

Diego Rivera, Public Pensions and Detroit's Bankruptcy: What's Philanthropy Doing in the Middle?

Rip Rapson, President and CEO

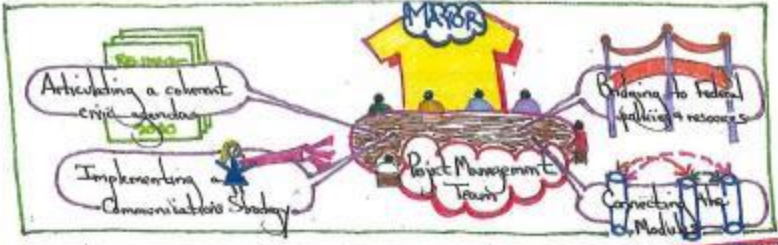
Philanthropy Forum at the University of Pittsburgh
Graduate School of Public and International Affairs

O'Hara Student Center

April 8, 2014

Overarching Objectives:

1. Create a blueprint for a re-imagined Detroit - its infrastructure, human development systems, economy, & cultural environment
2. Position the re-imagined Detroit as a model for the revitalization of other industrial cities
3. Make tangible progress in each of the nine modules of re-invention



A Sustainable City Agenda

The Green Economy

Series of economic investments

- Green workforce
- Public Works
- Public Housing
- Public Schools
- Public Services
- Public Safety

Offices of Sustainability
DTE Plan
→ Emerald Cities



KRESGE

McKinsey
State Dept of Labor & Econ Growth

Grow Small Businesses

Entrepreneurial Development

Training

- Early Stage
- Urban Entrepreneurship Program
- Bizplan U

Capital

- Auto suppliers network

Infrastructure

- Small capital system

→ Office of Auto Recovery
→ Regional Transportation Cluster



NEW ECONOMY INITIATIVE

Kaufmann Fdn.
NEI Funders
CDFI's

Health Care, Innovation & Excellence

Excellence in Urban Health Care

Health delivery at the community level

- Safety net clinics
- Collaborations with local health systems
- Lead abatement

Major system reform

- HFHS
- Cost containment
- Electronic records

Workforce

- Nurse training
- Career ladders



KRESGE

Henry Ford Health System
DME
St. John's Community Clinics

Re-Shaping the City

Roadmap for Land-Use Reform

Green blueprint for reimagined investments, services, policies

- A plan for the growth
- Disruptive engagement
- Reconfiguration of the built environment
- Expansion of the regional environment
- Fostering sustainable practices
- Fresh food & urban agriculture

→ "Sustainable Communities"
→ "Cities in Transition"



CITY OF DETROIT

NEHD FORUM WORKGROUP
Killing Fund
Kresge
Ford
Sunira
Vacant Properties Corp.

The Liberator's Creative Corridor

Anchor Institutions Strategy

Community engagement strategy, anchors

- Contributions of security, transportation, and justice
- Buy, hire, & live in community

Midtown Project

- Inclusion of cultural orgs and UCA

Talent Attraction - HW
Re-positioning of Wayne State Univ.



HUDSON-WEBER

U3
NEI
Kresge
Knight
USGA

Mass Transit

Build M-1 Rail Line

Complete by 2011

- From New Center to New Center

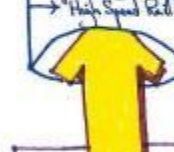
Jump-start regional system

- Ann Arbor
- Pontiac
- To 6 Mile + beyond

Transition-oriented development

- Planning
- Land assembly

→ "High Speed Rail"



M-1 RAIL BOARD

MDOT
DDOT
SEMOG

Neighborhoods of Choice

Align Strategies & Investments

Seedling activities

- Official Franciscan Presentation
- Data-DARES

Problem-solving

- CDC capacity
- International

Alignment

- Learning Systems of care

→ "Promise Neighborhoods"

→ "Green Healthy Housing"



NEIGHBORHOOD FORUM

Banks
Skillman
City
Flint

Education Re-design

Peak through 20 Framework

DPS Reform

- Administrative
- Financial
- Academic
- Physical plant
- Governance

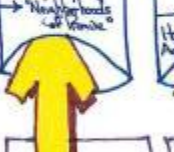
Charter Schools

- 25 new

Early childhood system

Community supports

→ "Neighborhoods of Promise"



