



The ARS Guide to Successful Local-Regional Government Consolidation

**DRAFT
November 16, 2005**

This document is a work in progress. As much as it is intended to provide guidance, it is also meant to provoke discussion and feedback. ARS would appreciate hearing your comments about your region's experience with the issues posed by local-regional government merger and consolidation. By sharing your experiences, ARS hopes to add to the existing pool of knowledge on this topic and provide practitioners with the information and resources they need to effectively address these issues, and become regional stewards.

To share your comments on this document, please email them to ARS at info@regionalstewardship.org, or visit the discussion page at www.regionlink.org.

Table of Contents

Executive Summary 2

Introduction 3

A Short History of Regional Consolidation 4

Lessons Learned 6

A Step-by-Step Approach 7

 Step I – Beginning the Discussion 7

 Step II – Defining the Problem/ Identifying Assets 8

 Step III – Surveying the Public 9

 Step IV – Finding the Right Solution 9

 Step V – Winning the Campaign 19

 Step VI – Implementation 21

Executive Summary

At a time when local governments are increasingly being asked to provide more public services with less tax revenue, local-regional government consolidation has tickled the fancies of civic elites. In addition to the promise of cost savings, increased efficiency and better services through the larger economies of scale brought by merging local governments within the same region, consolidation also presents opportunities for improving social equity, empowering disaffected groups, and more effectively addressing regional-scale problems.

In recent years, cities like Miami, Florida and Louisville, Kentucky have merged with their surrounding suburban counties for the reasons cited above. But if the benefits are so great, why haven't more regions sought to restructure their local governance mechanisms? The obvious answer is that it takes a long and difficult process to build the regional consensus needed to support such radical changes. Academic research has indicated that the vast majority of such efforts fail, and that it can take many attempts before coming up with the right approach to win a majority of voter support within an affected region.

But the Alliance for Regional Stewardship (ARS)—a national, peer-to-peer network that advocates for collaborative, multi-sector approaches to advance economic, social and environmental progress, while maintaining a sense of place, in America's metropolitan regions—has also discovered a not-so-obvious answer: Without citizen engagement and participation, any consolidation effort is not only politically doomed, but may even be futile from a policy perspective.

That's why ARS has compiled this Guide for Successful Local-Regional Consolidation. In addition to recounting a brief history of local government consolidation efforts in the United States, the guide offers lessons learned by those who have studied the trend in recent years. Most valuably, the guide provides a step-by-step approach to help regions meet current and future challenges and ensure that the public is engaged in this process.

These are challenging times for local governments, but they are also exciting times thanks to the growing capacities of the private and civic sector to participate in regional affairs, and the growing demand for citizen engagement by the voters themselves. By collaborating across these sectors, local officials will not only find new solutions to old problems, but in the process change the way their region thinks about—and govern—itsself.

The ARS Guide for Successful Local-Regional Consolidation

"If only we could just merge the local governments in this region, things would be so much better for everyone."

If leaders in your metropolitan area have ever wistfully uttered the preceding words then you need to read on. City-county consolidation is an intriguing trail on the path to a healthy region. But it is just one possible trail, and not necessary the right one for every region.

From neighborhood revitalization, to interstate highway or light-rail construction, to the building of festival waterfronts, to publicly funded downtown convention centers and sports stadiums, leaders have sought to emulate approaches taken by other regions with the knowledge that they are competing for business and residents in an increasingly mobile economy and society. But taken outside the context of your region's unique assets, culture, and priorities, all the above approaches are merely answers looking for problems to solve.

Too often, business and civic leaders who become champions for city-county consolidation jump straight to this particular answer without ever defining what the community's challenges are and what options it has available. Most importantly, those who will be affected most by government consolidation—the citizens/residents—are left out until the final step of voting. The Alliance for Regional Stewardship (ARS) has found that successful reorganization of governmental structures and programs requires a process that first looks at some basic issues, such as:

- What does the region want to be?
- How do we engage residents as well as elites in these discussions?
- What are our alternatives?

The *structure* of government is just one form of regionalism. While some problems may improve with a change in structure, regions first need to do an analysis of their overall goals and an honest assessment of why they are not being achieved. This exercise may raise issues such as lack of leadership or lack of collaboration among government, non-profit groups and businesses, in addition to structural impediments.

In fact, studies of consolidation attempts show that citizen engagement and participation is key to correctly identifying the problems facing the community and determining the appropriate solution to address them. That's why ARS has developed a step-by-step guide to help regions determine approaches to meeting current and future challenges, including the merger and consolidation of government institutions and programs, ensuring that the public is engaged in the process.

But first, ARS has compiled the following primer on local-regional consolidation, summarizing its history in the U.S. and highlighting lessons from the experiences of at least 13 regional consolidation efforts since 1967.

A Short History of Regional Consolidation

More than at any other time in American history, local governments are now asked to do more with less. At the same time, they are grappling with many issues that have regional implications, such as environmental impact, economic development, transportation, and growth management. As a result, many people have once again begun to explore regional approaches for addressing these problems, including mergers to create a single regional government.

Some contemporary advocates for city-county consolidation share objectives similar to early 20th century reformers who used structural changes to wrest control of city governments from corrupt political machines and make government more efficient, effective, equitable, and accountable.¹ The first of three waves of reform toward regional governance in American history, this movement occurred in response to the growth of central cities during the era of mass manufacturing and industrialization during the last half of the 19th century. This wave witnessed the expansion of some cities through a policy of suburban annexation, such as Boston in the 1860s and 1870s. Other cities merged with their surrounding counties, such as Philadelphia in 1854. Alternatively, some cities became their own counties, such as St. Louis in 1876. A few cities, such as New York in 1898, formed a federation in which constituent parts retained limited authority.²

But beginning in the 1920s, suburbs spawned by streetcar and commuter rail lines began flexing their own political muscle, forcing many states to prevent cities from annexing or consolidating without referenda. In the densely developed Northeast and industrial Midwest, further regional annexation by central cities was now virtually impossible. Large-scale annexations were still possible in the South and West, where small suburban populations meant little opposition. Unique local conditions also caused exceptions to the anti-consolidation trend, as in Nashville-Davidson County in 1962.³

