



Drawing *on* Detroit

BOLD LEADERSHIP AND THE FUTURE OF AMERICAN CITIES

The USC Center on Philanthropy & Public Policy *in partnership with* The Kresge Foundation

Background Materials

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A NOTE FROM THE KRESGE FOUNDATION

Detroit today is a place of contrasts. Its many assets and visible signs of renewal are juxtaposed with ongoing challenges that affect the daily lives of its people. But now more than ever, there is an emerging sense that by working together, we can solve some of the city’s most intractable problems. Recent progress is both palpable and deeply encouraging— evidenced not only by the unprecedented partnership that led to the speedy resolution of Detroit’s municipal bankruptcy, but also by the creation of the Detroit Future City Framework, the M- Rail streetcar project, and the revitalization of Woodward Avenue.

Through the work we have done in Detroit—and by witnessing firsthand the various approaches, partnerships and tactics that have emerged on the ground—we began to wonder if we might start a conversation: both an exploration of the granularity of practice and policy that surrounds the Detroit experience and an exploration of what aspects of the experience have resonance in other communities. **If revitalization, recalibration and re-ignition can occur in Detroit, what lessons might the Detroit experience carry for other cities? And, might some components of this kind of recovery be leverageable in other places across America?**

The backbone of our effort – which we’ve termed “Drawing on Detroit”– is this inquiry. A joint undertaking with the University of Southern California’s Price School of Public Policy, the inquiry began with five small national colloquia that brought together Detroit practitioners, national thought leaders and experts from other cities to explore various aspects of Detroit’s experience:

- The creation of an overarching framework that can guide land-use decisions and investments;
- The strengthening of public systems and spaces (the riverfront, the arts, and food systems) as a means to stabilize communities;
- The initiation of economic flywheels through investments in small business development, which are serving as the leading edge of Detroit’s nascent economic recovery and diversification;
- The evolution of a different model of philanthropy—where philanthropy plays a catalytic role in setting a bold, ambitious and equitable vision for the future of American cities;
- The recalibration of roles between the public, private, and philanthropic sectors; and
- The emergence of new bold urban leadership models —leadership structures necessary to usher cities through the different phases of crisis, stabilization, and revitalization.

While we may hesitate to call the experiences from Detroit “best practices,” they certainly represent an aggregation of strategies and approaches that have yielded strong results.

Each of the plenaries you are invited to attend in Los Angeles will serve to crystallize these themes. Throughout the Forum we will expand upon the colloquia. And we hope you will help us distill the insights, push our thinking further, and bridge these learnings to the experiences of other communities.

In the pages that follow, we have assembled a set of materials to provide background in advance of the plenaries. Included is a framing paper and brief descriptions of inventive strategies and structures from Detroit. We look forward to exploring these themes in greater depth with you during the Forum.

Thank you for joining us.

FRAMING PAPER

Drawing on Detroit: Bold Leadership and the Future Of American Cities

James M. Ferris
Elwood M. Hopkins

We begin with a simple premise: cities in crisis are crucibles for bold leadership.

Few cities illustrate this fact as vividly as Detroit. The city was already an archetype of urban decline when the nationwide economic downturn began in 2007. In the nine-year period that has elapsed since then, a period that included Detroit's bankruptcy declaration in 2013 and its resolution in 2014, local leaders from every sector have responded to the city's challenges with a range of inventive strategies. Many of them overturned entrenched assumptions about how urban problems are solved and pushed the envelope on traditional modes of leadership.

"Drawing on Detroit," an inquiry undertaken by The USC Center on Philanthropy and Public Policy in collaboration with the Kresge Foundation, aims to consider whether the Detroit experience contains lessons for urban leaders nationwide. The process was sparked by an internal conversation at Kresge and expanded into a national dialogue guided by a high-level advisory committee. It includes facilitated roundtables leading into a major forum, and a subsequent process for cross-city exchanges.

Some of the more creative ideas that have arisen in Detroit are already considered worthy of consideration for widespread adoption. Although some are still relatively nascent, Detroit Future City, Tech Town, the M-1 Rail Line, Motor City Match, Eastern Market, Detroit Riverfront Conservancy, Detroit Land Bank Authority, Data-driven Detroit, and other efforts are piquing interest in other cities. Introducing these ideas into new settings – different urban laboratories – makes it possible to assess whether they are uniquely tied to their original environment or replicable elsewhere.

But this inquiry seeks to do much more than spotlight best practices. It endeavors to understand the underlying leadership mindset that led to these practices in the first place. A central premise is that this unorthodox mindset – while it undoubtedly arose in pronounced form in Detroit – is finding parallel expression in many cities, especially those experiencing the long, slow crisis of decline that confronts all post-industrial regions. As Rip Rapson, President and CEO of the Kresge Foundation, has noted, "Detroit is both exceptional and not exceptional at all."

To better understand this leadership mindset and its implications for urban practice and policy, a series of roundtables were held at JPMorgan Chase headquarters and the Ford Foundation in New York City as well as the Brookings Institution in Washington, DC in the first quarter of 2016. Each meeting included a blend of local change makers from Detroit and national decision makers from the public, private, philanthropic, and nonprofit sectors as well as researchers, scholars, and thought leaders. This deliberate blend of the local and the national enabled us to consider specific Detroit strategies in the context of broader trends shaping a bold new leadership in American cities.

Four sets of leadership-related insights emerged from the roundtables:

1. Philanthropic leaders, unencumbered by government constraints or the private sector's profit imperative, are uniquely positioned to play catalytic roles in cities in crisis. In Detroit, foundations took "big bets" that changed the rules of the game.
2. There are identifiable "enabling conditions" that created an especially conducive environment for creative leadership in Detroit, conditions that skilled urban leaders may be able to cultivate and sustain elsewhere.
3. Economic revitalization can be sparked by entrepreneurship strategies and business assistance programs, but leaders must know how to leverage these small-scale interventions, so that market forces can take over; and they must build institutions capable to make this possible.
4. As cities like Detroit emerge from crisis, public and civic leaders must recalibrate, adapting to the new roles played by the philanthropic, private, and nonprofit sectors. They need to balance traditional centralized leadership styles with modes based on the power of subtle influence and collaboration.

In the sections that follow, these four sets of insights are described more fully as a starting point for the plenaries at the Forum: "Drawing on Detroit: Bold Leadership and the Future of American Cities," on May 4-5 in Los Angeles. It is the aim of this gathering to examine these insights and the degree that they can be applied in practical ways in cities nationwide.

1. PHILANTHROPY'S CATALYTIC ROLE

Philanthropy has acted boldly in Detroit in reimagining the city's future through catalytic action. In the process, there has been a recalibration of philanthropy's role vis-à-vis government and the market, creating the need for developing new rules of engagement and challenging conventional practices of philanthropy. The challenge of revitalizing Detroit has created an opening for philanthropy to step up in a leadership role, making big bets on a civic infrastructure for investing in the city.

Participants at the roundtable suggested that this leadership should be both adaptive and distributive: adaptive in demonstrating a willingness to learn as they were responding to the dynamics on the ground, and distributive in relying on a group of individuals and institutions to ensure continuity, consistency, and commitment over the long haul to ensure that transformative efforts have a chance to take hold.

Julia Stasch, President of the MacArthur Foundation, observed that the Detroit experience has "made it clear that foundations can and, in some instances, should have a voice separate from the motives and the actions of the grantees that they support." The conventional view that "it is not about us," has given way to a willingness of some foundations to no longer simply support and enable the work and leadership of others. This underscores that foundations do not always need to be neutral but can hold a point of view, as long as they are credible and transparent.

