



Speech by Rip Rapson:

Detroit's Bold Urban Future: Connecting Downtown and the Neighborhoods

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Welcome. You come to Detroit at a fascinating time, as an iconic American city is being re-imagined and recalibrated. This has profound implications for other cities seeking to establish their own pathways to confront the challenges and opportunities of the 21st century.

The Bankruptcy

Who knew that Machiavelli had Detroit in mind when he wrote some 500 years ago:

“There is nothing more difficult to take in hand, more perilous to conduct or more uncertain in its success, than to take the lead in the introduction of a new order to things.”

A new order of things is exactly what is afoot in Detroit. It is driven by a multitude of factors, but can't be fully understood without reference to the city's emergence from the largest municipal bankruptcy in American history, which happened consensually and at warp speed – in less than 18 months.

Philanthropy played a supporting but pivotal role in all of this. Our city's emergency manager, Kevyn Orr, described our role as “having Switzerland at the table”: a party whose neutrality gave it disproportionate influence and leverage. And our financial resources didn't hurt. Collectively, we contributed \$366 million to a pool intended to both minimize the pension reductions that the police, fire and general pensioners would have to absorb and to remove the possibility that the collection of the Detroit Institute of Arts would be sold off in lots to private investors from around the world. We attached conditions to that contribution, perhaps

most significantly that the state of Michigan and the art institute also participate in that pool. Those conditions were met, with the state contributing \$350 million and the art institute \$100 million.

The real import of this so-called “grand bargain” was to take litigation off the table and break the death grip of bankruptcy. That outcome was absolutely why the Kresge and Ford foundations made their lead contributions of \$100 million or more. We wanted to ensure that we would not be paralyzed by a decade of lawsuits over the inviolability of state pension protections. Or by a decade of litigation over whether the art could be shielded from creditors because it was held in public trust.

This speed was so vitally important because by taking litigation quickly off the table, the city could turn to the essential task of city building – embracing the dual, overarching imperatives of redesigning and rebooting municipal services and putting in place the building blocks of the city’s long-term health and vitality.

It’s those building blocks – seen through the prism of downtown – that I want to discuss with you this morning.

I can’t possibly hope to tell this audience anything you don’t know about the kinds of downtown innovation that have reset the direction of so many of your communities. But what I can provide is a deeper look at Detroit, a community that seeks to extract lessons from your best practices.

Some of the Detroit story is undoubtedly familiar to you – particularly the herculean efforts that Dan Gilbert’s Quicken Loans has made in reinvigorating downtown by purchasing and upgrading 70 mostly lifeless buildings, convincing other businesses to relocate, drawing some 25,000 new workers into the core and animating street life through everything from an urban beach to upscale retail to a dog park. It is beyond breathtaking.

So I’ll not focus on that. I’ll instead try to describe the extent to which downtown Detroit – by which I mean the central business district together with the city’s main artery, Woodward Avenue – is seeking to seamlessly weave the newly vibrant districts of downtown together with the city’s deeply challenged, but profoundly promising, neighborhoods.

I want to make the case that Detroit’s uniqueness lies in its potential to demonstrate how a major American city can forge an inclusive economic and social recovery in the aftermath of municipal shock and

dislocation – a recovery that creates on-ramps for low-income people often left on the sidelines.

So I'll organize my remarks into three parts:

- The Bridging Imperative: Interweaving Detroit's Downtown and its Neighborhoods;
- The Centrifugal Impulse: Change From the Inside Out; and
- The Centripetal Impulse: Change From the Outside In.

I. The Bridging Imperative: Interweaving Detroit's Downtown and Neighborhoods

It is evident to every professional in this room that great cities require both vibrant, diverse downtowns and viable, safe, multidimensional residential neighborhoods. One without the other affords a recipe for instability and tension. They are yin and yang. Rogers and Astaire. Homer and Marge.

And yet that balance has been missing in Detroit.

The role of downtowns

Downtowns present a density of activities, skills and ideas that serendipitously or intentionally circulate, recombine and catalyze, creating the preconditions for staying abreast of the seismic economic, technological, ecological and demographic shifts ricocheting through our communities. Their complex networks and diverse subcultures are more conducive to the dismantling of stale and unproductive approaches to intractable problems in favor of the new or imaginatively recycled, offering up almost limitless possibilities for innovation and creativity.

