THE KRESGE FOUNDATION

Expanding opportunities in America's cities

Speech by Rip Rapson:

How Did Detroit and Light-Rail Transit Appear in the Same Sentence? A Case Study and Some Implications

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Good morning. It's a pleasure to be here.

I'd like to talk about the city of Detroit's grand adventure in creating a light-rail system. I propose to not only celebrate Detroit's wisdom in joining the parade of transit-embracing cities, but also to explore issues that may provide a glimpse into some of challenges and opportunities facing municipal transit.

I'll describe why light rail was important to the city, how we got started, what obstacles we encountered and where we find ourselves now. I'll then extract a set of principles that I hope will have broader implications across America.

I. Light Rail in Detroit: The M-1 Project

If there was ever an environment resistant to mass transit, it's been the birthplace of the automobile – Detroit and its surrounding counties. The region is inadequately covered by two separate bus systems – one city and one suburban – and has failed countless times to establish a regional transit authority to build out a unified system. But over the last six or seven years, the unimaginable happened: philanthropy and the private sector put stakes in the ground to change that.

Shortly after I arrived at Kresge some seven years ago, I had lunch with Roger Penske – a legendary figure in car racing, the owner of the Penske Automotive empire and, without question, Michigan's most respected civic leader. Having just overseen Detroit's successful hosting of the Super Bowl, he was thinking about

what his next civic project might be.

I suggested that the city desperately needed light rail along Woodward Avenue, an imposing state-controlled road running from the central business district to the outer suburbs – it is the region's spinal cord. Roger and I discussed three major benefits of creating a light-rail line that would run from the Detroit River on the south terminus three and a half miles through Midtown and on to Detroit's North End neighborhood.

First, it would create new connections among the scores of commercial, cultural, medical and educational institutions dispersed along the avenue.

Second, it would revitalize the local economy and resuscitate the tax base by encouraging dense patterns of land use, as housing, retail and other amenities began to populate the areas within walking distance of the stops.

Third, it would create the first leg of a regional transportation system. It would connect to an Amtrak line running west to Ann Arbor and Chicago and to a fixed-rail line to the northern job centers of Oakland County. And a mass-transit project in the ground in Southeast Michigan would satisfy essential preconditions for the region to compete for the federal "New Starts" mass-transit dollars necessary for the build-out of a truly regional transit system.

Roger took our conversation seriously. He convened a couple dozen civic leaders to discuss the feasibility of a privately financed line that would be turned over in due course to a public operating authority. It could be done. But the price tag would be about $100 million. Roger looked at me and said that if Kresge would be willing to invest the first $35 million, he would enlist others to secure the rest. At one level, it was a crazy idea – municipal governments, not foundations, build streetcars. But the audacity of the aspiration justified the risk, or so it seemed to me. I agreed, and we moved forward.

We quickly formed a philanthropic-private sector consortium named M-1 Rail, after Woodward's route designation as Michigan's first paved road. Roger indeed raised $39 million by convincing hospitals, businesses, universities and others to commit $3 million for the naming rights for stops. We secured a $25 million TIGER I (Transportation Investment Generating Economic Recovery) grant and locked in millions in New Market Tax Credit commitments. We put together a team with the requisite financial, engineering and project management sophistication.

Over the next six years, we navigated a seemingly endless cascade of obstacles – we expected engineering complexity and cost increases, but were taken aback by the fierceness of local and bureaucratic resistance. It took three forms.

1. The city of Detroit

First, the city of Detroit.

When we began, Detroit Mayor Kwame Kilpatrick's administration had a very different view of what should be done. They had secured a planning grant for a commuter rail line running eight miles from the river to the city limits. It would have eased the commute for suburbanites, but would not have connected Detroit residents to jobs or stimulated transit-oriented development at the scale we needed.

For the better part of two years, M-1 and the city mud-wrestled to clarify which of the two visions should be pursued. We finally forged a compromise: The portion from the river to Midtown would be designed according to the M-1 objectives of maximizing land use along 12 stops; the portion from Midtown to the city limits would be shaped by the city to maximize the number of commuters. It looked as if we had steered around the potentially fatal political and engineering shoals. We had little idea that we would almost run to ground because of Obstacle 2, the federal Department of Transportation.

