



Speech by Rip Rapson:

From Detroit to Memphis: The Imperative of Bold Leadership for the Future of American Cities

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Thank you Mayor Strickland for such a gracious introduction. It is exciting and inspiring to witness – even if from afar – the clarity and ambition of your administration. Every sign indicates that it will be a time of renaissance in this great city.

Thanks as well to Dean (Peter) Letsou and The University of Memphis for hosting us in such a gorgeous setting. And a final, special thanks to the Urban Land Institute and to Steve Barlow and the whole crew Neighborhood Preservation Inc., which pulled together the choreography for this event.

Introduction

I want to talk this afternoon about some of the lessons Memphis – together with other American cities – might draw from Detroit. That requires a disclaimer.

It's all too tempting to summon up dystopian images of Detroit as a post-apocalyptic, post-industrial wasteland, leveled by the nation's largest municipal bankruptcy, corrosive political dysfunction, and long-standing corporate disinvestment. Seen through that lens, Detroit is easy to dismiss as unique, a case-study in urban decline to be avoided, not emulated.

I want to suggest, however, that such a view misses the remarkable transformations that Detroit has experienced over the last decade. Although it continues to face monumental challenges, Detroit has demonstrated with remarkable force that a city can deeply and swiftly reimagine and change its course:

- We emerged from bankruptcy consensually and at light speed – one year;
- We stemmed the hemorrhaging of our population, with indications of growth in the last two years;
- We have birthed a very different prevailing narrative of Detroit as a creative, artistic and edgy city; and
- We have welcomed business leaders back into the fold – in a 2015 survey, 70 percent of business leaders nationwide told us Detroit is a good place to invest.

This was not a slow build over the course of decades, but instead a decisively structured set of inflection points pursued by The Kresge Foundation and other civic actors committed to re-casting past attitudes, roles, and expectations. Because this path was bold, even audacious, I believe, it has application to other communities. And in particular, to Memphis.

Consider some of the challenges the two cities have in common:

- Too much land with too small a tax base;
- Too much poverty and racial, economic, and social inequality;
- Too few pathways for neighborhood residents to connect to economic opportunity; and
- Too little investment in the building blocks of neighborhood stability, health, and vitality.

The question for Detroit – and the question I think you face here in Memphis – was how to accelerate a new, more effective brand of urban engagement not tethered to the perpetuation of increasingly inert and stale practices, but instead rooted in constructively disruptive innovation and risk-taking. I want to suggest six principles that helped us do that in Detroit – and that may provide some guidance to your efforts here.

Principle No. 1: An Overarching Land-Use Framework

The first principle is there is enormous power in creating an overarching, comprehensive framework to inform individual land-use transactions and investments.

When a delegation from Memphis visited Detroit earlier this month, they wanted to know just how important it was that Detroit had adopted something called the Detroit Future City Plan to guide the city's land-use decisions. My response was that it was nothing short of transformational.

Detroit's population – once some 2 million residents – is now 700,000 people and they are spread over 140 square miles – nothing compared with Memphis' 350 square miles, but nevertheless a mass that could hold San Francisco, Boston and Manhattan, with room left over for St. Paul. It's not possible to spread municipal services across that expanse with anything resembling cost-effectiveness. Of the city's 380,000 individual land parcels, some 75,000 are vacant and blighted, consuming more than 50 percent of certain communities. It made for an urban reality far too complex for traditional planning and land-use development constructs to handle.

In 2009, newly elected Mayor Dave Bing, acknowledging that land-use's emotional charge had created a political third rail, looked outside of city hall and asked Kresge to help develop a road-map for reimagining its land. We spent the next three years in an on-again, off-again relationship with the Bing Administration, which grew increasingly apprehensive about the hyper-sensitivities of conversations about how to convert blight and abandonment to more productive uses.

Kresge hired one of the nation's foremost urban planners, Toni Griffith, to assemble teams from around the world to assess water and soil resources, housing patterns, the possibilities of clustered economic development, and countless other dimensions of city life. We interwove those analyses with the most extensive community engagement process our community had seen, using every method conceivable to tap community insight and voice.

We ended up detaching the process from city hall and resting its stewardship with a community-based advisory group. The result was Detroit Future City, a 400-page blueprint, complete with thousands of pages of technical appendices. It became the city's investment and decision-making framework for every dimension of community life – where we might redouble our investments in commercial corridors, invest in new mixed-use residential development, sequence our demolition activities, or test ideas for urban farming, reforestation, or innovative storm-water management.

So that returns us to the question posed by the Memphis delegation: given the difficulties of developing and adhering to an overarching framework, is it worth the candle? Only you can judge, but let me suggest some possible benefits.

