



## June 18, 2013 Meeting Notes

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*These notes summarize the spirited discussion of the initial Redefining RustBelt videoconference. This first session aimed to survey the landscape of current urban redevelopment strategies and identify areas of shared interest so that they could be explored in greater depth in future sessions. Although this summary largely follows the sequence of our June 18 discussion, in the interest of thematic organization, this is not always the case. We have tried to offer a summary that is both concise and true to the thoughtful, informal style of the discussion.*

Initiated in Baltimore and hosted by the four regional Reserve Banks, the first Redefining RustBelt videoconference featured Baltimore Mayor Stephanie Rawlings Blake, and nationally-known community development leader, and Chair of the Board of Directors of the Federal Reserve Bank of Philadelphia, Jeremy Nowak.

The Mayor described her initiative to increase Baltimore's population by a net 10,000 families by 2020—an effort that now encompasses and attempts to link many of Baltimore's redevelopment efforts including its market-driven Vacants-to-Value program, vacant property demolition, property tax reductions, infrastructure investment (including new school construction and major public transit development), crime reduction, as well as efforts to attract and support foreign immigrants and to attract residents from the region, particularly Washington, DC commuters.

Representatives of the four cities highlighted current or recent activity in their cities—in Cleveland, the downtown population has doubled to 12,000 residents and there is a conscious effort to “right-size” the city, with focus on the arts and mixed-use neighborhood development. Detroit has attracted a Whole Foods supermarket to mid-town, is building a backup to the aging Ambassador Bridge, raised \$50 million in new revenue from the Indy car race. Philadelphia's population has been increasing over the past 5-6 years due to an influx of young residents—the City is now working to retain these new residents as they raise families.

Keynote speaker Jeremy Nowak observed that improvements in America's older industrial cities have been slow and uneven and have not made up for the remarkable losses of population and economic capacity the cities have suffered. But he surveyed demographic, economic, cultural and technological trends that favor our great cities and which must be captured and exploited for these cities to be inclusive, prosperous, and able to meet the challenges of an extraordinarily dynamic political, cultural and economic environment. (A transcript of his remarks is attached.)

Paul Kaboth, Community Affairs Officer with the Federal Reserve Bank of Cleveland, then moderated a two-hour, wide-ranging discussion among the assembled city leaders. Following is a thematic summary of the discussion, which includes descriptions of strategies or achievements, inquiries, opinions, observations and advice.

**The diversity and vitality of cities is a critical element in attracting new residents. It is important to support racial and economic integration and to offer all residents high quality and responsive public amenities and services.**

- New residents are often attracted by the DIY, grassroots nature of urban redevelopment, but in cities with poverty as high as 25 percent, can DIY be enough to achieve a turn-around?
- Detroit’s 3-year planning process was based on great civic engagement (approx. 100 community meetings) to assure people most affected by the effort had a stake and a voice.
- Places have the potential to hurt people. How can we help communities where there is a spatial inconsistency between access to jobs and skill levels?
- How can cities nurture the organic racial integration that occurs in many communities?
- Socially and economically integrated schools are good for both kids and neighborhoods.
- Commercial corridors and other public gathering places can help realize racial integration.
- Cleveland’s Bus Rapid Transit system—the best in the nation—has galvanized \$5 billion in investment, spurred reverse commuting, and created new opportunities for inclusive communities.
- Banks can play a role in teaching financial literacy.
- This effort can be supported by employment hubs, great public spaces where people can come together, programs such as the University of Pennsylvania’s employer-assisted housing and other housing development.

**To reform our cities, we must reform education.**

- City schools must meet international standards.
- Education reform is a microcosm of city reform.
- Close nonperforming schools. Persuade unions to allow merit rewards for teachers.
- Philadelphia is trying to take a “portfolio” approach to education—creating high performing schools across the District in response to increasing demand for school choice. The City is also trying to boost post-secondary education attainment by developing practical programs to enhance skills, including apprenticeships and use of extended day. Public/private partnerships are critical.

**Welcome foreign immigrants.**

- Baltimore’s Mayor issued an Executive Order saying that the City will not ask for documentation of citizenship. Baltimore is also developing education and job training programs for immigrants and is intentionally reaching out to refugee and immigrant communities.

- Neighborhood commercial corridors are being revitalized by immigrant business owners—in one Philadelphia neighborhood, 64 percent of 221 businesses were owned by immigrants, who created an average of 3.8 jobs each.
- Cleveland is working with Latino leaders to create a “Hispanic Village” to attract more Latino residents, culture and commerce.
- Public transit has helped attract Latino and Middle Eastern immigrants in southwest Detroit. These immigrants are generating social and cultural capital.
- Federal enforcement agencies can hamper efforts to attract and support immigrants.

**Focus on downtown redevelopment but not to the exclusion of neighborhood redevelopment. Work to attract visitors, but offer amenities to current residents.**

- Downtown employers—offices, hotels, retail—are usually larger organizations or corporations than anchors, but they are more difficult to work with collectively.

**Make City management more cost-effective, fiscally sound.**

- Baltimore is trying to reduce the City’s taxes to better compete with suburban jurisdictions, to increase efficiency in the provision of services including looking at user fees for non-city users of City services.