2. The federal Department of Transportation

Ray LaHood, then secretary of transportation, was deeply supportive at a meta level of the path-breaking private-philanthropic partnership at the heart of M-1 and its importance to the city's revitalization.
But the front-line decision-maker was the Federal Transit Administration – and there, things become more complicated. The administrator, Peter Rogoff, was a no-nonsense guy who brought a healthy, and understandable, dose of skepticism. Where would accountability lie if this philanthropic/private-sector coalition stepped into the shoes of a municipality? Who would ultimately run the railroad? Who would be responsible for revenue shortfalls?

These were legitimate questions, and we were confident that we could answer them.

As the stakes grew higher, however, it became painfully clear that the city simply could not make available the capital necessary to execute the commuter-rail portion of the plan. They were unable to deliver their

promised bonds. That completely upset the apple cart.

The feds were caught in an impossible position. They simply couldn't move forward with the plan as it stood. Together with the governor and mayor, they accordingly announced a fallback plan to scuttle the M-1 project, as well as the longer line, in favor of a regional Bus Rapid Transit system. They also announced their decision to repurpose the TIGER grant to the BRT.

Our initial reaction was that after five years of work, we probably had to throw in the towel. The transportation secretary, governor and mayor were all moving in another direction.

But we threw a Hail Mary pass: one final mega-meeting, between the M-1 leadership team and Secretary LaHood, Administrator Rogoff, Gov. Rick Snyder and then-Mayor Dave Bing, as well as Sens. Carl Levin and Debbie Stabenow, the four House members representing Detroit, the Wayne County executive and more staff members than you could count.

The M-1 team made the case that before we left more than $100 million of private capital on the table – capital that would not be available for BRT – the consortium should be given 90 days to demonstrate the feasibility of the original plan – a streetcar project funded outside of the city's bonding capacity.

Secretary LaHood listened carefully, made sure the governor was on board and then committed that if M-1 could meet every engineering, financial, environmental and political requirement the FTA could identify, he would give us a chance.

In fact, he went a step further. He said that he would permit the state to retain the $25 million TIGER grant to start implementation of a regional BRT system, but would, if in fact M-1 could satisfy the FTA's conditions, find another $25 million for M-1 from somewhere in the federal Transportation Department's budget.

His top adviser just about had a heart attack. "You aren't able to make that commitment, Mr. Secretary," she pleaded. You could have heard a pin drop. LaHood took a long look at her and then turned back to the M-1 representatives and said, "I commit to you that if you're successful, I will find you the $25 million you need. You have 90 days." If you ever wondered what leadership looks like, wonder no longer.

Although those 90 days actually became more like 120, the effort was successful. The small core team of M-1 was augmented by Laura Trudeau, the head of Kresge's Detroit Program, and a team of legal, financial, engineering and other experts. We checked off each of 90 issues the federal government certified.

It became clear that the secretary and Administrator Rogoff deeply wanted the effort to succeed. They clarified regulatory requirements, worked with the governor to identify what state-level safeguards the feds would insist on and traveled to Michigan several times to advocate publicly for the creation of a regional transit governance authority. They extended our time to get even more questions answered.

Secretary LaHood returned to Detroit at the end of the period to announce the federal government's complete support for the project – including making good on his commitment to free up $25 million from other sources within his department.

3. The state of Michigan

Having surmounted the city and federal obstacles, we had one more: the state of Michigan.

The Michigan Department of Transportation had been among our staunchest allies. It agreed to bear the cost, and potential risks, of repaving the length of Woodward as part of the project. It assigned some of the department's most talented personnel to provide technical assistance.

But all of that might have come to naught if we couldn't secure a Regional Transit Authority.

One of the FTA's conditions was the passage of legislation authorizing an RTA with the power to pursue county referenda approving expenditures for the regional system. Reasonable. The problem was that the Michigan Legislature had tried and failed 24 times in the last 45 years to pass this legislation. Not four times. Not 14 times. Twenty-four times.