Six years ago, however, there was little of this alchemy in downtown Detroit.

The role of neighborhoods

Neighborhoods, on the other hand, play a different role. They more formatively define the ebb and flow of a city's routines, laying out the map of civic life through the touchstones of home, family, worship, education and recreation. Downtowns have clear identity, even brand. But neighborhoods distill an essence – identifying, elevating or assembling a collection of visual, cultural, social and environmental qualities that imbue a location with meaning and significance.¹

But, as with the situation six years ago downtown, decades of disinvestment and flight in our neighborhoods

enabled blight and abandonment to insidiously consume our landscape, creating an unforgiving lens through which the rest of the nation viewed the city. There were pockets of brightness, to be sure. But the challenges led many to believe that the city had entered a valley from which it couldn't return.

The interconnections between the two

This audience knows all too well that – despite these different roles – it is a mistake to draw bright-line distinctions between downtowns and neighborhoods. But that is exactly what has emerged over the last six years in Detroit as downtown began its transformation while neighborhoods slipped into even deeper decline. We found ourselves too frequently trapped in a polarizing narrative – the corrosive poverty, disinvestment and blight of the neighborhood landscape measured against the substantial real estate, commercial, transit and recreational investments in the central business district and the Woodward Corridor. That divide is simply unacceptable – morally, economically, politically.

We at Kresge accordingly decided that the first order of business was to help create a civic framework that would equip us to make balanced decisions affecting every part of the city. Let me say a word about how we and our partners accomplished that.

Detroit Future City

At the request of newly elected Mayor Dave Bing in 2010, Kresge launched what would be a lengthy and complex process to help the city re-imagine a better future. It produced the Detroit Future City Strategic Framework.

At that time, city government was in a treacherously untenable position. Detroit's population had shrunk from a city of 2 million residents in the 1950s to just 700,000. Its blighted and abandoned parcel count had ballooned to more than 80,000 structures. And its tax base had contracted precipitously. Although the city had the obligation to serve the same land mass with an ever-compounding set of social challenges, it was armed with fewer dollars, a reduced workforce and aging equipment and infrastructure. It simply could not manage through to a new reality by employing traditional planning and development constructs.

The Detroit Future City framework became the road map to help guide the re-imagination and reconfiguration of the city's physical form and the creative reuse of vacant land. It was developed by an integrated team – drawn from throughout the world – of architects, economists, planners, engineers,

community development specialists – working hand in glove with the input of some 30,000 Detroit residents generated through one of the most extensive and sophisticated community engagement processes developed to date in America.

Published in December of 2012, the framework proposes a syncopation strategy. Doubling down on the city's strong beats by investing in the rich opportunities along Woodward Avenue, the central business district, the riverfront and stable neighborhoods. But – recognizing that the weak beats are every bit as essential to the whole – it also identified ways to repurpose underutilized land and recognize the value of parcels once viewed as liabilities.

The process of analysis and engagement was arduous and time-consuming. But the plan, and the project management office we created to shepherd its implementation and continual renewal, has become a pivotal resource to our new mayoral administration and a source of innovative ideas and strategies for the community as a whole.

The story of Dan Gilbert's uptake of the plan is illustrative.

At first, some private-sector leaders, including Dan, questioned the value of a vehicle such as the Detroit Future City plan, seeing it as yet one more academic planning document. They were moving quickly and forcefully to drive investments into downtown and held as their highest priority simply getting stuff done. But over the intervening months, Dan, his top executive, Matt Cullen, and other leaders increasingly embraced the view that downtown developments had to be viewed within the larger context of the dynamics that will tie downtown and the neighborhoods together. They came to argue forcefully that the energies and strategies emerging downtown will have considerable influence on our approaches to revitalizing neighborhoods and that the dynamics of neighborhood renewal will bear powerfully on the long-term equilibrium that we hope will take hold downtown. He has become an ardent champion of the plan.

Dan in particular has articulated the case that new downtown workers and longstanding residents alike have to be able to move conveniently and safely throughout the city in order to experience the full spectrum of economic, social, and recreational life. That all residents and employees want and deserve to live in city neighborhoods that offer a good quality of life. That downtown cannot become an island of vitality moated off from other parts of the community.

So let me turn next to what that kind of integrated approach has come to look like in Detroit.

