

we are alive

A grand bargain for **America's city**

The inside story behind the largest municipal bankruptcy in U.S. history and how the people of an iconic American city facing financial ruin followed a treacherous path toward a new beginning.

A Sam Katz Film

by

HISTORY MAKING
PRODUCTIONS

Produced and Directed by

Sam Katz and James McGovern

Nathan Bomey

Principal Scriptwriter

Chastity Pratt-Dawsey

Associate Producer

Sandra Svoboda

Associate Producer

Tom Sugrue

Senior Historical Advisor

Featuring interviews with...

Emergency Manager Kevyn Orr, Bankruptcy Judge Steven Rhodes, Chief Judge and Chief Mediator Jerry Rosen, Michigan Governor Rick Snyder, Foundation Executives Darren Walker (Ford), Rip Rapson (Kresge), Alberto Ibarguen (Knight) and Mariam Noland (Community Foundation), Philanthropist A. Paul Schaap, DIA Chair Gene Gargaro, Detroit Retirees Association President Shirley Lightsey, poet jessica Care moore, Artist Allie McGhee, Restaurateur Joe Spencer, Civic Activist Shea Howell, Attorney Jerry Goldberg, and many others

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Press Materials & Photographs Available at **<https://www.bankruptcyofdetroit.com>**

Synopsis

Detroit—once heralded as the spirit of American manufacturing, music and democracy—descended into disrepair and insolvency over the course of several decades, culminating in the largest municipal bankruptcy in U.S. history in 2013. With democracy suddenly suspended, the city became the epicenter of courtroom drama and backroom deals with life-altering consequences for residents, retirees, bankers and politicians. The bankruptcy also taught profound lessons on the consequences of avoiding tough decisions and on the reconciling power of compromise in a politically paralyzed world. ***We Are Alive: A Grand Bargain for America's City*** is the story of Detroit's climb out of bankruptcy and towards a future of possibilities. In this real-life drama, people of all backgrounds and viewpoints found common ground in search of a solution to give Detroit a new lease on life. A recovery for all Detroiters will define whether the grand bargain can serve as a model for urban America.



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The Story

By July 2013, the City of Detroit was flat broke and in the final throes of a decades-long slide toward insolvency. With more than \$18 billion in debt, Detroit filed the largest and most complex municipal bankruptcy in history. But behind the cold text of its bankruptcy petition were the human costs of Detroit's crisis. The most basic public safety and sanitation services—when delivered at all—were sporadic and haphazard. The city owed \$3.5 billion in unfunded pension liabilities and had promised its retirees lifetime healthcare at a cost of about \$5.7 billion, for which no funds had been reserved. More than 4 in 10 city dollars were being used to pay retiree costs and debt—and that number was projected to grow to nearly 7 in 10 within five years. Detroit's population had dwindled from nearly 1.9 million in 1950 to 713,000 in 2010. Its once-vibrant neighborhoods were studded with nearly 150,000 vacant or abandoned houses and vacant lots, depressing already rock-bottom real estate prices. Indeed, the city's financial crisis was a monument to decades of economic despair, which was accelerated by industrial disinvestment, suburbanization, racial inequality, fiscal mismanagement, dysfunctional city services, municipal corruption and total neglect. By 2013, the city's tax base had eroded so substantially that there was simply no room for raising additional revenues through taxation, already the highest in Michigan. Borrowing ceased to be an option as Detroit had reached its statutory debt limitations and had bond ratings deeply below investment grade.

The financial crisis put retirees at risk of pension cuts and the loss of their health care. And it jeopardized the future of Detroit's most monetize-able asset—the Detroit Institute of Arts—whose world-renowned collection included masterpieces by Van Gogh, Rembrandt, Picasso and Matisse. Facing a potentially ruinous ending, some creditors pressed hard for the liquidation of the museum's collection.

We Are Alive: A Grand Bargain for America's City is the story of how Detroit climbed out of bankruptcy, forming both a cautionary and inspiring tale. In this real-life drama, people of all backgrounds and viewpoints found common ground in search of a solution to give Detroit a new lease on life. Whether the city's recovery is inclusive across race, class and ethnic communities will determine whether the Grand Bargain that enabled the city's exit from bankruptcy is a sustained success.

This story will resonate with audiences from around the nation and the world, including those living in states and communities facing fiscal distress and nations where faith in democratic government and civil discourse is flickering.