We were able to get the legislation drafted and introduced. But it had stalled.

This is where our private-sector partners were beyond spectacular. Kresge couldn't lobby, but they could. They joined with Gov. Snyder to create the kind of legislative strategy that could convince the Republican-controlled House and Senate to pass eight separate pieces of necessary legislation. And indeed, the legislators stepped up and passed them.

There have been, and will continue to be, other obstacles. Perhaps most vexingly, the political detours caused delays, which in turn raised the project cost to $175 million, required us to renegotiate the New Markets Tax Credits and generated widespread public skepticism that we would ever break ground. But we raised another $75 million, resecured the credits and broke through the political underbrush. M-1 broke ground last month and will welcome its first passenger in 2016.

II. Six Principles

It's tempting to write off the Detroit experience as idiosyncratic – one city under particular duress struggling through unique challenges. But I'd like suggest a handful of principles that strike me as logical extensions of the Detroit and related experiences, principles that speak to the kind of transit our country will need in order to accommodate our changing demographics, growing economic uncertainties and shifting forms of urbanization.

1. Place

So Principle No. 1: Transit should be as much about experiencing place as it is about efficiency and movement.

One of the biggest shifts in transportation policy and practice over the last decade has been balancing efficiency and mobility with attention to how transit can enhance the identity and quality of a place.

Community development has always sought to improve the quality of life in distressed places. We attach to a place with an emotional energy and a sense of long-term commitment that often determines how a community works and to how group identity is forged.

We are witnessing countless examples across the country of how transit can contribute to that sense of place: from streets becoming destinations in and of themselves – think 16th Street in Denver and pedestrian corridors that redefine the public realm like the Nicollet Mall right outside our door – to rail-to-trail reclamations in places like Atlanta and Detroit.

Lest we take this for granted, let me offer an example from my time heading the McKnight Foundation here in Minneapolis of just how difficult this integration of transit and community development can be.

The repaving of Lake Street

About a decade ago, Hennepin County announced plans to repave a two-mile stretch of Lake Street, the city's main artery running through some of its poorest neighborhoods. The proposed redesign had long been contemplated as an upgrade that could help revitalize the neighborhood.

But that stretch had become the hub of Somali, Ethiopian and Hispanic entrepreneurship, brimming with markets, restaurants, small businesses and community gathering spaces, virtually all on the razor's edge of viability.

The collision of these two worlds was, in retrospect, inevitable. The engineers' vision of improvement was to widen the street, carve out more turn lanes, eliminate street parking, narrow the sidewalks and otherwise facilitate moving more traffic faster.

That was all by the book. But it was potentially ruinous to the character of the place.

I got a call at the eleventh hour from a group of residents to ask if McKnight would help develop alternatives – to narrow and reconfigure the lanes for buses and bicycles, widen the sidewalks to promote street life, preserve on-street parking to encourage people to patronize the adjacent businesses and redesign the road architecture to create community focal points. In a word, to reallocate the space with a bias toward community livability.

The discussions we entered were difficult. County engineers brought out mind-numbingly complex, self-fulfilling computer traffic-flow models that posited faster car trips as an inviolable first principle. In response, our engineers constructed very different parking, transit, pedestrian and land-use models, all based the first principle of elevating the identity, function and integrity of a place.

We eventually found a middle ground that yielded a variety of benefits for the community. But it was nevertheless a vivid illustration that conventional transportation planning and contemporary community development imperatives are – or at least were at that time – alien cultures lacking a common vocabulary and ready mechanisms for cross-fertilization.[1]

I would argue that we've moved light years from the Lake Street circumstance. The public, private and

philanthropic sectors now view transit planning – whether for road reconstruction, light rail, bikeways or bus rapid transit – as an exercise in community development and placemaking, an opportunity to stack and align those elements of community that shape healthy, vital places.

2. Interdependent systems

That leads me to Principle No. 2: Because it has to recognize the primacy of place, transit can no longer be a self-contained exercise in mobility planning and engineering optimization, but must instead interweave with the multiple, mutually interdependent public systems that define a place.

