



From
Grand Vision
to
Grand Action

REVITALIZING A DOWNTOWN AND
DEMONSTRATING PHILANTHROPY





A report by
The Philanthropic Collaborative
philanthropycollaborative.org
601 13th St NW, Suite 950 South
Washington, DC 20005
202-469-3160

Founded in 2008, The Philanthropic Collaborative (TPC) is a non-partisan organization that brings together foundations, charities and elected officials to provide information to policy makers and others about the economic and social impacts of foundation grantmaking. TPC promotes understanding about the important role foundations play in America's communities and how their grantmaking generates substantial and widespread benefits for all Americans.

Thanks to the Council of Michigan Foundations for making this report possible.



Growing the impact of Michigan philanthropy
michiganfoundations.org

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What is Endowed Philanthropy?

Charity in America takes many forms. Endowed philanthropy allows for long-term, strategic giving, and begins with a donor making a gift of principal to a foundation or charitable trust. This endowment is invested, becoming a stable source of income providing the certainty necessary for foundations and philanthropists to act over generational time horizons. In this way, endowed philanthropy never stops giving back, and can achieve goals well beyond the lifetime of any one donor.

“Anyone who’s been great at business knows that some of the most successful things they’ve done didn’t start off like a barn burner when they began. One has to recognize [philanthropy] is a long-term endeavor.”

ROBERT HERTOOG, FORMER CHAIRMAN AND PRESIDENT OF SANFORD C. BERNSTEIN & CO.¹

“Some issues are very hard to tackle; they have very long time horizons. As we execute in our strategy, we’ll have the luxury of time to understand what’s worked, what hasn’t worked, what we need to tweak, what we’ve been successful at, and how we can replicate it.”

LAURA ARNOLD, FOUNDER OF THE LAURA AND JOHN ARNOLD FOUNDATION²

AGGREGATE FISCAL DATA OF FOUNDATIONS IN MICHIGAN 2012

2,286 foundations in Michigan

\$1.5 billion in total giving from Michigan foundations

2008 STUDY BY THE PHILANTHROPIC COLLABORATIVE

For every dollar spent by foundations, **more than \$8** is generated in economic and social benefits.

2012 STUDY BY THE PHILANTHROPIC COLLABORATIVE

The short-term results of U.S. foundation grant making are **973,112 jobs** and **\$63.6 billion in GDP**.

U.S. foundation grant making in the long-term contributes close to **9 million jobs** and **\$570.6 billion in GDP**.

The total long-term economic impacts represent between **5.1-7.0% of U.S. employment** and **approximately 3.9% of GDP**.



Foreword

FROM VISION TO IMPACT: HOW GRAND ACTION DEMONSTRATES PHILANTHROPY AND THE ROLE OF CHARITABLE FOUNDATIONS

Charitable giving is an important element of what it means to be American. Nearly 90% of Americans participate in some form of charitable giving. Today, as they have done for more than 100 years, hundreds of thousands of individuals and families across our country are giving back through foundations, in response to both immediate charitable needs and long-term opportunities to help their communities plan and build for the future - often through innovative public-private partnerships.

The resurgence of Grand Rapids, Michigan, starting with a focus on its downtown, demonstrates the benefits resulting from such long-term collaborative action. For more than 25 years, a collaboration of charitable foundation and public leaders called Grand Action has accomplished what government alone never could, and today Grand Rapids is a transformed city fueled by a vibrant downtown.

The accomplishments highlighted here did not happen overnight, in a five year period, or by parachuting dollars into certain phases of the process without seeing the entire vision to completion. The process Grand Action has used confirms how foundation leaders contribute value through many types of gifts: time, expertise, leadership, patient yet urgent passion for their communities, willingness to take risks, neutral meeting spaces, and financial resources. All are needed for public-private partnerships to succeed.

As one leader of Grand Action noted, “philanthropy is the glue to our success.” While every community has unique characteristics, there are communities like Grand Rapids all around our country with similar stories, where philanthropy is providing the “glue” for successful public-private partnerships. As Grand Action has shown, bold thinking,

collegial planning, and action with a sense of urgency does work! We are grateful for the growing awareness among elected officials at the local, state, and national levels that a strong philanthropic sector contributes to a stronger America.

ROB COLLIER
PRESIDENT & CEO,
COUNCIL OF MICHIGAN FOUNDATIONS



Revitalizing a Downtown and Demonstrating Philanthropy

America's foundations and endowed philanthropy are essential social assets. They both fund programs that immediately address pressing societal problems and make strategic, long-term investments that lay a runway for economic expansion over generations. Time and again there are examples of foundations and individual philanthropists stepping up to the plate when no one else can, coalescing public and private sector ideas and resources for bold solutions to entrenched societal problems.

