

EXECUTIVE SUMMARY



Yale SCHOOL OF MANAGEMENT

CEO SUMMIT

Yale Mayors College

The New York Public Library | June 7, 2016

LEADERSHIP PARTNERS



Yale SCHOOL OF MANAGEMENT

Chief Executive Leadership Institute



Table of Contents

Key Themes	4
-------------------	---

Greetings & Introductions	6
--------------------------------------	---

Jeffrey A. Sonnenfeld, Yale School of Management
Anthony W. Marx, President & CEO, The New York Public Library

Global Lessons in Contrast on Urban Modernity: Reform & Resilience	7
---	---

OPENING COMMENTS

Peter C. Perdue, Professor of History, Yale University

RESPONDENT

D. Quinn Mills, Professor Emeritus, Harvard Business School

Resilient Cities for All – Compassionate Communities vs Scapegoating	9
---	---

PANEL

Toni Nathaniel Harp, Mayor, New Haven, Connecticut
Greg Fischer, Mayor, Louisville, Kentucky
Tom Tait, Mayor, Anaheim, California
Carolyn G. Goodman, Mayor, Las Vegas, Nevada
Tony Martinez, Mayor, Brownsville, Texas
Paul Soglin, Mayor, Madison, Wisconsin

RESOURCES

Douglas W. Rae, Professor of Management, Yale School of Management
Christopher Shays, Congressman (1987-2009), State of Connecticut

Improving Community Engagement and Public Safety	11
---	----

PANEL

John Curtis, Mayor, Provo City, Utah
Melvin L. Holden, Mayor, Baton Rouge, Louisiana
Tim Mahoney, Mayor, Fargo, North Dakota
Stephanie Rawlings-Blake, Mayor, Baltimore, Maryland
Mark Stodola, Mayor, Little Rock, Arkansas

RESOURCES

Dean M. Esserman, Chief of Police, New Haven, Connecticut
D. Quinn Mills, Professor Emeritus, Harvard Business School



Economic & Cultural Renewal

13

PANEL

Byron Brown, Mayor, Buffalo, New York
Virg Bernero, Mayor, Lansing, Michigan
Oscar B. Goodman, Mayor (1999-2011), Las Vegas, Nevada
David R. Martin, Mayor, Stamford, Connecticut
Stephanie Miner, Mayor, Syracuse, New York

RESOURCES

Anthony W. Marx, President & CEO, The New York Public Library
Maxwell L. Anderson, Executive Director, New Cities Foundation

Disruptive Technologies for System Transparency & Energy Efficiency

15

PANEL

Chuck Barney, Mayor, Minot, North Dakota
Ethan Berkowitz, Mayor, Anchorage, Alaska
Jon Mitchell, Mayor, New Bedford, Massachusetts
Richard J. Berry, Mayor, Albuquerque, New Mexico
Sly James, Mayor, Kansas City, Missouri
Beth Van Duyne, Mayor, Irving, Texas

RESOURCES

John H. Clippinger, Founder, ID3; Research Scientist, MIT Media Lab
Allen B. Truesdell, Partner, Deloitte & Touche LLP





Yale Mayors College

The Yale Mayors College brought together more than 20 mayors from across the United States, along with academics, futurists, and leading thinkers, to examine some of the most critical issues facing mayors and cities. Topics discussed included global lessons on urban modernity; improving community engagement and public safety; economic development; and disruptive technologies in cities.

Mayors occupy a unique position in America.

Americans think the political process is broken, especially at the state and national levels. But mayors and cities are different. As one mayor said, “We can put our swords down” more easily than in DC and get things done. Mayors don’t have to respond to special interests and are pragmatists, not ideologues. Mayors all want more resources, yet mayors can leverage resources that may not be obvious – like libraries – to make progress and drive change.

“Mayors are our last great hope.”

— Former political leader

Much can be learned by examining global cities.