SKILLMAN

Batherson
McGeer
Robert Bobb

Reinvigorate Arts, Culture, Ecosystem

Sustainability, Excellence, & Community

Sustainability plans for major arts & culture organizations

Cross-organizational infrastructure support

Acts of community

Individual artist support

→ NEA/White House Conference on Arts & Community



FOUNDATION COALITION

OFSEM
Masco
Kresge
Hill
Cultural Alliance

Overarching Questions:

1. What are we being "hired" to do - what are the outcomes we seek?
2. What is the critical path to achieving these outcomes?
3. What are the most significant obstacles?
4. What role can/should philanthropy play?
5. Who are the essential stakeholders?
6. What role should the Federal government play?
7. What are the key citizen engagement strategies?

RE-IMAGINING DETROIT:
2020

Overarching Principles:

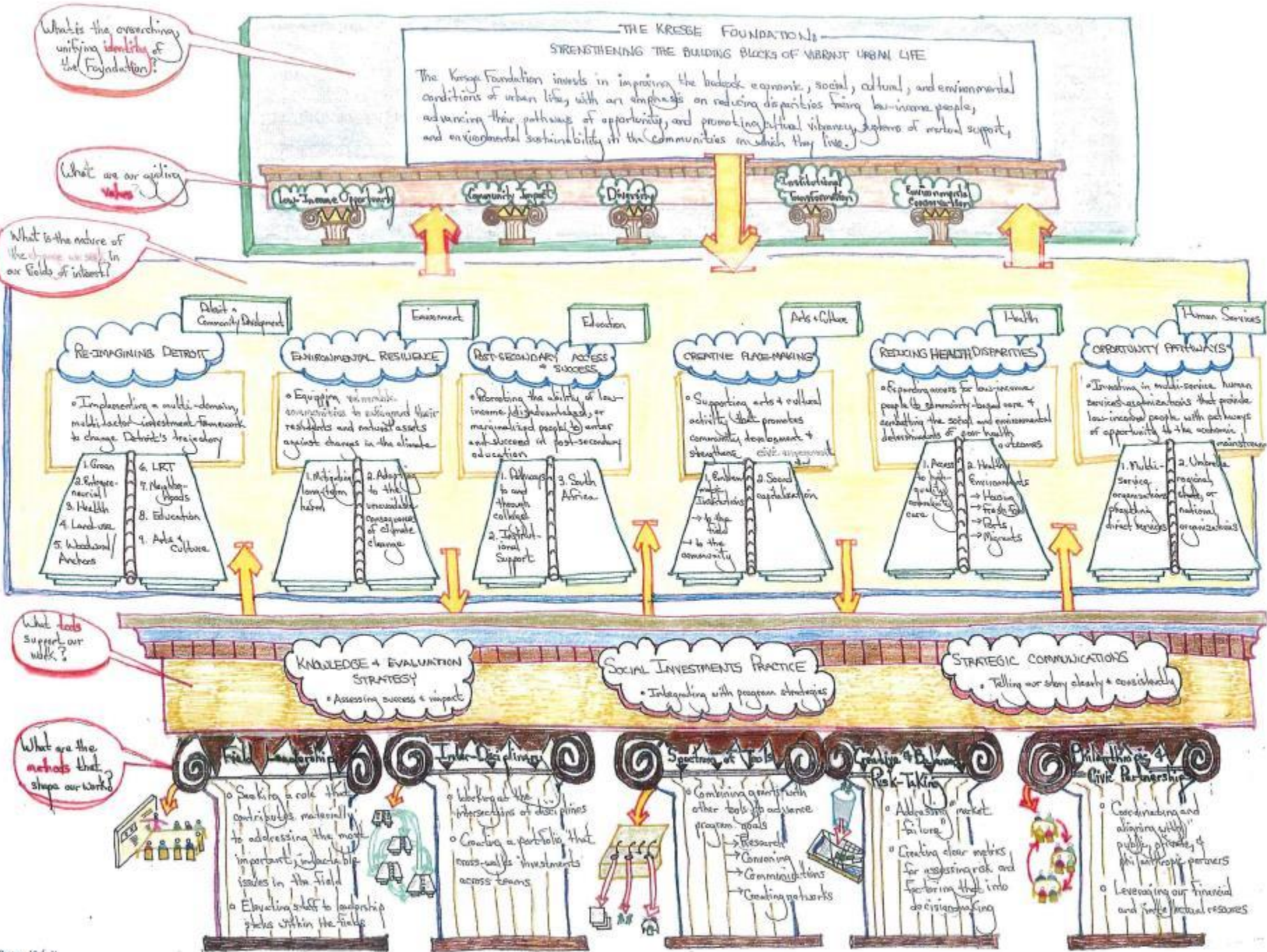
1. The re-imagining must be comprehensive, yet targeted
2. Each module must build on pre-existing energy and capacity
3. Each module should contain the potential for both long-term re-participating and short-term advance
4. The modules are interdependent
5. The appropriate weight of the modules is a functionally re-imagined city