This report looks at the impact of endowed philanthropy's long-term investments in the city of Grand Rapids, Michigan, coordinated by the nonprofit organization Grand Action. Through the words of Grand Rapidians now seeing their downtown express a whole new character, this report underscores the power and importance of strategic giving by highlighting five major developments that have changed the landscape of the city:

A PLACE TO ENTERTAIN: THE VAN ANDEL ARENA

A PLACE TO LIVE: DOWNTOWN HOUSING

A PLACE TO GATHER: DEVOS PLACE

A PLACE TO HEAL: SECCHIA CENTER

A PLACE TO SHOP: DOWNTOWN MARKET

This report also captures the inclusive spirit of the public-private partnerships catalyzed by foundations. The learnings from Grand Action have contributed to many collaborations – five examples are shared here – that further demonstrate how these partnerships are impacting the neighborhoods and quality of life for all residents of Grand Rapids.



the arts Transforming the way a community thinks about art, the annual ArtPrize competition attracts the best and brightest while making Grand Rapids an international destination.



education By offering critical support from the 6th grade and the promise of a free college education, Challenge Scholars is brightening the future for hundreds of at-risk students.



environment Restoring the Grand River to its natural state, Grand Rapids Whitewater is re-envisioning how a city will interact with nature.



healthcare A model of public and private collaboration, Heart of the City Health Center is delivering integrated healthcare to low-income families regardless of their ability to pay.



neighborhoods Changing minds about what urban living can be, Dwelling Place has turned a once-blighted neighborhood into a stable community for low-income families.



From Grand Vision to Grand Action

By the early 1980s, Grand Rapids, Michigan, had come to a crossroads faced by many mid-sized, industrial cities at the time: a withering, if not dying downtown without a public solution in sight. But steered by endowed philanthropy and a nonprofit entity called Grand Action, the community took a dramatic turn for the better. The developments in Grand Rapids over the past three decades serve as a transformational model for public-private collaboration and community revitalization, and show the true power of long-term, strategic philanthropy.

Grand Rapids Mayor George Heartwell recalled the issues facing the city in the 1980s. Downtown, filled with thousands of workers by day, emptied come nightfall. Boarded-up and abandoned buildings littered the area's southern fringe. Most downtown residents lived on fixed incomes in large, subsidized apartment buildings. Retail had never recovered from the closing of department stores and the opening of large suburban malls in the late 1960s.

"By the time we got to the early 1980s, downtown had become really a daytime destination," Heartwell said. "People would come downtown to work. Maybe they came to do a little shopping. But that was really shifting to the suburbs by then. The theaters had closed. There wasn't a lot of entertainment... workers would go home to the suburbs."³

For more than a decade, local business and political leaders discussed the potential of constructing a sports and entertainment arena to generate economic activity in the heart of the city. The public sector on its own tried but failed to secure a source of funding. In 1982, the Kent County Board of Commissioners voted against contributing a share of \$14 million to the downtown arena. Again in 1983, county voters turned down a similar proposal. Something, or someone else was needed to spark a new downtown Grand Rapids.

That spark came in 1991, when a group of community leaders converged a broader coalition of stakeholders to address the city's critical development needs. Dubbed "Grand Vision," the group assembled more than 50 residents from local business, labor, government, and academic communities. Grand Vision tasked itself with

determining the feasibility and potential economic impact of building an arena, and expanding local convention facilities.

To paint a picture of what a renewed downtown Grand Rapids could look like, Grand Vision first authorized a \$120,000 economic impact study, funded primarily through philanthropic contributions. The study identified enormous, untapped demand for a new downtown arena, entertainment district and convention facility. Seeing great potential for their city, Grand Vision and local foundations expanded the concept for a new downtown and commissioned additional economic impact studies uncovering the significant potential of a medical school facility and a large downtown market.

Steve Heacock, a health executive with Spectrum Health in Grand Rapids and former chairman of the Kent County Board, noted these studies as critical components to facilitating the ensuing political collaborations.⁴ "I think the [convention center] study was very important. This was a business-led effort. It wasn't out of government. From a business perspective, it was 'let's prove the concept and then let's execute,'" Heacock recalled.

In 1993, with a firm vision for a new downtown, the group rebranded itself "Grand Action," moved from a planning phase to an execution phase, and facilitated the development of the arena and convention center. Both required high levels of cooperation and commitment from all stakeholders, both public and private. The impact of the arena and convention center, completed in 1996 and 2003 respectively, set the stage for a new downtown and led to future projects overseen by Grand Action and seeded with investments from private foundations.



Steve Heacock, now chairman of the Convention Arena Authority, which administers the Van Andel Arena and DeVos Place convention center, does not believe either would have been built without Grand Action and the supporting foundations' efforts to bring both the public and private sectors to the table. "I doubt the arena [would have been] done. The convention center probably would have gotten done, but it wouldn't look like it does ... " Heacock said.

A snapshot of downtown Grand Rapids today – home to a thriving arena, entertainment district, downtown market, convention center, public museum, medical corridor, public university campus and hundreds of professional residents – bears almost no resemblance to the bleak landscape of three decades ago.