II. The Centrifugal Impulse: From the Inside Out

So first, the inside-out proposition: how downtown Detroit can and should be connected to the neighborhoods. Let me suggest five ways that Kresge has prioritized.

First, we've helped put the city's natural systems to work.

Detroit's remarkable ecological infrastructure supplies the city with indispensable ecological connective tissue, linking neighborhood to neighborhood and neighborhoods to downtown.

The power of that ecological connective tissue is perhaps best illuminated by the river.

Some 10 years ago, Detroit launched the reclamation of its five-and-a-half-mile-long industrial riverfront through the creation of the Detroit RiverWalk, a \$250 million effort seeded by a \$50 million grant from our foundation and a partnership with the city, General Motors and others.

We are entering the final phase of the project. The riverfront has become the city's front porch, comprising two state parks, several municipal parks, an outdoor adventure center, marinas, outdoor amphitheaters, two water-themed playgrounds and a carousel.

The riverfront not only links the various activities up and down its spine, it also serves as the backbone for radial connections into and among Detroit neighborhoods:

- It will soon tie directly to one of this nation's most extraordinary public spaces, the 1,000-acre, Fredrick Law Olmsted-designed Belle Isle, which is home to a yacht club, a conservatory and aquarium designed by Albert Kahn, a majestic fountain, miles of picnic areas and ball fields, a golf course and public beaches.
- The riverfront links to the city's agriculture and food hub, Eastern Market, via the Dequindre Cut, a rail-to-trail project that is the core leg of an emerging city greenways system.
- And in the future, the riverfront will enable neighborhoods to connect to the waterfront through the daylighting of creeks, the establishment of reforestation corridors, the creation of wildlife pathways, the formation and improvement of neighborhood parks and bikeways.

Second, we've taken the first steps to create a seamless regional transit system.

A second element of connection from the inside out is redefining how people move through the city. Although this is second nature to many of your cities, in ours it is a tectonic shift. We are, after all, the Motor City, and that doesn't refer to streetcar motors.

Five years ago, Kresge and a number of private-sector partners stepped forward to change that. Kresge put the first \$35 million on the table for the construction of a streetcar line to run along Woodward Avenue that would be planned and primarily funded by the philanthropic and private sectors.

The line, known as M-1 Rail, will open next year and hook together the educational, cultural, health care and commercial entities all up and down the spine and connect downtown to the growing residential districts in Midtown, New Center and the North End.

It will be the first leg of a revived regional transportation system, meshing with proposed regional bus rapid transit in the surrounding counties and expanded Amtrak regional commuter service to the job centers to the north and to the west.

And it will be a powerful impetus for the redesign of the separate, disconnected bus systems to better serve Detroiters and surrounding county residents.

Third, we're accelerating the creation of rental housing and home ownership downtown and along the corridor.

The vision and audacity downtown not only of Dan Gilbert but other developers as well – the promise ushered by light rail of changing land-use patterns and the creation of innovative financing devices to reduce the risk in commercial and residential projects – have all contributed to increases in property values, heightened consumer demand and a rapid acceleration of projects moving out of the pipeline.

Want to rent an apartment downtown or in Midtown? You'll be number 506 on the waiting list.

Want to see examples of large-scale, mixed-use, mixed-income, amenity-rich conversions of underutilized land straddling downtown and the neighborhoods? Watch the emergence of the Orleans Landing project with its housing and retail mix along the riverfront, or the 200-unit infill housing project Broder and Sachse

is building in Brush Park.

These developments create a potent blurring of the downtown-neighborhood distinction. They promise to add to a long list of attractive middle-class neighborhoods that have fed into the downtown business district for a very long time, including places like Mexicantown, home to hundreds of small Hispanic-owned businesses, and Lafayette Park, a dense, tight-knit community of intergenerational residents that also happens to be the largest collection of Mies van der Rohe housing in the world.

Fourth, we've sought to leverage the power of anchor institutions.

Not only is Woodward the location of dozens of cultural institutions and commercial enterprises, it is home to hospital and educational systems that are the city's leading economic drivers. They employ 30,000 employees, spend \$6 billion annually and are pursuing ambitious campus renovation and expansion strategies.

Philanthropy worked with these anchor institutions to develop a "live, work, buy" suite of strategies that encourage employees to live in the adjacent neighborhoods, that seek to expand the hiring of employees from those neighborhoods and that augment the anchors' local and hyperlocal purchase of goods and services.