First, it creates a clear long-term perspective, helping place individual transactions into the context of a larger set of core principles and reducing the possibility of substituting short-term advantage for the kind of uncompromising discussions we need to have about how to prioritize, sequence and align the wide spectrum of activities underway in community.

Second, it helps make intentional connections among different systems. None of the problems we confront is precisely rooted in a singular set of causes. Poverty, economic mobility, climate change, educational attainment, or health disparities are not issues to be resolved by lining up hermetically sealed funding streams and solution sets. Instead, we need strategies that anticipate that these systems ricochet against one another. Strategies that are accordingly systemic; dynamic, not rigid; nuanced, not ideological; long-term, not episodic.

Third, it furnishes a vehicle for community residents to feel ownership in the city's evolving form. Memphis, like Detroit, appears to be contemplating extraordinarily significant changes – from the Riverfront to the medical corridor, from Shelby Farms to Binghampton. Each of those moves alters the life routines of Memphis residents. Each holds out the promise of a more inclusive, opportunity-rich community for all the city's neighborhoods. A well-conceived and well-executed land-use framework will necessarily draw those residents and neighborhoods into the decision-making process, infusing it with greater insight, legitimacy, and staying power.

Principle No. 2: City-Centric Economic Development

The second principle is that a city's economic development strategy can be municipally-centered.

It has become axiomatic in most planning and economic development circles that 21st-century economic development is a regional proposition – that the imperatives of globalism, combined with the democratization of technology, the borderless reach of labor markets, the disconnect between housing and job centers, and countless other centrifugal regional forces make it impossible to pursue economic development within the confines of a single municipality.

Well, remember the part about untethering from inert and stale practices? This axiom strikes me as falling squarely into that category. Our situation in Detroit seemed to demand that we work not from the outside-in, but rather from the inside-out – that we pursue city-centered economic development. A couple of reasons.

- First, regional hostility toward Detroit had been fomenting for the better part of 50 years, as residents and companies fled to the suburbs, new investment dried up in the city, and the political leadership of Detroit and its surrounding counties became increasingly antagonistic. Detroit simply had to put itself back on its feet, demonstrating to its neighbors that it could effectively manage its own affairs.
- Second, we have come to understand that Detroit's competitive advantage and workforce specialization is fundamentally different from its suburban counterparts. Like so many other cities, for example, Detroit has exerted a powerful gravitational pull in recent years in the health care, high tech, and creative and entertainment industries.

Third, economies are increasingly hyperlocal. Theresa Lynch, an expert on urban economies, notes that in today's economy, when you're not speaking with colleagues far away, you're speaking with people close by. The most extreme examples of this are in the digital economy – where intensely clustered innovation districts are the trend of the day.

Fourth, a city-focused strategy makes it clear what you are trying to achieve, and what you should measure. It makes it *your* job to employ the folks, that in many cases, the region has left behind. It makes it *your* job to steward the city's existing clusters into the next economy. It makes clear that you *don't* decide that your job is to grow the region's economy and hope that some of it spills over.

Detroit has made two large plays aligned with a city-centered approach:

- First, spearheaded by investments from Kresge and Quicken Loans in particular, we have invested in an Innovation District that stretches three miles from the central business district along Woodward Avenue to Midtown. This concentration of eds, meds, and cultural organizations acts as heart to the city's economic transformation;
- Second, we have aggregated some \$130 million of philanthropic capital to create the New Economy Initiative, which has provided the infrastructure necessary for small-business development and entrepreneurialism.

Both suites of investment have focused on the promotion of small business, rather than the attraction of large firms. This has helped diversify what has traditionally been a megalithic command-and-control automobile industry model. And it has permitted us to advantage immediate and sustainable job growth for city residents.

Principle No. 3: Distributive Leadership

The third principle is that a genuinely distributive leadership model is central to addressing the complexity of contemporary urban challenges.

Until the 2008 economic collapse, Detroit's civic leadership was emblematically traditional. A strong mayor system, honed by 20 years of Coleman Young's charismatic and forceful leadership. A corporate community dominated by the centralized decision-making impulses of the automobile industry. An isolated and inward-looking philanthropic community rarely inserting itself into the signal issues of the day.

Three events conspired to turn that civic equilibrium on its head.

The first was the rediscovery and reclamation of our cement-siloed, industrially abused riverfront. The dream of making the river the City's front porch, rather than its backyard dumping ground, was spurred by a \$50 million gift from Kresge in 2004 – the largest gift in our history to that point – and the dedication of land by both General Motors and the city. The creation of a Riverfront Conservancy to steward a masterplan for the full seven-mile stretch of the waterfront cast in bright relief the benefits of a high-functioning private-public-philanthropic civic partnership.