Professors Peter Perdue of Yale and Quinn Mills of Harvard Business School shared insights and lessons from global cities, with a particular focus on China and India. Among these insights:

- The fates of megacities and the world economy are linked. In the United States, cities are engines of economic growth.
- Tremendous urbanization has occurred in China, resulting in the most megacities in the world. This rapid urbanization is the largest rural/urban change in history.
- China has made massive investments in infrastructure, including state-of-the-art transportation systems. Infrastructure investments in cities have been supported by national and state funding, which is lacking for cities in the United States.
- The Chinese economy has been manufacturing and export driven, which is unsustainable. It needs to transform to become more consumption driven. The United States needs to become more investment driven and take a longer-term perspective.

Cities are trying to create cultures of compassion.

Mayors are taking unconventional steps in working to create “cultures of compassion” and advocating for kindness with a goal of “making kindness contagious.”

At the same time, mayors face the very real and practical challenges of dealing with large numbers of people who are homeless and mentally ill, including panhandlers. Mayors shared examples of attempting to reduce panhandling and homelessness through initiatives including collaboration among faith leaders, law enforcement, and non-profits. Dealing with homelessness is a complex challenge. Cities are compelled to provide services and facilities for people in need (including individuals from the suburbs or surrounding towns that don’t provide adequate services) but don’t want to support and perpetuate an “industry” of homelessness; they want to solve the problem.

Relationships are the key to improving community engagement and public safety.

Many cities and mayors have experienced challenging situations involving violence. There was agreement that preventing such incidents and being able to effectively manage them starts with proactively investing in developing personal relationships, particularly between police officers and people in the community.

“We started building relationships long before this incident; not during it.”

— A city police chief

A mayor whose city had experienced unrest described articulating to the community and to law enforcement that they are in a long-term marriage, and separation and divorce are not options. They are stuck together and have to decide whether to make the relationship healthy or unhealthy.

Part of forging a healthy relationship is for the mayor and others in the city to listen to citizens. In Lansing, Michigan, the city listened to citizens’ concerns about lead in pipes; in nearby Flint, Michigan, officials didn’t listen.



Attracting companies and creating jobs is about more than tax incentives.

Mayors feel trapped by the game of offering tax and economic incentives to attract employers. Most frustrating to some is spending huge sums to attract or keep professional sports teams, which are private entities owned by wealthy individuals. In general, such deals don't net a positive payout.

Others argued against taxes and economic incentives, asserting that businesses are attracted to good communities that have good schools, roads, education, and quality of life. Investing in a modern infrastructure and having an entrepreneurial ecosystem was seen as a better strategy than tax giveaways.

Social media is a disruptive technology that mayors are embracing.

Social media gives mayors the ability to disseminate messages and communicate with citizens without having to rely on the media. Mayors were critical of the media for preferring a sensationalistic narrative that involves conflict. When using social media such as blogs, mayors can communicate facts and deliver messages that are unfiltered by the media. Several mayors, some of whom were initially skeptical, have had tremendous success with social media. They have high readership and have created a vehicle to interact directly and inexpensively with large numbers of citizens.

Those mayors who are now tech and Twitter savvy urged others to spend at least 10 minutes per day on social media communicating with citizens, to not delegate this responsibility, and to require that all parts of city government use social media to provide greater transparency.

“Social media is more important than I ever imagined it would be. A modern city needs social media in all city offices.”

—Mayor

In this age of social media, the press is now much less important and relevant. Some mayors mentioned no longer issuing press releases and decreasing the frequency of meetings with the editorial board of local newspapers. However, others countered that it is still important to meet with the editorial board, which holds sway with some older constituents who tend to vote.

Other Topics Discussed

- **Digital infrastructure.** As cities think about modernizing their infrastructure, they should think about not just the physical infrastructure but also the digital infrastructure.
- **Taxes/services.** Several mayors expressed frustration that while cities' primary source of revenue is property taxes, a significant percentage of property is off the tax rolls. This often includes universities and non-profit hospitals, which use city services (like the police and fire department) but don't contribute to paying for them. This led multiple mayors to state, “The property tax model is broken.” Some cities have worked with non-profits that don't pay taxes to establish service agreements or arrangements for “payment in lieu of taxes.” But these are more the exception than the rule.



Greetings & Introductions

Jeffrey A. Sonnenfeld, Yale School of Management
Anthony W. Marx, President & CEO, The New York Public Library

Overview

At a time of public skepticism about the political system, it is cities, under the leadership of mayors, where things can get done that make a difference in people's lives. This gathering provides a unique format to share ideas, build relationships with other mayors, and take home practical ideas that can make a difference.