In Detroit, at least, philanthropy's leadership was not singular but collective. As Grant Oliphant, President of the Heinz Endowment, notes it came from "the willingness of a critical mass of philanthropy to come to the table around a crisis." Such leadership is demonstrated in the "Grand Bargain" that rescued Detroit from bankruptcy. The Grand Bargain built upon philanthropic collaboration that had emerged earlier, around efforts like the New Economy Initiative and the Riverfront Conservancy. But it brought in additional national foundations and funders that had not always worked together.

The "Grand Bargain" is the agreement in which 12 foundations contributed \$373.5 million, matched by \$195 million upfront from the State of Michigan (the equivalent of \$350 million over 20 years), and \$100 million contributed by corporations, foundations and individual donors through the Detroit Institute of Arts. The agreement limited reductions in pension benefits for city retirees, preserved the art of the museum, and stabilized the city from years of potential lawsuits over pension cuts. The agreement was not the brainchild of philanthropy. It reflected recognition on the part of others, in this case the judge in the bankruptcy case and the city's emergency manager, to see philanthropy as a key to solving a problem for a city in dire straits. Grant Oliphant, who has long played a leadership role in Pittsburgh, reflected: "Someone had the bright idea that philanthropy could help; but that idea existed because philanthropy had been present up until that point in some way so that it was possible to have thought that."

As Darren Walker, President of the Ford Foundation and a key leader in the Grand Bargain has emphasized, "This is not a template for other cities." Philanthropy has no interest in bailing out government. Rip Rapson, President of The Kresge Foundation, underscores the point, explaining that that it was driven by the desire to protect "philanthropic principles such as equity and to stabilize the city so that it can pivot from crisis and the threat of years of lawsuits to pursuing efforts to revitalize Detroit." In effect, it has contributed to the enabling environment to rebuild the city.

While there has been a growing focus on the development of public-private-philanthropic partnerships focused on specific projects, the leadership role represents a recalibration of the roles across the sectors. With these changing roles, Xavier Briggs, Vice President at the Ford Foundation, suggests we need to pay attention to the implications for the rules of engagement, focusing on transparency and accountability in order to be seen as legitimate and credible. Although philanthropy has no formal role in governmental affairs, it can play an important role in nudging, supporting, and partnering with the city to make it more governable. The effort by philanthropy to support the Detroit Future City (DFC) planning process is illustrative. DFC engaged a large number of constituents from across neighborhoods that occurred outside the structure of government and the subsequent creation of the DFC implementation office which is now working, again from the outside, to ensure that the plan is put into effect.

If philanthropy is to play a catalytic role as a civic leader, a number of viewpoints and practices will be challenged. Doug Nelson, Chair of the CDC Foundation and former President of The Annie E. Casey Foundation, notes that one of the greatest assets that foundations have is the privilege to “imagine solutions to insolvable problems...to imagine optimistically, ambitiously and radically, knowing that philanthropy, like no other sector, has the luxury to fail.”

Roundtable participants also noted that if philanthropy is to play a leadership role it needs to overcome its parochialism on particular issues. They agree that foundations tend to only focus on what they focus on, to the exclusion of everything else. In playing a civic leadership role, Ben Hecht, President of Living Cities, indicates that “foundations need to think broader, of the larger system,” which suggests the need for distributed leadership, where different foundations step up at different times and for different issues, but with an agreement that there is a consistency and commitment to the larger system over the long-haul. As Kathy Merchant, former President/CEO of The Greater Cincinnati Foundation, notes: foundations can be anchor institutions.”

Along with the civic leadership role, philanthropy can help build capacity in the city by supporting infusions of resources in building particular systems such as schools or social services. But in addition to focusing on systems, there is also a need to build the civic infrastructure, including the capacity of government. George “Mac” McCarthy, President of the Lincoln Institute, argues: “One of the biggest things that philanthropy did in Detroit was to directly invest in building public structure capacity, which is really unusual. Through Living Cities, philanthropy actually hired people and placed them in the city government to do process analysis, figure out how to do things a little bit better, and facilitate better economic development outcomes on the street.” Another example is the funding of a position within the city to enable the city to tap its federal formula dollars, resources that had previously been left on the table. Thus, philanthropy has an opportunity to support government.

As philanthropy assumes a leadership role, it requires “elasticity.” A critical challenge as philanthropy moves into these leadership roles is not to establish a new order between the sectors, but to be able to bend, to rise to the occasion, and then be ready to pull back when other sectors can step up. This is particularly true in instances where philanthropy provides a public good that would otherwise be the government’s responsibility. Philanthropy, along with the private sector, formed M-1 Rail in 2008 when the need for reliable transit alternatives became more evident and the city was unable to meet that need. Philanthropy contributed the early capital and attracted other investors at every stage. The light rail, scheduled to be operational in 2017, will provide connections to key Detroit destinations within the Downtown, Midtown and New Center areas. However, as government resumes normal functions over time, the philanthropic role will likely recede.

The manner in which foundations stepped up for the Grand Bargain and M-1 Rail demonstrates a capacity to be nimble, flexible, and adaptive to conditions on the ground. Julia Stasch observes that philanthropy often spends too much time developing a strategy. She says that MacArthur has adopted a “design-build” approach that combines doing with thinking and planning. That requires a more formal commitment to learning, transparency around what is not known, and an ability to continually develop, challenge and modify hypotheses along the way—all elements of a different mindset for foundations and their staff.

A more proactive and visible philanthropy inevitably finds its credibility and legitimacy challenged. In order to play such a leadership role, foundations can benefit from staff who are able to engage the community in open and authentic ways across diverse and varied neighborhoods and communities. Failing to recognize the distrust and skepticism in many distressed communities, which is too often related to race and class, is only likely to repeat the mistakes of previous programmatic and place-based initiatives. And gaining the genuine input and support of a broad public legitimates the new roles that foundations can play.

These new roles for philanthropy in Detroit suggest a recalibration – not a redefinition – and associated rules of engagement. Philanthropy needs to operate in different ways, to understand that its most important resources are not its grants, but its relationships and networks, its independence, and its ability to offer optimism and confidence about the future. As philanthropy assumes a greater civic leadership role, there is a need to underscore its informal roles and its “soft power,” coupled with its values. This suggests not a new set of strategies that can be applied in different cities but rather a set of principles – a set articulated by Rip Rapson in his President’s letter in the 2014 Kresge Foundation Annual Report – that can enable philanthropy to take a new leadership role in cities (see page 7).

A TREATISE ON THE FUTURE OF PHILANTHROPY

By Rip Rapson
President & CEO
The Kresge Foundation

The story I am able to share is not a story of defeat, but a message of hope. It is about citizens from all walks of life from all across the city pulling together to find solutions: Detroiters resolved within the course of a single year the largest municipal bankruptcy in United States history. This is a tale of tenacity and audacity that prevented a lost decade of bankruptcy litigation. And it reflects a boldness of philanthropic aspiration.

The Kresge Foundation's commitment to Detroit is long-standing, deep-rooted and formative to our identity. The investments we have made in this city over the past 90 years are among our greatest sources of pride. The major investments we have made in Detroit in the last decade, in particular, have been integral to the city's hopes of resurgence – hopes cast in grave doubt as the city's financial crisis became more visible and acute over the past three years. Understandably, dozens of communities have asked me to speak about what this might portend for them, and for America's cities overall. In Milwaukee and Boston, Los Angeles and Raleigh, Minneapolis and Denver and others in between, people were concerned that their plight might not really be so different from ours. I've tried to capture what was unique about Detroit's experience and, more importantly, what lessons might have application far beyond this city's boundaries. If America is to have the cities we deserve in the near future, there is no substitute for a clear-eyed assessment of our challenges, the necessary imagination across numerous sectors for a commensurate response – and the boldness to act.