Public agencies may organize vertically into silos of matter expertise – housing, economic development, health, transportation – but people live horizontally. A community member's livelihood may depend on the convenience of travel between her home and her workplace. Her health may be compromised by the proximity of truck traffic routes servicing a rail yard or may be improved by her access to affordable, high-quality community health care.

Transit is embedded in each of these systems. Expanded mobility connects individuals to opportunities – employment, commercial, recreational, cultural. But it also determines the arc of neighborhoods, cities and regions as a whole:

- As a catalyst for economic development.
- As a magnet for the attraction and retention of talent.
- By stemming the trend toward job sprawl and the resultant housing-employment mismatches.

Transit can, in a word, be the foundation for cities that are competitive in a 21st-century world. To do that, transit is increasingly being asked to help create and enhance the kind of communities people want to live in – walkable, dense, opportunity-rich, mixed-use places.[2] And it can do that only by connecting a multiplicity of systems.[3]

These connections have begun to erode the walls separating transportation professionals from community development professionals. That trend has been accentuated by national trade and advocacy groups – Smart Growth America, PolicyLink, the Urban Land Institute – and enlightened federal policy such as Housing and Urban Development's Sustainable Communities program.

An example: The Detroit Future City plan

The Detroit experience exemplifies what this can look like.

The M-1 system's planning was nested within a community-based visioning effort called the Detroit Future City plan, a decision-making framework to bolster the city's nodes of strength and to convert underutilized land to more productive uses. Over three years, the Detroit Future City team coupled high-level technical analysis of economic, residential, infrastructure, transportation, municipal and natural systems with an intensive community-engagement process involving tens of thousands Detroit residents.

The plan recognized the multidimensional impact transit would play in the city's future development:

- It would concentrate small business development at key nodes along the city's corridors.
- It would combine with large-scale development such as a new hockey arena to create walkable mixed-used neighborhoods.
- It would dramatically improve access to health centers, schools and other institutions.
- It would create unprecedented connections between urban core residents and the region's job centers.

Substitute Los Angeles or Salt Lake City or the Twin Cities or Baltimore, and you'll get the same convergence.

3. An on-ramp for low-income opportunity

Principle No. 3: Transit decision-making should increasingly be shaped by engaging low-income communities.

If one's frame of reference is regional competitiveness, it's easy to conceive of the primary transit constituency as the business community. If that frame is urban vitality, it's equally easy to focus on the hipster, millennial cohort. And if the frame is relieving congestion, it's natural to zero in on suburbanites who make most of the cross-regional trips.

These frames aren't mutually exclusive, of course. But the frame has to be broader still: to incorporate the

centrality of transit in shaping opportunity for low-income people, a population disproportionately dependent on transit and for whom transit projects can have both salutary and deleterious impacts.

Let's start with the negative side of the equation. Transit has had a checkered history of too frequently marginalizing – or outright harming – low-income communities. The examples are legion and painful: from freeways that sundered African American communities to Robert Moses' notorious construction of Long Island Expressway bridges so low that buses couldn't get to amenities like Jones Beach outside the city.

It's a depressing litany. Nor is it limited to the last century. In the here and now, the same trends that make transit such a magnet can also push away low-income residents, as housing and commercial costs increase.

There's been so much discussion about intended and unintended consequences of gentrification and displacement that I can't pretend to add anything you haven't already thought about.[4] So let's instead consider the mirror image: how future transit planning can benefit from the full inclusion of low-income communities' wisdom and perspective.

Community engagement is mandated by all manner of federal, state and local regulations. But these processes too often skim across the surface of the minimally required and unyieldingly formulaic.

The Lake Street reconstruction example demonstrates the value of equipping the community with tools to engage seriously with decision-makers on issues that are often viewed as the exclusive province of the technically trained and bureaucratically invested.

Another example is transit hubs and stations. From vertical gardens and interactive art to pop-up libraries and skateboard ramps, there are innumerable wonderful and whimsical examples of local communities creating clever, imaginative design strategies and amenities for transit stations.[5]

Let me suggest two other considerations that can help community engagement take on an even more layered, consequential role.

First, animating transit projects with a sensitivity to the needs and aspirations of low-income people can ensure that transit is a bridging tool, not a wedging tool.