Context

In the Mayors College opening session, participants provided introductions and emphasized the important roles that mayors play, and the New York Public Library's CEO Anthony Marx described the powerful and often untapped resources at mayors' disposal, such as libraries.



Key Takeaways

Cities are where things can get done.

The majority of Americans believe that the political system is broken and is incapable of solving important problems, such as improving the country's infrastructure or educational system.

But cities are where things can get done. Mayors have resources that can be marshalled to make progress in ways that can't happen at the federal level, and mayors have instruments at their disposal that aren't necessarily obvious. Anthony Marx, president and CEO of The New York Public Library, asserted that the library can be a powerful instrument.

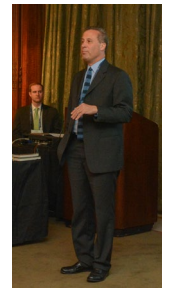
Some specific ways in which the New York Public Library is serving as an instrument are:

- Improving literacy for kids through after-school programs.
- Providing citizenship education to immigrants and offering legal advice in library branches.
- Addressing the digital divide by offering coding classes and lending broadband capabilities.

These are ways that libraries can be catalysts for change that differ greatly from the perception of libraries as "quaint" and "out of date." Advantages of libraries are that they have significant scale and have little regulation, providing flexibility to get things done.

"No one understood that the quaint, out-of-date, grand library could be an instrument of change. There are more instruments at your disposal than you can imagine."

— Anthony Marx



Anthony W. Marx, President & CEO, The New York Public Library

Mayors have advantages versus federal political leaders.

A former Congressman said that mayors are not ideologues, don't need to deal with special interests as legislators do, and are not subjected to the same level of sensationalist media. Because of their roles and their advantages, it is mayors who can take the lead in getting things done.



Christopher Shays, Congressman (1987-2009), State of Connecticut

"Mayors are our last great hope."

— Christopher Shays

Mayors are a tremendous resource for each other.

Mayors spend their lives in the trenches getting things done for their communities. The Mayors College provides a unique opportunity for mayors to engage with other networks, connect, hear about things that are working, build networks, and take home important ideas.



Richard J. Berry, Mayor, Albuquerque, New Mexico



Global Lessons in Contrast on Urban Modernity: Reform & Resilience

OPENING COMMENTS

Peter C. Perdue, Professor of History, Yale University

RESPONDENT

D. Quinn Mills, Professor Emeritus, Harvard Business School

Overview

As the largest rural to urban migration in history has occurred, Asia's megacities have grown exponentially. Economies have boomed as a huge new middle class has been created. Governments have invested in urban infrastructure, such as subways, to support this urban growth. Tradeoffs have included massive levels of government debt and disastrous environmental consequences. The reality is that all cities evolve, and the key question for mayors is, "What is your city going to be in 50-100 years?"

Context

Setting the context for the Mayors College, Yale professor Peter Perdue provided an overview of the evolution of Asian megacities. Harvard Business School professor Quinn Mills and other participants raised questions and offered their perspectives.

Key Takeaways

Asian megacities are producing enormous disruptions.

Of the world's 30 largest cities, 9 are in China and 21 are in Asia. These are huge, enormous cities that are almost beyond comprehension. In addition to the largest nine cities in the world, China now has more than 200 cities with more than one million people.

These megacities are a result of tremendous urbanization, which has contributed to massive economic growth in China and development of a genuine middle class. This growing middle class will drive the economy as consumers demand all of the same things as Americans—including cars, food, travel, education, and entertainment—but at a much larger scale.



Peter C. Perdue, Professor of History, Yale University

"This rapid migration is the largest, fastest rural to urban change in history."

—Peter Perdue

To cope with this urban migration there have been enormous investments in urban infrastructure. For example, after barely having subways as of 2002, today Beijing's subway system has 18 lines and 334 stations and transports nine million riders per day; this is 50% more riders than the New York City subway system, which has existed for 100 years. Other Asian cities such as Tokyo and Seoul have equally modern and impressive subway systems, which are generally safe at all hours. (Professor Perdue was asked why China's cities are safer than U.S. cities. He responded that China has a secret police, which is not feasible in the U.S., and anti-gun laws enacted when dictators were in charge and which have remained even as China has reformed.)