It goes without saying that the paths leading a city to the doorstep of financial calamity – and there have been a dozen or so since 2008 – vary dramatically and that each city has to travel a unique road to reverse its circumstance. And yet, bankruptcy in this iconic American city stood out not only for being the largest – in terms of both Detroit's size and the scale of its challenges – but also for appearing to be the most intractable.

“Intractable” probably doesn't adequately convey the sense of pessimism and fatalism that attended the Detroit filing: we heard words like impossible, hopeless, irreversible. The numbers alone were jaw dropping. The city's debt was estimated at \$18 billion, and it was projected that within 10 years, about two-thirds of the city's budget would be consumed just by the payment of retiree benefits.

The way back to solvency seemed equally daunting. Reducing pension benefits appeared to violate directly Michigan Constitution protections. The only significant assets potentially available to creditors were held in the art collection of the Detroit Institute of Arts, which had long operated independently of the city but whose assets were formally held on the city's balance sheet. Detroit was between Scylla and Charybdis – impairing pension obligations by 50 or 60 percent would have caused unspeakable hardships for thousands of retirees living on \$20,000 or \$30,000 a year; conducting a fire sale of the DIA's art would have dismantled and disgraced one of the crown jewels of Detroit's cultural patrimony.

Pursuing either option would have embroiled the city in lawsuits that ultimately could be resolved only by the U.S. Supreme Court, leaving the bankruptcy – and the city's future – in a purgatory that would have chilled investment, eroded civic hope and impaired efforts to move forward with the

reimagining and rebuilding of the city. Bringing the bankruptcy to a timely and consensual resolution became, therefore, the animating purpose of Foundation for Detroit's Future, also known as the Grand Bargain, in which the foundation community, the state of Michigan and the Detroit Institute of Arts assembled a fund to protect the pensions and safeguard the DIA's collection beyond creditors now and in the future. And that is exactly what the Grand Bargain accomplished – the philanthropic infusion of some \$370 million led directly to what the Detroit Free Press rightly called “a miraculous outcome.”

It is critical to note that this boldness didn't simply emerge out of whole cloth from the extraordinary circumstances of a city on the precipice of economic disintegration, but was rooted in a set of core beliefs that had guided Kresge's behavior, and the behavior of its many partners, for the six or seven years leading to the bankruptcy. Kresge's core beliefs transcend our work in Detroit and shape just as formatively our efforts to improve the bedrock economic, social, cultural and environmental conditions in other American cities. You'll see evidence of that in the sections that follow about our programs in Arts & Culture, Education, Environment, Health and Human Services, and our Social Investment Practice.

In each of these, we work with grantees and partners, pursuing strategic interventions to improve the lives of low-income, underrepresented and disadvantaged children and adults. By creating opportunity, by unleashing the potential of residents, we enable a bold urban future.

Belief #1:

Philanthropy has to be prepared to cut from its safe and secure moorings to embrace a level of risk commensurate with the magnitude of the challenge at hand.

The enormity of the bankruptcy challenge tore at the outer limits of philanthropy's long-established risk envelope. The stakes were so high and the risks of inaction so great that the practices of the past would simply not get us where Detroit needed to go. We had to tap our corpus for \$100 million – our largest grant ever – and not simply redirect money pre-allocated to rebuilding Detroit's physical, social and cultural fabric. We had to arc to the dream of a city reborn, not simply measure the situation against fine-tuned program priorities. We had to condition our support on fiercely negotiated conditions, not simply create a pool of unrestricted capital. We had to actively lead.

Belief #2:

Philanthropy, by shedding its territoriality, can multiply its efficacy by recognizing the potency of its undeniable interdependence.

The partnership of the Grand Bargain was built on a foundation of mutual support that the philanthropies of Detroit have been building over the last decade. Ten of us collaborating to create the New Economy Initiative, aggregating capital to promote small-business development and entrepreneurialism. The Kresge, Ford and Kellogg foundations underwriting the creation of the Detroit Future City land-use framework. The philanthropic, banking, nonprofit and public sectors meeting monthly to discuss neighborhood priorities in the Detroit Neighborhood Forum. The Knight, Erb, Hudson Webber, McGregor and Kresge foundations investing in the vibrancy of the arts and culture ecology. And countless other examples.

When, therefore, the question was called of whether philanthropy could pull together to provide the \$366 million necessary to catalyze the Grand Bargain, the answer was clear. The fabric of trust and cooperation was in place. Kresge and Ford stepped forward to commit \$225 million, and the other members of the coalition followed suit at levels appropriate to their size.

Belief #3:

Philanthropic leaders must be willing to act; they must create the space to hear and internalize the wisdom of our community's collective voice.

The greatest heat of the bankruptcy trial was generated by the claims of creditors. But its resolution was equally contingent upon the creation of a “plan of adjustment” that created a road map for the city’s long-term growth and economic health. That, in turn, depended on smart and pragmatic strategies to address the deeply complicated, emotionally sensitive and politically charged issue of how to address the fate of the city’s vast stretches of vacant, blighted and underutilized land.

In 2011, Mayor Dave Bing’s administration asked Kresge to help frame that kind of strategy. It was a process that had to navigate the delicate intersection of highly technical land-use planning and the collective voice of community residents. It was a rocky road. We had to redesign the community-engagement process to find the right set of processes, attitudes and tools. We had to continually renegotiate what roles city government, philanthropy and the community would play in directing and carrying out the work. We had to wrestle with the mind-numbing conceptual and practical complexities of reimagining a city whose population had shrunk from 2 million residents to 725,000.

We stayed the course over four years. What emerged was Detroit Future City, a community-derived road map for jobs, civic health, asset building and stronger neighborhoods across the city. It is more than just a plan; it is a framework that provides a basis for decisions in every dimension of community life – where we might redouble our investments in commercial corridors; invest in new mixed-use residential development; test ideas for urban farming, reforestation or innovative stormwater management. At all points along the way, the ideas and wisdom of residents needed to be folded in. At Kresge, we have committed that every dollar of the more than \$150 million we will invest in Detroit over five years will advance the recommended strategies within this framework and the processes by which community voice can continue to be heard.

Belief #4:

Philanthropy must increasingly become comfortable in engaging the vicissitudes and ambiguities of public-sector policies and practices.

There is an inherent tension between the accountabilities of elected office and the ostensible remove of philanthropy. As long as philanthropy stays in its “lane” by funding community-based nonprofit activity and by entertaining routine requests from City Hall, the relationship can remain on automatic pilot. But when foundations step inside the fence line of activities traditionally shaped and operated by the public sector, matters can get dicey. The bankruptcy certainly illustrated this. But Kresge’s seven-year-long funding and advocacy for the M-1 Rail project casts this in even brighter relief.

Kresge has been the lead investor in, and perhaps most passionate advocate for, the construction of a streetcar line in the heart of Detroit. The line promises to become the first leg of a high-performing regional transit system comprising high-speed rail between Detroit and Chicago, improvements to existing rail and bus connections and state-of-the-art commuter transportation. And even in its early stages of construction, it has demonstrated its power to spur economic growth and social cohesion in the city for many years to come.

The \$170 million streetcar line is anchored by Kresge’s \$50 million commitment, but draws on a combination of private, public and other philanthropic support as well. Its journey over the past half-dozen years has drawn Kresge into the lair of federal Department of Transportation policy, Michigan legislative battles and Detroit governance issues. It began with gnarly questions about philanthropy’s appropriate role in giving birth to large-scale public works projects and meandered through such

issues as Kresge’s role as a backstop to potential public- funding shortfalls, our willingness to engage in high-visibility public-policy debates about state legislative priorities and our appetite for staying the course until the line is transferred to a public operating entity.