Many merger referenda have failed at the polls as a result, and many more efforts never even made it to the ballot. Tallahassee and Leon County failed four times between 1971 and 1992, Sacramento and Sacramento County failed in 1974 and 1990, Des Moines and Polk County failed in 1994, Wilmington (North Carolina) and New Hanover County failed four times between 1927 and 1995, and Knoxville and Knox County failed in 1996. In response to their inability to merge local governments, many regions developed metropolitan service districts to coordinate regional certain infrastructure such as sewage, water, and parks.⁴

The second wave of regional governance came out of mandatory requirements from federal and state governments, attempting to address problems of social equity and fiscal disparity. Examples include Section 701 of the Housing Act of 1961, the Federal Highway Act of 1962, the Urban Mass Transit Act of 1964, and Section 702(c) of the Housing and Urban Development Act of 1965. By 1977, 39 federal programs contained specific requirements for regional comprehensive planning as the basis for determining the distribution of federal funding.

¹ Leland, S. and G. Johnson. 2004. "Consolidation as a Local Government Reform," in *City-County Consolidation and its Alternatives: Reshaping the Local Government Landscape*, ed. J.B. Carr and R.C. Feiock, ch. 2. Armonk, NY: M.E. Sharpe.

² Wallis, Allan D. 1994. "Inventing regionalism: A two-phase approach," *National Civic Review*, vol. 83. issue 4.

³ Ibid.

⁴ Ibid.

Examples of state programs include the creation of the Metropolitan Council of the Twin Cities in Minnesota in 1974; and Portland, Oregon's Metropolitan Service District in 1977.⁵

But the Reagan Administration ended the regional planning requirements for all but one of the 39 federal programs by 1984, and state initiatives started to run out of steam.⁶ More recently, people have again argued for consolidation as a means to overcome barriers to regional cooperation needed to address environmental externalities and urban sprawl, and to reduce inequality and income disparity, drawing on the Smart Growth theories of urban planning. The third wave of regional governance has appeared in part due this new advocacy, along with the emergence of new governance capacity demonstrated by the involvement of the private and nonprofit sectors at the regional scale, and the increased use of citizen engagement to resolve conflict and develop consensus on regional interests.⁷

Louisville, Kentucky's merger with Jefferson County in 2003 demonstrates the continued relevancy of the old and the new rationales for local-regional government consolidation. Louisville was the 67th largest city in the United State prior to the merger, with projected population losses in the future. Meanwhile, the city and Jefferson County were providing the many of the same services but could not effectively address the challenges of the metropolitan region as two distinct entities.

The arguments in favor of merger were greater efficiency, improved services, higher national visibility as the 16th largest U.S. city, and a unified community agenda to shape the region's future. But the merger took four tries over four decades. Issues that needed to be addressed included residents' worries about losing clout and services, fears of higher taxes and the growth of urban problems such as poverty and crime, unionized workers' worries about their hard-won agreements, and minorities' concerns about representation in the new government structure.

While the merger plan consolidated the executive and legislative branches of the city and county, it left suburban cities intact. The new Metro Council districts were drawn to ensure minorities were represented. There were no change in taxes or cuts in services—in fact, more services were offered to many former county residents. A well-organized, professionally managed campaign with strong and sustained civic leadership had support from a broad coalition of interests.

Louisville Metro Mayor Jerry Abramson has noted seven major benefits since the merger was approved:

- More efficient government: 700 jobs were eliminated saving \$10 million
- Better services: more police were hired and others services improved
- More innovation: purchasing now done through reverse online auctions
- More partnerships: schools are now working together to benefit students
- Economic development: greater attraction for the now-16th largest city
- Big-picture planning: community housing strategy and regional education plan
- Talent attraction: merger drew new employees to government jobs.

⁵ Ibid.

⁶ Ibid.

⁷ Carr, Jered. 2004. "Perspectives on City-County Consolidation and its Alternatives," in *City-County Consolidation and its Alternatives: Reshaping the Local Government Landscape*, ed. J.B. Carr and R.C. Feiock, ch. 1. Armonk, NY: M.E. Sharpe.

Lessons Learned

It is important to note that the vast majority of consolidation efforts fail. While hundreds of consolidation efforts have reached the ballot referendum stage or been passed by state legislatures, only 32 have been successfully implemented since the first U.S. merger in New Orleans in 1805. Consolidation of cities and counties occurs less than 15 percent of the time it is attempted.⁸

The public-choice model of local government holds that numerous units of local government were needed to maximize opportunities for individual households to choose a tax-service package that best met their needs.⁹ But a survey in the mid-1980s of five matched pairs of communities in two metropolitan areas—one with a high level governmental fragmentation, the other consolidated—found citizens of smaller local jurisdictions located in the more fragmented system were:

- Not better informed about the scope and nature of their local tax-service package
- Not enjoying more effective relationships with local officials
- Not more likely to participate in local affairs
- Not more satisfied with the local services and performance of their local officials.¹⁰

Conventional wisdom held that local-regional consolidation efforts occurred when citizens demanded some kind of governmental response to problems that had achieved crisis proportions.¹¹ In their review of 13 mergers since 1967, political science professors Suzanne Leland at UNC-Charlotte and Kurt Thurmaier at Iowa State University found that consolidation efforts are led by civic elites who see it as the solution to a problem, usually related to economic development. Leland and Thurmaier identify three elements for successful consolidation:

- Crafting a vision for community's economic development future
- Crafting a restructured governmental model to implement that vision
- Convincing voters that this vision is impossible without consolidation.¹²

In these case studies, successful consolidations were characterized by civic elites framing the merger in terms of the region's economic development vision. Arguments for regional equity, meanwhile, were met with less enthusiasm. Consolidation campaigns were successful when their strong economic development message was met with unorganized or weak opposition. The overwhelming support of elected officials, particularly in the executive branch of local government, proved essential. Campaigns mattered both in terms of their substance and their style. Ultimately, the perception of problems proved important than any objective analysis of the problems themselves.¹³

⁸ Leland, S. and C. Cannon. 1997. "City-County Consolidation: Is There a Recipe for Success?" Paper presented at the Midwestern Political Science Association Meetings, Chicago, IL, April 27.