“The ability of Grand Action to cut the red tape and get things moving was pretty impressive.”

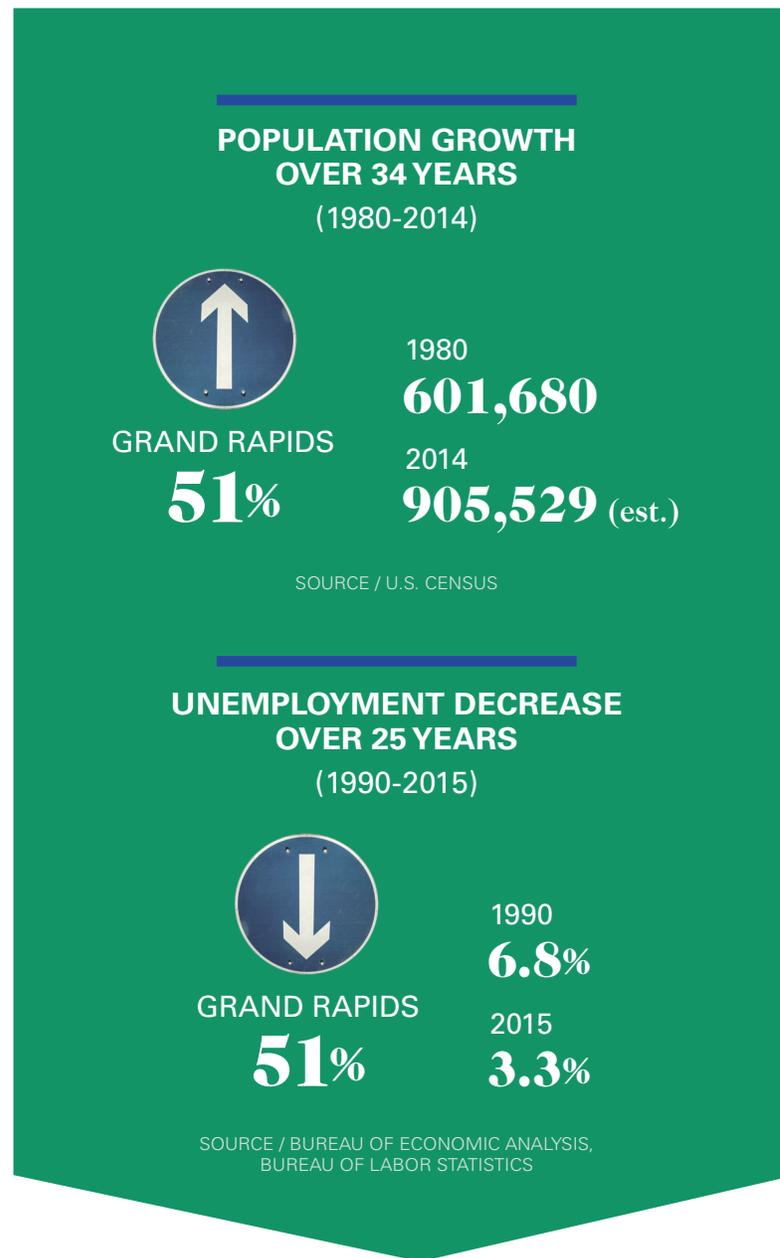
**JOHN ENGLER
FORMER MICHIGAN GOVERNOR**

The physical imprint made possible by the long-term vision of endowed philanthropy is unmistakable in present-day Grand Rapids. Foundations and private donors have helped transform the city, touching almost every aspect of life from education to the arts and the environment, and from healthcare to refreshed neighborhoods. The projects triggered by Grand Action account for \$420 million in capital investment, including \$125 million in private funds, while the cumulative indirect economic impacts and long-term returns far surpass these totals.⁵

The raw data shows just how desirable of a place Grand Rapids has become. The number of downtown housing units has increased eight-fold in 25 years.⁶ Population in one central downtown Grand Rapids district nearly tripled from 1980 to 2010, and as young professional workers started migrating downtown, average household income in the same area more than tripled from 1979 to 2013.⁷

From Grand Vision to Grand Action, the initiative has lived up to its motto: Think Boldly. Plan Collegially. Act Urgently. The city of Grand Rapids owes a tremendous amount of

gratitude to the more than 250 individuals that make up the organization. It has identified areas of downtown in need of fresh thinking, worked to build public consensus around economically significant projects, and shepherded these plans to fruition. A vital part of this process has been the participation and support, financial and otherwise, of local philanthropists, private donors, and foundations. But for their long-term outlook and strategic approach of endowed philanthropy, none of these successes would have been possible.





A Place to Entertain: The Van Andel Arena

The Van Andel Arena, a 12,000-seat downtown facility costing \$77 million, opened its doors in 1996. It was seeded by a donation from the Jay and Betty Van Andel Foundation, which led to a joint financing effort that eventually secured \$21 million from private sources and another \$56 million in public support.