Transit is a powerful form of social connective tissue:

- It can draw a thread through distinct places, diverse communities of people, different economic, cultural, social and historical patrimonies.
- It can help defuse urban-suburban polarities.
- It invites us all to a fuller understanding of the "other."

I love the example of Bolivia's Teleferico, an aerial tramway that connects La Paz – located in a valley and the seat of government and old colonial money – and El Alto – sitting on the high plateau above and home to a poorer, younger and more ethnically indigenous population. This wondrous new aerial cable-car system has been described as a cross between a ski gondola and an elevated train. In its first two months of operation, it carried some 40,000 people per day. It aims to erode the physical and psychological barriers between the two places, enabling, in one local expert's view, "a dialogue between the two cultures, a connection ... that is going to break down borders."[6]

Second, a device for calling on community voice is the arts.

Community engagement matters not only because it ensures a voice for residents in shaping their future, but also because it can generate enduring informal networks of support that bond people one to another and that bridge across difference.

The centrality of arts and culture to social cohesion is insufficiently understood. One leading study found that the social and civic engagement associated with the arts in urban neighborhoods was positively correlated with lower rates of social distress, improvements in the local economy and declines in poverty.[7]

Incorporating community-driven creative placemaking into transit projects accordingly has the potential to be more than embellishment. It promises to strengthen social cohesion and imbue a location with meaning and significance.[8]

There isn't any better example than what Springboard for the Arts has accomplished on the Green Line here in Minneapolis-St. Paul. It trained some 600 artists to undertake 150 projects to drive traffic to the scores of small, largely immigrant- and minority-owned businesses during construction, hoping to build a loyalty that would permit the shops to thrive after the line opened. It's happened. And beyond the business benefits, the effort promises an enduring sense of cultural identity.

4. Climate resilience

Principle No. 4: Transit infrastructure has to increasingly serve on the front lines of the battle to mitigate and adapt to the effects of climate change.

Climate change has set in motion forces that will forever change the nature of life in America's cities. Although it poses threats to us all, in almost every case those threats are borne disproportionately by those who are already most disadvantaged: low-income people, the elderly and the housebound.[9]

We can enlist transit in facing down this threat. But it will have to do double duty.

Transit will have to contribute to society's attempts to avoid the unmanageable and manage the unavoidable: Avoiding the unmanageable through approaches that will reduce greenhouse gas emissions. Managing the unavoidable by anticipating and adapting to now-inevitable changes.

Much of transit policy and practice represents a powerful response to the first part of the question. Transit lines minimize society's carbon footprint by getting people into vehicles of mass mobility and by encouraging denser, more energy-efficient development.[10]

The second part of the question is trickier. As Wayne Gretzky famously advised, you have to skate to where the puck is going, not to where it is. How will transit design and operation anticipate and protect against the consequences of rises in sea level, the spike in heat islands and the ever-increasing frequency and severity of storms, to name a few?[11]

We need to start considering seriously some really tough choices. For example, our responses to Katrina and Sandy have afforded a glimpse of how difficult it is to entertain whether to rebuild in harm's way – whether housing, roads, hospitals or educational institutions. We have little choice but to invent mechanisms – including transit – that make it possible for individuals and communities to re-imagine things they have come to take for granted.

5. Creative finance

Principle No. 5: There is a need for next-frontier innovation in the financing of transit infrastructure and the development of transit corridors.

As federal sources of transit funding become more difficult to come by and as we continue to defer expenditures, capital innovation becomes essential.

The first dimension of this innovation is expanding the range of who pays.

Detroit's mobilization of private finance for the M-1 project is certainly an example – it was the first time to my knowledge that a private foundation had invested directly in the hard infrastructure of a transit project. But we're seeing other examples as well – such as such as the recently opened New York Avenue Metro station in Washington, D.C., where private developers contributed to the financing of a station that will raise the value of nearby real estate.[12]

A second dimension is more creatively and cost-effectively connecting direct transit costs to expenditures for associated infrastructure.