We should have expected no less when trying to overcome a fraught history of mass transit in the place that put the world on wheels, one car at a time. But it has required that we lock arms with public entities in ways that have suggested that the boundaries separating the public, private and philanthropic sectors are far more porous than they may appear. We look forward to celebrating with the public and friends from all those sectors when M-1, which began construction in summer 2014, opens in late 2016.

Belief #5:

Philanthropy can find key acupuncture points that trigger the power of places to reflect community identity and create the map for vibrant, equitable civic life.

The stabilization of Detroit in the post-bankruptcy era will require audacious actions that convert underutilized, even socially and environmentally toxic, land into a network of civic spaces conducive to community health, economic vitality and positive social interaction.

Kresge has a long history of investing in public spaces. It’s more than just enhancing a location. It’s about creating an essence – identifying, elevating or assembling a collection of visual, cultural, social and environmental qualities that imbue a location with meaning and significance. When we’re able to connect to a city or a neighborhood through an individual or shared experience of its public spaces, there’s a magnetic pull. You want to stay committed. You want to invest. You want to build a future. These are the preconditions for civic transformation.

Kresge’s signal investment of this kind is the \$50 million we put on the table more than a decade ago to challenge others to join in creating the Detroit Riverwalk, which now draws millions of residents and visitors each year. But we have also been proud to participate in transformative investments that have accelerated the pace and scale of development in the downtown and Midtown districts – the economic backbone of the city. And we have begun to ramp up dramatically investments intended to migrate some of the lessons we’ve learned from downtown and Midtown to neighborhood corridors – from Livernois-McNichols to the East Jefferson corridor, from the North End to Southwest Detroit.

Belief #6:

There is a moral imperative for privately endowed philanthropies like Kresge to stitch together the other beliefs in ways that will improve outcomes for low-income people living in America’s cities.

When all was said and done, the bankruptcy was about improving the life circumstances of the people of the city of Detroit. It presented a set of challenges and opportunities emblematic of other communities facing disinvestment, polarized structures of economic opportunity and racial division.

Cities present a density of activities, skills and ideas that serendipitously or intentionally circulate, recombine and catalyze, creating the preconditions for innovation. Their complex networks and diverse subcultures are more conducive to the dismantling of stale and unproductive approaches to stubbornly resistant problems in favor of the new or imaginatively recycled.

Detroit has begun to suggest a recipe for animating those qualities. Its experiences suggest that it is

possible to absorb the stresses of change while retaining a community’s essential identity, to reinvent essential functions without sacrificing the primacy of resident voice, to explore new principles of civic sustainability without dismantling the richness of community traditions, beliefs and institutions built up layer by layer over time.

You start from the ground up. Every neighborhood, each community, all the block clubs, all the schools, each of the businesses, all the informal networks of mutual support help form identity, contribute to innovation and ignite sparks of hope for a better future.

Who knew that Shakespeare had Detroit in mind when he wrote in “The Tempest,” “What’s past is prologue.” With debt loads recalibrated, creditor claims satisfied and structural deficits eliminated,

Detroit is ready for the next act. We can contemplate how best to invest collectively in our future. We can set to work on changing the trajectory of civic ambition. We can amplify the patterns of engaged and effective partnership that we have begun to build among residents, businesses, the public sector at all levels, nonprofit organizations and philanthropy.

There is resonance in these lessons for so many American cities. We all seek to understand whether, and how, it is possible for post-industrial America to chart a course of inclusive, balanced economic recovery and social opportunity. We all are recalibrating civic roles in an era of federal retrenchment and state and municipal austerity. We all strive to crack open calcified and unproductive orthodoxies in favor of problem solving that tests assumptions, utilizes both empirical and qualitative data and invests in the infrastructure necessary to the task.

The future of America’s cities depends on policies and practices of a higher order. They need to be forged with an attitude of objectivity, an openness to new and different perspectives, an ability to step outside of one’s immediate experience, a fundamental respect for the process of unbridled civic discourse.

Detroit doesn’t have all the answers – each community will necessarily construct a playbook based on its unique history, culture and capacities. But the day has come and gone when Detroit was easily dismissed as America’s emblematic problem child. It is indeed a new day in Detroit, so stay tuned.

This article was originally published in The Kresge Foundation 2014 Annual Report. To read more visit annualreport2014.kresge.org.

2. ENABLING ENVIRONMENTS

What special circumstances made it possible for such a high level of cutting-edge problem solving, intense entrepreneurial spirit, and unorthodox leadership to occur in Detroit? This question impelled much of the conversation in the “Drawing on Detroit” roundtables. In particular, participants wondered aloud whether these conditions were unique, or if they could be discovered or deliberately reproduced in urban areas not yet confronted with Detroit-scale crises.

Participants agreed that emergency situations like the Detroit bankruptcy shake individuals out of complacency, unsettling their expectation that someone else will provide a needed service or solve a problem. Further, the sheer magnitude of many urban crises compels them to think in bigger, more audacious ways than they might otherwise feel free to do. In the face of this disruption to the norm, authority figures tend to be more permissive of out-of-the-box solutions, and normal disincentives to risk taking are largely absent. In this context, new ideas in Detroit came from various quarters, including philanthropy and business, not just traditional city leaders.

Participants frequently cited the lack of bureaucratic constraints in Detroit as a key enabling condition for change. They likened Detroit to the “Wild West,” an open frontier drawing urban pioneers from all over. Abandoned inner city land became “open territories” ripe for redevelopment. And a climate of minimal regulation, the result of weakened government, simulated a “free economic zone,” where land use or permitting laws are seldom enforced. Reflecting on Detroit, Andres Duany argues that when a neighborhood is unconstrained by bureaucracy, risk takers arrive, and revitalization unfolds naturally. This was true, he notes, in Paris’ Left Bank in the 1870s, Greenwich Village in the 1920’s, Brooklyn in the 1990’s, or Detroit today. He calls such places “Pink Zones” due to their light government red tape.

There is little doubt that many of the most inventive entrepreneurial ventures in Detroit took advantage of the vacuum in government services. But participants differed over whether the “wild west” narrative was grounded in empirical reality or derived from a collection of anecdotes. In any event, all agreed that this narrative of opportunity had assumed a force of its own and had proven essential to Detroit’s rebirth. It had permitted the city to counter negative external perceptions, inspire investor confidence, project optimism for the future, and trigger a migration of young talent. A *New York Times* article, referencing the migration of artists and craftspeople from Brooklyn, described Detroit as the new locus of urban opportunity and “the last stop on the L-Train.”

Detroit benefited from another, less visible set of enabling conditions. The bold philanthropic actions and “big bets” described in the previous section would likely never have occurred had they not been preceded by years of relationship building among leaders of key local institutions. An inherited scaffolding of informal working arrangements and communication channels allowed key actors to respond to crisis in a coordinated way. Detroit’s government and foundation leaders had already learned to overcome frictions inherent in cross-sector collaboration and complement one another, strategically pairing public sector influence with philanthropic agility. Further, national foundations from outside of Detroit such as Ford or Knight already trusted locally based funders like Kresge to orient and advise them. These capacities would be crucial in the challenging years to come.

Mark Wallace, President of the Detroit Riverfront Conservancy, describes the founding of the Conservancy in 2003 as a prime example of this pre-existing capacity for cross-sector collaboration and public-private partnership. A consortium led by General Motors, The Kresge Foundation, and the City of Detroit aligned massive investments aimed at reclaiming the riverfront, establishing the

organization that would steward it, and restoring streets and other physical infrastructure in the blighted neighborhoods that abutted the river. This experience gave key institutions the chance to collaborate in substantial ways just a few years before the city would confront the existential crisis of bankruptcy.