A major question is whether this rapid growth is sustainable. Many experts doubt it. While stated GDP growth is 6.7%, the numbers are not believed and are estimated at 0% to 5% growth. This economic growth has been driven by enormous government spending on infrastructure, which has resulted in Chinese government debt at 285% of GDP. Also, the sole focus on economic growth has come at the expense of the environment, as the air quality in major cities is awful.

"China sacrifices sustainability for growth."

—Peter Perdue

All cities are constantly evolving.

Responding to Professor Perdue's presentation, Professor Mills offered the following thoughts:

- **Cities are popular, in China and elsewhere.** Young people these days want to live in cities, which was not the case 50 years ago.
- **China's central government supports infrastructure development.** Cities in China are getting state and national support to build out their infrastructure, which is not the case in the United States. This central government support has led to a modern infrastructure in China, and lack of government support has resulted in a deteriorating infrastructure in America. A mayor agreed, saying that funds collected by states and the federal government are not distributed to cities.



- **China's growth model is not sustainable.** China's economy has been fueled by: 1) outsourced manufacturing, which is declining; and 2) urban infrastructure building, which has resulted in significant levels of debt and is not sustainable. China needs to shift to a consumption-driven economy while the United States needs to be more investment driven.

- **All cities are evolving.** Every city is evolving in some way and will be different in the future. Take Memphis, Egypt, which was the greatest city of antiquity – and is now completely gone. For mayors, a salient question is, “What is my city going to be in 50 to 100 years?”



D. Quinn Mills, Professor Emeritus, Harvard Business School





Resilient Cities for All – Compassionate Communities vs. Scapegoating

PANEL

Toni Nathaniel Harp, Mayor, New Haven, Connecticut
Greg Fischer, Mayor, Louisville, Kentucky
Tom Tait, Mayor, Anaheim, California
Carolyn G. Goodman, Mayor, Las Vegas, Nevada
Tony Martinez, Mayor, Brownsville, Texas
Paul Soglin, Mayor, Madison, Wisconsin

RESOURCES

Douglas W. Rae, Professor of Management, Yale School of Management
Christopher Shays, Congressman (1987-2009), State of Connecticut

Overview

Mayors face the challenge of balancing personal compassion with the desire to understand root causes and bring about systemic solutions to seemingly intractable problems, like homelessness. Such complex problems are often not truly addressed through knee-jerk “compassionate” behavior, such as handouts. Long-term systemic solutions are hard and require more than compassion; they require policies, resources, support, personal responsibility from beneficiaries, and long-term commitment from multiple government entities.

Context

Mayors discussed the desire to be compassionate and help those in need while implementing policies that solve problems and produce resilient cities for all.

Key Takeaways

All mayors have deep compassion for those in society facing the greatest challenges.

One mayor described how cities and citizens experience trauma, yet that trauma is often not dealt with, and all of the mayors participating in this discussion spoke of their desire to help those in need of assistance, including but not limited to the homeless, the mentally ill, the poor, the unemployed, immigrants, veterans, and those who have been victims of violence. Mayors discussed specific efforts to create “a culture of compassion” (Louisville) or a “culture of kindness, where kindness is contagious” (Anaheim).

The services that cities provide those in need are among the most important functions of city governments and are a differentiator from most suburbs, which lack the resources or capabilities to provide the types of human services that are so desperately needed.

A challenge mayors face is determining what policies can solve human problems.

A challenge that mayors wrestle with is that compassionate citizens often want feel-good remedies. For example, supporters of a panhandling initiative might view compassion as providing someone with a drug habit with \$5 to help them get by. But such efforts undertaken based on feelings of compassion don’t get at the root causes and don’t solve problems.

“I’m trying to change the dialogue from the easy, feel-good thing to a long-term solution, which is harder.”

