

Detroit - Hamtramck General Motors Assembly Plant

Statement of Problem

The City of Detroit is the birthplace of the American Auto Industry. By 1978, no new auto facility had been built in the city for decades. I was appointed Director of the Office of Economic Development's Southeast Michigan Regional Office with an expectation that I would work closely with the City of Detroit to make an impact on its economic development.

Solution

Soon after I arrived in the City of Detroit, I pulled my staff together to initiate a search for a site we could propose to the auto companies for a new facility. We reviewed aerials of the city, talked to city economic development leaders and business leaders, talked to the facility people at Ford and General Motors. Chrysler was having economic problems and wasn't viewed as a likely candidate for expansion.

We selected a neighborhood in Southwest Detroit - it was an industrial area which included a blighted residential area with a significant number of vacant lots. The first problem we ran into was that we could only figure out how to create approximately 250 acres for an industrial plant. This is only fifty per cent of that needed for an Auto Assembly Facility. The target became a an engine plant. Based on this, we met with the city officials to form a joint initiative. A nonprofit corporation, called Southwest Economic Development Association (SWEDA). Ron Hewitt, the city's Planning Director became Chairman. Neighborhood leaders were added to the board.

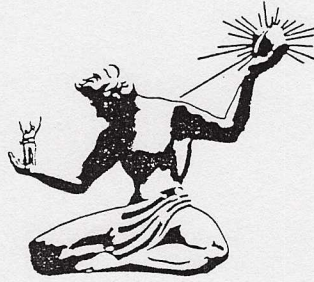
We then hired a planning firm, Sims-Varner to help us to put together the plan for the neighborhood. This included a program to relocate the existing residents into a new town-in-town. The students from Wayne State University Center for Urban Studies were hired to interview the residents to prepare a relocation plan. The development proposal indicated that we could pull together a site within three years for a total cost of \$76 million. The next step was to sell it to the auto companies.

I designed and prepared a slide presentation that we could take to the Chairman of the Board of the two major auto companies. Governor Bill Milliken and Mayor Coleman Young called Francis X. Murphy, Chairman of the Board for GM and Henry Ford II and set up a meeting with each. A full and comprehensive presentation was made to each. They both said no. The three year time frame was too long.

However, based on the Vision we painted for GM and the commitment by the mayor and governor, it convinced them that the City and state could assemble a large site for a new auto facility. Several weeks later, GM contacted the City and made an offer they could not refuse. If the City could assemble approximately 500 acres within 18 months, GM would build a new assembly plant on the site. The City of Detroit agreed and provided them the site.



General Motors Detroit-Hamtramck Assembly Plant



Planning Department
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Detroit, Michigan 48226
(313) 224-6380

Coleman A. Young, Mayor
City of Detroit

To Whom It May Concern:

As former Director of Michigan's Office of Economic Development, Mr. Bogdan was an energetic professional that aggressively and effectively pursued the economic development of the State of Michigan and the City of Detroit.

Mr. Bogdan played a major role in organizing a proposal to build a new auto plant in southwest Detroit that led to the Governor of Michigan, Bill Milliken, and the Mayor of Detroit, Coleman Young, making a joint presentation to the Chairman of the Board of the Ford Motor Corp. and then to General Motors Corp. The end result was a commitment by General Motors Corp. to build a new auto plant in Detroit -- the first new urban auto assembly facility in thirty years. It was that presentation to General Motors that convinced them that the City should be given the opportunity to demonstrate its ability to assemble the property in the short time frame needed.

Mr. Bogdan understands and has a commitment to urban economic development. He has a commitment to the renewal of older communities. Get is creative, aggressive, and articulate. If he is given a job, it will et done. I strongly recommend him for any job related to economic and community development, including downtown development. He knows how to creatively assemble the resources needed, how to obtain the commitment of the community's leadership, and how to effectively use government programs and laws to create private/government partnerships.

I would strongly recommend Mr. Bogdan to lead any organization that requires these strengths. If you need any additional information, please call.

Sincerely,

Ronald J. Hewitt
Director

RJH:fcs

George G. Fox
Director
Argonaut Realty

Current Engineering and
Manufacturing Services Staff
General Motors Corporation

To Whom It May Concern:

I had the opportunity to work with Mr. Bogdan when he was Director of Economic Development for the State of Michigan. He and his staff were a highly dedicated group of professionals that were able to work with us to site and expand facilities in the State of Michigan. I found Mr. Bogdan to be highly professional, clearly understood our needs, and was able to work with communities in earnest to help solve complex site development problems.

Mr. Bogdan worked with Argonaut Realty in assisting GM in making its decision to build a new urban Assembly Plant in Detroit-Hamtramck. He helped obtain commitments from the Governor and the Mayors of both cities to meet their needs as well as GM's needs.

I have found Mr. Bogdan to be an outstanding community and economic development leader. I would recommend him for any leadership position involving community and economic development. He knows how to mobilize the public and private resources to achieve a community goal.

If I can be of assistance in answering any questions, please call.

Sincerely yours,