⁹ Tiebout, Charles. 1956. "A Pure Theory of Local Expenditure," *Journal of Political Economy*, vol. 64.

¹⁰ Lyons, W.E. and D. Lowery. 1989. "Governmental Fragmentation Versus Consolidation: Five Public-Choice Myths about How to Create Informed, Involved, and Happy Citizens," *Public Administration Review*, vol. 49, issue 6.

¹¹ Rosebaum, W.A. and G.E. Kammerer. 1974. *Against Long Odds: The Theory and Practice of Successful Governmental Consolidation*. Beverly Hills, CA: Sage.

¹² Leland, S. and K. Thurmaier. 2004. *Case Studies of City-County Consolidation: Reshaping the Local Government Landscape*, ch. 15. Armonk, NY: M.E. Sharpe.

¹³ Ibid.

A Step-by-Step Approach

Step I – Beginning the Discussion

The basic premise behind citizen engagement and collaboration is that if you bring the appropriate people together in constructive ways with good information, they will create authentic visions and strategies for addressing the shared concerns of the community. A study of more than 50 cases of citizen collaboration found that successful collaborations achieve tangible results, generate new processes that lead to solutions where traditional ones have failed, empower citizens and groups, and fundamentally change the way communities deal with complex issues.¹⁴

These processes are led by civic leaders. Increasingly, leadership from business, government, non-profit organizations and foundations are working collaboratively on challenges facing our rural and metropolitan regions. It is critical for this leadership to realize this cannot just be the work of elites. Many of the failed consolidation attempts did not include citizen participation in the process, particularly during the early discussions.

When a community begins to explore consolidation or other solutions to perceived problems, input and feedback must be gathered from a number of groups in the community, including:

- Business
- Government
- Nonprofit/civic groups
- Neighborhood leaders
- Citizens

The logistical advantages of limiting the number of voices is far outweighed by the problems that arise if someone decides they have been unfairly excluded. Some methods to encourage citizens to voice their own concerns and opinions include focus groups, surveys, community meetings, and web sites.

In addition to gathering preliminary community input in those manners, it is imperative that representatives of all the key stakeholder groups identified above are involved. Formal stakeholders need to be represented by people of their own choosing, whom they trust. Their task is to speak with their constituents, not for them. Sometimes groups do not recognize they have a stake in such a decision. Unempowered groups such as these need organizational support to ensure representation. One method to help determine who is a stakeholder is to assess if a group has any one of the following: legal standing, political clout, power to prevent implementation, or moral claims.¹⁵

It is usually necessary to engage a neutral facilitator, who can not only help with identifying appropriate community representatives, but can keep the process moving smoothly. The easiest form of assisted negotiation, facilitation focuses on almost entirely on process, with an

¹⁴ Chrislip, David D. and Carl E. Larson. 1994. *Collaborative Leadership: How Citizens and Civic Leaders Can Make a Difference*. San Francisco, CA: Jossey-Bass Inc.

¹⁵ Susskind, Lawrence and Jeffrey Cruikshank. 1987. *Breaking the Impasse: Consensual Approaches to Resolving Public Disputes*. Basic Books Inc.

emphasis on communication. Some techniques used by facilitators to enhance group understanding include:

- Charettes
- Opinion surveys and straw polls
- Brainstorming sessions
- Role playing
- Collective image building.

Step II – Defining the Problem/Identifying Assets

Consensus on how to deal with a problem is something that has to be built phase by phase. If you can't agree on the problem, you won't agree on the solution.¹⁶ The following questions are intended to help reach a consensus on what problem(s) the community is facing, whether there truly is a problem, and whether there is agreement on what that problem is.

1. What is the problem, really?
 - Problems that have been identified by communities exploring consolidation often include:
 - Population growth/population shift/population decline
 - Power/authority struggle (within local government)
 - Taxes (typically unfair taxes among different communities)
 - A need for city expansion
 - Displacement of minority communities
 - Inefficient provision of services
 - Government expansion issues
 - Fiscal inequities/fiscal inefficiency
 - Growth of business/industries
 - Environmental issues
 - Flight of tax base to suburbs
 - Racial tension/mistrust
 - Government corruption
 - Economic decline
 - Who has identified it as a problem? Is the problem a perception of elites, or is it pervasive throughout the community? (Oftentimes problems of this magnitude are initially recognized only by the elites.)
 - Is there consensus among stakeholders that this is a problem? Is there consensus on the scope of the problem? Has it reached crisis level?
 - What do the stakeholders believe are the existing roles/responsibilities of government, etc. relative to the problem?
 - What actions to address the problem have already been tried? What were the outcomes in the view of each stakeholder?
 - How does the perceived problem relate to other issues in the region?
2. How does the problem affect the region's goals and objectives?
 - Is there consensus among stakeholders for the region's goals, objectives, and vision? If not, a necessary step is developing these for the region.

¹⁶ Straus, David. 2002. *How to Make Collaboration Work: Powerful Ways to Build Consensus, Solve Problems and Make Decisions*. San Francisco, CA: Berrett-Koehler Publishers Inc.

- Does the problem prohibit the region from realizing its goals and objectives? How?
- Is the current regional governance structure or are the existing organizations within the region unable to address this problem? Why?

It is equally important to understand what is going right in the region. A list of success stories should be created. These need to be identified and understood because they can serve as the building blocks for future success. For example, if the region has historically succeeded in a certain area or come together in the past to address a shared problem, there are lessons from those experiences that can likely be applied to contemporary issues as well. The positive example of past and current successes will motivate people to participate, and inspire them that the region can meet its challenges.

Here are some questions to ask that can provide insight in identifying regional assets:

- What qualities does our region have that make people choose to stay here or move here from other places? What do people like about living here?
- What companies have grown and thrived in our region? Why have they succeeded?
- What institutions have contributed to our region's quality of life and character? How have they sustained success over time?
- What assets are endowed by our region's natural environment? How have we sought to preserve these?
- What provides our region with a distinct sense of identity and place?
- How do visitors to our region view it? Are there attributes among these that we want to promote?