David Van Andel, son of Amway co-founder Jay Van Andel, said his father was motivated to contribute to the arena and other Grand Rapids projects by long-held faith in the city's future. "He and my mother both treated Grand Rapids as their home. They were proud of their roots and so Grand Rapids became a focus of a lot of their giving." Van Andel said his father and Amway co-founder Rich DeVos also believed a healthy urban core was key to regional prosperity. "They always believed the core of the city had to be vibrant in order for the area to be vibrant."⁸

Jay Van Andel's theory proved correct, and the new arena was a catalyst for economic development in the surrounding areas. The arena hosts a variety of events, including concerts, shows, and sporting events, and also serves as home rink for the Griffins, Grand Rapids' American Hockey League team. Billboard Magazine recognized the Van Andel Arena as the second-highest grossing midsize arena in the world in 2010, and the facility's box office grossed \$126 million between 2000 and 2009.⁹ An economic impact study by the Anderson Economic Group found that Van Andel Arena hosted 544,396 attendees in 2011, with nearly half coming from outside the county. It also estimated the arena accounted for \$22.6 million in economic output and 252 jobs over the same period of time.¹⁰

Darerraoul Jackson lives east of the Van Andel Arena in Grand Rapids. He depends on the money he earns working special events, concerts, and hockey games. "I need this income to survive. I'm glad to be utilized. It keeps me active."

Grand Rapids Mayor George Heartwell noted the arena's palpable impact even before it was finished: "In the six months around the arena's opening, 14 new restaurants opened in downtown Grand Rapids. The Van Andel Arena spurred the vitality we see today, a remarkable story of an urban center that has reinvented itself."



IMPACT OF VAN ANDEL ARENA IN A SINGLE YEAR (FISCAL 2011)

\$22.6M
ECONOMIC IMPACT

544,396
ATTENDEES HOSTED
46.8% (ATTENDEES FROM OUTSIDE THE COUNTY)

252
JOBS CREATED

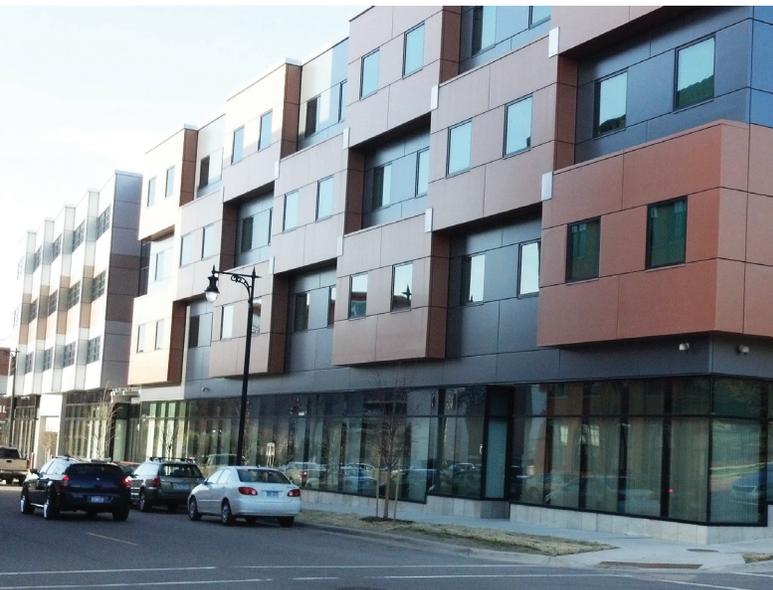
SOURCE / ANDERSON ECONOMIC GROUP



A Place to Live: Downtown Housing

As the economic district surrounding the new Van Andel Arena prospered, demand for downtown housing grew exponentially. As evidence, the population of a major census tract in the heart of downtown Grand Rapids increased from 807 residents in 1980 to 2,166 in 2010.¹¹ Average household income more than tripled, rising from \$16,145 in 1979 to \$51,187 in 2013.¹² The number of housing units in the Downtown Development Authority's taxing district increased from just over 1,000 units in 2000 to more than 3,500 units in 2015,¹³ and the development of more than 800 additional units is underway in and around the downtown area.¹⁴

As further evidence, a 2014 study by Chicago-based Triad Real Estate Partners concluded the Grand Rapids downtown apartment market had reached "a point of critical mass" that would continue to attract new development.¹⁵ The report praised the improvements in Grand Rapids as unequivocally "moving in the right direction." The study also highlighted the tireless efforts of those committed to revitalizing the city: "To call Grand Rapids' resurgence miraculous would be to deny credit to the multitudes of individuals who have labored tirelessly over the past two decades, dedicated to making their collective vision of a prosperous Grand Rapids a reality."



687%

INCREASE IN HOUSING UNITS

2015
3,590



2010
3,071



2000
1,047



1990
453



*WITHIN TAXATION BOUNDARY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY

SOURCE / DOWNTOWN GRAND RAPIDS INC.

