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June 18, 2013 Meeting Notes

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These notes summarize the spirited discussion of the initial Redefining RustBelt videoconference. The first session was designed 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, we took some liberties in organizing the key themes. 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 Federal Reserve Banks of Richmond, Cleveland, Philadelphia, and Chicago, the first *Redefining RustBelt* videoconference featured Stephanie Rawlings-Blake, the mayor of Baltimore, and keynote speaker Jeremy Nowak, a nationally known community development leader and chairman of the board of directors of the Federal Reserve Bank of Philadelphia.

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), and crime reduction, as well as efforts to attract and support foreign immigrants and draw residents from the region, particularly Washington, D.C., commuters.

Representatives of the other three cities highlighted current or recent activity in their town. In Cleveland, the downtown population has increased 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 midtown, is building a backup to the aging Ambassador Bridge, and raised \$50 million in new revenue from the Indy Grand Prix race. Philadelphia's population has been increasing over the past five to six years due to an influx of young residents, and the City is now working to retain those new residents as they start having families.

Nowak observed that improvements in America's older industrial cities, which have been slow and uneven, have not made up for the remarkable losses of population and economic capacity the cities have sustained. But he surveyed demographic, economic, cultural, and technological trends that favor 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 Nowak's remarks can be found [here](#).)

Next, Paul Kaboth, community affairs officer at the Federal Reserve Bank of Cleveland moderated a two-hour, wide-ranging discussion among the video conferenced participants. Below 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 rates as high as 25 percent, can DIY be enough to achieve a turnaround?
- Detroit’s three- year planning process was based on great civic engagement (approximately 100 community meetings) to ensure that the people most affected by redevelopment had a stake and a voice in the projects.
- How can we help communities where there is a mismatch between access to jobs and people’s 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 foster racial integration.
- Cleveland’s Bus Rapid Transit system — recognized as the best in the nation — has galvanized \$5 billion in investment, increased reverse commuting, and created new opportunities for inclusive communities.
- Banks can play a role in teaching financial literacy.
- This effort to create diverse and vital cities can be supported by employment hubs, great public spaces where people can gather, programs such as the University of Pennsylvania’s employer-assisted housing resource, and other housing development projects.

To reform our cities, we must reform education.

- City schools must meet international standards.
- Education reform is a microcosm of city reform.
- Shutter 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 Philadelphia District in response to increasing demand for school choice. The city is also trying to boost postsecondary education attainment by developing practical programs to enhance skills, including apprenticeships and use of extended school days. Public/private partnerships are critical.

Welcome foreign immigrants.

Baltimore’s mayor issued an executive order noting that the city will not ask for documentation of citizenship. Baltimore is also developing education and job training programs for immigrants and is purposefully 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, and these businesses created an average of 3.8 jobs.
- 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 to 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 rather than anchor institutions, but they are more difficult to work with collectively.

Make city management more cost-effective, fiscally sound.

- Baltimore is trying to reduce its city taxes to better compete with suburban jurisdictions, and to increase cost-effectiveness in the provision of services, and is considering user fees for non-city users of city services.

Invest in infrastructure that can repurpose assets.

- Detroit, which is investing in a “green and blue” combined sewer/storm water system, is launching a 20-to-50-year plan focused on the city’s 20 square miles of vacant/underutilized land.
- The 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.

- Forty to 50 percent of the jobs in these cities are located downtown. Whether high- or low-skilled, jobs are cities’ primary assets.
- Philadelphia’s highest priority has been to expand employment centers and improve their connection to transportation networks and to 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; more than 50 percent of 25-to-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 those 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 is planning to 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.

- For example, a large nursing home may attract a dialysis clinic or senior housing. Cleveland Range—a commercial ovens manufacturer headquartered in Cleveland — assembled a 3-acre parcel for its own expansion, which has attracted additional business.

Employing a place-based strategy is the key to attracting artists, technology professionals, 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.
- Art institutions are catalysts and may be able to serve collectively as anchors.
- For-profit and 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 the study of design in a neighborhood arts district.
- All four cities are trying to attract, and support technology companies and workers. Cleveland has been responding to its need for IT workers with incubators geared to tech companies, an ingenuity festival and similar gatherings, and a fast-track community college IT certificate program. How can the private sector help attract tech talent and businesses?
- There are natural alliances between arts groups and community development corporations (CDCs), social service agencies, and others. Five thousand artists live and work in greater Cleveland, and many are attracted by the city’s low cost of living. Cleveland’s Community Partnership for Arts and Culture surveyed them to determine what they thought neighborhoods could do to make themselves more attractive to artists and vice versa. The organization received 3,000 responses.
- In southeast Baltimore, the arts have been used to enhance community engagement and bonding among neighbors. In Detroit, young people are able to express their feelings and ideas through performance theater.
- One of the most effective resources that Baltimore has had in creating 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.