10.30.09

What is the overarching unifying **identity** of the Foundation?

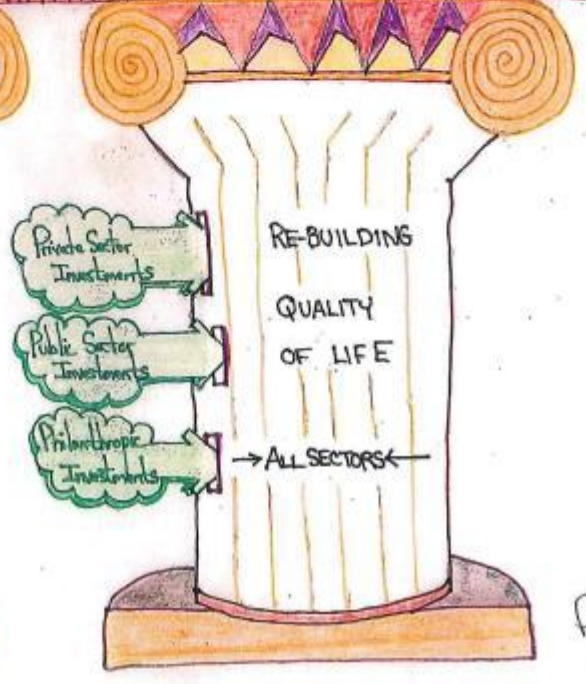