217%

INCREASE IN AVERAGE INCOME

2013
\$51,187



1999
\$28,599



1989
\$12,666



1979
\$16,145



SOURCE / U.S. CENSUS, TRACT 20



A Place to Gather: DeVos Place

Located adjacent to DeVos Performance Hall on the banks of the Grand River, the DeVos Place convention center opened in 2003. The center is approximately 1 million square feet, and its column-free primary exhibition hall encompasses 160,000 square feet, the equivalent of nearly three football fields. The facility is used for private events, such as conferences, banquets, fundraisers, weddings and consumer trade shows.

Development of DeVos Place was seeded with a lead contribution from the Richard and Helen DeVos Foundation. The entire \$215 million cost was financed by numerous collaborators, including \$33 million in private donations, \$93 million from Kent County, \$65 million from the state of Michigan and \$10 million from the Grand Rapids Downtown Development Authority.

Former Michigan Governor and current President of the Business Roundtable John Engler noted West Michigan's philanthropic contribution to DeVos Place as a critical piece of the funding package for the facility, which received state approval during his tenure as governor: "It was essential. There was no ability for these to be 100 percent state-funded or 100 percent government-funded."¹⁶

The Anderson Economic Group reported DeVos Place hosted nearly 400,000 attendees in 2011, with more than 217,000 coming from outside the county. It calculated the convention center accounted for \$26.2 million in economic impact and 314 jobs during that time, all sparked by a seed investment from the DeVos Foundation.



1 in 3

**EMPLOYEES OF DEVOS PLACE
AND VAN ANDEL ARENA LIVE IN
SURROUNDING NEIGHBORHOODS**

**IMPACT OF DEVOS PLACE
IN A SINGLE YEAR
(FISCAL 2011)**

\$26.2M
ECONOMIC IMPACT

399,811
ATTENDEES HOSTED

314
JOBS CREATED

SOURCE / ANDERSON ECONOMIC GROUP



A Place to Heal: Secchia Center, Michigan State University's College of Human Medicine

Completed in 2010 on the "Medical Mile" corridor along the eastern edge of downtown, the Secchia Center serves as the downtown home of Michigan State University's College of Human Medicine. Funding for the \$90 million facility, named after former Ambassador and lead donor Peter Secchia, got off the ground in 2006 when Grand Action joined with Michigan State University officials to launch a campaign raising an incredible \$40 million in private funds.

The seven-story, 180,000-square-foot center includes a virtual microscopy lab featuring advanced technology in cell evaluation and problem-based learning labs that train future physicians through team-based approaches to medical diagnostics.

The impetus for the project also came from Grand Action, who in 2004 contracted with Deloitte for an economic impact analysis of the College of Human Medicine's proposed transition from East Lansing to Grand Rapids. The study projected a significant economic impact from the new center of \$1.6 billion over 10 years, as well as the creation of 2,800 jobs.¹⁷



PROJECTED 10-YEAR IMPACT OF SECCHIA CENTER

\$1.57B
ECONOMIC IMPACT

\$918M
INCOME ADDED FOR INDUSTRIES
SUPPORTED BY CENTER

\$61M
ADDED SALES AND
LOCAL TAXES

2,835
JOBS CREATED

SOURCE / DELOITTE CONSULTING



A Place to Shop: Downtown Market

Opened in 2013, the Downtown Market is located on the southern edge of downtown Grand Rapids. The 138,000-square-foot complex houses two-dozen vendors, rental incubator kitchens, and classrooms for local students studying culinary arts. It also features outdoor rain gardens and a farmer’s market.

Grand Action and private philanthropy once again provided the spark for this venture by commissioning a feasibility study in 2009 on the prospect of building this urban market. Grand Action helped assemble top donors and

local foundations, ultimately raising \$12.5 million in private funds for the project. This in turn leveraged more than \$15 million in public funds for the \$30 million project.

A 2010 analysis by Market Ventures, Inc., a specialty urban planning and economic development firm, calculated a total 10-year economic impact of \$775 million. It also projected the Downtown Market would generate more than a thousand jobs, including construction.¹⁸

A Place to Thrive: Downtown Grand Rapids

As a result of Grand Action and the long-term vision of private philanthropy, the downtown landscape of Grand Rapids has transformed into a thriving community that attracts attention from businesses and the public alike.

Birgit Klohs, president and CEO of The Right Place Inc., a regional economic development agency, said the cumulative impact of these and other strategic projects can be a tiebreaker when it comes to selling businesses on relocating to the area. “When a company comes in here we always make sure they see downtown,” Klohs said.

“Today, the talent pool we are interested in wants to know what amenities you have. ‘Do I have access to really cool concerts? Do you have a really cool downtown market? Do I have access to a convention center?’”¹⁹ Thanks to Grand Action and forward-looking donors, the answer to these questions is yes.

