

Seattle Aiming to Become More Like Detroit

[This article](#) says “Seattle is struggling to find a path forward to deal with a crisis that’s exploded in recent years.” What is that crisis? An economic boom!

The article says, “unemployment in the county is at 3%, the lowest in the state... Housing is becoming less affordable, leading to more homelessness. At the same time, Washington’s tax laws gave cities few options when it comes to raising funds for more housing. ... Those rent increases have been partly driven up by an influx of well-paid tech workers.”

The article focuses heavily on Amazon, noting, “Amazon has about 45,000 employees in the city, where it is it’s largest private employer. Those employees tend to earn good salaries, allowing landlords to bid up the price of scarce housing and causing rental costs across the area to rise.”

So, the article says, “Seattle looked for new ways to raise money to address the problems those same workers were causing in the housing market.” The city’s solution was a corporate head tax, which the article says “was hugely unpopular among businesses.” The result was that the city backed down on the tax. But, the article says, “Unresolved is the issue of how cities can deal with the huge urban impacts of unmitigated tech growth.”

Seattle has to look no further than Detroit for its answer. Once the prosperous home to the thriving American automobile industry, Detroit (with some help from the UAW) made itself so unfriendly to business that American auto manufacturing has migrated to more business-friendly locations, largely in the American South. Unlike Seattle, housing in Detroit is very affordable, and there is an excess of housing, to the extent

that the [city is paying to demolish abandoned homes](#).

I should give Seattle's City Commission some credit for figuring this out. They did propose the corporate head tax to make Seattle less business-friendly. They've just been (temporarily?) thwarted by local opposition.

The political leadership in Seattle sees rock-bottom unemployment, rising incomes, a booming housing market, and a tech boom as a crisis and are "struggling to find a path forward to deal" with it. The political leadership in Detroit figured out how to deal with this type of "crisis" decades ago, and despite Seattle's recent failed attempt to be more like Detroit, there's a good chance that Seattle's political class will eventually succeed.

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