The second event was actually three-for-the-price-of-one. In 2008-9, we experienced a nightmarish trifecta as the automobile companies and their supply chains danced with bankruptcy, the economy entered the Great Recession, and the administration of Mayor Kwame Kilpatrick imploded under the weight of corruption and racketeering convictions. Philanthropy had no choice but to step into the void, and invest in neighborhoods, transportation infrastructure, anchor institutions, economic development, arts and culture – civic scaffolding that could hold until the public and private sectors could re-assume their rightful roles.

The third event was the so-called Grand Bargain of 2013 in which philanthropy invested \$370 million – led by \$100 million-plus gifts from Kresge and (the) Ford (Foundation) – to resolve Detroit's municipal bankruptcy.

Philanthropy's infusion of cash spurred the creation of an \$850 million pool that protected against deep reductions in the pensions of city retirees and prevented the assets of the Detroit Institute of Arts from being sold to satisfy creditors.

These three events recalibrated expectations for how each sector of Detroit's community could participate in civic problem-solving. We had evolved a commitment to reverse-engineering – the public, private, and philanthropic sectors working backward from the articulation of a challenge to determine who had the tools most suitable to playing what role, and in what proportion.

Concerned about revitalizing the central business district? Dan Gilbert and Quicken loans exploded the mold and now own almost 90 downtown properties comprising more than 12 million square feet, with all of the attendant responsibilities for public space management and the attraction of next-generation talent.

Committed to promoting home ownership? Mayor Mike Duggan called for loans to flow into neighborhoods in which property values couldn't support traditional mortgage instruments, but it took a loan guarantee from Kresge and reformulated lending requirements by a consortium of local banks to create close the deal through the Detroit Home Mortgage program.

Focused on accelerating small business development? Our private and philanthropic sectors have spent a decade creating the infrastructure necessary to support entrepreneurship – whether early stage capital, maker spaces, or technical supports.

The list goes on. We have, I believe, created a problem-smashing machinery that is sector-agnostic. It is a form of distributive leadership that not only permits us to mix and match the unique qualities of each sector, but also enables a community to tackle a multiplicity of issues at once as different institutions take the lead on different issues over time.

So let me pick up the pace a bit for the last three principles.

Principle No. 4: Embrace of Risk

The fourth principle is that a community has to ratchet up its risk tolerance.

Recklessness has no place in addressing problems that define a community's quality of life or seek to break the generational vice-grip of poverty. Not on the part of our elected officials, who have to calibrate carefully the art of the politically possible. Not on the part of our business community leaders, who default to a deeply ingrained compass of measurable, predictable outcomes. Not on the part of our residents, who rarely have the luxury of taking moon shots.

But it is anything but reckless to recognize that the enormity of so many urban challenges compels a response of commensurate magnitude. You didn't play it safe when you created the National Civil Rights Museum. And I don't think you're going to do that as you tackle reform of your public education system, the redevelopment of your riverfront, the repositioning of your most impoverished neighborhoods, or the harnessing of the catalytic potential of your medical corridor.

As you do, remember that this is an arena in which philanthropy can be an ally. Think of philanthropy as society's social venture capital. Less in terms of the sheer dollars it can invest, which pale in comparison with other sources of revenue. But more in terms of its acupuncture-like qualities – discrete investment points capable of radiating throughout the system.

Kresge's \$50 million investment in a streetcar line in Detroit is illustrative.

If there was ever an environment that was toxic to public transport and mass transit, it's been Detroit and its surrounding counties. Eight years ago, Kresge committed the first \$35 million – conditioned on the private and

institutional sectors matching that figure – to the construction of a streetcar line that would connect the riverfront to our Midtown neighborhood and provide the armature for the build-out of a larger regional transportation system.

It was, in many ways, a crazy idea – municipal governments build street cars; foundations and private businesses don't – but the audacity of the aspiration justified the risk.

We formed a philanthropic-private sector consortium that had to navigate a seemingly endless cascade of obstacles – bureaucratic resistance, engineering complexity, delays and cost increases. You name it. But we raised \$175 million, secured other forms of federal, state and local support, and accomplished what no city in America ever has – a light rail line planned and predominantly financed by the philanthropic and private sectors.

It will change lives in Detroit. As center-city workers are connected to jobs. As the region opens its arteries of mobility. As investment follows density of land-use patterns.

There seem so many potential big bets in Memphis' future. I would encourage you not to shy from them.

Principle No. 5: Placemaking

The fifth principle is the imperative of identifying and investing in the civic touchstones that trigger the power of places to reflect community identity and create the map for vibrant, equitable civic life.