“I have had foreign companies come in here and look at our downtown and it’s always with astonishment. They say, ‘I had no idea.’”

**BIRGIT KLOHS, THE RIGHT PLACE INC.
PRESIDENT & CEO**

168% INCREASE IN POPULATION

2010
2,166



2000
1,655



1990
1,245



1980
807



SOURCE / U.S. CENSUS, TRACT 20

157% INCREASE IN POPULATION AGED 25-44

SOURCE / U.S. CENSUS, TRACT 20

ArtPrize

Vision

Stage an annual art contest with an open entry process, stirring community-wide interest in art and helping to transform downtown Grand Rapids into a premier destination.

Plan

In 2009, Grand Rapids businessman Rick DeVos unveiled his idea for a novel competition to attract the best and brightest artists to the city. Rick conceptualized ArtPrize as a \$449,000, three-week art contest with a \$250,000 first prize to be awarded by votes from the public.²⁰ ArtPrize became a reality thanks to primary funding support from the Grand Rapids-based Dick & Betsy DeVos Family Foundation - an organization founded by Rick's parents.

Action

In its first year, ArtPrize was successful beyond most Grand Rapidians' wildest dreams. The contest attracted more than 1,200 artists from 41 states and 14 countries. Engaging with community groups across the city, ArtPrize saw the placement of entries in more than 150 downtown venues – atop bridges, in public squares, inside buildings, outside restaurants, even in the Grand River.

In addition to ongoing support from the Dick & Betsy DeVos Family Foundation, ArtPrize now receives funding and support from a range of regional foundations, businesses and public bodies, including the City of Grand Rapids and The Rapid transit authority.²¹

Impact

Where is ArtPrize today? Time Magazine listed ArtPrize in 2013 as one of five worldwide festive events “you won't want to miss.”²²

By its fifth year in 2013, ArtPrize had a \$22 million economic impact on Grand Rapids, according to an analysis by the Anderson Economic Group.²³ Over 200,000 visitors attended the event, with more than 300,000 public votes cast. The analysis found that just 13 percent of visitors resided in Grand Rapids – 39 percent came from surrounding counties, 41 percent from other parts of Michigan, and nearly eight percent of attendees came from outside of Michigan.

Scott D. Watkins, director of market and industry analysis at Anderson Economic Group, said ArtPrize has become a “cornerstone event for the Grand Rapids economy and Michigan's leading cultural experience.”²⁴ One local arts expert stated that a key legacy of ArtPrize may transcend economic impact.

Joseph Becherer, chief curator and vice president for collections and exhibitions at Frederik Meijer Gardens & Sculpture Park near Grand Rapids, believes ArtPrize has pulled off a rare feat in engaging much of the general public in a robust discussion about art. “This is cultural transformation,” Becherer said.²⁵ “It is bringing people to ArtPrize that could have stayed home and watched TV. This is getting them to do something else, to care about art. It is like encouraging them to go see their first play. It is fantastic.”

\$22M

ECONOMIC ACTIVITY

250

JOB'S SUPPORTED

225K

ATTENDEES
(nearly 50% traveling from
outside Grand Rapids)

\$75,431

ATTENDEE AVERAGE
HOUSEHOLD INCOME



Grand Rapids Whitewater

Vision

Transform a 2.2-mile stretch of the Grand River through downtown Grand Rapids, returning the river to its natural state by removing a series of dams and restoring rapids to the river.

Plan

Local outdoor enthusiasts Chip Richards and Chris Muller launched Grand Rapids Whitewater in 2009, with the initial idea of creating a kayaking course along the downtown waterfront. A 2011 study funded by the Environmental Protection Agency concluded the project was feasible, and with growing philanthropic and community support, Chip and Chris's vision became a \$30 million plan to develop and restore the Grand Rapids River and waterfront.

Action

During the formative stages of the project, the Grand Rapids-based Wege Foundation funded a consultant to provide what would become vital assistance for Grand Rapids Whitewater. The foundation engaged environmental consultant Mark Van Putten, a former president of the National Wildlife Foundation and one of 30 American "Clean Water Heroes" in 2002,²⁶ and tapped into his knowledge of Capitol Hill and the federal regulatory and funding landscape.

Van Putten led delegations of public, foundation and business officials from West Michigan to Washington, DC, to consult with federal officials on the Grand Rapids Whitewater plan. He served as a liaison to local Members of Congress and U.S. Senator Debbie Stabenow (D-MI). Van Putten was pivotal in securing designation of the project as an Urban Waters Federal Partnership in 2013, which allowed for federal regulatory and planning assistance, and opened the door to federal funding. This would not have been possible without the Wege Foundation's engagement.

Muller described Van Putten's knowledge and connections as "crucial" to the project's forward momentum. His expertise is a notable example of how endowed philanthropy can assist such endeavors beyond funding support.²⁷

Grand Rapids Whitewater received backing in May 2015 from the Grand Valley Metro Council, which represents 36 regional communities. The project also has access to staff and research support in part due to a grant from the Wege Foundation.