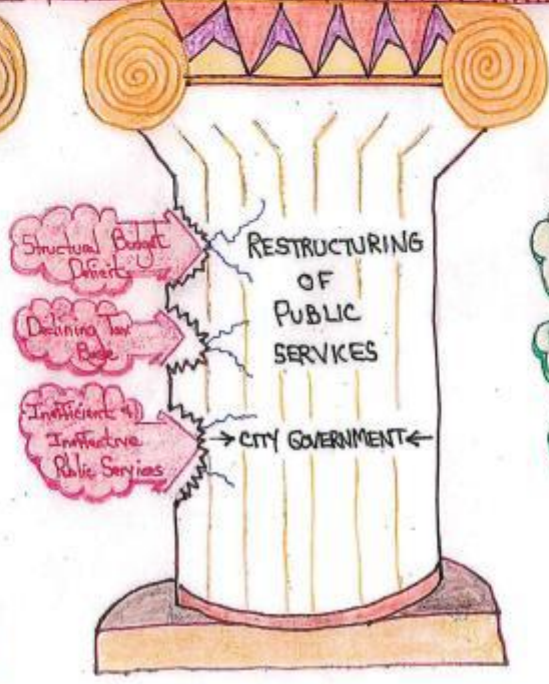
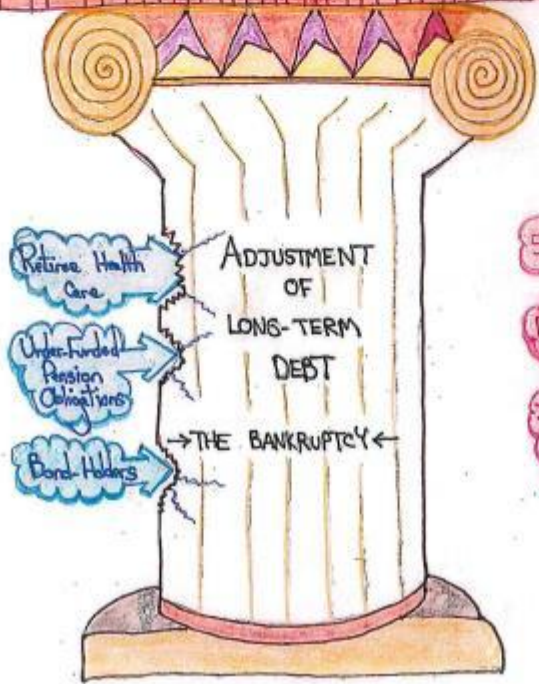
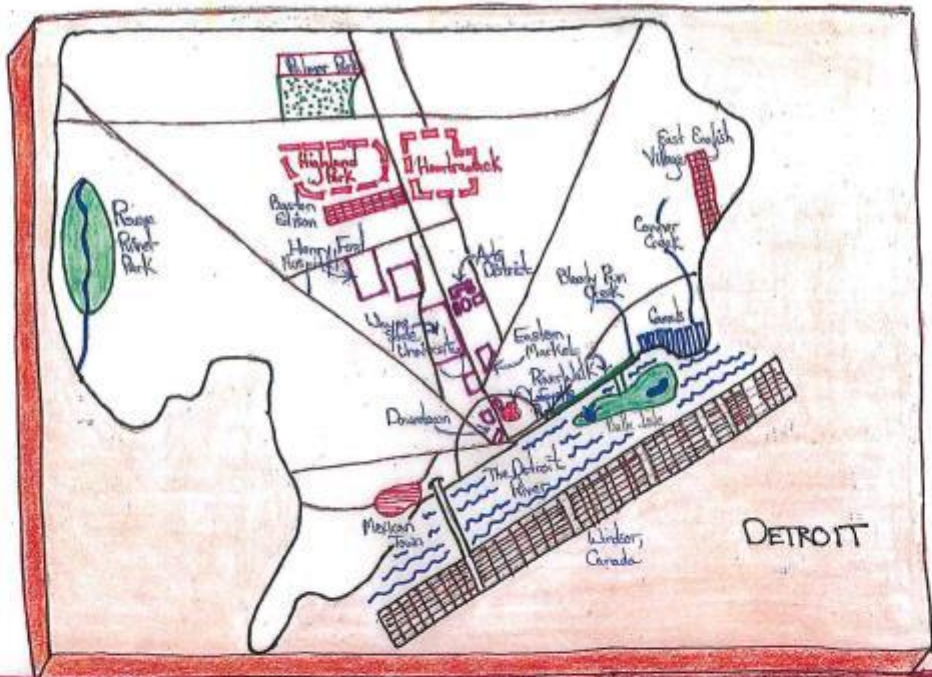
What are our guiding **values**?