Arts and culture, often seen as luxuries when compared to the serious business of economic turnaround, also created enabling conditions for Detroit's rebound. For many roundtable participants, arts – broadly defined – and cultural placemaking were instrumental in creating a social cohesion based on diversity, inclusion, and shared experiences. They served as vehicles for self-actualization and empowerment at the individual level. And they helped fuel a creative economy, inspiring the unique and occasionally quirky micro-enterprises that would become emblematic of Detroit. All of these effects stirred public imagination.

In particular, the process of “creative placemaking” helps unify a city, reinforcing a communal identity during crucial times when revitalization may be occurring unevenly or some groups may be feeling left out. Again, the Detroit Riverfront is an illustrative example. Detroit has many local parks, to be sure, but they are often perceived as the purview of particular groups. In contrast, the iconic river and its necklace of parks belong to everyone, regardless of age, race, income level, or length of time in the city. To underscore shared ownership of the river, the Conservancy refrains from centrally organizing its own riverfront activities. Instead, it acts as host, welcoming an array of cultural and recreational activities designed and led by diverse groups.

Similarly, Eastern Market, the largest historic market in the country, performs a unifying function. Its management has taken deliberate steps to keep it from becoming an upscale, gentrified destination. The goal is to offer an extensive array of vendors providing the widest range of produce and specialty foods to ensure the broadest possible tapestry of cultures. For many roundtable participants, places like the Detroit Riverfront or Eastern Market helped to preserve the city's “master narrative” – a story everyone could relate to – at a time when that narrative was at its most fragile. They fostered social stability that was an essential condition for recovery.

Roundtable participants felt it impossible to discuss these “enabling conditions” without acknowledging that some were time-limited. That is, Detroit has been experiencing a window of opportunity during which the “slate has been wiped clean” and all things seem possible. But as the city returns to stability, many of these special conditions will fade. As the public sector resumes its traditional role, the operative question is whether the new bureaucratic systems can be structured to support ongoing innovation.

Some participants found the prospect of a return to normal disappointing at first. “It would be wonderful,” observed Jaime Bennett, Executive Director of ArtPlace, “if we just had a crazy, dynamic community where anything is possible.” But the reality is that the same enabling conditions – freedom from regulation and orthodoxy – also bring inherent limitations: limited sources of predictable support and a lack of stability for long-range planning and sustainability. ArtPlace, for example, is partnering with thirteen arts groups in Detroit that have excelled in this undefined moment. “But there's no sustainable path forward for them,” notes Bennett, “because there's no one to answer their calls at the city, let alone a bank.”

As Rip Rapson observes, “philanthropy can create the preconditions for change, raise the stakes, change the conversation, and act as an accelerant.” But it can't substitute for the permanent ongoing support that the public sector is expected to provide. Laura Sparks, Executive Director of the William Penn Foundation, suggests that many of public/private/philanthropic partnerships that emerge

during periods like the one Detroit is passing through, while important and often necessary, can also bring risks, especially if they release the public sector from its core responsibilities and obligations.

A roundtable participant cited Cleveland as an example of how government can adapt to provide ongoing support to innovation. The City of Cleveland, in response to the work of fresh food advocates, transformed 28-acres of vacant land into an “Urban Agriculture Innovation Zone” in which zoning, tax laws, permitting, etc., all preserve, protect, and even fuel innovative urban agriculture. They re-laid municipal water lines as irrigation systems and helped create facilities for commercial composting, greenhouses and aquaculture.

All of the roundtables concurred that Detroit has created the conditions for cutting edge thinking in a range of fields. Its challenge moving forward, though, will be to rethink its public policies for the future, in order to continually unleash this energy and creativity.

3. THE FLYWHEEL EFFECT

At a roundtable focused on economic development, leaders reflected on one of the more counter-intuitive aspects of Detroit's resurgence. In contrast to many other rustbelt cities, early efforts to resurrect Detroit's economy were not defined in terms of regional industry attraction or retention. Instead, leaders focused on a granular scale: small business development. An array of interventions – like Motor City Match, Entrepreneurs of Color, Ponyride, Tech Town, Revolve, Goldman Sach's 10,000 Small Businesses – all sought to stir economic growth from the ground up. Henry Cisneros, Former HUD Secretary and CEO of CityView, has dubbed this model "City as Incubator."

As roundtable participants explained, this emphasis came from thoughtful reasoning: at the lowest point in the downturn, there was an urgent need to ignite observable on-the-ground traction, to involve as many people as possible, and to shift the narrative about Detroit. Small businesses were not seen as an end itself; eventually, it would be necessary to think bigger. But a vibrant set of businesses is a prerequisite to restoring market confidence, attracting capital, and launching every other major economic development strategy. Entrepreneurship presented another practical efficacy: income-generating opportunities for some of Detroit's poorest citizens. "When you have a desperately hard-to-employ population," explains Rodrick Miller, President and CEO of the Detroit Economic Growth Corporation (DEGC), "small businesses become survival mechanisms."

To be sure, starting a business is not easy for low-income individuals. The cost of failure is higher for entrepreneurs who lack personal resources or friends and family from whom they can borrow. And the consequences of investing meager savings in a risky start-up are more extreme. Not surprisingly, many of Detroit's new entrepreneurs have been young, white adults from other cities. But Detroit's leaders made a conscious effort to ensure that business assistance programs targeted native Detroit residents who were minority entrepreneurs or lived in underserved areas. One roundtable participant closely involved with business development in Detroit witnessed tremendous demand for these targeted programs. "When 'Entrepreneurs of Color' was announced, the room was crammed, and everyone was hungry for information."

Leaders of small business assistance programs embraced another strategy that struck some as counter-intuitive: concentrating investments in specific neighborhoods. Geographic targeting both dramatized effect and created self-reinforcing economic districts. Rather than invest in isolated businesses scattered across Detroit, the aim was to catalyze dense clusters of businesses engaged in reciprocal transactions, invest in the physical infrastructure of a business environment, and create the comprehensive array of services that every community requires. This in turn led to a resident base dense enough to support the businesses.

Taking the idea a step further, the New Economy Initiative (NEI) refers to its innovation district in the city's resurgent Midtown as a "platform" not a "place." It has aimed to cluster upstart businesses around anchor institutions, like universities and hospitals, to drive connectivity among them through a highly wired "TechTown" business incubator. The process mimics the way agglomerative economics have functioned throughout urban history. Bruce Katz, Centenary Scholar at the Brookings Institution suggests that "we're coming back to the way we built cities a hundred years ago."

The willingness of leaders to focus on a few targeted areas in the face of the enormity of need can itself be seen as an act of vision and conviction. One participant cited a conversation among a group of leaders in another city who were contemplating recreating the model of entrepreneurship from Detroit's Midtown Corridor. They ultimately concluded that emphasizing a single district would be

politically untenable, because it would seem feeble against the scale of the city’s problems. But Detroit’s leaders predicted that observable change in small neighborhoods and districts would eventually inspire action and attract resources on a citywide scale. It is an example of how philanthropy can sometimes make choices that would be much harder for a mayoral administration to make.

Roundtable participants universally agreed a bottom-up small business strategy is necessary but insufficient. They asked hard questions about where Detroit needs to go from here. What is the relationship between entrepreneurship and citywide economic development? How to do you ensure that bottom up strategies to cultivate small businesses connect up to top-down strategies that develop regional industries? How do you help those startups grow into mid-sized or large companies; networking them into industry clusters, organizing them into supply chains around anchor institutions and major industries, or connecting them with global trade? How do you scale up a set of fragmented programs so that market forces take over?