Step III – Surveying the Public

In addition to the questions above, the public should be surveyed on a broad scale to get their opinions on a number of issues. Town hall meetings, newspaper inserts, or door-to-door surveys are good ways to gather feedback from citizens. This can also serve as an opportunity to inform and educate citizens on the problems identified by the groups listed in Step I.

Do residents think the community is a good place to live?

1. What are their top concerns?
2. How do residents rate various public services?
3. Is there trust of elected officials?
4. How concerned are citizens over the cost of potential changes in government structure?

The survey should be performed by or for stakeholder representatives and used to test their assumptions about their constituencies' points of view, as well as to gauge the spread of differing opinions within the community.

Step IV – Finding the Right Solution

Once a problem (or set of problems) has been identified, the next step is to determine the most appropriate solution. First, some key questions need to be asked to approach this analysis:

- What are the various options for addressing the problem?
- What are the costs and benefits of each option?

- Who would might perceive that they will “lose” if a particular option is implemented? How can these concerns be addressed?
- What is the optimal solution for a particular situation?

If inefficient/ineffective services are identified as a problem—a common rationale for city-county consolidation—it is important to determine which specific services are in need of improvement. This is because different solutions may be applicable depending on the service in question.

Examples of services include:

- Streets & roads
- Public safety & police
- Parks & recreation
- Fire protection
- Emergency medical
- Garbage collection/recycling
- Building codes
- Property & building assessments

Next, you must explore the various options available to resolve the problems/challenges: determine the strengths and weaknesses of each and what degree of difficulty is associated with implementing them. Regionalism offers a venerable “gold mine” of options. For example, University of Connecticut professor David Walker has identified 17 distinct approaches to service delivery between multiple jurisdictions, along a spectrum from the “most politically feasible, least controversial and sometimes least effective,” to the “politically least feasible, most threatening to local officials, and sometimes most effective.”¹⁷ ARS has identified an additional 2 options as well.

The first eight options are at the easy end of Walker’s easy-to-hard spectrum.

- **Informal Cooperation**

This approach typically involves two local—usually neighboring—jurisdictions that offer reciprocal actions to each other. Anecdotal evidence suggests that informal cooperation is the most widely practiced approach to collaborative service delivery.

Strengths: Informal cooperation is the easiest approach to collaborative service delivery. It is very pragmatic and rarely requires formal fiscal action.

Weaknesses: This approach does not always involve issues of true regional significance, and lacks a formal structure for sustaining collaboration over time.

Example: The Denver Metro Mayors Caucus is a cooperative alliance of the mayors of 31 cities and towns in the Denver metropolitan region founded in 1993. The Caucus emerged as a voice for collective action on issues that affect the entire region but cannot be effectively addressed by any one jurisdiction acting alone. The Caucus is unique among regional organizations because of its commitment to decision making by consensus by listening carefully to each other’s opinions and concerns, exploring possible options and searching for solutions that reflect the needs and values of each of

¹⁷ Walker, David B. 1987. “Snow White and the 17 Dwarfs: From Metro Cooperation to Governance,” *National Civic Review*, Vol. 76, Issue 1.

our members. This practice has enabled the Caucus to develop positions and implement initiatives for issues such as growth management, multi-modal transportation, affordable housing, regional response to emergencies, and intergovernmental cooperation. The success of the Metro Mayors Caucus in Denver has led to its duplication in Oklahoma City, Chicago, Albuquerque, and Boston.

- **Interlocal Service Contracts (ISC)**

ISCs are voluntary but more formal agreements between two or more local governments. ISCs are widely used to handle servicing responsibilities, particularly among metropolitan communities. Local control is ultimately retained by limiting the life of the agreement.

Strengths: ISCs provide a formal agreement among local governments to cooperatively carry out public functions within the existing government structures. They can provide cost-effective solutions to shared problems.

Weaknesses: In order for a party to enter into an ISC, it must be clear that it is benefiting its own self-interest. It cannot be assumed that any jurisdiction will enter into an ISC for the good of the region as a whole—an example of an ISC that is quite difficult to negotiate is locating a solid waste disposal facility. The sunset provisions often used in ISCs tend to make them issue-oriented—rather than comprehensive—tools that disappear when the issue that spawned them goes away.

Example: A common example of an ISC is an intergovernmental contract for sewage collection and treatment.

- **Joint Powers Agreements (JPA)**

JPAs between two or more local governments provide shared planning, financing and service delivery to residents of all the involved jurisdictions. All jurisdictions in the agreement receive the same services from the same provider.

Strengths: Like ISCs, JPAs can provide cost-effective solutions to shared problems by a formal agreement among local governments to cooperatively carry out public functions.

Weaknesses: Again like ISCs, it cannot be assumed that any jurisdiction will enter into a JPA for the good of the region as a whole.

Example: The San Diego Association of Governments (SANDAG) is an example of a voluntary joint JPA. SANDAG serves as the forum for regional decision-making for 19 cities and county governments. It builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transportation, and provides information on a broad range of topics pertinent to the region's quality of life. SANDAG deals with issues such as growth management, habitat conservation planning, traffic management, and criminal justice research, and provide regional planning leadership in the areas of transportation, housing, open space, recycling, and hazardous waste management.

- **Extraterritorial Powers**

This approach allows cities to exercise their regulatory authority in surrounding unincorporated areas of a close distance. Not all states authorize extraterritorial power for cities, so it is used less often than other options.

Strengths: Extraterritorial powers allow municipalities to deal with issues that affect them but are located beyond their borders without formally annexing the adjacent areas. This gives cities added flexibility to influence land-use decisions that impact them.

Weaknesses: When a city exercises extraterritorial power, it can harm the interests of individual residents of adjacent unincorporated lands. Although property owners have constitutional protection against taking without compensation, many would undoubtedly prefer to not have their rights interfered with by a city of which they are not even a citizen.