Infrastructure bundling has been key to Detroit's M-1 project. For example, as M-1 tears up the road, the Michigan Department of Transportation is bearing the cost of repaving it, repairing overpasses and replacing other key infrastructure. The local energy company is introducing state-of-the-art technology. The institutional sponsors of the transit stops are enhancing station designs.

A third dimension is extending financial innovation beyond the transit itself to the complexities of financing transit-corridor development.

We've seen a variety of innovative strategies move in this direction.

One such strategy is for the public sector to leverage the value of land owned by transit agencies or municipalities around transit stations and along transit lines. Using or disposing of that land strategically – to incorporate affordable housing, job centers that include low- and mid-skilled jobs, and community

facilities like libraries or health care clinics – can yield more ridership and more long-term benefit to the community than simply selling land to the highest bidder.[12]

A second strategy for financing transit corridors is for government and philanthropy to use their resources wisely to attract and leverage private investment.

We know that land near transit is highly desirable. Capturing a portion of the increased value that results from publicly funded infrastructure – whether through tax increment financing, business improvement districts or other devices – can help finance nonrevenue-generating amenities that contribute to quality of place – green space, bike lanes and public art.

Similarly, by skillfully crafting the rules that govern the use of its funding, government can multiply the dollars available for healthy, equitable and sustainable transit-oriented development, including subsidizing affordability to ensure that lower-income residents have the option to live in neighborhoods closest to transit.

For example, the San Francisco Bay Area's regional planning organization, the MTC, has invested $10 million to create a $50 million Transit-Oriented Affordable Housing Fund that provides flexible financing to developers for the acquisition and development of affordable housing near transit stops across the region.

In a similar vein, the Healthy Neighborhoods Equity Fund in Massachusetts will bring together public, philanthropic and private capital to create a patient and flexible funding source for projects with significant community, health and environmental benefits.

6. New actors and partnerships

So let me turn the final principle, Principle No. 6: Transit decisions at all points of the life cycle will be driven by a broader spectrum of civic actors playing different roles than in the past.

Detroit is a remarkable example of how the philanthropic, private and nonprofit sectors can supplement the public sector in shaping a region's transit trajectory. Looks like we may be onto something: the U.S. Bank Foundation is providing capital and operating support for the Cincinnati streetcar, as is Amazon in Seattle.

But let me offer another example of how this more distributive leadership model can take shape.

In 2003, the president of the University of Minnesota, Mark Yudoff, issued a challenge to the Twin Cities region. The region was becoming increasingly complacent, he argued, with no strategy for how it would keep the edge needed to compete in the 21st century.

The challenge provoked Larry Perlman, the head of the region's leading technology company at the time, Control Data, to ask me – as the head of the McKnight Foundation – to co-convene the business leadership of the region to see what might be done.

I, in turn, formed a small working group to choreograph a process that could produce tangible, actionable strategies. We planned for nearly a year, using McKinsey to interview more than 100 corporate CEOs, reviewing municipal-planning documents and testing the interest of key participants.

Larry and I wrote a letter inviting 50 civic leaders to a meeting at the McKnight offices to review what, in effect, was a regional business plan. It was an ambitious invite list: the CEOs of companies like 3M, Best Buy, Medtronic and Northwest Airlines as well as the governor, the mayors of Minneapolis and St. Paul, the head of the Metropolitan Council and the president of the University of Minnesota.

Every single one of them showed up at that first meeting of what came to be called the Itasca Project – named for the Mississippi headwaters park where, almost 50 years earlier, Minneapolis' corporate leaders held begun holding annual planning retreats. And they kept coming – not their vice presidents of community affairs, but the principals – quarter after quarter. The Itasca Project is still meeting more than a decade later. The first couple of meetings were memorable for a number of reasons.

First, the group endorsed four main priorities and committed its energies to attacking them.

McKinsey's CEO survey had identified four main priorities:

- Creation of a regional transit system.
- Improvement of early childhood development opportunities.
- Augmented patent transfer.
- Reductions in health disparities.

This surprised and infuriated the state's most powerful business organizations, for whom the beginning and end of a business agenda was reducing taxes and easing regulatory burdens.