We've begun, moreover, migrating this model to key neighborhood corridors, particularly the Livernois-McNichols corridor in northwest Detroit, where a consortium of local actors is laying the foundation to pursue their own version of the live-work-buy strategy.

Fifth, we've capitalized on the connective potential of the regional food economy.

Eastern Market, a century-old, mile-square complex of sheds, restaurants, retail outlets, renovated warehouse housing and urban gardens, is the nation's largest public market. Although it sits less than a mile from the core of downtown, it is a neighborhood in its own right.

The market fully links the downtown and neighborhood domains through its capacity as the region's hub of food and agricultural activities. It is the convergence point for the energies of more than 1,000 community, family and school gardens, the swelling cohort of restaurants specializing in locally grown and raised products and a half-dozen neighborhood farmers markets.

The Kresge Foundation created the Green Grocer Fund a number of years back to strengthen grocery stores and attract a broader selection of fresh foods for city residents. It worked. Our seed money helped Walter Robb, the co-founder of Whole Foods, to take a huge leap of faith and open a first-of-its-kind Whole Foods store in Midtown. That store exceeded its two-year revenue projections in the first three months. It employed Detroiters. It created a loyal customer base from Detroit residents too long dependent on convenience stores for their local shopping.

But the really profound aspect of the deal was the connection Whole Foods made to Eastern Market and, through the market, to the local Detroit food system. Whole Foods invested in a community food kitchen and education center at the market. It elevated the importance of buying from local farmers and entrepreneurs. It accelerated Eastern Market's primacy as the center of an ever-expanding network of community food activities.

III. The Centripetal Impulse: From the Outside In

Looking from downtown outward suggests that there is a magnetic pull of natural systems, that residential boundaries are elastic, that strong community development activities can migrate and bridge from one geography to another and that interdependence is generated by transit and food systems.

But how about the other end of the telescope – the outside-in influences of neighborhoods on downtown? At one level, the influence is self-apparent. The point that Dan Gilbert has most powerfully embraced is the impossibility of sustaining prosperity and vitality in the urban core in the face of underserved, unstable and disinvested neighborhoods right next door.

Detroit has committed to resetting the trajectory of its neighborhoods. I suspect that you'll hear a great deal over the next couple of days about the progress Mayor Duggan has made in his neighborhood agenda to reduce blight, promote home ownership, expand neighborhood commercial activity, turn on the street lights, pick up the garbage and reduce police, fire and ambulance response times.

I can't do that agenda full justice. So let me mention three smaller, edgier ways in which philanthropy is supporting forms of neighborhood innovation that can influence the kind of downtown we seek to create and maintain.

First, neighborhood arts and cultural activity is playing a central role in reinforcing neighborhood identity, driving social and economic vitality, articulating resident voice in shaping the future of their communities and exploring creative reuses of blighted and abandoned land.

The city's 4,000 artists have employed creative placemaking to infuse every neighborhood in the city with an infectious energy and a spirit of optimism about Detroit's renewal. They have helped our community question the way we view the world, challenging ossified preconceptions of how things should be done and opening new portals for thinking about our future.

It is contagious. Artists are coming to Detroit from all over the world. The possibility of buying a house at auction for just a few thousand dollars, of working unconstrained by the city's bureaucracy to carve out unexpected uses in unexpected places, of creating art that is unique to the city's landscape.

To be sure, arts and culture has helped define downtown as well:

- Midtown is home to leading classical institutions such as the Detroit Institute of Arts, the symphony, the opera, the African-American museum, the Museum of Contemporary Art and scores of theaters of every shape and kind.
- The Sugar Hill Arts District and the Harmonie Park/Paradise Valley Quarter, both once-thriving jazz centers, are experiencing a welcome cultural renewal as new restaurants, galleries, arts-related businesses and residential spaces fill vacant and underutilized structures.

But there is a craving and an opportunity to infuse downtown with a different kind of energy. An energy that moves beyond a sense of curating within the safe and secure moorings of an institution's walls in the hopes of attracting people in. An energy that reflects and speaks to the unique particulars of this place, whether deeply rooted cultural traditions, significant historical legacies or shared lineages of dance, music, language and other forms of cultural expression.