What is the nature of the **change** we seek in our fields of interest?



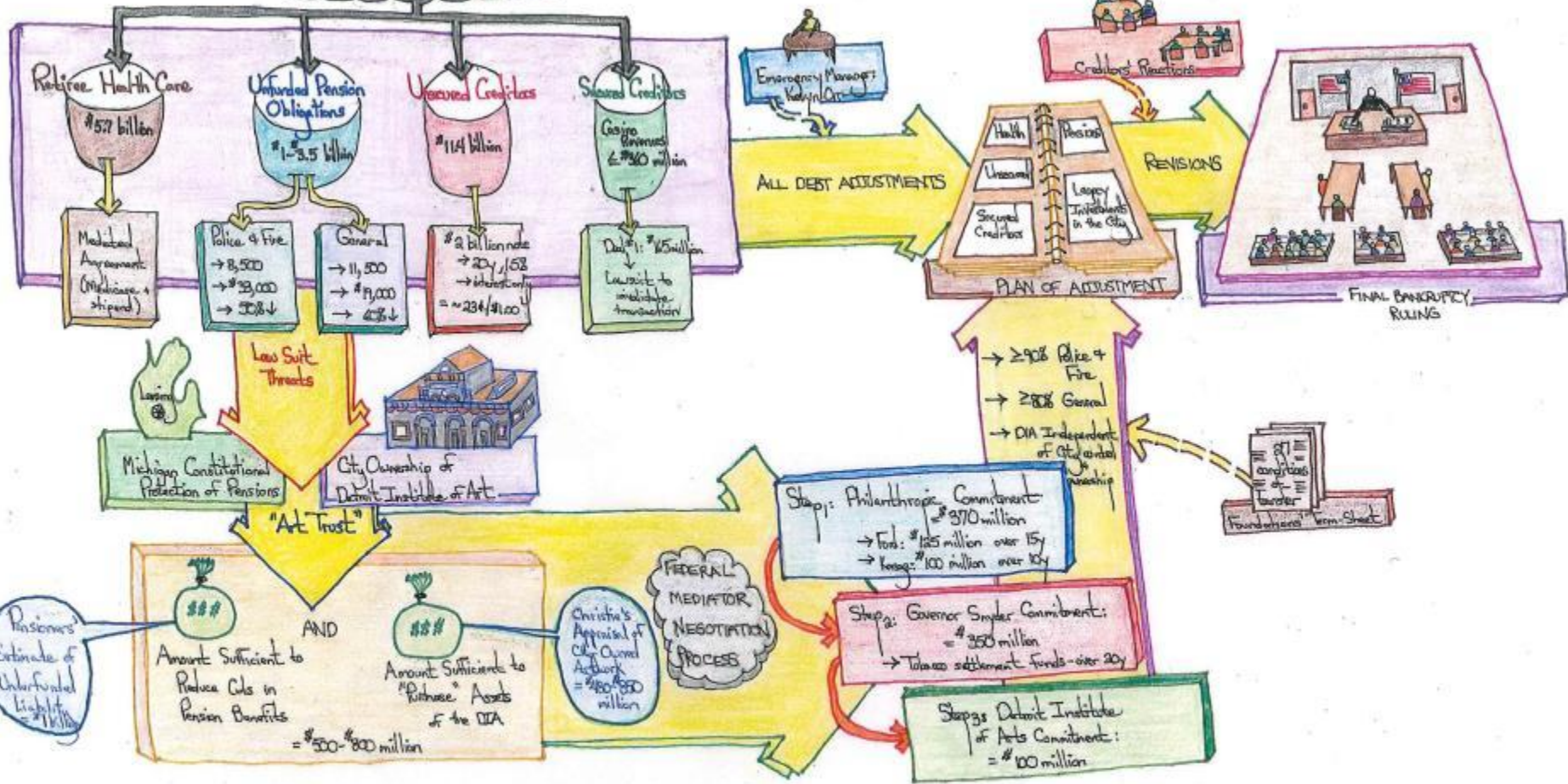
What **tools** support our work?

What are the **methods** that shape our work?