—Mayor

Among the topics and types of policies mentioned were:

- **Treating the mentally ill.** Several mayors discussed the difficulty and cost of caring for the mentally ill. One mayor shared data indicating it is 31% less expensive to care for the mentally ill than to leave them on the streets. Another mayor said that tremendous amounts of money are wasted by recycling the mentally ill through the system; they will be in jail for a short period and possibly a public hospital, but they don’t get the care they need.

“We waste dollars cycling mental illness patients rather than properly coping with the problem.”

—Mayor



Oscar B. Goodman, Mayor (1999-2011), Las Vegas, Nevada

One mayor expressed the desire to “involuntarily take them by the arm” to get people with mental illness the care that they need. Failure to do so results in these individuals not getting the appropriate care. However, taking someone by the arm, against their will, is extremely difficult and rare, as it is seen as violating their civil rights. This is an extremely difficult problem.

Another mayor said that even people with mental illness can understand and cope with rules and responsibility. Cities are not truly helping people if programs don’t require that recipients of services demonstrate responsibility and adherence to rules.



Paul Soglin, Mayor, Madison, Wisconsin and Mark Stodola, Mayor, Little Rock, Arkansas

- **Pushing states and suburbs for funding.** Several mayors mentioned that their cities provide critical services for the homeless, which aren’t provided by surrounding towns and suburbs. A result is that people are actually bussed into the cities to receive services. Cities have the resources and feel the responsibility and need to provide services but expect funding from states and surrounding towns and suburbs to help cover expenses, which typically doesn’t happen.

“There are no services in the suburbs, but when needy folks come to us [in cities] for services, we get blamed by the suburbs.”

—Mayor

- **Developing fair housing policies.** In many cities, the police have become the agency of first and last resort for homelessness. But instead of just feeding a homelessness industry, using fair housing policies and building facilities for the homeless can get at root causes and help solve the problem. (This is very different from erecting short-term shelters for the homeless.) One mayor described wanting to convert a former prison that was no longer in use into a facility to house homeless people, but after the local media proclaimed, “Mayor wants to send homeless people to prison,” the city council wouldn’t touch the topic.
- **Creating a coalition to reduce homelessness.** Following the financial crisis, Las Vegas led the country in foreclosures, which resulted in growth in the homeless population. To address this situation, along with the problem of homeless veterans, a group was pulled together of CEOs of local non-profits, faith leaders, and law enforcement, which has made some progress.

- **Welcoming immigrants and focusing on education.** New Haven, Connecticut, which is 378 years old, has a long history of openly welcoming immigrants, who help make the city dynamic and resilient. New Haven has seven colleges and universities within 15 miles, which adds to the city’s resilience because providing people with education enables them to participate in the knowledge-based economy.
- **Providing early childhood education.** Many of the problems children are facing already exist by the time a child is kindergarten age, making it important to provide services to pre-K children to ready them for kindergarten. This is an area where the support of states and possibly the federal government is needed.



Toni Nathaniel Harp, Mayor, New Haven, Connecticut



Improving Community Engagement and Public Safety

PANEL

John Curtis, Mayor, Provo City, Utah
Melvin L. Holden, Mayor, Baton Rouge, Louisiana
Tim Mahoney, Mayor, Fargo, North Dakota
Stephanie Rawlings-Blake, Mayor, Baltimore, Maryland
Mark Stodola, Mayor, Little Rock, Arkansas

RESOURCES

Dean M. Esserman, Chief of Police, New Haven, Connecticut
D. Quinn Mills, Professor Emeritus, Harvard Business School

Overview

The key to community engagement and public safety is relationships. This includes relationships between the police and citizens, and between city government and community leaders. Mayors have the ability to bring people together, set priorities, and forge relationships. Ways to build relationships include engaging with the community, listening to what citizens have to say, and using social media to connect with citizens directly.

Context

Mayors shared ways in which they are working to simultaneously improve public safety while continuously fostering community engagement.

Key Takeaways

Engagement is built by focusing on personal relationships.

In many communities there have been acts of violence involving the police and citizens. These are critical moments for mayors and cities. Among the strategies and approaches discussed were:

- **Building relationships proactively.** A chief of police emphasized that the legitimacy of the police comes not from the uniform they wear but from the individual officer, and individual officers develop legitimacy by forming relationships in the community. He stressed the importance of grounding police actions in core values (like duty, honor, integrity, courage, and compassion) and giving police officers permission to build relationships with individuals in the community, so relationships are in place long before any incident occurs.