But Itasca forged ahead, setting up working groups for each of the four areas. Each would be co-chaired by two CEOs and staffed by a combination of McKinsey, McKnight and topical experts from the nonprofit and academic communities. This was a pivotal decision because it inserted the nonprofit sector's expertise and perspectives directly into the decision-making process.

The second memorable aspect of the early meetings was that Itasca chose to meet without an executive director, budget or formal governance structure.

McKinsey would continue to provide the quarter-by-quarter meeting support. McKnight would underwrite the incidental costs and continue to convene a small executive committee to choreograph the process. And the group handed the responsibilities of chair to Jim Campbell, head of Wells Fargo Bank in the Upper Midwest and perhaps the most respected corporate leader in town.

And, to bring this back into the realm of relevance for all of you, Itasca's third key move was to elevate transit as its first all-in effort.

This decision changed the arc of Minnesota transit history.

One of the co-chairs of the transit work group was the brilliant and elegant Charlie Zelle, the head of Jefferson Bus Lines.[14] If that name sounds familiar, it's because two years ago, Charlie would be named by Gov. Dayton as the head of the Minnesota Department of Transportation.

Charlie's work group's first step was to commission a former head of the Metropolitan Council, Curt Johnson, to distill from the wisdom of countless transit plans that had been floated over the last 20 years a comprehensive, up-to-the-moment plan susceptible to adoption by the legislature and governor.

The work group then launched one of the most sophisticated advocacy campaigns the state had seen – arranging visits of public officials to Denver and Seattle to see how transit could be launched, developing a far-reaching public relations campaign, hosting every single key legislator from both parties at a dinner with one of Itasca's CEOs, creating unassailable case statements for each and every piece of the plan, and on and on.

The Itasca Project engineered the passage of a legislative package that essentially enshrined Curt Johnson's blueprint and called for the set-aside of billions of dollars for its implementation. Gov. Tim Pawlenty vetoed the package. But in a testimonial to the Itasca members' work, the Republican-controlled Legislature overrode the veto of their party's leader and the legislation became law.

You've heard all about some of the early fruits of that work: the Northstar Commuter Rail line from the north, the Green Line between the two downtowns, the planned extension of the Green Line to the southwest suburbs and others. All birthed from a unique private, public, philanthropic, nonprofit partnership.

Conclusion

The billions of dollars being invested across the country, as we speak, in new and expanded transit systems represents a once-in-a-lifetime opportunity to reshape the built environment of our metropolitan areas in ways that can make communities more distinctive, more economically competitive, healthier, more equitable and more sustainable.

Realizing that potential will require new ways of thinking and new forms of practice rooted in integrating transit planning with other disciplines and forging partnerships that cross sectors. Very difficult stuff. But it's from the cauldron of that kind of complexity that innovation is catalyzed – a new chemistry that contrives toward ingenuity and reconceived standards of excellence.

That's why I'm so glad you've gathered over the last number of days. It's an opportunity to reflect on what our larger social, economic and political systems need as we recalibrate our approach to transit. So keep pushing. Keep taking risks. And very best of luck.

[1] Proscio, T. *Taking it to the Street: How Roadway Design Helped Shape a Neighborhood's Development.* Payne-Lake Community Partners, the McKnight Foundation and Living Cities; p. 12 (April 2005). This is a thorough case study of the Lake Street redesign project.

[2] We see this in survey data – where nearly 70 percent of millennials rank transit among the top three most important features in determining where to live.

[3] Just three facts to that effect:

- A survey of home prices in five cities, including Minneapolis, showed that properties near transit performed 42 percent better than homes outside of transit corridors.
- In Washington, D.C., an astounding 84 percent of all office space under construction is within a quarter mile of a Metro stop.
- Of the 35 regionally significant walkable urban places in metropolitan D.C., 90 percent have rail transit access, with the remainder scheduled to get it in the next five years.

