

MEMORANDUM

TO: Common Council Organizational Committee
Michael P. May, City Attorney
FROM: Heather Allen, Legislative Analyst
DATE: December 2, 2014
RE: Report from National League of Cities

**National League of Cities
Congress of Cities and Exposition**

The National League of Cities (NLC) Congress of Cities and Exposition took place in Austin, Texas November 19 through 22, 2014. Over 3,000 people attended including Alders Matt Phair and Larry Palm, Mayor Paul Soglin and me. The conference events focused on five issue areas: climate change, data and innovation, economic development, innovative financing and youth and families. This memo provides summaries of selected workshops and information obtained at the conference. Complete notes from the workshops are also available upon request. Presenter materials and other resources are available on-line for the [University Seminars](#), the [Conference Workshops](#), and the [Mobile Workshops](#). The first section of this memo offers suggestions to capitalize on NLC opportunities.

Opportunities and Next Steps

- **Send Youth Delegates to NLC to Build Opportunities and Grow Tomorrow's Leaders**
Youth delegates from across the country attend NLC to learn about municipal governance. The [youth delegates have a conference track](#) with workshops and events tailored for students, they also have opportunities to meet elected officials and participate in seminars and mobile events. City of Madison interns may build their knowledge and enthusiasm about city leadership by becoming a youth delegate.

- **Explore Options for Tailored Data Resources from the NYU Gov Lab**
In 2012 NYU established the Gov Lab, a research institute dedicated to innovative solutions to data management and usage issues for local governments. Funded by the MacArthur and The Knight Foundation, the Gov Lab can provide tailored no-cost services to address a variety of data challenges. As Madison develops metrics to improve equity, establishes performance based budgeting, evaluates major developments with data, hires a data project coordinator and considers joining the Global City Indicators Facility, we could benefit from free customized support from the local government data experts at [the NYU Gov Lab](#).

- **Join Policy Committees**
The NLC has a series of seven [policy committees](#) and councils for various issues including community and economic development, transportation and infrastructure services, as well as the energy, environment and natural resources committee. Participation in one of these committees may help elected officials and staff identify emerging solutions more quickly. For example, the Madison Common Council could tap into the knowledge and resources from the staff and officials on the NLC energy, environment and natural resources (EENR) committee. The EENR steering committee [develops policy positions related to federal environmental regulation](#) and provided input to the President's State, Local and Tribal

Leaders Task Force on Climate Preparedness and Resilience. The [new report](#) provides recommendations for how the Federal government can partner with communities facing climate impacts.

Selected Workshop Summaries

Developing Successful Public-Private Partnerships

Mary S. Nabers moderated a session on public private partnerships (PPPs). PPPs are a contractual agreement between a public agency and a private sector entity customized to a particular project. PPPs take many forms, primarily large infrastructure projects related to transportation, water, schools, hospitals, or the energy sector. In general the private sector assumes the majority of the risk and assembles a financing package for the public sector partner. In most cases the public sector retains ownership of the infrastructure asset. The expected return on investment for the private sector partner ranges between 9-11% depending on the type of PPP.

PPPs are categorized by revenue sources. An Availability Project is a project in which the government organization works with one private partner which is responsible for designing, building, financing and operating and maintaining the project. In a Revenue Risk Project the private partner additionally takes on the financial risk of the project operations. For example in the case of a toll road project the private partner would keep the revenue generated by tolls. A public entity may choose an Availability Project over a Revenue Risk Project because they may want to achieve social goals rather than allowing the company to maximize profit. The I 595 Corridor Improvement Project, an expressway connecting Fort Lauderdale, FL and nearby interstates is an example of an Availability Project. The project covers 10.5 miles of road at a cost of \$10B. In this case, Florida maintained revenue risk of the project (which meant they kept the tolls) in part because they wanted to realize other social benefits (limit speed and increase usage).

Economic Development, Innovation, & Community Marketing

Anatalio Ubalde, CEO and Co-Founder of GIS Planning, Zoom Prospector, and Size Up presented a session [reframing economic development](#). His research and experience demonstrate that traditional efforts to promote cities and recruit employers (tax incentives, brochures, conferences, direct marketing) are obsolete. He has found that an interactive current and timely website ([ex: the Pittsburg Prospector](#)) with data and information about the demographics, labor force, income levels, existing businesses, zoning, available properties and land use are the most compelling tools to recruit businesses.

According to Ubalde efforts like rebranding, or writing a slogan are wasteful at best, but oftentimes counter productive because of the reduced searchability after a rebrand process. "You can't win as a brand marketer you can only win as a data marketer." He recommends that cities respond to the new style of decision making. Most people including business leaders make decisions by searching on the web and analyzing the options themselves.

Climate Resilience & the Future of Municipal Risk Management

Presenters from Standard and Poor's, Swiss RE and [Resilient Communities of America Campaign](#) emphasized the need for new thinking and new approaches to prepare for and respond to climate related storms, droughts, floods and other weather events.

[Swiss RE is implementing a climate change strategy.](#) The company is pricing climate risk, modeling the impact of climate change, building an understanding of financial and infrastructure exposure for nations, regions and cities. Swiss RE is also limiting its own impacts it has become climate neutral. Swiss RE developed a method to assess the total local climate risk and analyze all possible adaptation measures and determine the best economic investments.

Swiss RE studied 18 regions with diverse climate hazards. In the Gulf Coast they studied 77 counties and identified the \$2 trillion of infrastructure exposed to hurricane risk along the coast. Currently, the Gulf Coast loses \$14.2B every year on an annualized basis as a result of climate impacts. By 2050 they anticipate that up to \$40B a year (using the highest risk model) in climate losses. In the Gulf Coast, 7.6% of every \$1 is lost to rebuilding as a result of hurricanes each year. Overall, the cost of major events and the frequency of events is increasing. However, the good news is that Swiss RE has found that more than 33% of loss can be averted by cost-effective adaptation measures.

Frequently climate change is thought of a separate item from traditional budget elements. Now cities need to integrate climate issues fully into budgeting. Cities should fund climate resilient transportation systems, resilient housing and infrastructure. Cities need to strive to add redundancy. [In fact, Standard and Poor's has found that climate change vulnerability influences national credit worthiness.](#)

In the future cities should utilize climate, weather, and population predictions for decision making rather than relying on historical data. By using probabilistic modeling, officials can think further ahead and consider all possible scenarios. The first step in the analysis should be a basic review of the resources are on hand, how are they being deployed and whether they being deployed efficiently.

Overall, climate preparedness, adaptation and resilience is a complicated patchwork across the country. WI is a leader in analyzing and modeling local climate impacts. The [Wisconsin Initiative on Climate Change Impacts](#), based at the University of Wisconsin, Madison is a nationally recognized model that can be used by cities and regions to reduce their vulnerability to climate impacts.

Other Links and Information

[Austin's Urban Village:](#) The former Mueller airport, an 800 acre property in the heart of East Austin, now serves as a living laboratory for sustainability. When complete 13,000 people will live and work in the urban village enjoying complete streets, dense communities, affordable housing and economic development. The urban village required innovative financing and a completely new approach to zoning (narrow streets, miniscule setbacks and visitability requirements). Nearly half complete, the Village serves as a model for Austin planners and developers.

[Denver's Peak Academy:](#) A new performance improvement model that makes employees the drivers of change.

A November 2014 report from the Pew Charitable Trusts [Recovering from Volatile Times: The ongoing financial struggles of America's big cities](#) finds cities still struggling with revenue, continuing to cut spending and limit investment, and with reserves below prerecession levels.