"The learnings from 25 years of collaboration have given the City both the confidence and capacity to take the lead with our partners on bold initiatives like Grand Rapids Whitewater. Together we know we have the capacity to make generational change in how the region interacts with its river," notes Eric DeLong, deputy city manager for Grand Rapids.²⁸

Impact

In 2014, Grand Rapids area foundations, including the Dick and Betsy DeVos Family Foundation, the Frey Foundation, the Wege Foundation and the Dyer-Ives Foundation, commissioned The Anderson Economic Group to study potential economic impacts of Grand Rapids Whitewater. The study concluded that expanded recreational use of the river and riverfront would generate an economic impact between \$15.9 million and \$19.1 million every year.²⁹ It projected significant new tourism tied to new recreational activities such as kayaking, fishing, rafting, stand-up paddling and wading, and also anticipated increased visitor spending and earnings for the Grand Rapids workforce.

\$16-19M
ECONOMIC ACTIVITY

\$1.9-2.3M
NEW NET EARNINGS

230-540K
NEW VISITOR DAYS

80-96
JOBS SUPPORTED



Dwelling Place

Vision

Transform the blighted Heartside neighborhood, an area dotted with rooms for rent and adult video stores – a breeding ground for crime, homelessness and prostitution.

Plan

In an effort to turn around the neighborhood and provide stability that had been lacking for decades, nearby churches and neighbors convened to find a solution. The Dyer-Ives Foundation agreed to provide \$4,000 in start-up funds to launch the Heartside Neighborhood Association,³⁰ which invested the money into a study to plot a course of action.³¹

The report attributed the neighborhood's instability in great part to a housing crisis.³² Increased homelessness coupled with growing deinstitutionalization were expected to exacerbate the problem. Stability in the housing market appeared to be an ideal first step in rejuvenating Heartside.

Action

In 1980, seven churches joined forces to create Dwelling Place, a nonprofit aimed at developing supportive low- to moderate-income housing.³³ The churches helped Dwelling Place purchase several buildings at greatly reduced costs,

but despite the inexpensive real estate, the meager rent payments from tenants still barely covered expenses. "I call those the benevolent slumlord years. Everything was hand to mouth," said Dwelling Place Chief Executive Officer Dennis Sturtevant.

Dwelling Place hobbled along for nearly a decade until an investigation was convened to evaluate the viability and utility of the initiative. The subsequent report urged the continuation of Dwelling Place and outlined steps for its survival.³⁴ Once again, foundations stepped up and offered their assistance. The Grand Rapids Community Foundation and Steelcase Foundation agreed to pay a new director's salary for two years in order to implement the recommendations.³⁵ "We needed to change the 'skid row' image of the neighborhood, so we began to look at commercial revitalization," Sturtevant said.

Dwelling Place secured \$1 million in private funds to purchase and repurpose three dilapidated buildings. One gave artists space to live, work and display their art. Another became an apartment building for families. The redevelopment efforts also included street-level improvements, such as colorful building murals and trees lining the streets, projects primarily funded by the city.

Impact

Over the last 25 years, Dwelling Place has created and improved more than 1,300 affordable housing units, both inside and outside the Heartside neighborhood. Heartside has evolved into an eclectic neighborhood of art galleries, apartments, church ministries, a soup kitchen and small businesses that provide the stability the neighborhood sorely needed.

Several foundations planted the seeds of this transformation, which required long-term planning to initiate, implement and flourish. "It used to be that foundation dollars helped to pay the bills. Now, that money is used almost exclusively for capital projects," Sturtevant said.

Lee Nelson Weber, program manager at the Dyer-Ives Foundation, has high praise for Dwelling Place: "I credit Dwelling Place and its partners for acting strategically over 30-plus years to acquire property, develop housing, and build a neighborhood. The combination of advocacy coupled with action has been key to impact."³⁶

22

HOUSING PROJECTS LEVERAGING
PHILANTHROPIC DOLLARS

700+

AFFORDABLE HOUSING UNITS

Challenge Scholars

Vision

To better equip students from low-income families for success by ensuring they are prepared for post-secondary education.

Plan

In 2007, the Grand Rapids Community Foundation commissioned a \$25,000 analysis of its educational grantmaking and scholarship programs.³⁷ “We found that we were not making an impact,” Program Evaluator Cris Kutzli recalled. “There was no correlation between our investment and what we were seeing in the schools.” Something had to be done, so during the ensuing restructuring of the program the foundation created a task force that established the Challenge Scholars program to help students reach their full potential in secondary and post-secondary education.

Action

Organizers first launched Challenge Scholars in targeted schools and grade levels, leaving room for later growth to other schools and ages. Students begin Challenge Scholars in the sixth grade, and remained in the program through

high school and on into college or vocational school. The program includes math and literacy coaching, a college pathway coordinator, food and housing assistance based on need and several safety nets for participants. “It is a web of public-private partnerships that goes in every direction,” said Gina Bovee, co-director of Challenge Scholars.