See Leinberger, C., "Walkable Urbanism." *Urban Land: A Magazine of the Urban Land Institute,* Sept. 10, 2010. http://urbanland.uli.org/economy-markets-trends/walkable-urbanism/

[4] See, e.g., PolicyLink, "Strategies for Small Businesses Impacted by New Transit Developments," (2013). http://beta.policylink.org/find-resources/library/strategies-for-small-businesses-impacted-by-new-transit-investments. The authors note: "In several cities, these projects are also expanding opportunities for small, local, minority-, women- and immigrant-owned businesses to reach new customers and benefit from the streetscape and other new investments in their neighborhoods. However, these new transit lines can also bring challenges to local businesses, causing extensive disruptions during construction and long-term changes to the corridor and particularly to their customer base. Ultimately, the success of a new transit line is dependent on the success of these businesses to serve as destinations for riders, provide employment opportunities and maintain the cultural fabric of the different neighborhoods and communities. And if the proper strategies are in place at the beginning, these new transit lines can be a benefit to many of these businesses, as well."

[5] We've just opened this conversation as we begin designing M-1's transit stops. The possibilities are endless. See Project for Public Spaces, "Thinking Beyond the Station," http://www.pps.org/reference/thinking-beyond-the-station/

[6] Neuman, W., "With Subway in the Sky, Valley Meets Plateau." *The New York Times,* Aug. 16, 2014.

[7] Stern, M.J. & Seifert, S.C., "The Social Impact of the Arts Project," University of Pennsylvania (1994-present). See Stern, M., "Rethinking Social Impact: We Can't Talk About Social Well-Being Without the Arts and Culture," *ARTSblog*, May 1, 2012. http://blog.artsusa.org/2012/05/01/rethinking-social-impact-we-cant-talk.... See also Stern, M.J. & Seifert, S.C., "Documenting Civic Engagement: A Plan for the Tucson Pima Arts Council," University of Pennsylvania Social Impact of the Arts Project, June 2009.

[8] McMahon, E., "The Place Making Dividend." *Planning Commissioners Journal,* No. 80, p. 16 (Fall 2010). See more at: http://kresge.org/about-us/presidents-corner/connecting-detroit%E2%80%99....

[9] One article noted that in severe climate events, "The poor are more likely to die, suffer from injuries, have proportionately higher material losses, have more psychological trauma and face more obstacles during the phases of response, recovery and reconstruction." Masozera, M., Bailey, M., & Kerchner, C., "Distribution of Impacts of Natural Disasters Across Income Groups: A Case Study of New Orleans," *Ecological*

Economics 63, pp. 299-306 (2007).

The authors note: "Although the highest magnitude of economic damage is often born by wealthier populations, due to possessions of higher value, the relative impact is generally greater for low-income groups. For people who cannot afford the costs of repair, reconstruction or relocation, it may take years to recover from the aftermath of disasters. In addition, the effects of a disaster may persist to the next generation because of a lack of resources to recover." *Id.*

[10] See, *e.g.,* Ewing, R., Batholomew, K., Winkelman, S., Walters, J., & Chen, D., *Growing Cooler: The Evidence on Urban Development and Climate Change*. (Urban Land Institute: 2007). They find that people in the most walkable neighborhoods drive fewer vehicle miles than those living in the most sprawling areas.

[11] An article published in the *Proceedings of the National Academy of Sciences* in March 2013 found that a 2-degree Celsius rise by 2050 would trigger a 10-fold increase in the frequency of storm surges. According to lead researcher Aslak Grinsted, "this means that there will be a Katrina-magnitude storm surge every other year." http://www.usatoday.com/story/weather/2013/03/18/storm-surge-hurricane-c...

[12] Leinberger, *op. cit.:* "Private developer money has been or will be a part of the funding of the recently opened New York Avenue Metrorail station in northeast D.C.; the extension of Metrorail's Silver Line through Tyson's Corner ...; and a proposed new Metrorail station at Potomac Yards in Alexandria."

[13] A related development is the possibility of monetizing the environmental benefits generated by transit. For example, California's recently enacted cap-and-trade program identifies green and affordable housing located near transit lines as a greenhouse gas emissions reduction priority, making it eligible for cap-and-trade revenues.

[14] The second was Jay Cowles, whose family businesses had included ownership of the *Minneapolis Star-Tribune* and extensive real estate holdings.