Second, neighborhood residents and businesses are pioneering small, edgy, innovative reclamations of underutilized land.

How Detroit converts land that's a liability to land that's an asset will be central to defining the city's future trajectory. Some of this activity will take the form of the kind of large-scale conversions of abandoned and blighted land into mixed-use, mixed-income, amenity-rich neighborhoods that I described a few moments ago.

But the outside-in version of this is different, drawing on the capacity of neighborhoods to approach underutilized land in a more granular, creative way. Community groups and individuals are adaptively reusing hollowed-out industrial spaces for recreation or entertainment venues. They are repurposing vacant homes and empty lots into public art installations, live-work spaces and community resources. They are pursuing green-blue infrastructure for functions like stormwater management or carbon buffering. They are repopulating stagnant commercial corridors with small businesses serving the local economy. They are creating networks of civic spaces conducive to community health and positive social interaction.

Each one of these ground-up neighborhood efforts can – and should – diffuse into the operating code of how downtown functions, demonstrating through the force of imagination and resident creativity consummately practical ways of transforming our daily experience.

Third, neighborhood-based small-business development is contributing to a sense of vibrancy and possibility that amplifies downtown's entrepreneurial energies and serves as a magnet for residents and new arrivals alike to make Detroit their home.

Some eight years ago, in the midst of the recession, 10 foundations led by the Ford, Kellogg and Kresge foundations created what would become a \$130 million fund to nurture a culture of entrepreneurialism in Detroit. Through investments in the kind of supports that small businesses need in order to gain traction and grow, the effort – called the New Economy Initiative – has paid spectacular dividends. It has been instrumental in injecting into the Detroit economic landscape a nimbleness and rapid-response capability that has been notably absent for decades.

Dan Gilbert has given these efforts an incalculable boost by providing venture capital funding, training and office spaces for entrepreneurs and tech workers downtown. But the picture is incomplete without expanding the frame to include neighborhood-based activity – activity that has helped convince small-business owners to sink their roots in Detroit and investors like JP Morgan Chase and Goldman Sachs to create lending and grant programs to support them.

Bakers, hat makers. Restaurateurs, clothiers. Hair salons, art galleries. Bicycle shops, jewelry manufacturers – sometimes even in the same location; thank you, Shinola. It is a list that is growing every day, redefining civic life. It interweaves downtown and the neighborhoods in countless ways as people, capital, ideas and energy move back and forth in a continuous, virtuous loop.

The so-called “maker” community is a wonderful illustration. Neighborhood businesses are giving a novel twist to the city’s century-long tradition of being a place where people make things by creating spaces equipped with the tools, materials and other conditions for people of all ages to putter.

A fabrication lab on the city’s east side, for example, offers artistic-minded entrepreneurs, metalworkers, mixed-media artists, woodworkers and digital fabricators the difficult-to-come-by space and the often-expensive tools needed to practice their craft. It’s one of at least 15 such makerspaces in town.

Conclusion

By attending to the dynamics of both the inside-out and outside-in impulses, Detroit is seeking to extend the assets of economic vibrancy, social and ethnic diversity and talent attraction throughout the entire civic ecology. The influences of a vibrant downtown washing into neighborhoods and, increasingly, the innovative energies of neighborhoods extending into downtown.

Our hope is to give rise to a unified, interdependent whole, to create the preconditions for a bold new urban future undergirded by shared opportunity and inclusive growth.

Kurt Vonnegut observed, “I want to stay as close to the edge as I can without going over. Out on the edge you see all kinds of things you can’t see from the center.” That is the advantage of Detroit. The bankruptcy left no doubt that we’re about as close to the edge as it is as possible to be without going over. And yet, perhaps we can, indeed, see things that the relative good fortune of other communities doesn’t permit them to see.

Detroit is both the exceptional case and the emblematic one. We are uniquely situated because of our trials of economic collapse and political dysfunction. But if we are successful in any of the key dimensions critical to long-term municipal health – diversifying a moribund economy, rebuilding complete neighborhoods, repurposing underutilized land and the others – we will have something of importance to say to the rest of America. So stay tuned. I think it is a story worth paying attention to.

Thank you for listening. I hope you have an enjoyable, productive conference.

¹ McMahan, E., “The Place Making Dividend.” *Planning Commissioners Journal*, No. 80, p. 16 (Fall

2010).