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Message from the Director—Sam Katz

I have spent my entire professional life engaged in cities: as an undergraduate student in urban affairs; a graduate student in urban policy analysis; a staffer for the Lindsay Administration in New York; as a program analyst for a Philadelphia civic organization; as a political campaign manager; as a municipal financial advisor; as a candidate for mayor of Philadelphia; as a CEO for a business civic organization; and as a documentary filmmaker. The opportunity to tell the story of Detroit's descent into fiscal and service insolvency and through its historic and unprecedented bankruptcy was one I did not want to miss.

While serving as Chair of the Board of Pennsylvania's Intergovernmental Cooperation Authority, a state created body with responsibility for oversight of Philadelphia's finances, I began monitoring the fiscal distress that was making bankruptcy a real possibility in Detroit. I had spent 25 years of my professional career as a financial advisor to state and local governments across the country while serving as CEO of Public Financial Management (now The PFM Group). I had advised numerous cities that were undergoing fiscal distress but never one that was a *bona fide* candidate for bankruptcy. When bankruptcy emerged as a serious option in Detroit, I began thinking that a documentary on a major municipal bankruptcy could be fascinating and entertaining. After seeing the film *THE BIG SHORT*, which made sub-prime mortgages and collateralized debt obligations an entertaining and engaging story, I felt confident that the Detroit bankruptcy would be a terrific subject for a documentary.

Commencing in late January 2016, I made contacts with many of the people who had played a significant role in the bankruptcy proceedings. I knew we needed the participation of the professionals who participated in the adjudication of the bankruptcy case as well as Detroiters who had lived through the city's decline and eventual bankruptcy. That process took about a year. I was fortunate to assemble a terrific team of experts and production professionals.

Detroit has long been America's city. It was one of the nation's most significant centers of industrial production, marketing, design and engineering. Its music and culture gave America its soul. Important developments in organized labor, the rise of black political power, racial segregation, the creation of middle class, suburbanization, deindustrialization and ultimately municipal decline were all Detroit exports. Bankruptcy and the extraordinary changes occurring in the city are but another in a series of events that make Detroit a bellwether community for the best and worst of urban America.

In this bankruptcy, the state of Michigan assumed control of the city's finances and operations through the appointment of an emergency manager. Then Detroit borrowed the powers of the federal government to impair contracts and restructure the city's finances and operations. One participant described the bankruptcy as "asset-less," but in fact Detroit owed at least one very valuable asset: the Detroit Institute of Arts and its priceless collection. Through an ingenious and audacious plan to infuse the city with fresh cash from philanthropy, the DIA and the state of Michigan, Detroit was able to save its museum and art while nearly fully honoring its pension obligation to first responders and dramatically reducing adverse impacts for civilian retirees. The exit from bankruptcy occurred in just 17 months, ending in December 2014. With democracy suspended, the process of "kicking the can down the road" finally ended. Complex negotiations involving thousands of creditors required a collaboration of unlikely heroes willing to make previously impossible choices and to do so in a political environment made possible only in bankruptcy.

Today Detroit is alive and aspiring. That is happening precisely as a reflection of the heart and determination of its people and some courageous compromise between major stakeholders. The outcome—the survival of Detroit and an ever-widening sense of possibility for the city's future—was indeed a grand bargain.

We are all very excited to be poised to tell that story to a national audience.



Key Production Team Bios



Sam Katz, Producer and Director. Sam has enjoyed a diverse career in public finance, venture capital, politics, civic engagement and filmmaking. In 1976, Sam co-founded Public Financial Management, a state and local government financial advisory firm and served as CEO during much of his 20-year tenure. He also established a venture capital fund and remains active as a private equity investor. Sam was a candidate for Mayor of Philadelphia (1991, 1999, 2003) and Governor of Pennsylvania (1994). Sam launched History Making Productions in 2008 to produce a series of films about Philadelphia's history, which have been awarded 14 EMMYs.



James McGovern, Producer and Co-Director. James is a Detroit based filmmaker and television writer, producer and musician who has spent the last 16 years creating and producing award winning narratives. His work has been seen nationally on PBS, FOX, ESPN, CBS and at film festivals. James has covered stories on urban farming, education, music history and stem cell research. His film "Boogie Stomp" garnered international acclaim, winning several best documentary awards and placing in more than a dozen film festivals. James has also produced broadcast advertisements for a wide range of corporate clients.