Example: In Wisconsin, cities and villages may exercise extraterritorial zoning authority in unincorporated areas within three miles of their corporate boundaries, but the powers must be exercised by a joint extraterritorial zoning committee that includes members from affected towns.

- **Regional Councils/Council of Governments (COG)**

These organizations are formed by counties and cities to serve local governments and citizens in a region. COGs address issues facing local government on a cooperative basis, and provide coordination of services delivery, planning, advocacy, technical assistance, and project development. COGs are usually voluntary and involve no transfer of authority. They became popular in the late 1960s and 1970s due to requirements for federal aid, but in the 1980s they adapted to the Reagan Administration's new federalism by becoming regional service agencies for local constituent members. COGs provide clearinghouse functions and assume some specialized regional planning roles as well. A few also act as Metropolitan Planning Organizations, mandated regional agencies that disburse federal funding for transportation projects.

Strengths: COGs provide a valuable forum for municipalities within a region to work through conflicts and reach consensus on broad issues that affect them. Issues like transportation and environmental quality are often on COG agendas. COGs can be the first step toward regionalism in a metropolitan area.

Weaknesses: COGs have little to no implementation authority. Implementation is solely dependent on the good will and cooperation of each member municipality. As a result, it is very difficult to affect change on an issue about which there is serious disagreement. Even for issues on which there is consensus, there are no guarantees that every member municipality will be able to effectively implement an agreed on policy. COGs also tend to focus on local governments as their constituents, rather than the residents of the regions themselves, which can discourage citizen participation.

Example: The Mid-America Regional Council (MARC) of Kansas City has been honored for its committee to oversees regional efforts to address new terrorist threats to the

Kansas City metropolitan area. The committee brings together local officials and state and federal partners to work together on assessing needs, outlining action plans, developing regional protocols and determining the use of federal funds.

- **Federally Encouraged Single-Purpose Regional Bodies (SPRB)**

SPRBs exist to administer a few federal-aid programs such as anti-poverty, area agencies on aging, health systems planning and criminal justice planning. Their number dropped in the mid 1980s due to regional program revisions, budget cuts, and eliminations. Job training and economic development programs also encourage the use of SPRBs, as does federal transportation funding, which requires a Metropolitan Planning Organization (MPO) to prioritize projects and disburse funding within a region.

Strengths: SPRBs are relatively easy to establish, can play a helpful and non-threatening planning role, and are supported by federal funding, which provides a carrot for participation.

Weaknesses: SPBRs are usually organized around a single-issue, and generally lack a comprehensive approach to thinking about regional concerns. They may also be structured in ways that exclude parts of a region. While SPBRs have the carrot of federal funding as an incentive to participate, they lack a stick for enforcing their vision other than the withholding of funding.

Example: The Delaware Valley Regional Planning Commission (DVRPC) is the MPO (an example of an SPRB) for the Philadelphia metropolitan region. DVRPC works to foster regional cooperation in a nine-county, two-state area. City, county and state representatives work together to address key issues, including transportation, land use, environmental protection, information sharing and economic development. DVRPC provides services to member governments and others through planning analysis, data collection, and mapping services. Aerial photographs, maps and a variety of publications are available to the public and private sector.

- **State Planning and Development Districts (SPDD)**

SPDDs were established during the late 1960s and 70s as a way to bring order to the numerous federal regional programs. Most SPDDs are similar to COGs; in fact, many COGS that operate within a single state have become SPDDs.

Strengths: SPDDs provide a regional basis for planning and programming activities of the state government, and to encourage regional coordination of planning and programming undertaken by local governments.

Weaknesses: SPDDs can be difficult to implement because special authorizing legislation is required at the state level, and the process of creating a system of statewide districts can appear threatening to counties.

- **Contracting**

Contracting with the private and nonprofit sectors to provide many public services is being used increasingly across the country, particularly as local governments struggle to

provide services with less revenue. JPAs and ISCs are good alternatives to private contracting.

Strengths: Contracting can enable more efficient use of taxpayer money because of the efficiencies of having professional specialists perform services rather than government.

Weaknesses: Some have questioned the appropriateness of contracting to provide certain kinds of public services. Issues such as confidentiality of information, and government's obligations to its citizens have been raised. Contracting without a transparent bidding process and strong conflict of interest rules can lead to sweetheart deals that benefit elected officials, and in the end cost more to taxpayers.

An additional option at this end of the spectrum has emerged since Walker's review:

- **Regional Purchasing Agreements**

Regional purchasing agreements enable local governments to work together to achieve cost savings and enhance collaboration.

Strengths: Collaborative buying groups can achieve volume discounts with their collective buying power. They can also achieve savings through shared consulting or outsourcing services. This kind of cooperation avoids the need to draw new boundaries.

Weaknesses: This approach only addresses the need for cost-savings at the local level rather than a comprehensive effort to deal with regional problems.

Example: The First Suburbs Development Council in northeast Ohio has a pilot Regional Buying Network to procure goods and services, save money, develop a sustainable channel for regional procurement, and create a revenue model to fund economic development projects.

The next six options on Walker's spectrum are more difficult to implement than the first eight but are also more stable options for engaging in cooperative service delivery.

- **Local Special Districts (LSD)**

Local special districts are a very popular option for providing single services or multiple related services to a number of jurisdictions. Within special districts, policy control, technical specialization and often fiscal responsibility for provision of services is removed from local government and vested in a board either elected or appointed from the member governments. They can be funded through special assessments of property owners within their boundaries.

Strengths: LSDs offer a very effective solution when unique services are needed in certain parts of a region. For example, business improvement districts (BIDs) have been embraced by downtowns in both large and small cities to help them compete against the centrally management environments of large shopping centers and malls. In most cases, LSDs serve to complement, rather than replace, local government services. Their boundaries usually can be drawn to encompass an area where they are most needed and exclude those who might be adversely affected.

Weaknesses: LSDs can provide local governments with a convenient way out of provided services that they are supposed to provide, in essence double-charging taxpayers. Enabling legislation is needed at the state level to create an LSD. Different requirements exist in different states, but most call for a majority or greater of those who would be impacted vote in favor of its creation.

