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## Businesses Move to Detroit, Fuel a Renaissance

**With Low Rents and Ample Office Space, Small and Large Business Owners See the Motor City as a Business Haven**

By Seth Doane

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### Entrepreneurs See Opportunity in Detroit

Skilled workers and low real estate costs are enticing entrepreneurs to take a risk on reinventing Detroit. Seth Doane reports on reviving the once-mighty Motor City.



Detroit, Mich. (CBS)

**(CBS)** DETROIT - As bad as the recession has been for most American cities, it's been even worse for Detroit. Now there are new signs of economic life.

**CBS News correspondent Seth Doane** reports Detroit is reinventing itself from the bottom up.

Inside a downtown Detroit office building there may be more carpenters than cubicles but CEO Tim Bryan sees that low occupancy as a business opportunity to cut costs. He's moving part of his healthcare IT company GalaxE Solutions to Detroit, Mich.

Michigan has lost 838,800 jobs since October 2000. GalaxE is planning to hire up to 500 new workers.

"Every renaissance starts somewhere," says Bryan.

Bryan's company has offices in India and considered expanding to Brazil but after crunching the numbers chose Detroit at a cost of just 5 percent more than South America.

"For the first time we can deliver services here in Detroit at price points that are competitive with

offshore," says Bryan.

There are no foreign governments, fluctuating currencies or time zone changes. The area's 2 percent unemployment rate includes lots of laid off but highly skilled workers from the auto industry.

"A cubicle is paradise for me at this point!" says Chris Thomas.

Thomas, a father of three, struggled for nearly two years to find work before GalaxE hired him as a business analyst.

"I've been smiling every day since," says Thomas.

Across the street, Quicken Loans just made downtown its new headquarters, bringing 3,700 jobs here.

Down the street Torya Blanchard's crepe shop has a staff of just seven people. Small businesses like hers make up 86 percent of private employers in the area.

This former French teacher expanded her business Good Girls Go to Paris from 48 square feet to more than 2,000 in just two years.

"I truly feel I couldn't have done it to this extent anywhere in another city the way I've done it here," says Blanchard.

Affordable rent means the chance to take a risk and now there are more shops on the block. Blanchard is banking on this mini-neighborhood revival and opening a bar on the corner.

**Doane:** "You've gone from French teacher to real estate developer."

**Torya Blanchard:** "I want to do what I love."

At Paper Street Motors an old warehouse has become a new business incubator. Taking advantage of short-term leases at \$300 per month, casualties of the recession can reinvent themselves.

"When people lose their jobs and there are not a lot of jobs available that they create their own business," says business owner Paul Zimmerman.

In a city better known for hulking reminders of the ghosts of its past is a renewed entrepreneurial spirit.

<http://www.cbsnews.com/stories/2010/12/29/eveningnews/main7196044.shtml>