-time students) employ almost 2,900. Along with the struggling automotive industry, those are Genesee County’s three largest employers.

The community also is home to the Flint Cultural Center, which has been recognized nationally because it provides a range of activities and services that are usually found only in larger cities, including: a 2,100-seat performance auditorium; a regional historical museum; the state’s largest planetarium; separate institutes of music and arts; and a youth theater.

The Flint area also is ideally suited for continent-wide trade because two major interstate highways — I-69 and I-75 — intersect near the city. While I-75 runs north and south and can transport goods from Canada to Florida, I-69 runs east and west through Flint and stretches from Canada south toward Mexico. Both countries are the U.S.’s major trading partners.

Flint’s Bishop International Airport provides yet another form of transportation for people and cargo.¹ (See endnotes, page 38.)

While community leaders point to all of those strengths, they acknowledge that Genesee County’s many challenges did not develop overnight and will not be resolved quickly.

For example, in the early 1970s there were 80,000 GM employees in the county, said to be the largest concentration of one employer in any county in the U.S. Today, GM’s local workforce is less than 10 percent of that figure. When Flint-area jobs started leaving the county with the first automotive decline during the oil crisis of the early 1970s, its people fol-



Flint’s shrinking population and declining economy have resulted in abandoned housing next to well-maintained homes.

lowed. This exodus has been most obvious in the city of Flint, where the population dropped from 193,317 residents in the 1970 census to 112,900 in the 2008 census estimate. And that number continues to drop.

The city’s shrinkage is reflected in its public schools, which have been losing an average of 1,100 students annually for the past 10 years. Consequently, the district has closed 10 city schools since 2008. In 1975, the Flint school district operated 56 schools — the most ever. But in the fall of 2009, after the most recent school closings, that number will drop to 27.

About 70 percent of students remaining in Flint schools qualify for free or reduced lunches, which is an indicator of childhood poverty. In addition, both middle schools, as well as two of the city’s three high schools, haven’t met the national academic standards for Adequate Yearly Progress for two years, meaning they’ve been identified as needing improvement.

The statistics for adults living in Genesee County also are troubling because the per capita rate of domestic violence is the highest for all of Michigan’s 83 counties, according to the Michigan State Police’s 2006 Uniform Crime Report, the most recent figures available.

Contrary to common perception, FBI and Flint police records for 2008 show the crime rate in downtown Flint is not much different from the rate in surrounding suburbs. In fact, there hasn’t been a downtown homicide in the past two years, and the assault rate is about the same in the city as in the nearby affluent suburb of Grand Blanc.

Those figures bode well for wooing county residents back to downtown Flint to live, work, attend post-high school classes or worship services, shop, dine and be entertained, says Shaltz of the Uptown Six.

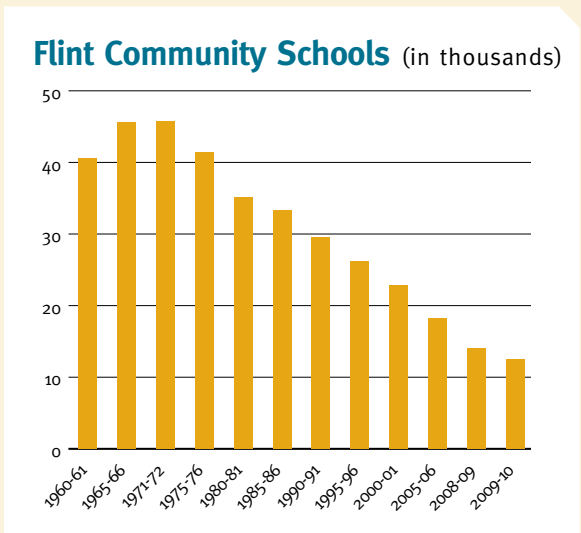
He says the investors “jump-started” the redevelopment and are setting the stage for the city’s comeback. But whether the changes are long-lasting really depends on whether local residents support Flint’s downtown.

“When we started all this, there were people who literally laughed at me,” Shaltz said.