Example: The Alliance for Downtown New York is a BID created in 1995 to enhance the quality of life in Lower Manhattan. The Alliance provides workers, residents and visitors with a clean, safe and dynamic neighborhood through streetscape design, economic development, marketing and tourism promotion, sanitation, and research. It is funded by a special assessment charge within its border. It has successfully advocated for the creation of tax incentives to promote residential and business location downtown, and provides a clean and safe public realm.

- **Transfer of Functions**

Transfer of functions is a method used to permanently change who provides specific services, where local governments release authority to a broader jurisdiction. Larger jurisdictions are more likely to use this approach than smaller ones. For example, cities may shift services to first to counties, then COGs, then special districts. Transferring government functions increased in popularity in the 1970s and 80s.

Strengths: Transferring functions allows local governments to shift services that they cannot provide efficiently or well.

Weaknesses: This can be a difficult approach to implement because not many states authorize such shifts, and in many cases voter approval is required.

- **Annexation**

Annexations have long been a popular method of expanding jurisdictions and service boundaries in the United States. They typically involve only a small area, but are an effective solution to closing the services gap. In the 19th century, large-scale annexations were common in the large industrial cities of the Northeast and Midwest. In recent years, large-scale annexations have mostly taken place in the West and Southwest, primarily because of the large amounts of unincorporated land on the periphery of the cities. The incorporation of suburban municipalities in the East has made this method virtually irrelevant there today.

Strengths: When annexation allows a central city to have authority over most of its geographic area, it becomes in essence the regional governance institution. It also allows for the orderly growth and development of formerly unincorporated areas.

Weaknesses: The nature of each state's authorizing laws limit the use of annexation, and there is also a reluctance to use the process as a long-range solution rather than an incremental one. In addition, many municipalities will choose to annex selectively, resulting in the "hole in the doughnut" problem of poorer communities becoming isolated due to annexation around them.

Example: David Rusk, a former mayor of Albuquerque, has a theory of elastic cities—cities that can keep expanding their boundaries via annexation to encompass virtually the entire built environment within their metropolitan region. This enables the central city to prevent the loss of tax base that has occurred with middle-class flight from older central cities in the Northeast. As those residents fled to the suburbs, central cities were left with more low-income residents needing more services even as they had less capacity to provide them. Unlike Northeastern cities, the City of Albuquerque comprises nearly all of its metro area.¹⁸

- **Special Districts & Authorities**

These institutions are established to address issues (such as mass transit, pollution control, hospitals, airports, water supply, etc.) on an area-wide basis, typically with a major urban area involved. They are the most popular form of regional government in metro areas.

Strengths: When they have the standing to issue bonds, special districts and authorities can become very powerful and effective regional institutions because of their ability to raise capital to finance projects and improvements. They can also generate their own revenue streams by fees for services that they provide.

Weaknesses: Relatively few large regional units have been established because they require specific state enactment, are independent and expensive, and are often as accountable to bond purchasers as they are to the residents and local governments they service.

Example: Perhaps the most famous public authority was one of the first ever created: Robert Moses's Triborough Bridge and Tunnel Authority in New York. Triborough built most of New York City's modern infrastructure, including numerous bridges and tunnels connecting Manhattan to the city's outer boroughs. Its toll collections revenue stream allowed Triborough to plan more and more ambitious projects, even as the city and state faced budget shortfalls that precluded government funding. But this example also offers a cautionary tale about what happens when regional authorities are allowed to exercise their power unchecked, and become more accountable to bond holders than residents: public opinion became irrelevant in Triborough's plans, which ultimately led to Moses's political downfall and the reforming of the authority by the State of New York.

- **Metro Multi-purpose Districts**

These districts are different from regional special district and authorities in that they involve establishing a regional authority to perform many diverse functions, not just those that are related.

Strengths: This approach offers greater control, better planning and coordination, and greater accountability.

Weaknesses: It is one of the most difficult to implement because of political and statutory challenges.

¹⁸ Rusk, David. 1995. *Cities Without Suburbs*, 2d edition. Washington, D.C.: Woodrow Wilson Center Press.

Example: From 1958 until 1993, the Municipality of Metropolitan Seattle (Metro) was an example of a metro multi-purpose district. Originally created for the purpose of establishing a regional water quality system, voters broadened its mission to include a regional bus system in 1972, which expanded its service area to include all of King County. However, a citizen suit led to a 1990 federal court ruling that Metro's governing council failed to meet the constitutional standard of "one person, one vote." (Under the agency's federated structure, some Metro Council members effectively represented many more people than others.) This triggered a long and fractious round of negotiations between Seattle, the suburbs, and County officials. In 1992, voters in Seattle and King County approved a merger.

- **Reformed Urban County**

This approach transforms a unit of local government to make it more effective.

Strengths: Many states have enacted permissive home rule statutes making it theoretically possible to create new urban counties.

Weaknesses: It is one of the most difficult to implement because elected officials are reluctant to allow their positions to be abolished through such changes. It also offers only a subregional solution to many service delivery issues.

Another option at this point of the spectrum has emerged since Walker's review:

- **Regional Asset Districts**

Regional asset districts (RADs) are special tax districts used to fund regional resources, such as arts and cultural institutions or entertainment venues like sports stadiums, and even parks and libraries. While these assets are often located in a particular municipality, they draw visitors from across (and in many cases beyond) the region. Such assets often serve economic development goals as well as help give the region its sense of identity.

Strengths: RADs help spread the costs beyond the municipality or private entity that operates a place-based asset that benefits the entire region.

Weaknesses: Some may oppose regional asset districts do to the ingrained habit of free-riding. Others may simply not believe asset benefits them. A region that takes stock of its attributes through civic engagement will have greater consensus on which of those might be appropriate for such funding mechanisms.

Example: The Allegheny Regional Asset District in Pennsylvania distributes sales tax revenue from the entire county (which includes Pittsburgh) to fund parks, libraries, sports and civic venues, and cultural arts groups throughout the region. In the last decade, Pittsburgh's regional attractions have received \$670 million in operating and capital grants. From huge arenas to the all-volunteer Edgewood Symphony Orchestra, the RAD funding has been a lifeline, and has allowed Pittsburgh arts and culture patrons to enjoy free admission to many museums, musical and dance performances, and family activities for specific periods of time.