To get the program off the ground, the Grand Rapids Community Foundation redirected \$6 million into Challenge Scholars, and three other foundations each contributed \$1 million from their own endowments.³⁸ They engaged in an aggressive campaign to recruit donors of all types, and ended up exceeding the initial \$32 million goal by \$1.6 million.

In 2013, the sixth grade students at two Grand Rapids public schools were inducted as the first Challenge Scholars. More than 90 percent of students at both of these schools come from economically disadvantaged backgrounds. The next class of sixth graders joined in 2014, bringing the total number of students in the program to 300. Another elementary school is expected to join the program in the near future.³⁹

Impact

Even in the early stages, the Challenge Scholars program is demonstrating results. Middle school students in the program have significantly improved attendance records, and earned 25 percent higher test scores in math and reading.⁴⁰ In addition, seven colleges have endorsed the program and are promising substantial scholarships for Challenge Scholars accepted into their programs.⁴¹

700

COLLEGE GRADUATES
LIKELY IN 10 YEARS

427%

POTENTIAL RETURN
ON INVESTMENT

Heart of the City Health Center

Vision

Deliver a new kind of healthcare to people living at or below the poverty line by integrating primary care, mental health services, behavioral counseling and wellness all under one roof.

Plan

Three healthcare organizations joined forces in 2008 to create Heart of the City Health Center, knowing that if foundations and others came forward with funding for a capital campaign, then hopefully enough could be raised through a combination of public and private funds to develop the Center.

But the true genesis of Heart of the City goes back at least a couple of decades, said Chris Shea, executive director of Cherry Street Health Services, which now runs Heart of the City Health Center. When he first arrived at Cherry Street 18 years ago, his staff included one fundraiser, a position underwritten by the Grand Rapids Community Foundation.⁴²

Action

Fifteen Michigan-based foundations contributed more than \$2 million to the \$30 million capital campaign. Those donations, ranging from \$5,000 to \$250,000, provided dollars to leverage with other public and private contributions.⁴³ “We might not have conceptualized Heart of the City if we hadn’t known the foundations would be there to support us,” said Shea.



Impact

When Heart of the City opened its doors in 2011, Michigan Gov. Rick Snyder attended the inauguration to endorse the initiative as a model for integrated care.⁴⁴ Since its launch, the center has served more than 8,000 low-income people each year, and has provided care from physicians, dentists, psychologists, psychiatrists, physical therapists and dietitians in one easily accessible location near downtown Grand Rapids.

Shea today turns to foundations not only for capital campaigns, but also for inspiration in creating new services and programs. “Now the foundations are innovators. They look at the issues and help us think things through,” he said.⁴⁵

8,000
LOW-INCOME PATIENTS
SERVED ANNUALLY



Think Boldly, Plan Collegially, Act Urgently

A look at the process Grand Action employs reveals just how long of a time horizon and how much dedication is needed for impactful change. First, individual buildings and projects need to be identified for revitalization. Then, public opinion must be galvanized in support. Third, there is a lengthy design and planning phase, including the development of funding strategies and securing of resources with foundations as early investors. All of this happens before ground is even broken, and does not include the time it takes to see a project through to completion and the economic expansion generated.

Grand Action demonstrates...

1 Incredible outcomes are possible when philanthropists who think big have the ability to plan collaborative work on time horizons of ten, twenty, even thirty years.

2 Foundations are indispensable laboratories of innovation, willing to seed and launch initiatives when other partners lack the capacity to do so.

3 Foundations are key partners providing the nimbleness and know-how to help empower the public sector to successfully chart new courses in tackling tough economic and social problems.

The transformation of downtown Grand Rapids over the past three decades is nothing short of remarkable, and puts the city's facilities and amenities on par with metropolitan areas several times larger.

Every community has individuals determined to leverage valuable resources in pursuit of a better quality of life for everyone. As long as private philanthropy is able to pursue generational objectives like Grand Action, the story of Grand Rapids can be repeated in cities around America.

“Cities need to innovate and collaborate at the local level and depend on their networks, something Grand Rapids already does quite well.”

BRUCE KATZ, VICE PRESIDENT AND DIRECTOR OF METROPOLITAN POLICY PROGRAM AND BROOKINGS INSTITUTION⁴⁶

“Policy makers need to understand that philanthropy epitomizes the uniquely American spirit that combines empowerment with support for our neighbors.”

JOHNTYLER, CHAIR, THE PHILANTHROPIC COLLABORATIVE & ALICIA PHILIPP, PRESIDENT, THE COMMUNITY FOUNDATION FOR GREATER ATLANTA⁴⁷



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The Philanthropic Collaborative

philanthropycollaborative.org
601 13th St NW, Suite 950 South
Washington, DC 20005
202-469-3160

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