Nathan Bomey, Principal Scriptwriter. Nathan is a business reporter for *USA Today* and a former reporter for the *Detroit Free Press* where he served as lead reporter on the Detroit bankruptcy and covered General Motors. His coverage of the bankruptcy case earned him numerous awards. Nathan's book, *Detroit Resurrected: From Bankruptcy and Back*, was hailed by the New York Times as "a valuable work of urban policy". His latest book, *After the Fact: The Erosion of Truth and the Inevitable Rise of Donald Trump*, was published this year.



Chastity Pratt-Dawsey, Associate Producer. Chastity covers urban affairs and Detroit for *Bridge Magazine*, a digital news publication. She joined the magazine in 2013 after more than a decade of coverage of the Detroit Public Schools for the *Detroit Free Press*. She also collaborated with NextChapterDetroit.com on a series that explored Detroit's path through and beyond bankruptcy. Chastity's award-winning coverage of blight around public schools inspired Detroit's blight reduction initiative and was a precursor to the award of \$200 million in federal blight removal grants.



Sandra Svoboda, Associate Producer. Sandra covered the Detroit bankruptcy on air and online for WDET-FM, Detroit public radio. She was the chief curator of NextChapterDetroit.com, a collaborative website hosting news, blogs, court documents and other bankruptcy related content. She teaches at the University of Michigan-Dearborn and at Wayne State University. Sandra is an avid sailor, cyclist, and chef. She is an active volunteer in several Detroit area non-profits.



Tom Sugrue, Senior Historical Advisor and Associate Producer. A Detroit native, Tom is a professor of history and culture at New York University. He has written extensively about 20th century American history, urban politics, policy, race and ethnicity. His book, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* was published in 1996 and continues to be one of the most influential books on urban America. Tom has frequently appeared on radio and television and has contributed his writings to numerous national print publications.

HISTORY MAKING PRODUCTIONS

About History Making Productions

Founded in 2008 by civic entrepreneur Sam Katz, History Making Productions (HMP) is an EMMY-award winning film production studio located in Philadelphia. Its team of writers, editors, filmmakers, artists, musicians and historians has collaborated to share Philadelphia's rich history through the broadcast, broadband, educational and experiential platforms. We have curated a broadcast, digital, educational and experiential public history project that is unique among American cities. Our flagship documentary film series, *Philadelphia: The Great Experiment*, explores Philadelphia's role as the nation's research and development laboratory for ideas and ideals through thirteen chronologically presented episodes. Eleven episodes have been produced to date and broadcast regionally on the ratings leader in the market, 6abc/WPVI-TV, to both critical acclaim and a substantial and loyal audience. The entire digital media content of this project is available at www.historyofphilly.com. Additions to HMP's portfolio of films on Philadelphia history include *Urban Trinity: The Story of Catholic Philadelphia* (premiered and broadcast in September 2015, during the week of Pope Francis' visit to Philadelphia); *Before Hollywood: Philadelphia and the Birth of the Movies* (premiered at the Philadelphia Film Festival in October 2017); *Daring Women* (to be premiered in September 2018); and *Journey: The Story of Jewish Philadelphia* (in development). HMP was also commissioned by the World Meeting of Families-2015 Philadelphia to produce three films on (1) the World Meeting, (2) the Papal Visit and (3) the Papal Mass. And recently, the nation's first construction guild, The Carpenters' Company of Philadelphia, commissioned HMP to produce a short documentary on the career of David McCullough, public historian and writer for screening at an event to announce The David McCullough Prize for Excellence in American Public History.

HMP has recently embarked on three new projects: (1) *We Are Alive: A Grand Bargain for America's City*, a documentary film telling the story of the bankruptcy of Detroit, the largest municipal bankruptcy in American history; (2) *Beethoven in Beijing*, a narrative about how China has emerged as a center of western classical music, building sizable and enthusiastic youthful audiences for this repertoire while American orchestras struggle to maintain fiscal balance and find new audiences; and (3) *Closing the Gap*, a film in search of the common characteristics found in high performing public, charter and parochial schools serving majority at-risk student populations that asks the question, what works to significantly close the education attainment gap for those students?