The final three options on Walker's spectrum are the three most difficult approaches to implement. All involve the creation of a new region-wide government, a reallocation of government powers and functions, and result in a disruption of the political and institutional status quo.

- **One-tier consolidation**

One-tier consolidation, resulting in a single new government responsible for all service delivery in the area, has been used in the United States going back to 1804, but is extremely rare. There have been fewer than two dozen city-county consolidations, most endorsed by popular referenda. Most consolidations have been partial, leaving out small suburban municipalities, school districts and special districts. It has proved most suitable in non-metropolitan or smaller, single-county metropolitan areas.

Strengths: Having a single government responsible for all services.

Weaknesses: Consolidation carries a number of challenges, including necessary state authorization, resistance from elected officials, and concerns about equal representation in the new government by minorities.

- **Two-tier consolidation**

Two-tier consolidation is used by communities who want two levels of government—one to provide services at the regional level, and another to deal with local issues.

Strengths: This kind of consolidation provides flexibility to still offer some services at a more local level, based on local needs and concerns.

Weaknesses: Two-tier consolidation can still be difficult to achieve, with voter approval hardly assured.

Example: Miami-Dade is the prime U.S. example of this approach.

- **Three-tier consolidation**

This approach, while rarely used, is appropriate for multi-county metropolitan areas that want to achieve area-wide service delivery.

Strengths: Since most metro areas are comprised of many counties, this structure is highly applicable to many regions.

Weaknesses: This method is difficult both to achieve and to sustain.

Example: One example of this approach is the Metropolitan Council of the Twin Cities in Minnesota. Members are appointed by the governor, it has some independent financing, some policy-making authority over certain area-wide special districts and local planning processes, but it largely serves the same planning and coordinating roles as most participatory, intergovernmental regional organizations. The Metropolitan Services District of Portland, Oregon, in contrast, has a governing body of directly elected representatives. Metro Portland has certain limited service delivery responsibilities, but

without an assured tax base its overall planning and coordinating role is almost an advisory status.

Step V – Winning the Campaign

No initiative that requires voter approval will be successful without support from the citizens. Once a decision has been made to move forward with a change in government structure, it's time to think about the campaign. Winning the campaign is not about outspending your opponents—the key is an “honest, sincere, and simple” message. In fact, pro-consolidation forces grossly outspent their opposition in all the unsuccessful campaigns studied by Leland and Thurmaier.¹⁹

In their classic 1974 study of the consolidation process in two Florida counties, Walter Rosenbaum and Gladys Kammerer depicted the chances for merger success as being “against long odds.” That remains true today if citizens are not engaged as in the process described in the above steps. In the 13 consolidation campaigns since 1967 that they studied, Leland and Thurmaier found that a successful referendum vote was likely only when a strong campaign based on an economic development rationale was up against unorganized opposition. In contrast, consolidation campaigns based on efficiency or equity arguments were defeated at the polls even with weak opposition.

For consolidation campaigns to be successful, voters must be convinced that merger is required to restructure community governance to achieve the region's economic development vision. It is also critical that elected officials overwhelmingly support the proposal and be an integral part of the campaign. They often have the power to influence grass-roots opposition and mobilize disaffected groups. Furthermore, opposition by a leading elected official indicates that civic elites are divided. In addition, minority groups can provide the margin of victory—or defeat—for a campaign.

Citizens must be convinced first that there is a problem, secondly that the proposed solution will address the problem, and third that the solution will not cost more than the current state of affairs—or that if there is a cost, it will be offset by the improvements they will see. The substance and the professionalism of the campaign is critical for success.

While they suggest that charters governing consolidation can have a variety of structural approaches, Leland and Thurmaier found that most have the following essential features:

- Reduce the overall number of elected officials
- Maintain the status of existing local law enforcement
- Ensure public employees are not adversely impacted
- Preserve debt status so no citizens have to assume debt from another jurisdiction
- Ensure racial minorities will not lose proportional representation
- Preserve the independence of minor municipalities²⁰

Lessons from Louisville

The residents of the City of Louisville and Jefferson County, Kentucky in 2000 voted to formally consolidate local governments after 40 years of discussion and study and 3 previous failed

¹⁹ Leland and Thurmaier

²⁰ Ibid.

ballot initiatives. Some of the key organizers of the successful initiative campaign—Louisville Metro Deputy Mayor (and former Greater Louisville Inc. Vice President) William E. Summer IV, Connemara Communications President (and campaign consultant to U.S. Senator Mitch McConnell) Michael Shea, and communications consultant & merger campaign communications manager Kathleen Partlow, offer the following lessons:

- Be persistent. Big ideas can take a long time to germinate and yield fruit. It took Louisville four ballot initiatives nearly 40 years to finally succeed.
- The business community will likely be major advocates and financial supporters of the merger effort, but that does not mean they should also be the public face of the campaign. That was a source of failure for Louisville in 1982 and 1983, when business leaders were not held in popular esteem. The campaign needs to represent the entire community, not just those who are most interested in economic development and not just those who are funding its efforts.
- Bipartisanship is extremely important. Both parties needed to come together in support of merger. The Louisville campaign received the support of every living current or former elected executive of the city and Jefferson County, and many other current and former elected officials. Bipartisan support demonstrated that the “unity” campaign theme was a reality, not just lip service. It also allowed Democratic and Republican consultants to work together, a unique collaboration that had outstanding results.
- Lots of research needs to be conducted at the beginning of the campaign. Upfront polling and focus groups in Louisville revealed that 70% of the public supported the merger in abstract, but the details turned them off. Once this was understood, it changed the entire campaign strategy.
- Language can make the difference. In Louisville, the initiative that won was much simpler than the three previous failed efforts. Too many details tend to worry voters, because they create areas for specific grievances. In essence the Louisville campaign was about assuaging people’s fears about the impact of merger rather than selling them on the idea. The campaign had to reassure voters about the little things not changing. For example, the number one concern among senior voters was whether their trash collection day would change.
- It is extremely important to monitor changes in voter attitudes throughout the campaign. Tracking polls over time will show erosion or support and why, so you can address specific concerns among specific groups.
- Timing can also determine success at the polls. Louisville purposefully chose to hold its initiative during a presidential election year. This is because presidential elections skew the youngest. Turnout for off-year elections have much higher median age, and older voters tend to be more resistant to change.
- Strategically target voters. The Louisville campaign made a strategic decision to go after the “somewhats”: those somewhat in favor or somewhat opposed to the idea of merger. They ignored those who were “strongly opposed,” since they would be the most difficult—if not impossible—to convert.
- Outreach needs to be tailored for each specific community. You need to use speakers that resonate in each neighborhood, where residents either respect or identify with the campaign representative. Equally important is the need to use language that resonates in each community. For example, in some places, the phrase “economic development” is recognized as a policy priority, but in others, the word “jobs” is more closely understood.