By strengthening our sense of place, we are doing more than simply enhancing a location. We are creating an essence – identifying, elevating, or assembling a collection of visual, cultural, social, and environmental qualities that imbue a location with meaning and significance.¹ Whether we engage places through the arts, neighborhood development, or environmental stewardship, acts of placemaking bring our aspirations into focus.

When we're able to connect to a park or a neighborhood or a river through an individual or shared experience, there's a magnetic pull. You forge an emotional bond with your community. You want to stay committed. You want to invest. You want to build a future. These are the preconditions for civic transformation.

So what does this mean for a Detroit or a Memphis?

- It means nesting placemaking within a compelling community-generated vision and tying it inextricably and on an ongoing basis to the experiences and aspirations of the local community.
- It means integrating the arts as a way of creating social and economic vitality and of reinforcing community identity.
- It means linking at every possible opportunity to your community's heritage, while creating wide berth for exploring a community's changing form and function.
- It means protecting and enhancing the city's natural topology as the heart of your civic patrimony.
- It means relentlessly asking how a particular civic action – or collection of them – will affect the city's long-term ability to mitigate and adapt to a changing climate.
- It means acknowledging the interdependence of urban systems and incorporating major infrastructure projects into the existing physical, social and economic fabric.
- And, perhaps most importantly, it means ensuring that the benefits of placemaking inure to the full economic, demographic, and political spectrum of our citizenry.

¹ McMahon, Edward, "The Place Making Dividend." *Planning Commissioners Journal*, "No. 80, page 16 (Fall 2010).

Principle No. 6: Community Problem-Solving Capacity

The sixth, and final, principle is that we need to move beyond consulting with community to building community problem-solving capacity.

Our experience with the Detroit Future City plan underscored that community engagement exists along a spectrum – it is one thing to ask for community ideas and quite another to invite community residents and businesses and institutions into the sacred sanctum of decision-making. The latter is hard, and messy, and often uncomfortable, particularly for those accustomed to maintaining a firm grip on how resources are allocated. But if conceived less as a relinquishment of power than as a new form of shared responsibility, it is not quite so unsettling.

A quick example from my tenure as head of the McKnight Foundation in Minneapolis.

The county had proposed to repave Lake Street, Minneapolis' major east-west arterial. They were fixated, as is the wont of traffic engineers, on moving cars at the highest possible speeds through a corridor containing hundreds of East African and Hispanic businesses. They accordingly insisted on widening the street, narrowing the sidewalks, and hiking up the speed limits. Never mind that street life would be unalterably diminished, businesses catastrophically damaged, and street crossings made more dangerous. The traffic model was inviolate.

McKnight retained Project for Public Spaces to serve as a resource for the community. The community understood the ebbs and flows of neighborhood life patterns; Project for Public Spaces could help them articulate how those might be served by spaces that could be flexibly programmed without compromising the ability of traffic to move smoothly. The community knew that increased speed limits made little sense in a street abutting one of the densest neighborhoods in the city; the engineers on Project for Public Spaces' staff helped break down the algorithms of the county's computer models to show that different lane widths, altered bus stop configurations, and innovative water management could result in even wider sidewalks. And the like.

The point is that the community became a decision-making partner when their on-the-ground wisdom was buttressed by technical expertise that could go toe-to-toe with government experts. That's not possible in all situations, but it is far more possible than we are prone to think. In effect, that was the effect of Toni Griffin's technical teams during the Detroit Future City engagement – not outsiders imposing their technocratic perspectives on community, but resources to help the neighborhood unearth a fuller breadth of possible solutions.

Conclusion

Detroit's perfect storm of disruption catapulted us to a different way of working. It's fascinating to wonder whether that kind of dislocation is a precondition to reinvention.

My suspicion is that the answer in Memphis will be no – that you will accelerate and amplify processes currently in motion to shift the calculus just significantly enough to disrupt your traditional ways of working and to reset your civic trajectory.

Adlai Stevenson once observed, "It's hard to lead a cavalry charge if you think you look funny on a horse."

We've had to work hard in Detroit to convince ourselves that philanthropy doesn't look so funny on a horse. Foundations working in Detroit are acknowledging that we can no longer sit at the margins, hoping that our good intentions and charitable impulses will help the community claw through tough times. Instead, working in the six ways I've described this afternoon, we are aggressively helping contribute to the rebirth and reimagination of our city.

Memphis is well on its way to the same result. Everyone I talk with here evinces a profound commitment to making Memphis the city that all residents want and deserve.

We wish all of you tremendous courage and success in this quest. The Kresge Foundation looks forward to working alongside you.