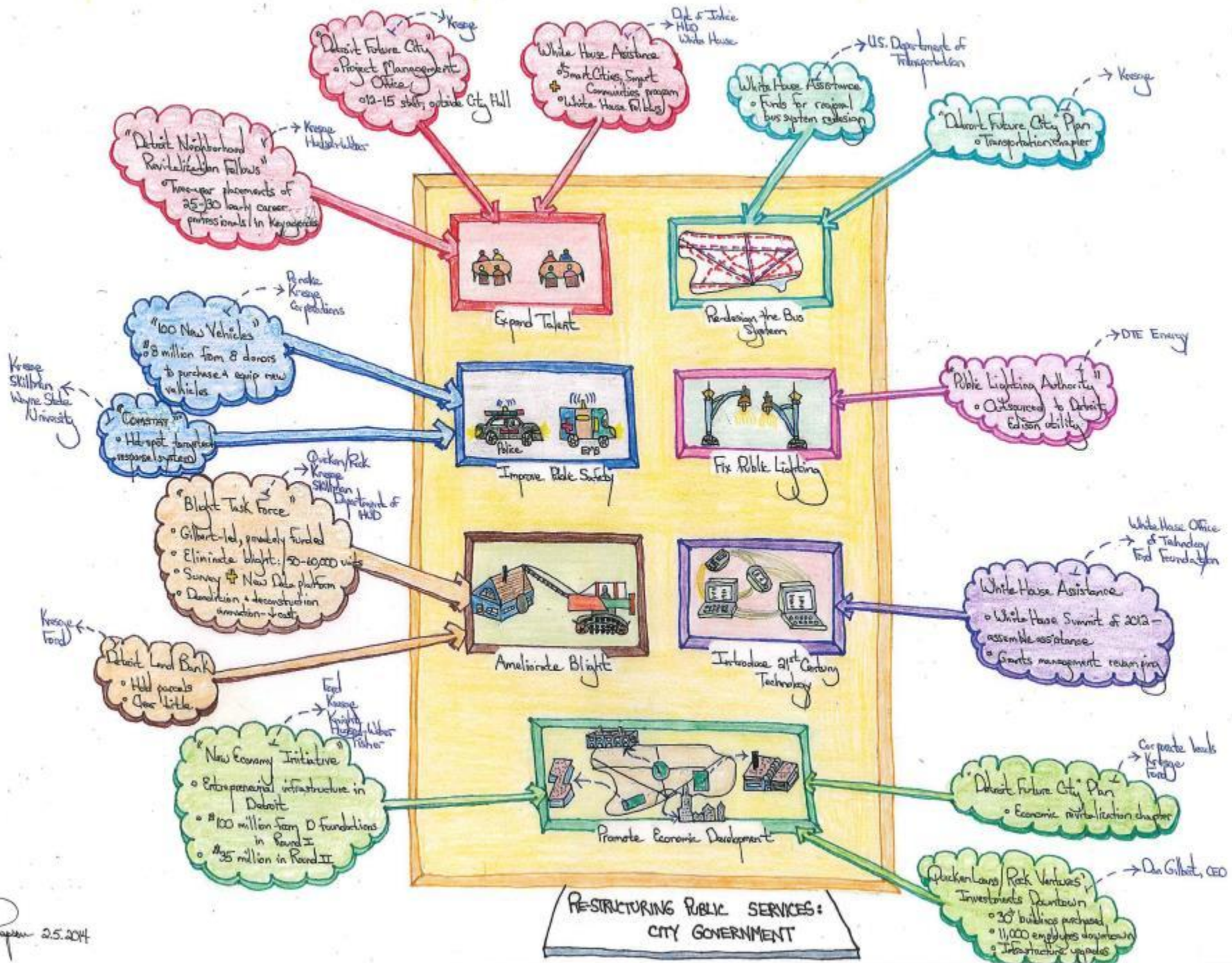


[Signature]
24/2014

Sources of Long-Term Debt



ADJUSTING LONG-TERM DEBT:
THE BANKRUPTCY



Handwritten signature and date: *[Signature]* 2.5.2014

1 HELP SET LONG-TERM VISION & BROADEN THE CIVIC ALLIANCE

Detroit Future City Plan
• Blueprint for investments to re-imagine the use of land
• Project management office

#150 Krusee commitments
#6.8 million this year

Detroit Neighborhood Forum
• Monthly Conversations

40+ banks, nonprofits, & foundations

Woodward Corridor Investment Fund
• Residential real estate fund

Krusee + private investors: \$30 million

5 FUNCTION AS A SELLER

2 CONTRIBUTE TO LONG-TERM CIVIC TALENT BASE

Detroit Neighborhood Revitalization Fellows
• Cohorts of 25-30 early-stage professionals

Re-purposing Federal Dollars of Regulatory Penalties

#300 million federal philanthropic package

#25 million loans + grants

Living Cities Interaction Initiatives
• ODC capacity of Anchor Institutions

3 PROVIDE HIGH-RISK EARLY-STAGE CAPITAL

Municipal Reclamation of McKinstry blueprint for restructuring

New Economy Initiative
• Create & sustain entrepreneurial ecosystem

#135 million, 15 foundations

6 STEWARD FRAGILE ECOLOGIES

Education Reform District
• New Orleans model - new separate district

#50 million philanthropic seed capital

Krusee Arts in Detroit & Knight Arts Challenge
• Ongoing support, Arts Fellowships, Prizes & festivals

#10 million/gr into arts ecology

4 SERVE AS A GUARANTOR OF VALUE FOR PRIVATE MARKETS

M1 Light Rail Line
• First leg of regional transportation system

#25 million Krusee, #40 million banks

Detroit Riverfront Conservancy
• Tide Riverwalk

#50 million Krusee, #200 million leverage

Human Services Organizations Support

Broad spectrum of foundations

Food Systems @ Eastern Market
• Community Gardens

Bank of America Wholesale Krusee

RE-BUILDING QUALITY OF LIFE: SIX ROLES PHILANTHROPY IS PLAYING

RP Rapam 2.8.14