- Quantitative arguments do not appeal, emotional ones do. One of the problems facing the Louisville region is the loss of young adults who move on after earning their degrees. Rather than making an argument about the retention rate for young professionals, the Louisville campaign decried how “Our babies are leaving,” to make the issue understood to a key demographic with shaky support for the merger: females of child-bearing age.

Step VI – Implementation

The road to regional governance really begins with conversations: discussions among neighboring local governments and among their citizens and other stakeholders. Communities in Michigan who have engaged in regional cooperation in June 2005 offered the following advice about how to get started:²¹

Build on existing relationships

While there was often a crisis or incident of some sort that may have initiated the conversations, many regional contacts became more formal after years of prior informal discussions about regional issues and shared problems. Remember, you only need two communities to get started. You can always build from there.

Start small

After putting a number of potential collaborative projects on the table, narrow them down to the most immediately achievable. It is wise to start with the idea of sharing services rather than immediately with consolidation. Sharing services may at least accomplish cost-saving benefits. Infrastructure collaboratives are likely to show much greater financial benefits than human services. Most communities said it took them between nine months and two years to form a collaborative group that productively addressed regional issues.

Be as inclusive as possible

Most communities have used a broad coalition, including but not limited to area chambers of commerce, large employers, local media, nonprofits, the foundation community, public safety representatives, the faith community, local school and colleges, representatives of ethnic groups, community and constituency groups. These can often provide instant validation for your efforts. In many areas, the business community has been the driving force. Businesses are regional no matter where their physical location, so their interests are directly served by collaborative efforts. But in a number of areas, nonpolitical entities have taken the first step. Leadership reflecting business, civic groups and government is best. Work to keep everything nonpartisan. If race is an issue in your area, confront it immediately and head on. If your initial organizing group is truly broad enough, your minority communities will be represented.

Formalize relationships

While a legal entity may not be necessary for initial explorations, but almost all the Michigan communities formed some kind of inter-local contract. The institutionalization this provides can be helpful to provide validity. These groups also have the benefit of removing daily politics from the program, not threatening individual “turf” and preventing numbers of ad hoc collaboratives from forming. Remember that you have to cede power to get power. But many

²¹ www.michigan.gov, “A Brief Primer on Regional Collaboration,” July 2005.

local governments want to be assured at the very beginning that annexation, dissolution or any other kind of land or tax grab is off the table. Having third-party facilitators might be very helpful, especially in the beginning.

Keep reaching out to the public

Hold special public meetings, invite people to attend visioning sessions, use community email lists and newsletters, and use a good evaluation process to gauge citizen participation. Have an invitational relationship with the media and enlist them as partners in this process.

Look for funding sources

There may be some foundation dollars to help you get started. This is especially true if you have generated your own start-up funds first. Create strong financial data to indicate potential financial payoffs. Determine who or what the fiduciary is for your collaborative.

The transition to regional governance

If your region has reached the state of formal consolidation and the ballot initiative wins at the polls, next comes the challenging task of implementing the approved changes to the region's governing structure and establishing the new regional political entity. This transitional period can take a long time, since it may be a complicated process. In the case of Louisville, it took 21 months after voter approval for Louisville Metro to come into existence.

It will be very important to have agreements in place with all the affected municipalities and governments for the process during the transition period. It is also critical to communicate with the public about all the changes and the timeline, and how it will impact their daily lives.

Moving forward, it will be important for the new government to assess the results of the consolidation—the cost savings, services, effectiveness, etc—to demonstrate the value of the merger to the public.

Lessons from Louisville

The effort to formally consolidate the City of Louisville and Jefferson County, Kentucky took place after the ballot initiative was passed, with much of the implementation occurring between the mayoral election of November 2002 and January 2002. However, critical research was conducted after the 2000 ballot initiative passed to provide a framework for these changes. Greater Louisville Project Director Carolyn Gatz, Louisville Metro Deputy Mayor Larry Hayes, Management Partners Inc. President Jerry Newfarmer Public Financial Management senior management consultant Kevin Thompson share these experiences from Louisville's exercise in reinventing government.

- The role of private philanthropies was critical in the planning process. They raised \$1.6 million to pay for consultants who provided studies and analyses, and made recommendations based on best practices they collected from all over the country.
- Merger created an opportunity to take critical look at government and make these changes. In theory, this could have occurred without the merger, but there was no impetus for change or for outside financing. Perhaps other governments could make these kinds of changes without the merger as context if they were sufficiently convinced of the need and the public benefits.

- All regions should focus on implementing “best practices” as their new standard for government performance.
- It was critical to create a system for evaluating individual, department and agency performance. The merger again created the impetus to measure these.
- Merger also created an opportunity to improve relationships with labor, banks, and debt rating agencies. Meeting as a new government entity with these institutions resulted in cost savings and higher ratings based on the new practices being implemented.
- It takes time to deal with old union contracts that are still in force. In the interim you may be stuck dealing with the old provisions, but that will change in the future. There is a critical need to retrain workers whose skill sets are no longer relevant but can't be laid off.