Dean M. Esserman,
Chief of Police, New
Haven, Connecticut

“Legitimacy comes from relationships and we have invested in relationships . . . we give officers permission to build relationships.”

—Police Chief

Multiple mayors also mentioned the importance of police officers having constant interaction in communities and creating specific programs that result in the community seeing officers regularly through frequent interaction.

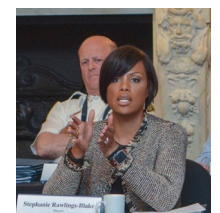


Melvin L. Holden, Mayor,
Baton Rouge, Louisiana

- **Bringing key parties to the table.** In one city that has had tensions between the community and the police, the mayor has walked the streets with other city and community leaders and has held public safety forums. She has brought together community leaders and police with clear messages: We have to have police in place, and the police can't do their job if the community is not on board. This is a marriage, and separation and divorce are not options. Everyone in the city is stuck in this together. Making the relationship healthy or unhealthy is a choice, which makes it essential to work on building positive relationships.

“We hear about public safety and engagement being a destination. It is a continuous journey that requires ongoing commitment.”

—Mayor



Stephanie Rawlings-Blake,
Mayor, Baltimore, Maryland

- **Communicating frequently and broadly.** Mayors discussed the importance of having constant communication with the press to be able to get out the truth when incidents occur. In addition to the press, it is important to establish communication channels with other community leaders such as ministers and clergy.

Engagement is built by listening to citizens and acting on what they say.

Unlike Flint, Michigan, which has experienced a lead crisis generating national criticism, leaders in Lansing, Michigan listened to citizens who raised concerns about lead. Some political leaders paid attention



Virg Bernero, Mayor of Lansing, Michigan

to citizens' complaints, brought in experts, didn't settle for cursory explanations from bureaucrats, made it an election issue, and replaced lead pipes over a 10-year period, preventing an emergency from occurring. Lansing avoided the type of crisis that Flint has experienced by listening to its citizens, taking seriously what they said, and acting on it.

Engagement is built by communicating with citizens directly.

In Provo, Utah, Mayor John Curtis is engaging the community by communicating directly through social media. The city has about 40% of residents' email addresses and the mayor has a blog that is regularly looked at by about 10% of residents. When asked where they get their news about the city, about 30% of citizens cite the mayor's blog and only 12% cite the newspaper.

This direct communication enables the mayor to shape the message, without having to rely on the press. In fact, the mayor's office no longer issues press releases and holds the press accountable for reporting accurately. Mayor Curtis noted that for this to be successful it can't be delegated; the mayor needs to be personally engaged. Direct communication provides transparency and builds trust.

“Don't be afraid [of social media.] People want to see what's behind the wall.”

—Mayor

Engagement is built by enlisting the right spokespeople.

In Buffalo, New York, in addition to significant job training programs, the city has launched a program called “Peacemakers.” This program involves having former gang members, who go through extensive training, conduct street patrols and interventions for at-risk youth. These former gang members are seen as engaging messengers who help reduce crime.



Economic & Cultural Renewal

PANEL

Byron Brown, Mayor, Buffalo, New York
Virg Bernero, Mayor, Lansing, Michigan
Oscar B. Goodman, Mayor (1999-2011), Las Vegas, Nevada
David R. Martin, Mayor, Stamford, Connecticut
Stephanie Miner, Mayor, Syracuse, New York

RESOURCES

Anthony W. Marx, President & CEO, The New York Public Library
Maxwell L. Anderson, Executive Director, New Cities Foundation

Overview

Mayors are frustrated with cities' common revenue model, which relies on property taxes, and feel that a rethinking of this revenue model is required, especially in cities with large non-profit institutions that pay no taxes. There is also frustration with incentives provided to corporations, which are usually an attempt to steal or retain jobs. A preferred approach is to build a city that is a magnet for attracting companies and jobs based on a modern physical and digital infrastructure, good schools, excellent cultural institutions, and a good quality of life.

Context

Mayors discussed tax policies, economic development, and strategies for attracting jobs.