Christopher Gergen, CEO of Forward Impact, put forth the metaphor of a mechanical flywheel. “Once you get the flywheel going instead of just a set of targeted interventions, you can back off that flywheel, let market forces take over, and allocate resources in interesting, deliberate ways. You can, for example, use resources to ensure that there is inclusion of the local community in those economic growth efforts, as opposed to displacement.” He pointed out that a flywheel moment is already appearing in localized ways: Downtown Detroit has a flywheel going, as does Midtown. But, eventually, the flywheel must achieve city/regional scale.

One way to get to scale is to deliberately choose which start-ups should be cultivated into the new big companies that provide needed jobs. Small businesses, of course, vary enormously. Some may always be small. But some can grow organically into economic engines. One roundtable participant suggests that small businesses be treated as a “farm team” from which the most promising can be nurtured into mid-sized and large ones, while posing the challenge: “How do we do this intentionally, cultivating the winners, allowing some businesses to come from outside but also keeping an eye toward equity and inclusion?”

Another aspect of getting to scale is to connect small businesses into supply chains that feed into larger industries or anchor institutions. Such efforts have worked in Buffalo, where there was extensive small business development organized around the medical district. Unfortunately, as one roundtable participant points out, Detroit’s automotive and metal industries offer little support to independent enterprises. “The auto industry, in particular, has closely managed its supply chain, preserving long-standing relationships with fewer, bigger suppliers. It keeps its assets inside instead of decentralizing to a regional system of independent players. A small, family-owned business hoping to get into the game would have to be able to serve thirteen sites globally from the start, and no business is born that big.”

Ultimately, going from individual interventions to scale requires institutions. Many metro areas are creating new public-private partnership organizations, or repurposing existing regional civic organizations, to help drive a shared agenda for economic growth and shared prosperity. Detroit, however, lacks such institutions. “It’s very difficult to have a big picture conversation about moving the economy forward without having a business community that can come to the table and institutions capable of convening them,” explains Amy Liu, Vice President and Director of the Metropolitan Policy Program at the Brookings Institution. “Detroit needs civic organizations that can make evidence-based decisions and carry out multi-step strategies in collaboration with a range of stakeholders to guide the region’s economic growth.”

There are small but important indications that Detroit’s leaders are striving to build this capacity. With philanthropic support, Mayor Mike Duggan utilized landscape analysis and data to reconstitute the Workforce Investment Board, upgrading the caliber of business leader. The group can now begin thinking strategically about how to connect the local economy to the region, and how to market regional assets – like Wayne State University, University of Detroit, or the Port of Detroit – to the nation and world. The Detroit Regional Workforce Fund, a pooled fund operated by the United Way for Southeast Michigan, funds Detroit Jobs Alliance, which supports relevant job training.

Other noteworthy examples can be found in the programs at DEGC, like Motor City Match. Although it has ties to the Mayor’s office, it emerged as a largely independent, foundation-funded effort to provide financing, accounting support, marketing assistance, business planning, and site selection to entrepreneurs. Motor City Match also aims to connect business owners with global trade opportunities. DEGC also operates a Business-to-Business (B2B) program, the REVOLVE Detroit program and others.

Amy Liu, Vice President and Director of the Metropolitan Policy Program at the Brookings Institution, explains, “The most successful regions at the forefront of change have economic development entities that are not leading with tactics; they are leading with a deep understanding of the industry trends and business needs in their economy and a capacity for the long view.” A variety of institutional structures are being built around the world, each aiming to balance government oversight, which tends to have a bias for short-term outcomes, with autonomy, which is better for long-range planning. As the next section will reveal, the emergence of these institutions in cities like Detroit will depend to a great extent on the nature and quality of civic leadership.

4. BOLD URBAN LEADERSHIP

What's impactful and maybe prophetic about Detroit is that new models of leadership have emerged to solve community problems that the public sector left unaddressed. The private, philanthropic, and nonprofit sectors have stepped in assertively. Advisory board members and roundtable participants agreed that we have little precedent for what it looks like when non-governments run cities, or how to sustain programs that freely combine public, philanthropic, and market approaches. Roundtable participants challenged themselves with the question of what new forms of leadership are required.

It was self-evident to participants that the crisis in Detroit's government had motivated the philanthropic, nonprofit and private sectors to assume new roles. But there was also wide agreement that Detroit's extreme circumstances merely exposed chronic weaknesses and inherent contradictions in contemporary models of city governance. As Stephen Goldsmith, former Mayor of Indianapolis and Professor at the Harvard Kennedy School, explained, "City governments are organized vertically, but people are organized horizontally." It's increasingly difficult for city governments to effectively reach every community in its boundaries without new partnerships or systems. Further, the "increased professionalism" of city bureaucrats often carries its own language and forms of interaction, inhibiting government's ability to relate to its citizens.

There was also concern that local governments may be inadequately equipped to position their cities as competitive economic units in the modern economy. "Cities can't survive, submitted Henry Cisneros, "if they are not functioning economic organisms." The challenge facing cities like Detroit, he argued, is less of an "urban crisis" and more a manifestation of America's economic transition, the widening gap between rich and poor, and the shrinking middle class. In the *Death and Life of American Cities*, Jane Jacobs famously described cities as the engines that created the middle class for this country. But as Stephen Goldsmith pointed out, "it not so clear that cities make the middle class anymore."

While it may have been possible for a city government to influence its economic future through direct interaction with a dominant, locally headquartered industry – like the auto industry – it is far more challenging when that city depends on diversified sectors like new media, universities, medical centers, biosciences, technology, hospitality, business services, etc. The globalization of economic activities has exacerbated the situation, making it even harder for cities to control their fortune. There needs to be much more nuanced and sophisticated relationships between cities and the private sector.

One federal official added to this observation, citing a key lesson HUD has learned from its work in Detroit and other cities in economic crisis. HUD cannot stimulate sustainable economic recovery if local municipalities have not first come together to establish regional transportation authorities or other inter-governmental entities that are concerned with the health of the regional economy. As a result, HUD now understands that having these partnership structures on the ground or under construction is essential for federal investments.

Building on this point, Henry Cisneros observed that post-crisis problem solving in cities like Detroit has helped give the federal government a "face in the community." Federal government has been able to model new federal/local relations based on the fact that it is just one player among many. R.T. Rybak, former Mayor of Minneapolis and Executive Director of Generation Next, elaborated that HUD depends on the capacity of local city governments to work with the private and philanthropic sectors, and increasingly requires such partnerships as a prerequisite to federal funding. The allocation of funds often depends on the creation of local decision-making structures – much bigger and more inclusive

than just city government – that coordinate roles and set goals. Promise Neighborhood funding, for instance, is a short-term infusion that depends on the long-term involvement of other sectors, especially philanthropy, for sustainability.

For HUD, the emergence of these new structures and capacities – and the more humble federal partner that is required to facilitate their existence – is best exemplified by the Strong Cities, Strong Communities (SC2) initiative. Leadership teams from across federal agencies support local communities’ visions for economic development, helping the communities invest existing resources, align federal programs, and facilitate new partnerships or peer learning opportunities. Local SC2 point persons sit in mayors’ offices and participate in national cohort training. Formal agreements have been forged among federal agencies to ensure multi-disciplinary problem solving.

Roundtable participants were particularly eager to explore what it means for city governments to partner with philanthropy. Despite persistent misperceptions, it was never the intention of foundation leaders to take over the job of government in Detroit. Rip Rapson was quick to clarify that philanthropy never saw itself as in the business of backfilling pension obligations, providing gap funding for municipal budgets, or financing public transit. Philanthropy’s first order of business was to re-establish stability so that real problem-solving could occur. Once that was achieved, philanthropy’s job was to challenge the city to “up its game,” build its capacity, inspire creative solutions, and think long-term. Sarah Rose Wartell, President and CEO of the Urban Institute added that all of this is possible because philanthropy has the ability to make “politically unpopular decisions,” when they are necessary or advantageous.