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Interviews

(Partial List, Interviews Conducted as of July 18, 2018)

Gerald E. Rosen

Chief Judge
U.S. District Court
Eastern District, Michigan
(Retired)

Eugene Gargaro

Chair, Board of Trustees
Detroit Institute of Arts

Eugene Driker, Esq.

Federal Mediation Team
Barris, Scott, Denn & Driker

Rip Rapson

President and CEO
The Kresge Foundation

Amanda Van Dusen

Bond Counsel
Miller Canfield

Anika Goss-Foster

Executive Director
Detroit Future City

Myrtle Denice Thompson

Urban Farmer
Owner, Feed 'Em Freedom

Kimberly Hill Knott

Policy Director
Detroitters Working for
Environmental Justice

Maggie DeSantis

Director
Warren Connect Development

Steven Rhodes

U.S. Bankruptcy Judge
Eastern District, Michigan
(Retired)

Mariam Noland

President
Community Foundation for
Southeast Michigan

Honorable Victoria Roberts

Federal Mediation Team
U.S. District Court
Eastern District, Michigan

David Egner

President & CEO
The Ralph C. Wilson, Jr.
Foundation

A. Paul Schaap

Detroit Philanthropist
Founder, Lumigen

Shane Bernardo

Urban Farmer

Joe Spencer

Owner
Louisiana Creole Gumbo

Allie McGhee

Artist

Jake Brown

Operations Manager
Belle Isle

Darren Walker

President and CEO
Ford Foundation

Alberto Ibargüen

President and CEO
John S. and James L. Knight
Foundation

Elizabeth Perris

Federal Mediation Team
U.S. District Court
District of Oregon
(Retired)

Shirley Lightsey

President
Detroit Retired City
Employees Association

Larry Gabriel

Author, Musician and Journalist
for Metro Times

George N'Namdi

President and Owner
N'Namdi Center for
Contemporary Art

Yakuza Moon

Poet

Tawana Petty

Poet

Joseph Harris

Former Auditor General
City of Detroit

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Interviews

(Partial List, Interviews Conducted as of July 18, 2018)

Steve Wojtowicz

City Retiree from
Detroit Water and Sewer Department

Kerry Duggan

White House Task Force of Detroit

Dan Kinead

Co-Leader
Urban Design Practice
Smith Group JJR

Bob Deis

Former City Manager
City of Stockton, CA

Ann Johnston

Former Mayor
City of Stockton, CA

Honorable Meredith Jury

(Retired)
U.S. District Court
Central District, California
Judge in the San Bernardino
Bankruptcy Case

Larry Rosenthal

Senior Lecturer
on Public Policy
University of California at Berkeley

Chastity Pratt-Dawsey

Journalist
Bridge Magazine

Shea Howell

Director
James and Grace Lee Boggs Center
to Nurture Community Leadership

Carl Neilbock

Metal Worker and Owner of
C.A.N. Arts

Honorable Christopher Klein

U.S. District Court
Eastern District, California
Judge in the Stockton Bankruptcy Case

Mike Fitzgerald

Columnist
The Record (Stockton, CA)
Covered the Stockton, CA Bankruptcy Case

Ryan Hagen

Journalist
Riverside Press Enterprise
Covered the San Bernardino
Bankruptcy Case

Honorable Michael McManus

(Retired)
U.S. District Court
Eastern District, California
Judge in the Vallejo Bankruptcy Case

Gary Brown

Chief Compliance Officer
Former City Council Member

Jerry Goldberg, Esq.

Civil Rights Attorney

Melissa Jacoby

Professor and Author
University of North Carolina
School of Law

Kurt Wilson

City Manager
Stockton, CA

Marc Levinson, Esq.

Senior Counsel
Orrick Herrington
Counsel to City of Stockton

Diane Lourdes Dick

Associate Professor
Seattle University School of Law

Robert Benedetti

Professor
Department of Political Science
University of the Pacific
Stockton, CA

A second round of interviews of an additional 50-75 individuals will commence during the summer of 2018.

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Connect With Us

email:

Sam Katz samkatz60@gmail.com

James McGovern jcmcgov@gmail.com

www.bankruptcyofdetroit.com



[bankruptcyofdetroit](https://www.facebook.com/bankruptcyofdetroit)



[@bankruptcity](https://twitter.com/bankruptcity)



Instagram

[@bankruptcity](https://www.instagram.com/bankruptcity)



[bankruptcyofdetroit](https://www.youtube.com/bankruptcyofdetroit)