Key Takeaways

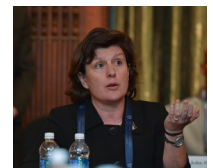
Mayors want a rethinking of tax policies.

One mayor explained that cities have three main sources of revenue: sales taxes, income taxes, and property taxes, with 74% of the revenues for this mayor's city coming from property taxes. He complained that cities engage in economic development activities to attract business and create jobs, but the majority of the revenue that is created goes to the state, which doesn't share that revenue. A participant responded that "states are bankrupt" and have no funds to provide to cities or to invest in infrastructure.

Several mayors expressed frustration that while their city's revenues rely on property taxes, significant amounts of the property in the city are not taxable, including non-profit hospitals and universities. These organizations use city services—like police and fire services—but don't pay for these services. In some cities mayors have tried to negotiate "payment in lieu of taxes" or "service agreements" or a "public safety fee," but the non-profit organizations are generally not receptive.

"The property tax model is broken. We need a discussion about equity."

—Mayor



Stephanie Miner, Mayor, Syracuse, New York

Mayors are opposed to corporate tax breaks, yet at times find them a necessity.

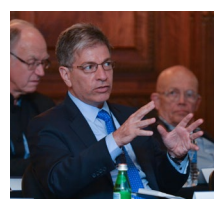
Mayors believe that corporations game the system in order to extract tax benefits from city and state governments. Companies pit one city and state against another to see where they can garner the most favorable deal, and many political leaders are seduced by the allure of corporate jobs.

Most mayors can't stand this game, yet sometimes find it a necessity in order to preserve current jobs or attract new ones. However, the general sentiment is this is simply stealing jobs and is a "race to the bottom."

Some cities have set up economic development funds to attract jobs, while other mayors have taken a harder line and have avoided lucrative tax breaks or "corporate welfare." In instances where tax incentives were provided, mayors suggested having high levels of transparency, mandating the number of jobs that are created, and demanding salaries of a certain amount. In the event that a company doesn't deliver on these commitments, the tax breaks provided should be recouped via clawback provisions.

Other mayors suggested turning cities into magnets.

A few mayors said that tax incentives are merely a game of stealing jobs. A better approach is to create and attract jobs by building great communities. This results from having a good physical and digital infrastructure, good schools, trained workers, and a great place to live. Part of being a great place to live is having vibrant cultural institutions, which provide a public benefit. (One participant put this in contrast to government incentives for professional sports teams, which have been shown not have an economic benefit.)



Ethan Berkowitz, Mayor, Anchorage, Alaska



“Strong magnets make people want to come; not incentives and tax giveaways.”

—Mayor

Kansas City, which has had a relationship with Google, bills itself as “the largest smart, connected city in North America.” City leaders want to build a city that will be attractive for the next 20-40 years. Kansas City has invested in physical and digital infrastructure. The city has energy-efficient light sensors, collects data on numerous sensors throughout the city, has the most charging stations for electric cars of any city in the country, and is readying for autonomous vehicles. Kansas City has a Chief Innovation Officer and is promoting entrepreneurship.

“Given the critical role that technology plays in driving growth and creating jobs, we need to make sure that every business is embracing the web. We want to create and build our own jobs and we can do that with innovative solutions.”

—Sly James, Mayor, Kansas City, Missouri



Sly James, Mayor,
Kansas City, Missouri



Disruptive Technologies for System Transparency & Energy Efficiency

PANEL

Chuck Barney, Mayor, Minot, North Dakota
Ethan Berkowitz, Mayor, Anchorage, Alaska
Jon Mitchell, Mayor, New Bedford, Massachusetts
Richard J. Berry, Mayor, Albuquerque, New Mexico
Sly James, Mayor, Kansas City, Missouri
Beth Van Duyne, Mayor, Irving, Texas

RESOURCES

John H. Clippinger, Founder, ID3; Research Scientist, MIT Media Lab
Allen B. Truesdell, Partner, Deloitte & Touche LLP

Overview

As technology transforms every sector, so too will it transform cities, providing the ability to create next-generation, smart cities. Technology and data will make possible new types of services and will enable cities to be “platforms.” Some cities are already embracing technology, focusing as much on digital infrastructure as on physical infrastructure, as well as taking the lead in areas such as charging stations for electric vehicles, solar energy, and energy efficiency.