In all of the roundtables, there was great interest in Detroit Future City. Its story contains enormous information about the new leadership roles and relationships being tested between philanthropic and city government leaders. Detroit Future City, funded by The Kresge Foundation, Detroit Economic Growth Corporation, W.K. Kellogg Foundation, and The John S. and James L. Knight Foundation, may have been the largest city planning process not led solely by government. To be sure, government played key roles and city leadership is on the board. But it was conceived as a much more independent project and its funding was largely philanthropic. The plan resulting from the process was noteworthy for its quality. It created a long-term roadmap for the city, taking into account complex issues like equitable development and the need for linkages between downtown development and neighborhoods.

After the fact, many observers of the Detroit Future City process suggest that degree and substance of community engagement was at least as good – if not significantly better – than what most city governments could have achieved acting on their own. This engagement went a long way toward answering concerns about the legitimacy or authenticity of philanthropy’s role in the process. Some roundtable participants suggested that when philanthropy takes on traditional public sector functions in this way, it is wise to build in mechanisms for political participation to avoid accusations that the philanthropy functions without accountability.

To steward the Detroit Future City plan, a new kind of organizational entity, an “Implementation Office,” was created. Significantly, this office is not embedded in city government but maintains its autonomy. Anika Goss-Foster, Executive Director of the DFC Implementation Office, explains the importance of this arrangement. It allows the office to preserve the plan’s long-term vision, which could potentially be compromised by short-term political exigencies. But she also maintains a close cooperative relationship with city colleagues, so that they can work together on situational basis, on natural points of collaboration.

There was vibrant debate about what examples like these suggest about the relationship between mayoral administrations and philanthropy, and the forms of leadership each should exercise. Some roundtable participants argued fervently that mayors perform essential roles of both practical and symbolic significance; they just need informal structures to support them. Stephen Goldsmith stated that mayors need both a big vision for their city’s future and a capacity for day-to-day management of that city. One leadership dimension without the other will present a big problem. The challenge for many mayors is recognizing that both of these dimensions depend on other stakeholders, not only in their cities, but their regions.

But synthesizing contributions from an expanding circle of stakeholders is making the mayor’s job harder. A.C. Wharton, Former Mayor of Memphis, compared a mayor to a traffic cop and Henry Cisneros likened mayors to orchestra conductors who are responsible for the symphony, though they don’t play an instrument. There was discussion about the need for external partners in philanthropy and the private sector to be patient with mayors, sensitive to the bureaucracy they work within, and to even “shore them up” if necessary. Sarah Rosen Wartell pointed out that it is hard for nonprofits, public-private partnerships, and even government projects to attract philanthropic and private capital when there is not excitement and buzz around the Mayor. Some suggested that most of the leadership transformation will need to occur outside the public sector, as sectors recalibrate their roles around the less malleable structure of mayor’s offices.

On the other side of the argument, participants stated that mayors, for their part, should proactively delegate more responsibilities, permitting more latitude to other sectors that are voluntarily stepping in to play important roles. Rip Rapson suggested that, for some mayors, the challenge will be to build the capacity of their city halls to appreciate the potential of philanthropy. Philanthropy can “take the risk off of deals, stretch the argument out, create a safe zone” for ambitious ventures to take shape. But in turn, mayors must be willing to delegate skills and interest, and they must overcome the fear that foundations intend to “step on their toes.”

Finally, for city halls to properly receive and assimilate stakeholder input and manage public engagement, they will need better access to data and stronger capacity to process it. In small but important ways, the democratization of data through Data-Driven Detroit (D3) and other platforms is giving more players the information they need to be instrumental in the rebirth of Detroit. But systems like these are merely the beginning of a watershed change in urban governance. Taken to its logical conclusion, city governments will need to be permeated by large-scale citizen engagement. Stephen Goldsmith envisions them as functioning more like Amazon than city halls of old.

The debate over the division of labor among the public, private, and philanthropic sector provides some of the most profound lessons that other cities can draw from Detroit. And to the extent that this calibration is already underway in other American cities, this debate becomes a fertile ground for rethinking how we blur the edges between public, private, philanthropic enterprise throughout urban practice and policy. Detroit may be a few steps ahead, but the recalibration of these roles and the accompanying new rules of engagement will define the new bold leadership that is crucial to the future of American cities.

LESSONS FROM DETROIT: INVENTIVE APPROACHES AND STRUCTURES

There are a number of inventive approaches and organizational structures that have emerged in the revitalization of Detroit focused on planning and land use, entrepreneurship and economic development, and the creative economy and placemaking. Brief descriptions follow for:

Spatial Planning and Land Use:

- Detroit Future City

Economic Development:

- Motor City Match
- New Economy Initiative (“NEI”)
- NEIdeas

Placemaking:

- Eastern Market Corporation
- ArtPlace America

DETROIT FUTURE CITY

Detroit Future City (DFC) began in 2010 as part of an ambitious effort to re-imagine what the City of Detroit could become. Supported by The Kresge Foundation, Detroit Economic Growth Corporation, and W.K. Kellogg Foundation, the project engaged city leaders, technical experts, city residents and other stakeholders in a process to develop a strategic framework for Detroit.

After three years of drawing on local and national talent as well as the insights of tens of thousands of Detroiters, the Detroit Future City Strategic Framework was released in January 2013. The framework lays out a vision for what the City of Detroit can become as well as the steps that must be taken along the way. The framework explores a number of key topics, including: how to best use Detroit's abundance of land (particularly publicly owned land), create job growth and economic prosperity, ensure vibrant neighborhoods, build an infrastructure that serves citizens at a reasonable cost, and maintain a high level of community engagement that is integral to success. While it is not the city's first strategic plan, it is the first to boldly consider the full context of city services necessary to make a vibrant city; and it is the first to expertly engage citizens about their vision for Detroit, neighborhood by neighborhood. It is also the first to fully take into account the critical question of vacant land and buildings, the need to build greater civic capacity and to describe the vehicles required for sustained engagement, while also acknowledging that Detroit is unlikely to again become a city of 2 million residents. The plan seeks to build on the city's existing assets – trade, tourist attractions, arts and culture and a resilient and creative population of residents – in real and concrete ways.

In January 2014, the DFC Implementation Office was created to ensure the successful execution of the vision created in the DFC Strategic Framework. The DFC Implementation Office is an independent nonprofit organization governed by an independent board of directors and funded by the Kresge Foundation, Erb Family Foundation, John S. and James L. Knight Foundation, Michigan State Housing Development Authority, Americana Foundation, the Detroit Economic Growth Corporation and the City of Detroit.

Twelve “Imperative Actions” help to define the framework:

1. Re-energize Detroit's economy to increase job opportunities for Detroiters within the city and strengthen the tax base.
2. Support our current residents and attract new residents.
3. Use innovative approaches to transform our vacant land in ways that increase the value and productivity and promote long terms sustainability.
4. Use our open space to improve the health of all Detroit's residents.
5. Promote a range of sustainable residential densities.
6. Focus on sizing the networks for a smaller population, making them more efficient, more affordable, and better performing.
7. Realign city systems in ways that promote areas of economic potential, encourage thriving communities, and improve environmental and human health conditions.
8. Be strategic and coordinate in our use of land.
9. Promote stewardship for all areas of the city by implementing short- and long-term strategies.
10. Provide residents with meaningful ways to make change in their communities and the city at large.
11. Pursue a collaborative regional agenda that recognizes Detroit's strengths and our region's shared destiny.
12. Dedicate ourselves to implementing this framework for our future.