**Invest in Infrastructure that can repurpose assets.**

- Detroit is investing in a “green and blue” combined sewer/stormwater system and is launching a 20-50 year vision focused on the City’s 20 square miles of vacant/underutilized land.
- Cities’ ability to produce, transport and distribute energy and food is a key asset.
- Reduce car dependency to increase job opportunity.
- Baltimore’s Vacants to Value program has used strategic code enforcement and receivership to promote the redevelopment of vacant property in areas where there is a viable development market. The City is providing a variety of incentives and enhancements, but lacks the resources needed for extensive demolition of obsolete structures. Can the cities work together to secure federal funds for demolition?

**Jobs are our cities’ primary assets**

- 40-50 percent of the jobs in our cities are located downtown. Whether high- or low-skilled, jobs are cities’ primary assets
- Philadelphia’s highest priority has been expanding employment centers and better connecting them to transportation networks and the public education system. How does a city build new employment centers and connect them to other nodes? Detroit’s highest priority is also expanding employment—just over 50 percent of 25-64 year old Detroit residents are not in the labor force.
- Detroit’s strongest employment cluster is in its midtown neighborhood, with many workers there employed by medical and educational anchors. There are seven employment centers in

Detroit and the city wants to develop connections between these employment centers and City neighborhoods. The city is using an innovative place-based approach to link industry and job development to land use and transportation policy and planning and avoid a “race to the bottom on wages.”

- Manufacturing employment remains important in our cities and key to our identity.

**Traditional anchor institutions are critical assets for their cities; anchors beyond eds and meds need to be recognized and cultivated.**

- Public/private place-based partnerships that create attractive places to retain anchors and the people associated with them are essential. This would require better collaboration between city planning and anchors’ staff.
- Universities are becoming more responsive to their communities, but increasing challenges to educational institutions require we diversify what constitutes an anchor.
- A network of small manufacturing businesses whose startup and growth is supported can be more economically resilient than a vertically-integrated corporation.
- Public utilities and faith-based institutions can serve as anchors, especially via initiatives that deploy their strengths—green and healthy neighborhoods for the former and quality schools for the latter.
- Our cities need to capitalize on their commercial advantages—ports, surface transportation.
- Government can serve as an anchor, particularly through its procurement. Cleveland has increased its purchasing from local companies. Detroit has tried to focus on procurement from city businesses but has not gotten the traction it hoped for—in a city 83 percent African American, only 15 percent of firms are owned by African Americans.
- Anchor institutions create places—they are more than economic engines—we need to be better about capitalizing on their ability to attract diverse new residents as well as capturing their economic value. 1,000 people have moved into midtown Detroit in the past 18 months due to targeted housing incentives.
- Detroit’s anchors buy over \$2 billion in goods annually—only 4.5 percent of these purchases are within the city. How can the city capture this purchasing power? How are opportunities for growth created for these institutions? Can we develop opportunities for the commercialization of university-based research?
- In the absence of extensive public subsidy for redevelopment, Baltimore has used aggressive code enforcement and eminent domain to promote large scale private redevelopment adjacent to its two largest anchors—the Johns Hopkins medical complex in East Baltimore and the University of Maryland Medical Center west of downtown.
- Cleveland was able to use the most efficient steel mill in the U.S. to attract two other companies. Neighborhood-based economic drivers need to be grown—for example, a large nursing home may attract a dialysis clinic or senior housing. Cleveland Range—a foodservice headquarters--assembled a 3-acre parcel that attracted additional business.

**A Place-Based Strategy is the Key to Attracting Artists, the Tech Industry and others who can strengthen downtowns and neighborhoods.**

- Quality communities are the key to attracting new artists, technology professionals and other new residents and businesses.
- Arts are catalysts and may be able to act, collectively, as anchors.
- For-profit as well as non-profit arts organizations can help create and anchor a place. We need to understand what is unique about arts organizations and the role of the public sector in supporting them.
- Baltimore was able to convert a long blighted industrial property into a new middle/high school dedicated to design in a neighborhood arts district.
- The technology sector is one that all four cities are trying to attract and support. Cleveland has been responding to the city's need for IT workers with incubators geared to tech companies, an ingenuity festival and similar gatherings, and a fast-track community college certificate program. How can the private sector incentivize the growth of the tech industry?
- There are natural alliances between arts groups and CDCs, social service agencies and others. 5,000 artists live and work in greater Cleveland, many attracted by the city's low cost of living. Cleveland's Community Partnership for Arts and Culture surveyed them to hear what neighborhoods could do to be more attractive to artists, and vice versa. 3,000 responses were received.
- In southeast Baltimore, the arts have been used to create positive neighborhood activities and establish bonds between neighbors. In Detroit, young people were able to dramatize their ideas through a partnership with a local theater.
- One of the most effective resources Baltimore has had in developing neighborhood redevelopment strategies is TRF's market value analysis—especially for housing markets.

*The opinions expressed are those of the participants and not necessarily those of the Federal Reserve Banks of Chicago, Cleveland, Philadelphia and Richmond or the Federal Reserve System.*