Digital technology is also transforming communications, giving mayors the ability to communicate directly with their cities and decreasing reliance on the traditional press. However, many older citizens—especially those who are more likely to vote—often still read the local newspaper.

Context

In a discussion that was closely linked with economic development, mayors discussed how new technologies are reshaping cities and changing how leaders communicate with the public.

Key Takeaways

New technologies make possible next-generation cities.

MIT Media Lab research scientist and technology expert John Clippinger stated that the magnitude of technology change is truly unbelievable and every sector is being completely transformed. Examples include robots, automation, artificial intelligence, autonomous vehicles, and much more.



John H. Clippinger, Founder, ID3; Research Scientist, MIT Media Lab

Technology will affect cities greatly as it will have a big impact on jobs and on the transportation infrastructure, and will enable the creation of “smart infrastructure” for next-generation cities. Technology will provide data for better planning and to enable new kinds of city services.

Clippinger suggested thinking of a city as a platform that is enabled by technology.

Cities are creating digital, energy-efficient infrastructures.

As was mentioned in the discussion on economic development, Kansas City is focused not just on its physical infrastructure of concrete and steel, but on creating a modern digital infrastructure that will support the city for decades. This infrastructure includes lights with embedded sensors that dim automatically.

In Madison, Wisconsin, to enable cab drivers to compete with Uber and Lyft, a universal app has been created for all taxi companies. This is an example of technology being used to support local businesses, so revenue produced stays in the city. Madison’s mayor suggested that local retailers work together to compete with large ecommerce players. John Clippinger mentioned that Austin, Texas is creating a more networked local economy, with co-ops and distributed governance.

In New Bedford, Massachusetts, which has experienced a long period of decline due to the loss of the textile industry, people in the city came to believe that decline was inevitable. The mayor wanted to change the mindset of the community through a series of small wins. One win has been improving the city’s energy efficiency and solar capacity. The story to citizens was not based on climate change or environmental improvement but on saving more on taxes. This has worked, and New Bedford is leading in an area that is counterintuitive.



Jon Mitchell, Mayor, New Bedford, Massachusetts

Mayors are using electronic communications to communicate directly with citizens.

The majority of mayors have little love for the news media. They find the media to be lazy, biased, and sensationalistic. The media wants arguments, conflict, and controversy. They distort the truth and rarely present an accurate picture of the facts. One participant said, “The media wants mud wrestling and controversy.”



“It is easier to cover a fight than a policy debate.”

—Mayor

As the use of social media grows and as the distribution and reach of traditional newspapers decline, many mayors are actively embracing social media as a way to communicate with citizens. Mayors are using blogs, Facebook, Twitter, email, and websites. One mayor explained that when running for office he was critical that his predecessor had created a Mayor’s Communication Office. But after being elected, he realized how important communication and social media are for all aspects of city government—and he expanded the city’s communications capabilities.

“A modern city needs a cadre of people doing social media for all city offices. Social media is more than I ever imagined. The press is irrelevant now.”

—Mayor

Mayors also see value in social media as providing a vehicle for citizens to easily give comments and for the police to monitor protests and other community events.

However, while the importance of traditional media has dramatically declined, mayors cited the following roles of the traditional press:

- **An indicator of public sentiment.** One mayor said that he meets regularly with the local press simply to hear what questions they ask. Those questions are often topics of interest to the public, which the mayor can write about on his blog.
- **A shaper of public opinion.** Even though newspapers are not as prominent as they once were, in many cities there is still a “paper of record.” Many people—especially older people who are more likely to vote—still get information from the paper and rely on it. So, in many cities it remains a good practice to have a positive working relationship with reporters from the local paper.
- **A more positive tone.** Since mayors no longer need the press to disseminate messages as they once did, in many cities the press is now often less adversarial and is somewhat friendlier. (This is definitely not always the case.) The ability to communicate directly with citizens also forces the press to get their facts right and is a way to hold the press more accountable.



Beth Van Duyne, Mayor, Irving, Texas, and Byron Brown, Mayor, Buffalo, New York