Website: <http://detroitfuturecity.com/>

MOTOR CITY MATCH

Motor City Match is a partnership between the City of Detroit, the Detroit Economic Growth Corporation (DEGC), the Economic Development Corporation of the City of Detroit (EDC) and the U.S. Department of Housing and Urban Development (HUD). This program has a competitive application process to pair the best small businesses from the city and around the world with Detroit's best available real estate.

Motor City Match helps entrepreneurs who are looking to start or expand their businesses find the right space and fill the financial gaps that arise even after finding the right space. There are two tracks for those seeking support: 1) The Building Owner Track, and 2) The Business Owner Track. Within each track, building owners and business owners apply for competitive financial and technical assistance to help them through renovation, build-out and startup. This financial assistance, \$500,000 in grants each quarter, is supported by a broad partnership of Southeast Michigan community development financial institutions, foundations and corporations. In addition to financial assistance, Motor City Match helps new and expanding businesses by offering business planning classes, helping to identify Detroit's commercial properties, matching businesses with quality properties and providing architectural and design support.

Since its inception in February 2015, the program has gone through three rounds of funding and just opened its fourth in March 2016. Motor City Match has invested \$1 million into 20 different businesses, which has helped to leverage an additional \$6 million in public and private investment. Motor City Match has had a diverse pool of winners so far. Of the 196 businesses and property owners that have received support through the program, 70% are minority owned, two-thirds are from Detroit and half of the winners have been minority woman-owned businesses.

Website: <http://www.motorcitymatch.com/>

NEW ECONOMY INITIATIVE (“NEI”)

The mission of the New Economy Initiative (NEI) is to create an inclusive, innovative regional culture by reawakening and leveraging Detroit’s creative entrepreneurial drive. NEI’s overarching goal is to establish a more diverse economy where opportunity, wealth and prosperity are available for all.

The New Economy Initiative, a special project of the Community Foundation for Southeast Michigan, is the largest economic development initiative of its kind working to build a network of support for entrepreneurs and small businesses. It was built in the face of a market failure not seen in our lifetime and a culture that had either forgotten or lost faith in its ability to generate the ideas and businesses of tomorrow.

That means supporting the service providers – from those providing technical assistance like business planning and concept testing, to those providing capital and beyond – that help businesses grow and thrive, while connecting them to each other and the people they serve. That means creating new companies, jobs and additional dollars of investment along the way. Ultimately, that means building a more diverse economy where jobs and prosperity are available for all.

With intensive focus and inspired collaboration, the New Economy Initiative intends to stimulate the Detroit region to achieve the following bold goals over the next five years:

- 1,000 new or renewed enterprises
- 20,000 new jobs
- \$1 billion invested into the entrepreneurial ecosystem
- Build a dense, vibrant and connected Urban Innovation District that attracts diverse resources and talent

Website: <http://neweconomyinitiative.org/>

NEIdeas

NEIdeas is a program that celebrates existing businesses in Detroit, Hamtramck, and Highland Park – rewarding those with the best ideas for growth. NEIdeas is a program of the New Economy Initiative (NEI) and the Community Foundation for Southeast Michigan (CFSEM), operated with assistance from Detroit Economic Growth Corporation (DEGC).

NEIdeas provides two types of awards:

1. The \$10k Challenge provides awards to 30 businesses that gross under \$750,000 annually with ideas to grow.
2. The \$100k Challenge provides awards to two businesses that gross over \$750,000 and under \$5 million annually with ideas to grow ‘big.’

NEIdeas is about more than just money; it provides all applicants – those that win and those that don’t – with resources to help them grow. First, all businesses that apply are welcomed into the NEIdeas network, where they may access further opportunities in the entrepreneurial ecosystem. Second, they are offered (1) catered matchmaking to small business service providers; (2) workshops around business growth topics; and (3) connections to other applicants and NEIdeas Ambassadors.

In 2016, the program will grant a total of \$500,000 in cash awards, in addition to business support, to over 30 existing businesses.

Funding is made possible through the support of foundations and corporations including:

- Community Foundation for Southeast Michigan (Detroit)
- Max M. and Marjorie S. Fisher Foundation (Southfield)
- Ford Foundation (New York)
- Hudson-Webber Foundation (Detroit)
- W.K. Kellogg Foundation (Battle Creek)
- John S. and James L. Knight Foundation (Miami)
- The Kresge Foundation (Troy)
- McGregor Fund (Detroit)
- Charles Stewart Mott Foundation (Flint)
- Skillman Foundation (Detroit)
- Surdna Foundation (New York)
- The William Davidson Foundation (Troy)

Website: <http://neideasdetroit.org/>

EASTERN MARKET CORPORATION

The Eastern Market is the largest historic public market district in the United States. Located on the city’s central east side near the Lafayette Park neighborhood, the market was transferred from city management in 2006, and now operates through a public-private partnership with the Eastern Market Corporation (EMC).

Over the years, EMC has broadened its mission and related services in an effort to “enrich Detroit—nutritionally, culturally and economically.” EMC seeks to expand resident access to fresh, nutritious foods, providing a year-round farmer’s market and setting up farm stands throughout the city; it gives residents opportunities to learn about food preparation and nutrition as part of a commitment to lower rates of diabetes and obesity; and it supports entrepreneurship and innovation in food and culinary arts, offering licensed, low-cost commercial kitchen space, as well as training, mini-grants, technical assistance and opportunities to network among those interested.

Eastern Market is a hub of activity, drawing visitors from nearby neighborhoods like Downtown, the Riverfront, Brush Park, Midtown, New Center, Lafayette Park, the Medical Center and adjacent Eastside neighborhoods to its vibrant, affordable and community-focused products and services.

Most recently, Eastern Market released a new 10-year strategic plan focused around connectivity, authenticity, development equity, density and diversity.

Website: <https://www.easternmarket.com/>

ARTPLACE AMERICA

About ArtPlace America: ArtPlace America (ArtPlace) is a ten-year collaboration among a number of foundations, federal agencies, and financial institutions that works to position arts and culture as a core sector of comprehensive community planning and development in order to help strengthen the social, physical, and economic fabric of communities. ArtPlace focuses its work on creative placemaking, which is described as projects in which art plays an intentional and integrated role in place-based community planning and development. This brings artists, arts organizations, and artistic activity into the suite of placemaking strategies pioneered by Jane Jacobs and her colleagues, who believed that community development must be locally informed, human-centric, and holistic.

About ArtPlace America in Detroit: In 2015, Detroit received a \$500,000 grant from ArtPlace America's Creative Place Making Fund for the Create Northeast Detroit (Create NED) project. Create NED is a partnership between Restore NED, Allied Media Projects, and The Work Department that focuses specifically on District 3 and will activate residents to utilize art, design, and technology to make their neighborhood visions tangible and sharable with the broader public. Through this funding, NED will distribute seed grants for resident-led green space beautification projects throughout the District. This is a community-rooted neighborhood revitalization effort that invites residents to participate in the land-use planning process by actually implementing some of their ideas. Since 2011, RestoreNED has conducted an independent project to determine what residents of District 3 would like to see in their community, which is being followed up by the Create NED initiative. In addition to the seed grants, Create NED will also include public festivals that promote the revitalization plan, demonstration projects in three city parks, and a website and related online communications to share and promote their vision.

Website: <http://www.artplaceamerica.org/about/introduction>

<http://placemakers.pt/www/en/2016/02/25/create-ned-a-neighborhood-beautification-and-placemaking-mini-grant-case-study/>