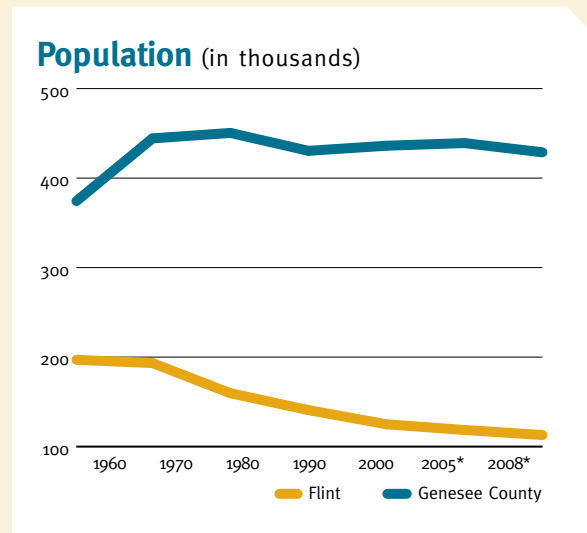
“They called me an idiot, said I was crazy and told me I was throwing my money away. But those same people are telling me that they have seen the progress. They didn’t believe it, but they are seeing it.”

As a Flint booster, Shaltz encourages people to follow the downtown’s month-to-month progress and also to support special events that bring visitors to the community from around the state, nation and even other countries. He points to two major summer events: the world-renowned Crim Festival of Races, and Back to the Bricks Cruise and Car Show.

In recent years, participants in those events or other visitors might have noticed new housing options available near the downtown area. University Park Estates is a 72-acre subdivision of about 155 new houses one-half mile north of the UM-Flint campus, and the nearby Metawanenee Hills neighborhood contains 24 units of new single-family houses and duplexes.



Source: Genesee Intermediate School District



*Estimates

Source: U.S. Census Bureau



▼ One of Flint's new downtown restaurants offers outdoor dining during warm months.

Visitors also might notice more green space in Flint's 31.7 square miles. The change reflects an effort to "right-size" and revitalize the city using smart growth and urban land reform principles.

The "right-size" concept was designed largely by Genesee County Treasurer Daniel Kildee, who also is founder and chairman of the Genesee Land Bank, an award-winning tool to manage and improve publicly owned properties within a specific region. (See page 31.)

After sharing his right-sizing idea broadly in June 2009, Kildee generated national and international media attention, including an interview with the British Broadcasting Corporation and an on-air discussion by radio personality Rush Limbaugh.

For Kildee, right-sizing makes sense.

"Decline is a fact of life in Flint. Resisting it is like resisting gravity," he said.

"The real question is not whether we're shrinking, but whether we let it happen in a destructive or sustainable way."

He points to the 4,800 city properties that now belong to the land bank; 3,000 are vacant and abandoned lots, and 1,800 are abandoned, dilapidated and dangerous houses. Kildee says they need to be either demolished or sold to people who will repair and occupy them.

The city of Flint is in agreement and plans to

pay demolition costs for 500 buildings in 2009, a 50 percent increase from the number of structures leveled in 2008. From the land bank's creation in 2002 through July 2009, 960 county structures have been demolished, 912 of which were within the city of Flint. Consequently, the city is filled with hundreds of acres of vacant residential land, and some plots have been purchased for urban gardening by residents.

Additionally, the city has 1,400 acres of former industrial land, commonly called "brownfields," that are available for redevelopment.

For Brown, the former interim mayor, the land bank is one piece of a large new puzzle that needs to be fitted together to reshape the city. He says that after attention is given to all the pieces — the city's aging infrastructure, its struggling schools, its need for stronger city/county cooperation and a new master plan to replace the outdated one done in the 1960s — hope will resurface for the city's future. He now heads the newly created Flint Area Reinvestment Office, designed to attract federal and state funding to Genesee County. The office is supported by a collaboration of local funders, including the Mott Foundation.

"We've got to redefine and reposition the city, and we've got to manage ourselves better," Brown said.

"After we start doing all that, we will be managing the city well with less." ▼